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A Symposium edited by

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Studies in the Economy of the Maritime Provinces

BY S. A. SAUNDERS

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STUDIES IN THE ECONOMY
OF
THE MARITIME PROVINCES

By
S. A. SAUNDERS

With a Preface by
H. A. INNIS



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PREFACE

THIS volume is the result of work conducted over a long period in the face of great handicaps and reflects a persistence to which I am proud to pay tribute. For more than a decade Dr. Saunders has been engaged in the library and in the field in the pursuit of knowledge pertaining to the economic welfare of the Maritime Provinces. The energetic Department of Public Administration at Dalhousie University has appropriately recognized his work by publishing and republishing studies appearing in this volume. It will serve, with his other publications, as a storehouse of information, as a guide to other students, and as an inspiration to those more happily situated. To an observer of cultural life in the Maritimes, especially in Nova Scotia, since the war, a volume which indicates a passionate and sustained interest in their activities, such as this, reinforces a general impression of a significant renaissance. The revival of studies of a notable past, the immediate concern with the solution of economic problems, and the impressive stirrings in a wide variety of aspects of culture, point to a recapture of the position of leadership which characterized the days of sail. It is pleasant to see such tangible evidences as this book.

H. A. INNIS.

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AUTHOR'S PREFACE

THIS volume is the outgrowth of work begun at the University of Toronto in the academic year 1929-1930 with the aid of the Maurice Cody Research Fellowship. The first results were published as *The Economic Welfare of the Maritime Provinces* (Acadia University, 1932). In preparing the studies that comprise the present volume, I have been assisted by grants from the Carnegie Endowment for International Peace, and the Institute of Pacific Relations through the Canadian Institute of International Affairs.

While at the University of Toronto, my efforts were directed by Professor H. A. Innis, upon whom I have continued to call for advice concerning, and criticism of, every new undertaking. No words of mine can adequately express my debt, but, to those acquainted with him or with his writings, his influence will be very apparent in the pages that follow.

A brief expression of appreciation is always difficult, but I find it especially difficult with respect to my secretary, Miss Eleanor Back, whose contribution to my work has steadily grown throughout more than eight years to such an extent as to make her virtually a joint author.

I wish to take this opportunity to thank Mr. T. H. Estabrooks for his friendly assistance, which,

coming as it did at a critical period in my studies, made it possible for me to continue with my academic work.

Finally, friends at Dalhousie University, my *Alma Mater*, through the Department of Public Administration, have made possible the publication of this volume.

S. A. S.

143 Spadina Road,
Toronto, Ontario,
March, 1939.

THE MARITIME PROVINCES
THE GEOGRAPHICAL AND
PHYSIOGRAPHICAL BACKGROUND

THE MARITIME PROVINCES, THE GEOGRAPHICAL AND PHYSIOGRAPHICAL BACKGROUND

FOR a few years after the territory now known as the *Maritime Provinces* came under British rule, it was governed as the single colony of *Nova Scotia*. In 1769, Prince Edward Island was made a separate colony, and, in 1784, Nova Scotia was further dismembered by the formation of New Brunswick and Cape Breton, although, in 1820, Cape Breton was reunited to Nova Scotia. In 1867, Nova Scotia and New Brunswick joined with the United Province of Canada to bring about Confederation, and, in 1873, Prince Edward Island also became a part of the Dominion of Canada.

Location and Area.

Nearer to Europe than any other part of the mainland of North America, except Labrador, the Maritime Provinces lie between $59^{\circ} 40'$ and $69^{\circ} 3'$ W. longitude and $43^{\circ} 20'$ and $48^{\circ} 04'$ N. latitude.¹

Nova Scotia forms a long, narrow peninsula at the eastern extremity of the Dominion. It runs in a south-westward and north-eastward direction, and is joined to the mainland by the Isthmus of Chignecto. From south-west to north-east the

¹These details were supplied by Mr. Noel J. Ogilvie, Director, Geodetic Survey of Canada.

province measures three hundred and seventy-four miles, and varies in breadth from sixty to one hundred miles. The Strait of Canso divides it into two parts: the peninsula proper, two hundred and sixty-eight miles in length; and the Island of Cape Breton, one hundred and six miles in length. The west and south coasts, as well as part of the east coast, border upon the North Atlantic. To the north-east, lie the waters of the Gulf of St. Lawrence and Northumberland Strait, and, to the north-west, the waters of the Bay of Fundy.

New Brunswick lies farther north and west than either Nova Scotia or Prince Edward Island. In shape, it is nearly rectangular, having a length of two hundred and thirty miles, with a maximum breadth of one hundred and ninety miles. Its western side forms part of the international boundary line; on the north, it is bounded by the Province of Quebec and the Bay of Chaleur; on the east, by the waters of the Gulf of St. Lawrence and Northumberland Strait; and, on the south, by the waters of the Bay of Fundy and the Province of Nova Scotia.

Prince Edward Island, about one hundred and twenty miles long and twenty miles broad, lies, crescent-shaped, in the Gulf of St. Lawrence, separated from Nova Scotia and New Brunswick by Northumberland Strait.

These three provinces have an area of 51,237 square miles, made up as follows:²

²*The Canada Year Book* (Ottawa: 1936), p. 7.

PROVINCE	TOTAL AREA	WATER AREA	LAND AREA
	(IN SQUARE MILES)		
Nova Scotia	21,068	325	20,743
New Brunswick	27,985	512	27,473
Prince Edward Island	2,184	...	2,184
Total—Three Maritime Provinces . . .	51,237	837	50,400

In terms of square miles, they constitute only 1.44 per cent. of Canada, but the interest that any region holds for the student of economics is rarely proportional to area.

Geological History.

Geologically speaking, the history of the Maritime Provinces goes back to the earliest times, for much of Cape Breton and some of New Brunswick is underlain with Precambrian rock, possibly an extension of the *Canadian Shield*. Since Precambrian days, their surface has been raised and lowered many times; crumpled into mountain ranges, which were washed away during years of weathering; and, in more recent times, thoroughly scoured by a sheet of ice, which seems to have covered the entire region and to have extended into the sea, as does the glacier that now covers Antarctica.

In the early days of the Palaeozoic era, extending back, perhaps, into late Precambrian times (according to the position given to the Gold-bearing measures of Nova Scotia), there was a settling of this part of the earth's surface, which accounts for the sedimentary deposits to as late as the Devonian period. In the latter part of the Devonian period,

orogenic forces vaulted the sedimentaries into lofty mountains and forced up under the folds molten rock, which has solidified into the igneous intrusives of Nova Scotia and central New Brunswick. Throughout the remainder of the Palaeozoic era, the sea played an important role by flooding the troughs between these mountain ranges and making possible the Carboniferous and Permian deposits from which have come most of the fertile lands and in which has been stored much of the mineral wealth of this region. Closing the Palaeozoic era, came the Appalachian Revolution, which profoundly affected the whole Acadian region, and from that time on the sea ceased to have any direct part in forming the land surfaces of these provinces, except for the narrow strip of Triassic deposits extending through, and appearing at, various places east of the Annapolis Valley.

Diastrophism seems to have held sway throughout most of the Mesozoic era, and at the beginning of the Cretaceous period lofty mountains occupied the entire region. By the beginning of the Tertiary period, sub-aerial denudation had reduced these mountains to a peneplain, after which there was another rise of the land surface, greater inland than at the coast, and deep river valleys were formed on the less resistant rocks. A third uplift occurred, after which the land was again carved by rivers. When these river systems had been well established, the land sank, drowning the river valleys and submerging the extensive coastal plain, the cuervas of

which now constitute the fishing banks from the Gulf of Maine to Newfoundland.

The continental ice-sheet of Pleistocene times left many traces of its handiwork on the landscape of the Maritime Provinces. It projected beyond the land into the sea, carrying with it much of the loose top soil of many areas, and in its retreat left scattered indiscriminately materials of all sizes. These glacial deposits often blocked the courses of rivers and streams, damming back their waters into lakes and swamps. As the waters found new outlets, numerous cataracts and waterfalls were formed, which gave to an otherwise mature topography the appearance of extreme youth. The deeply striated bed-rock and the boulder-clad hillside are evidences of glaciation that even the casual observer cannot overlook. Less obvious to the untrained eye are the well-mixed and finely-ground deposits that give rise to many fertile areas in both New Brunswick and Nova Scotia.³

Following the recession of the ice-sheet, there was an upward movement of the land, unaccompanied by warping, but which still left the surface lower than at the beginning of the Pleistocene. Although epeirogenic forces seem not to be active at the present time, a slight and very recent subsidence has made it possible for the powerful tides to build the famous marshlands of the Bay of

³W. F. Ganong, "A Monograph of the Origins of Settlement in New Brunswick", pp. 13-15.

M. Cumming, "Geological Formations and the Soils of Nova Scotia", in *Soils, Soil Cultivation, and Crops of Nova Scotia* (Halifax, The King's Printer, 1916), pp. 6 ff.

Fundy area, covering some 75,000 acres in Nova Scotia and New Brunswick.⁴

Topography.

It is evident that there are no lofty mountain peaks or ranges in this region, but, owing to differential hardness in rock structure, the elevations vary considerably. Traces of the Cretaceous peneplain may be observed in examining the elevations from northern New Brunswick southwards, for a relatively uniform descent is registered from the Central Highlands of New Brunswick to the Southern Highlands of Nova Scotia.

The northern part of New Brunswick is occupied by a low plateau, carved out of Silurian sedimentaries, and bordered on the east by the Central Highlands, which reach an elevation of two thousand, five hundred feet. A belt of rugged country, which includes the Central Highlands, stretches diagonally from north-east to south-west across the entire province. In the south-west, near the Maine boundary, this belt of rugged country turns towards the Bay of Fundy, where it joins with the Southern Highlands, extending along the north shore of the Bay nearly to the Gulf of St. Lawrence. Between the Central Highlands and the Southern Highlands is a low-lying, triangular strip of country, covering some ten thousand square miles and occupying the south-central and eastern part of the province. From New Brunswick, this plain projects

⁴J. W. Goldthwait, *Physiography of Nova Scotia* (Ottawa: Geological Survey, Department of Mines, 1924, Memoir 140), p. 134.

into Nova Scotia to form the Cumberland-Pictou lowland, and dips beneath Northumberland Strait to reappear as Prince Edward Island.

Nova Scotia has at least five groups of highlands, and as many lowlands. The Cobequid Mountains, a continuation of the Southern Highlands of New Brunswick, but of lower altitude, stretch in an eastward direction through the county of Cumberland from the head of the Bay of Fundy nearly to Northumberland Strait. On the south shore of the Bay of Fundy is the trap rock of North Mountain, a narrow ridge extending from Minas Basin westwards to Brier Island, with an average elevation from Cape Blomidon to Digby Gut of about five hundred and fifty feet. In the north-eastern part of the peninsula are to be found the highlands that occupy most of Pictou and a small area in Antigonish county. The Southern Upland, constituting over three-quarters of the province (exclusive of Cape Breton Island), extends throughout its entire length and reaches inland from the Atlantic Ocean increasing distances from east to west until it finally spreads across the full width of the peninsula. The plateau nowhere exceeds one thousand feet, and 90 per cent. of it is less than six hundred feet above sea level. Nearly one-half of Cape Breton is occupied by highlands, and rugged country predominates in most of the north-east and south-east. In the north-eastern part of Inverness and Victoria counties there is an extensive plateau, which reaches an average altitude of about twelve

hundred feet. This is the loftiest elevation in the province, and one peak, about twenty-two miles south of the north end of the Island, rises to one thousand, seven hundred and forty-seven feet above sea level. In the central and western section, the highlands are broken by stretches of low-lying, rolling country.

To these various and broken lowlands of Cape Breton must be added four more on the mainland, and from west to east, they are:

1. The Annapolis-Cornwallis Valley, lying between North Mountain and the northern escarpment of the Southern Highlands, locally known as *South Mountain*.

2. The Hants-Colchester lowland, extending from Minas Basin to the Cobequid Mountains.

3. The Cumberland-Pictou lowland, an extension of the central lowland of New Brunswick.

4. The Antigonish-Guysborough lowland, occupying most of Antigonish county and the northern part of Guysborough.

The highlands are composed chiefly of igneous rocks and metamorphosed sedimentaries, which have resisted weathering much better than the softer Triassic, Carboniferous, and Permian deposits out of which the lowlands have been formed.

*Climate.*⁵

The prevailing winds that sweep over the Maritime Provinces come from the west and north-west

⁵Sir Frederick Stupart, "The Factors which control Canadian Weather", in *The Canada Year Book*, 1925, pp. 36 ff; and "The Climate of Canada", in *The Canada Year Book*, 1929, pp. 51 ff.

"Meteorological Tables", in *The Canada Year Book*, 1931, pp. 47 ff.

and bring with them continental influences, giving to this part of Canada a colder and more variable climate than its latitude alone would suggest. Oceanic influences, however, modify considerably the continental features. About two hundred miles off the coast of Nova Scotia the Gulf Stream turns eastwards. Between the Gulf Stream and the shore lies a body of comparatively cold water, fed by the Labrador current, which finds its way into this region round the eastern end of Newfoundland. The mean temperature for the year varies from a low of 34° (Fahrenheit) at Plaster Rock, New Brunswick, to a high of 44° at Yarmouth, Halifax, and elsewhere in Nova Scotia. There is, as would be expected, less variation at the coast than inland. In Nova Scotia, the coldest month at most points is February, for which the mean temperature at Yarmouth is 25° ; at Halifax, 23° ; at Kentville, 19° ; and at Stillwater, 16° . In New Brunswick, January is the coldest month, and the range is much greater, varying from 23° at Grand Manan to 19° at Saint John, and to as low as 4° at Plaster Rock, in the northern part of the province. Prince Edward Island, like Nova Scotia, experiences its coldest weather in February, with an average mean for the province of 16° .

The drying influence of the westerlies is offset by convectional currents and cyclonic movements, which provide an abundance of moisture for crops generally grown in the temperate zone. The range of precipitation is from 56.74 inches to 33.54 inches.

Points on the seacoast get the largest share, the quantity decreasing to the north and inland. Although the amount of precipitation varies from year to year and from place to place, there are no drought areas, and, except in parts of northern New Brunswick, the growing season is not so short as to interfere with agriculture.

The Drainage Systems.

The watersheds of Nova Scotia run generally in an eastward and westward direction; therefore, the rivers flowing down the slopes have but a short distance to go before reaching the sea or the basins into which they empty. The Liverpool River has the credit of being the longest in the province, but its extent is only about fifty miles, which emphasizes the smallness of all the rivers in Nova Scotia. The more important rivers along the Atlantic coast are the Liverpool, already mentioned, the La Have, Musquodoboit, and St. Mary's. In the north-western part of the province, the Annapolis River, flowing westwards into Annapolis Basin, is an exception to the general rule that the streams flow north or south. A number of small streams empty into Minas Basin; and the Shubenacadie, one of the larger rivers, flows north through Hants county to empty into Cobequid Bay. The southern slopes of the Cobequid range are carved by numerous small streams, but the northern slopes give rise to larger ones, such as the River Philip, which find their way to Northumberland Strait. The West, Middle, and East Rivers empty into Pictou Harbour. In Cape

Breton Island, with its many ranges of hills, and the Bras d'Or Lakes practically dividing the island into two, rivers are very short, but the Inhabitants and Mira Rivers may be mentioned, as well as the Margaree, famous for its splendid salmon fishing. Many of the streams have their courses interrupted by cataracts and waterfalls, and few, if any, are navigable above their estuarine portions. Of the lakes, the Bras d'Or, which are in reality an inland arm of the sea, are by far the most important and cover an area of three hundred and sixty square miles. The rest of the province is dotted with numerous small lakes, of which may be mentioned Lake Rossignol in Queens county, Ship Harbour Lake in Halifax county, and Lake Ainslee in Inverness county.

In contrast to Nova Scotia, New Brunswick is drained by large rivers that extend far back into the interior. The Saint John River, flowing over four hundred and fifty miles through the western part of the province, and debouching into Saint John Harbour on the Bay of Fundy, drains more than one-half of the province. It is navigable for large steamers as far as Fredericton, eighty-eight miles from its mouth, and for smaller steamers as far as Woodstock, about one hundred and fifty miles from its mouth. The Passamaquoddy area is drained by a number of smaller rivers, one of which, the St. Croix, forms part of the international boundary line. The Fundy slope of the Southern Highlands from Passamaquoddy Bay to Chignecto Bay is drained by many small and unimportant streams and rivers. The Petitcodiac River empties

into Chignecto Bay. It is navigable at high tide for some distance from its mouth, and is famous for its tidal bore. To the north-east, the Bay of Chaleur extends inland a distance of about ninety miles. Emptying into the end of this Bay is the Restigouche River, which forms part of the boundary between New Brunswick and Quebec, and which is fed from tributaries in both provinces. Farther south, on the Gulf of St. Lawrence, is Miramichi Bay, into which empties the Miramichi River, second in importance only to the Saint John River. There are other rivers of fair size on the Gulf shore, but none that rival the Miramichi and the Restigouche. The largest and best known lake is the Grand, which has an area of seventy-four square miles, and drains through the Washademoak Lakes into the Kennebecasis River, a tributary of the Saint John.

The rivers of Prince Edward Island are small, because the area is small; and most are affected by the tide almost to their source, because of the low elevation, which in no place exceeds five hundred feet. The Island is nearly trisected by the waters of Badeque and Malpeque Bays in the west and the Hillsborough River and Tracadie Bay in the east.

Tides and Currents.

The one section of the Maritime Provinces to which tides are of exceptional importance is that bordering upon the Bay of Fundy. At the upper end of the Bay there is a difference of over fifty feet between high and low tide, and this unusual rise and

fall is responsible for the Reversible Falls of the Saint John River, the tidal bore of the Petitcodiac River, and the building of the fertile marshlands of both Nova Scotia and New Brunswick. Although it interferes to some extent with shipping by setting up strong and irregular currents, it does make possible the navigation of many rivers that otherwise would be inaccessible to ocean-going vessels. From the head of the Bay round to the Pubnicos on the south-west coast of Nova Scotia, tidal movements are related to Saint John, where the average rise and fall is about twenty-five feet. From the Pubnicos eastwards to Sydney Harbour, along the Atlantic coast of Nova Scotia, the tidal differences decrease from about twelve feet at the former place to about five feet at the latter. In the Gulf of St. Lawrence there are considerable variations according as the place in question faces directly upon the Gulf, or upon the deeper bays or Northumberland Strait. At Pictou, the rise is about five feet; at Charlottetown, about nine feet; and at Dalhousie, about eight feet. The following table shows the spring and neap tides at a few selected points:

TABLE NO. 1⁶

	SPRINGS FEET		NEAPS FEET
Burntcoat.....	47	to 52	46
Saint John.....	24½	" 27¾	22¾
Yarmouth.....	13¼	" 15	12¼
Pubnico, Lower East.....	11	" 13	10
Halifax Harbour.....	6½		5¼
Sydney.....	5		4
Pictou.....	5½		4½
Charlottetown.....	9½		8
Chatham.....	5¾		4
Bathurst.....	7		4¾

⁶*Tide Tables for the Atlantic Coast of Canada* (Ottawa: The King's Printer, 1933), pp. 12-15, and 71.

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THE EARLY ECONOMIC HISTORY OF
THE MARITIME PROVINCES
COVERING THE PERIOD ENDING 1783

THE EARLY ECONOMIC HISTORY OF
THE MARITIME PROVINCES*
COVERING THE PERIOD ENDING 1783

PRIOR to 1783, the economic development of that part of North America now known as *The Maritime Provinces of Canada* was affected only slightly by internal forces, but very greatly by numerous powerful and diverse external forces. Because some appreciation of these external forces is necessary to an understanding of the later economic history of the Maritime Provinces, an attempt will be made in the course of the next few pages to trace them in rough outline, but to do full justice to the subject would require an account of the rise and fall of Spain; of the three-cornered struggle between France, Holland, and England; of the development of the Caribbean region and the North Atlantic fishery; of the founding and growth of English and French colonies in North America; and of the expansion of world commerce, which was closely allied to capital accumulation in Europe.

*Since this study was completed, several important works on the subject have appeared, of which three must be mentioned:

Lounsbury, Ralph Greenlee, *The British Fishery at Newfoundland, 1634-1763* (New Haven: Yale University Press, 1934).

Judah, Charles Burnet, Jr., *The North American Fisheries and British Policy to 1713* (Illinois Studies in the Social Sciences, Vol. XVIII, Nos. 3-4, 1933).

Brebner, John Bartlet, *The Neutral Yankees of Nova Scotia* (New York: Columbia University Press, 1937).

Comparative Changes in the Economic Power of European Countries.

The discoveries of Columbus in 1492 and of Cabot in 1497 opened the two channels through which the chief economic forces that moulded the development of North America for many years were to pass. These two discoveries, together with the opening of the all-water route to India by Vasco de Gama in 1498, led to a shifting of world commerce to trade routes on the Atlantic, and, consequently, to a decline in the importance of the Mediterranean. Mediterranean countries, and countries in the interior, such as Germany, languished; while those bordering upon the Atlantic, principally Spain, Portugal, Holland, and England, flourished.

By the Treaty of Tordesillas, 1494, Spain and Portugal endeavoured to effect a monopoly of the newly-discovered lands. Gold and silver from the West Indies, and, after 1550, silver from Mexico and Peru, poured into Europe in such quantities as to effect an unprecedented rise in prices, with far-reaching consequences:¹ first, for Spain and Portugal, and, later, for the entire continent. The flow of precious metals to Europe was undoubtedly the most potent single factor in leading to the decline of industries in the Iberian Peninsula, and in accelerating the rise of those of England, France, and

¹Clive Day, *A History of Commerce* (1922), pp. 135-6.

See also Earl J. Hamilton, *American Treasure and the Price Revolution in Spain, 1501-1650* (Cambridge, Mass.: Harvard University Press, 1934).

Holland.² In the northern region, in the vicinity of Newfoundland, wealth was discovered in the rich cod-fishery, which was to prove more valuable to France and England than gold and silver to Spain and Portugal.

With the opening of the sixteenth century, England stood on the threshold of an era of great expansion in trade with Northern Europe and the Mediterranean countries, and, later, with Africa.³ Spanish treasure ships became a staple with Elizabethan sailors,⁴ and another source of profit to English traders was discovered in 1562, when Hawkins entered the African slave trade.⁵ Holland, with its expanding commerce, was becoming a formidable rival of Spain, but it was left to England, when Holland was seriously crippled through wars, and when France was out of the running after the destruction of Strozzi's fleet in 1582,⁶ to break the power of the Emperor in 1588. From that time forward, Spain rapidly declined; and England and Holland came to the fore as the most important naval and trading nations of Europe.

By the opening of the seventeenth century, Spain was no longer able to enforce her claim to exclusive possession of the New World.⁷ England, France,

²Clive Day, *op. cit.*, p. 177.

³E. Lipson, *The Economic History of England*, Vol. II, Chapter 2, *passim*.

⁴*The Cambridge History of the British Empire* (1929), Vol. I, Chapter 4, *passim*.

⁵*Ibid.*, pp. 47-48.

⁶*Ibid.*, p. 63.

⁷Portugal was annexed to Spain for sixty years until she regained her independence, with the assistance of the English, in 1640.

and Holland, each secured a footing in the West Indies and on the mainland of North America,⁸ and the English were establishing themselves also in Newfoundland, on the Avalon Peninsula.⁹ England rose rapidly to contest the power of her two chief rivals: she joined issue with Holland for the position of foremost carrying nation of the world,¹⁰ and with France for supremacy as a colonizing power. The former struggle was concluded in England's favour in the early part of the eighteenth century,¹¹ and the latter by the Treaty of Paris, 1763.¹² With these successes, came the dominance of London, which had replaced Amsterdam as the financial centre of Europe.¹³ During the seventeenth century, England began direct trade with India, extended her connections in Northern Europe, secured a share of the lucrative fur trade of North America through Hudson Bay, and at the same time settled important constitutional questions at home. During the eighteenth century, she reaped the harvest from these earlier sowings in increased trade and increased profits. For England, the seventeenth century was a century of trial; the eighteenth, a century of triumph.

⁸A. K. Fiske, *A History of the West Indies*, *passim*.

⁹D. W. Prowse, *A History of Newfoundland*, *passim*.

J. D. Rogers, *Newfoundland*, being Part IV, Vol. V, of *Historical Geography of the British Colonies*, ed. C. P. Lucas, *passim*.

¹⁰Professor Violet Barbour, "Dutch and English Merchant Shipping in the Seventeenth Century", in *Economic History Review*, Vol. II, No. 2, January, 1930, pp. 261 ff.

¹¹Clive Day, *op. cit.*, p. 195.

Sir William Ashley, *The Economic Organization of England*, p. 69.

¹²*The Cambridge History*, *op. cit.*, Vol. I, Chapter 17, *passim*.

¹³E. Lipson, *op. cit.*, Vol. III, p. 214.

During the seventeenth century, a large part of England's exports was carried in foreign bottoms, but in the eighteenth century the part so carried was insignificant. In 1663, a third of the tonnage cleared outward from London was foreign; in 1774, the percentage was between 5 and 10.¹⁴ In the eighteenth century, England was not only carrying practically all her own commodities and an ever-increasing share of the trade of the rest of the world, but her own commerce was expanding very rapidly and was becoming more diversified, and the preponderance of raw materials in her exports was giving place to a preponderance of manufactured goods. For the years 1698-1701, the commerce of England averaged approximately £12,000,000, which figure had risen to £36,200,000 for the years 1784-1792. At the opening of the eighteenth century, France—England's most important rival—was carrying on over four-fifths of her trade, and England over three-fourths of her trade, with European countries. By the latter part of the century, Europe was still claiming almost three-fourths of France's commerce, but only slightly over one-half of England's.¹⁵ This disparity would be much

¹⁴Ibid., p. 139.

¹⁵Clive Day, *op. cit.*, England, p. 206; France, p. 238. The figures for the trade of Great Britain during the eighteenth century must be handled with much care. They are based on official valuations made in 1697, with the creation of the office of Inspector-General of Imports and Exports, and which were not changed until 1798, when, with the passage of the Convoy Act, the real value of goods was declared, as well as the official valuation. For fully a century, therefore, no notice was taken of the fluctuations in prices or increasing values due to improved quality; and, although the figures may be used to indicate the trend of trade, they are inadequate in themselves to make possible a

(Continued on next page)

greater were it not that the figures for France are for the exceptional year, 1787, whereas those for England are an average for the period 1784-1792. Moreover, most of France's European trade was with her immediate neighbours, Italy and Germany.¹⁶ At the beginning of the century, there was little difference between the two countries in the percentage of exports made up of manufactured goods, but by 1800 over 95 per cent. of England's exports were in the form of manufactures, and France was far behind with approximately one-third.¹⁷

The dominance of England¹⁸ as a colonial power is illustrated by the figures of her oversea population and of her colonial trade. By the middle of the eighteenth century, French colonists numbered about ninety thousand, but England boasted an oversea population of approximately one and a half million,¹⁹ and exports to her colonial possessions in 1774 of £4,444,443, which had risen from £786,854 in 1698; with a corresponding increase in imports.²⁰ This rapid colonial expansion is due in no small

¹⁶Clive Day, *op. cit.*, p. 238.

¹⁷*Ibid.*, England, pp. 209-10; France, p. 238; and C. R. Fay, *Great Britain from Adam Smith to the Present Day* (1928), p. 135.

¹⁸Strictly speaking, England ceased to be an independent state after the Treaty of Union, 1707, and became a part of Great Britain; but the dominance of England, and the fact that trade figures were for the most part kept separate, has led to looseness on the part of writers in the use of these two terms, and the present writer begs a similar indulgence.

¹⁹Knight, Barnes and Flugel, *Economic History of Europe*, p. 288.

²⁰E. Lipson, *op. cit.*, Vol. III, pp. 156-7.

comparison of the trade in one commodity with the trade in another, or of the trade of Great Britain with that of a foreign state.

See David Macpherson, *Annals of Commerce* (1805), Vol. III, p. 341; Vol. IV, p. 464.

degree to the accumulation of capital in England, which became important in the sixteenth century with the establishment of joint stock companies, and which by the eighteenth century was finding its way overseas to develop British settlements in the East and West.²¹ England's geographical position left her admirably placed to serve as an entrepôt for European trade with both the East and the West. The narrow channel that separates England from the mainland was sufficient to save her from becoming involved in many of the European struggles, and from developing a Continental outlook, as did France. She was sufficiently isolated to permit the growth of institutions that elicited the individual initiative so essential in a commercial and industrial nation. She was under the necessity, too, of importing many commodities, and thereby forced to exchange her goods: first, with neighbouring countries, and, later, with all the world. So it was that England, by virtue of her geographical position, the freedom of her institutions, the individualism of her people, and the need she had for the commodities of other nations, built her commercial and industrial greatness, which in the final struggle with France left no doubt as to the ultimate outcome.²²

By 1763, France had been ousted from India and from practically all North America; and Great

²¹C. R. Fay, *op. cit.*, p. 127, and *The Cambridge History*, *op. cit.*, Vol. I, p. 594.

²²These generalizations may be gleaned from any of the standard works on the period.

Britain seemed to have consolidated her oversea empire, but trouble soon arose from an unexpected quarter. The American Colonies, which had been so instrumental in breaking the power of France, became disaffected, and in the war that followed completely severed their connections with the Motherland and set up as an independent state. By 1783, there remained to Great Britain in the New World: Newfoundland; her possessions in the Caribbean; and the former French colonies on the mainland of North America, including Acadia. The political division of the Atlantic seaboard established by the Treaty of Versailles has, in the main, persisted down to the present day.²³

THE NORTH ATLANTIC FISHERY

Cabot did not find in his northern discoveries precious metals, which were the reward of the Spaniards and the Portuguese for their exploration of the Caribbean region, but he did open up the richest cod-fishery in the world, and made available to Europe large quantities of this member of the finny tribe, so valued, in the days before refrigeration and rapid transport, because of its keeping qualities.

Prowse claims that English fishermen followed Cabot to "The New-Founde-Lande" in 1498, and prosecuted the fishery continuously from that

²³Florida belonged to Great Britain from 1763 to 1783, when it reverted to Spain. By a Treaty of 1819, which was ratified in 1821, Spain ceded East and West Florida to the United States. The United States took possession immediately, but the territory was not admitted to the Union as a State until 1845.

date,²⁴ but whether or not the scanty evidence is sufficient to support Prowse's claim, it is certain that the English fishery did not become well established until the middle of the sixteenth century, during the period of the bitter privateering war between France and Spain.²⁵ It is also certain, however, that the French and Portuguese fished at Newfoundland as early as 1506,²⁶ and that the French had worked north and crossed the Strait of Belle Isle before Cartier's voyage in 1534.²⁷ The slowness with which the English established themselves seems to be attributable chiefly to the absence of domestic supplies of salt;²⁸ whereas the French, the Portuguese, and the Spaniards, could readily secure salt by the evaporation of sea water.²⁹ The English, going to Newfoundland with light cargoes of supplies for the fishery, carried domestic manufactures, which were bartered for salt and

²⁴D. W. Prowse, *op. cit.*, pp. 12-17, and 33-35.

²⁵*The Cambridge History*, Vol. VI, p. 122.

²⁶A. Bellet, *Les Français à Terre Neuve—La Grande Pêche de la Morue à Terre Neuve* (Paris, 1902), Chapter I.

H. P. Biggar, *The Precursors of Jacques Cartier, 1497-1534* (Publication of Canadian Archives No. 5, Ottawa, 1911), pp. xxii, 97-98, and 107-8.

Rev. George Patterson, "The Portuguese on the North-East Coast of America and the First European Attempt at Colonization There—A Lost Chapter in American History" (Published in *Proceedings and Transactions of the Royal Society of Canada*, 1890), Vol. VIII, Section 2, p. 145.

²⁷H. P. Biggar, *The Voyages of Jacques Cartier* (Publication of Canadian Archives, No. 11, Ottawa, 1924), p. 21.

²⁸*The Cambridge History*, *op. cit.*, Vol. I, p. 60.

Richard Whitbourne, *A Discourse and Discovery of Newfoundland* (London, 1622), pp. 38-9-40.

²⁹R. Hakluyt, *The Principal Navigations, Voyages, Traffiques, and Discoveries of the English Nation*, ed. Edmund Goldsmid, Edinburgh, 1890, Vol. XIII, Part II, America, p. 17.

H. A. Innis, *The Rise and Fall of the Spanish Fishery in Newfoundland*, (offprint from *Transactions of the Royal Society of Canada*, Ottawa, 1931), p. 52.

other commodities. At first, the trading was done chiefly with the Portuguese; later, with the Spaniards; and, after 1631, with the French.³⁰ During the fifteenth century, large quantities of stock fish, which is fish dried without salt, were brought to England from Iceland;³¹ but the Newfoundland climate and the Newfoundland cod made salting necessary, and the English had to wait for the development of trade before they became important in this new and profitable industry.³²

Cured fish, with or without salt, has been an article of diet from time immemorial. As early as the thirteenth century, B. C., salt fish was used in Troy,³³ and salt herring brought fame and fortune to Holland during the fifteenth century, following the discovery, attributed to William Beukelsz, of salt as a preservative for this fish.³⁴ Just when salt was first used in the curing of cod does not seem to be known, but by the end of the fifteenth century the practice was well established in Europe. The countries that possessed abundant supplies of salt followed the *Wet* fishery, by which is meant that

³⁰R. Hakluyt, *The Principal Navigations . . . and Discoveries of the English Nation*, Hakluyt Society, Extra Series (Glasgow: James MacLehose & Son, 1904), Vol. VIII, pp. 10, 15-16.

In 1631 Spain placed a prohibitive tax on the export of salt, and, as Portugal was then a part of Spain, La Rochelle became the chief source for the supply of salt to England, Holland, and France.

H. A. Innis, *The Spanish Fishery*, op. cit., pp. 63-4.

³¹D. W. Prowse, op. cit., pp. 24 ff.

J. A. Williamson, *The Voyages of the Cabots and the English Discovery of North America under Henry VII and Henry VIII*, p. 31.

³²D. W. Prowse, op. cit., pp. 12 and 16.

³³A. W. Calvert, *Salt and the Salt Industry* (Pitman's Common Commodities and Industries Series, London), pp. 8-9.

³⁴George Edmundson, *History of Holland*, p. 6. This statement is disputed by Mr. Thorold Rogers—see *Notes and Queries* (London, Sixth Series, July-December, 1881), pp. 406, 472, 524.

the catch was heavily salted and carried to market in a green state; whereas countries that could not obtain this preservative so readily, or that disposed of their products on inland markets, followed the *Dry* fishery, in which the fish were dried in the sun after a relatively light salting. The English followed the *Dry* fishery almost exclusively; but the French, the Spaniards, and the Portuguese, adhered closely to the *Wet* fishery.

The success of the English fishery and the settlement of the English on the Avalon peninsula, in the neighbourhood of St. John's, are to be attributed to many factors. The English fishermen received their early training in the Iceland fishery, where sturdy boats were necessary and where the right to fish was often won only after hard fighting. When the English came to Newfoundland waters, their ships were larger, sturdier, and better armed than those of their rivals.³⁵ The English fishermen, who came from relatively few ports in a compact area on the west coast of England,³⁶ went in a compact body³⁷ and dominated wherever they went. Because they followed the *Dry* fishery they concentrated in an area where there was ample shore space, and because they were traders as well as fishermen, they chose an area that was central and readily accessible. St. John's, therefore, became a trading centre of considerable importance before the end of the sixteenth century, a port of call for vessels making

³⁵R. Hakluyt, *The Principal Navigations*, ed. Goldsmid, op. cit., Vol. XII, Part I, p. 300.

³⁶J. D. Rogers, *Newfoundland*, op. cit., p. 27.

³⁷*Ibid.*, p. 30.

long voyages to the West Indies, and a supply depot to which even Ireland came for provisions as early as 1595.³⁸ Before the end of the century, England, formerly an importer of fish,³⁹ was becoming an exporter,⁴⁰ and the three-cornered trade of fish to the Mediterranean ports, salt and other commodities to England, and provisions and other supplies from England to Newfoundland, had been established. The growth of exports brought into use the sack ship,⁴¹ a vessel engaged exclusively in trading. The sack ship carried supplies to the fishery, and conveyed to market the surplus catch of the vessels, and also, following the establishment of the sedentary fishery, the catch of the inhabitants.

After the capture of the Spanish⁴² and Portuguese fishing fleets in 1585,⁴³ and the destruction of the Spanish Armada in 1588, the fishermen from Spain and Portugal practically withdrew from Newfoundland waters, and the struggle for supremacy between the French and the English was fairly joined. It is claimed that by 1605 two hundred and

³⁸D. W. Prowse, *op. cit.*, pp. 57-8, 70.

R. Whitbourne, *op. cit.*, p. 18.

R. Hakluyt, *The Principal Navigations . . . and Discoveries of the English Nation* (London: James Dent & Sons, Limited, 1927), Vol. VI, p. 25.

³⁹Antoyne de Montchretien, *Traité de l'oeconomie politique* (Paris, 1889), p. 379.

⁴⁰D. W. Prowse, *op. cit.*, pp. 84-5.

R. Whitbourne, *op. cit.*, pp. 11-13, 18, also preface C. 3.

⁴¹*Ibid.*, p. 48.

D. W. Prowse, *op. cit.*, p. 22.

⁴²The Spanish fishery did not begin until about 1540, see H. A. Innis, *op. cit.*, p. 51.

⁴³*The Cambridge History*, *op. cit.*, Vol. I, p. 70.

fifty sail of English vessels were visiting Newfoundland annually.⁴⁴ The fishery expanded steadily until in 1652 the vessels numbered three hundred.⁴⁵ In the latter part of the sixteenth century, settlements sprang up, encouraged by the growing shortage of timber near the shore, the need of protection to flakes and boats against those arriving earlier than the owner, and the advantages to be derived from having the equipment repaired during the long winter season.⁴⁶

Judging by the dates of departure of vessels from Rouen, LeHavre, Dieppe, and Honfleur, the Bank fishery was begun in the decade following Cartier's discoveries, 1534, and was well established by 1583.⁴⁷ The vessel fishery extended westwards to Cape Breton, possibly before Cartier's discoveries, and by 1563 had reached as far as Canso.⁴⁸ Ice in the Cabot Straits interfered with the establishment of the fishery in the Gulf of St. Lawrence until it was learned that the small vessels could make their way into the Gulf by the Strait of Canso.⁴⁹ Hakluyt gives 1591 as the date for the first French vessel to carry on operations in the

⁴⁴Sir Josiah Child, *A New Discourse of Trade* (4th ed. London, 1694), p. 222.

⁴⁵L. D. Scisco, "Kirke's Memorial on Newfoundland", in *Canadian Historical Review*, March, 1926, pp. 46-51.

⁴⁶D. W. Prowse, *op. cit.*, p. 59.

⁴⁷E. Gosselin, *Documents Authentiques et Inédits pour servir à l'histoire de la Marine Normande et du Commerce Rouennais pendant les XVI and XVII siècles* (Rouen, 1876), p. 13.

⁴⁸Marc Lescarbot, *History of New France*, with English translation, notes and appendices by W. L. Grant, and Introduction by H. P. Biggar (Toronto: The Champlain Society), Vol. II, p. 362.

⁴⁹*The Works of Samuel de Champlain*, ed. H. P. Biggar (Toronto: The Champlain Society, 1922), Vol. I, pp. 466-7.

Gulf.⁵⁰ The English followed the French in this westward movement; that they fished at Cape Breton is evidenced by the name *English Harbour*, which was applied to the present harbour of Louisburg.⁵¹ The fishery extended down the coast until by 1602 both French and English had reached the Gulf of Maine.⁵² In 1614, Captain John Smith visited the Gulf of Maine, and was so favourably impressed that he gave the adjoining lands the name they still bear, *New England*. His glowing accounts of the fishery, and of the region generally, did much to attract fishermen from England, and had not a little to do with the coming of the Pilgrims in 1620. In 1621, ten vessels from England visited the Gulf of Maine, and by 1624 the number had risen to fifty.⁵³ Another base for the English fishery had been established.

During the century, the French fishery had greatly expanded in the northern part of Newfoundland, on the Grand Banks, and at Cape Breton, but it did not lead to settlement and trade as did the English fishery. Most of the French catch was green salted and found a market in home ports. The vessels came to the fishing grounds heavily laden with salt and provisions, with little,

⁵⁰R. Hakluyt, *The Principal Navigations*, ed. Goldsmid, op. cit., Vol. XIII, Part 2, pp. 49-53.

⁵¹Richard Brown, *History of the Island of Cape Breton* (London, 1869), p. 49.

⁵²*Early English and French Voyages*, ed. H. S. Burrage, Original Narratives of Early American History series, pp. 329-340, "A Briefe and True Relation of the Discoverie of the North Part of Virginia in 1602".

⁵³*Captain John Smith, Works, 1608-1631*, ed. E. Arber (English Scholars' Library of Old and Modern Works, Birmingham, 1884, No. 16), p. 783.

if any, room for extra goods to trade, and had no need for a central depot where supplies could be obtained. They came from a large number of ports, widely separated, and fished over a vast area from the *Petit Nord* to the west end of Acadia. The colonies established in Acadia in 1604,⁵⁴ and on the banks of the St. Lawrence in 1608, were primarily dependent upon the fur trade,⁵⁵ which precluded any marked expansion. Supplies were brought from France and were much bulkier than the returning cargoes of furs, which left the economic pressure for passengers working in the wrong direction. England's dependence upon outside sources for many of her supplies proved to be England's strength; self-sufficiency, France's weakness.

NEW ENGLAND

New England was at first merely an extension of the English fishery from Newfoundland, reached *via* Cape Breton and Nova Scotia, which served as stepping-stones to the Gulf of Maine. For a time, vessels came in considerable numbers from England, fished for the season, and returned home with their catches; but this practice fell off rapidly after

⁵⁴An excellent description of this early settlement is to be found in a thesis by C. Kierstead Ganong, entitled: *The Early Economic History of the Maritime Provinces (Acadia), 1497-1607*, submitted for the degree of Master of Arts at the University of Toronto, 1922.

⁵⁵H. A. Innis, *The Fur Trade in Canada*, p. 41. Prior to these settlements, the fur trade had been carried on in conjunction with the fishing industry, but the fur trade tended towards monopolistic control whereas the fishing industry was highly individualistic, and this led to a break between the two about 1613. Further, the fishing vessels had not the available space for the supplies necessary to carry on extensive trading operations.

the middle of the century, and ceased, it is claimed, in 1661.⁵⁶ True to the English tradition, these early fishermen combined trading with fishing,⁵⁷ and served the colonies well in bringing out many settlers, who established themselves at the numerous excellent harbours along the New England coast.⁵⁸

Unlike the sister colony at Newfoundland, New England did not long remain merely a community of fishermen. From field and forest, as well as the adjacent seas, New Englanders drew wealth that formed the basis of a lucrative trade with the Southern colonies, the West Indies, and Newfoundland, and eventually with all the important regions bordering upon the Atlantic. Trading with the Dutch on the Hudson, with the settlements in Virginia, and with the plantations in the West Indies, was begun in the middle 1630's and was well established by the middle 1640's;⁵⁹ but the greatest stimulus came from the West Indies,

⁵⁶P. C. 726.

This refers to a particular document in Vol. IV, of *Joint Appendix, in The Privy Council—In the Matter of the Boundary between the Dominion of Canada and the Colony of Newfoundland in the Labrador Peninsula*, Parts IX and X.

Future references to this volume will be given as "P. C. . . ."

⁵⁷For an account of the early fur trade carried on by settlers as well as by fishermen from England see: *The Fur Trade in New England, 1620-1676*, by Francis X. Moloney, Honour Thesis in History (Cambridge, 1931).

⁵⁸Raymond McFarland, *A History of the New England Fisheries*, Chapters 2, 3, and 4, *passim*.

See also Samuel E. Morison, *Builders of the Bay Colony*, pp. 25 ff., for a discussion of overhead cost in the fishery carried on from its base in Old England.

⁵⁹Raymond McFarland, *op. cit.*, pp. 58-9.

Wm. B. Weedon, *Economic and Social History of New England, 1620-1789*, Vol. I, pp. 128-138, and 142.

which has been so aptly termed: "The first nursery of New England commerce."⁶⁰

The Influence of the West Indies.

The precious metals were the lodestone that attracted the Spaniards to the West Indies, and later to the mainland, but the true wealth of the Islands lay in the production of sugar. At first, tobacco and some provisions were raised, in addition to livestock on the ranges of Jamaica and Cuba,⁶¹ but it was not until the Dutch, English, and French, came to settle that sugar culture was introduced. The sugar plant was brought to the English settlement at Barbados by a Dutch trader, it is claimed, about 1640,⁶² and soon after that date sugar replaced tobacco as the leading staple.

So admirably suited to the production of sugar were the English Islands that before the end of the century all European countries were securing most of their supplies from this source.⁶³ As early as 1666, four hundred sail of English vessels were engaged in the West Indian trade.⁶⁴ After 1655, when Jamaica was captured, the dominance of the English in sugar production gave them also first place in the slave and provision trade; and Jamaica

⁶⁰Ibid., Vol. I, p. 241.

⁶¹W. J. Gardner, *A History of Jamaica from its Discovery by Christopher Columbus to the year 1872*, pp. 78-9.

A. K. Fiske, *op. cit.*, p. 143.

⁶²*The Cambridge History*, *op. cit.*, Vol. I, p. 149.

C. Atchley, *West Indies* (second edition, 1905), being Volume II of *Historical Geography of the British Colonies* (C. P. Lucas), p. 181.

Stewart L. Mims, *Colbert's West India Policy*, pp. 250-1.

⁶³F. W. Pitman, *The Development of the British West Indies*, p. 156.

⁶⁴G. L. Beer, *The Old Colonial System, 1660-1754*, Vol. I, Part 1, p. 154.

became a trading centre where slaves, English manufactures, and provisions from the colonies, were sold to the Spanish and French Islands.⁶⁵

The cultivation of tobacco was carried on in small holdings, worked by the planter and a few indentured servants, but the production of sugar required large estates and many labourers.⁶⁶ With the rise in the number of labourers, came an ever-increasing demand for foodstuffs,⁶⁷ especially the product of the northern seas, dried cod; and, with the spread of sugar culture, a growing demand for horses and cattle to work the land, and lumber for buildings, barrels, and casks. New England was well situated to supply these wants, and in return took sugar, rum, and molasses,⁶⁸ but chiefly molasses. The molasses was distilled into rum, which served as another commodity of export.

New England's share in the constantly expanding commerce was very considerable, so considerable, indeed, that by 1676 Boston had become known as the "Mart Town" of the West Indies.⁶⁹ English capital poured into the Islands, not only in the form of capital investment on the part of the English planters,⁷⁰ but also in the form of long-term credits. It is estimated that in 1688 there was owed to the Royal African Company no less an

⁶⁵F. W. Pitman, *op. cit.*, p. 148.

A. K. Fiske, *op. cit.*, pp. 105-6.

⁶⁶*The Cambridge History*, *op. cit.*, Vol. I, p. 210.

⁶⁷It was unprofitable to raise foodstuffs with slave labour; therefore, as sugar culture spread, the Island became increasingly dependent upon outside sources for supplies of provisions.

⁶⁸Raymond McFarland, *op. cit.*, pp. 102-3.

⁶⁹Wm. B. Weeden, *op. cit.*, Vol. I, p. 255.

⁷⁰*The Cambridge History*, *op. cit.*, Vol. I, p. 585.

amount than ninety thousand pounds,⁷¹ and Pitman claims that in the eighteenth century the British West Indies "profited by the loan of probably more European capital than did any other colonies of the New World."⁷² This capital was largely in the form of extended credits, and to the extent that it enabled the planters to purchase more of the goods of the colonies on the mainland of America, especially New England, it served indirectly as a stimulus to those parts.

New England Joins Hands With Newfoundland.

The large demand from the West Indies for dried cod led to a rapid extension of the New England fishery, which was carried on in small colonial-built vessels. These vessels went to the nearby banks during the fishing season, and during the rest of the year carried the catch and other colonial products to market. By the early 1640's, New England fishermen were carrying on operations off the Acadian shore,⁷³ and soon after had reached back to Newfoundland along the course originally followed by their predecessors.⁷⁴ New Englanders, like the Old Englanders, traded wherever they went. The French in Acadia found it more satisfactory to secure many of their supplies from New England than from France or Canada, and the English in Newfoundland were under the necessity of importing

⁷¹C. Nettels, "British Policy and Colonial Money Supply", in the *Economic History Review*, Vol. III, No. 2, October, 1931, p. 234.

⁷²F. W. Pitman, *op. cit.*, p. 127.

⁷³Raymond McFarland, *op. cit.*, p. 62.

⁷⁴*Ibid.*, pp. 69-70, and 76-77.

practically all their foodstuffs, and were prepared to purchase large quantities of rum, staves, and lumber. New England was as well situated to supply these requirements as those of the West Indies, and took in exchange fish, English merchandise, and bills of exchange. A considerable source of profit was also found in transporting settlers from the Island to the colonies on the mainland.⁷⁵

PROBLEMS OF THE NEWFOUNDLAND FISHERY,
1650-1713

Following the opening of the New England trade with Newfoundland about the middle of the century,⁷⁶ there was a rapid falling off in the English vessel fishery. The high figures of three hundred vessels for 1652⁷⁷ contrast with the low figures of forty-three vessels for 1684.⁷⁸ The civil disturbances in England about the middle of the century, and the maladministration that followed the restoration of the monarchy, undoubtedly played a part in this decline, but there were other and more fundamental causes.

As settlements on the Island grew, competition with the vessel owners grew, and a bitter feud

⁷⁵Wm. B. Weeden, *op. cit.*, Vol. I, pp. 145 and 241.

P. C. 733.

J. D. Rogers, *Newfoundland*, *op. cit.*, p. 81.

R. G. Lounsbury, "Yankee Trade at Newfoundland", in the *New England Quarterly*, Vol. III, No. 4, 1930, pp. 608-610.

D. W. Prowse, *op. cit.*, pp. 197-200.

⁷⁶*Ibid.*, p. 153.

The Cambridge History, *op. cit.*, Vol. I, pp. 181-2.

⁷⁷See p. 29.

⁷⁸See Appendix to Early Economic History, Table No. 3.

ensued, which, in 1676, resulted in an order for the removal of all settlers.⁷⁹ This order was never carried out, because of the fear that the removal of the settlers would permit the French to take full possession of the Island.⁸⁰ The irony of the situation is that the nature of the vessel fishery made the rise of settlements almost inevitable. The light outward cargoes left ample space for passengers, at relatively low rates.⁸¹ The outward fare was only two-thirds of the homeward fare,⁸² which had a tendency to encourage passengers to remain on the Island, or to pass on to New England.⁸³ For similar reasons, there grew up among the fishermen the practice of going out on the vessels, fishing for the season, selling their catch to the sack ships, and returning home in the autumn. These fishermen became known as "Bye-Boatmen".⁸⁴ The competition of the inhabitants and bye-boatmen with the vessel owners is illustrated by the number of boats employed:⁸⁵ in 1675, out of a total of nine hundred and fifty-four, two hundred and seventy-seven belonged to the inhabitants and bye-boatmen; whereas, in 1716, out of a total of nine hundred and eleven, the inhabitants and bye-boatmen accounted for five hundred and ninety-two.

⁷⁹For an account of the struggle between planters and vessel fishermen, see D. W. Prowse, *op. cit.*, Chapter VIII, *passim*.

⁸⁰J. D. Rogers, *op. cit.*, p. 82.

⁸¹John Mason, *A Brief Discourse of the New-Found-Lande* (Edinburgh, 1620), p. 11.

⁸²J. D. Rogers, *op. cit.*, p. 120.

⁸³P. C. 730.

⁸⁴See note appended to Table No. 2, Appendix to Early Economic History.

⁸⁵See Appendix to Early Economic History, Table No. 2.

The chief difficulty facing the English fishery at Newfoundland, vessel or sedentary, was competition from other producing areas. The New England fishery was selling its catch in Bilbao and Mediterranean markets as well as in the West Indies;⁸⁶ and competition with the greatly expanded French fishery was keen.⁸⁷ England also seems to have been at a definite disadvantage in the cost of shipbuilding, which was much higher than for her continental rivals, including France.⁸⁸

Following the retirement of the Spanish and Portuguese from the Atlantic fishery in the latter part of the sixteenth century, the Spanish and Portuguese markets were supplied by the French and English, and about this time the French began to develop the dry fishery. Under the stimuli of a large and protected home market and direct governmental encouragement,⁸⁹ the French fishery reached its height from 1678 to 1689,⁹⁰ when the English fishery was at its lowest ebb. In 1662, a French stronghold was established at Placentia, and served as a base for the bank fishery, as a monitor to the Gulf of St. Lawrence, and as a centre from which operations were carried on against the English fishery at Newfoundland during periods of hostility. During the war of the Spanish Succession, the French, operating from their base at Placentia,

⁸⁶Raymond McFarland, *op. cit.*, pp. 69-72.

D. W. Prowse, *op. cit.*, p. 191.

⁸⁷*Ibid.*, pp. 185-7.

⁸⁸Professor Violet Barbour, *op. cit.*, pp. 275-6, 289.

⁸⁹D. W. Prowse, *op. cit.*, p. 185.

R. Montgomery Martin, *A History of the British Colonies*, Vol. I, pp. 303-4.

⁹⁰*The Cambridge History*, *op. cit.*, Vol. VI, p. 134.

virtually wiped out the English settlements on the Avalon Peninsula.⁹¹

In spite of these many disadvantages, the English fishery had recovered much of its lost ground by the end of the century, and in 1700 the vessels numbered one hundred and seventy-one. During the war, as would be expected, there was another severe decline, but by 1715 the number was up again to one hundred and eight.⁹² The vessel fishery played an important part for some years after this, but it never again dominated the English fishery at Newfoundland. The residents and bye-boatmen, but chiefly the residents, became the mainstay of the industry. The growth of population gave a spring to commerce, strengthening the chief weapon that was being used against the power of France.

ENGLISH ENCROACHMENTS ON FRENCH TRADE AND TERRITORY

New England and West Indian rum, in addition to being used locally and in the Newfoundland fishery, served as an important factor in the fur and slave trades, and by the end of the seventeenth century was offering severe competition to French brandy in both fields. By this time, too, the superiority of English manufactures began to assert itself, and the French fur trade was threatened with strangulation as English competition through Hudson Bay and the Hudson River closed in upon it.⁹³

⁹¹Ibid., Vol. VI, pp. 136-7.

⁹²See Appendix to Early Economic History, Table No. 3.

⁹³H. A. Innis, *The Fur Trade*, op. cit., pp. 46, 52.

Adam Shortt (Ed.), *Documents relating to Canadian Currency, Exchange and Finance during the French Period*, (Canadian Archives, Ottawa, 1925), Vol. I, p. 51 f.n.

While these economic forces were closing in upon New France, they were completely dominating the Acadian region. This relatively isolated colony, which had as much difficulty in its communications with Canada as with France,⁹⁴ was but a short sail from New England. It lay in the very path of the New England trader as he moved to and fro between his home port and Newfoundland, and, owing to its proximity to profitable fishing areas, served admirably as an outpost for the New England fishery. So complete was the English domination that the French claimed they were better liked than the French traders, that they could not be prevented from fishing and trading, and that they had only to come there to be masters.⁹⁵ This last protest was almost prophetic, for in 1710 Acadia fell into the hands of the English and has remained under the British flag ever since. The advantages that the English settlements held over the French are well illustrated by the population figures.⁹⁶ In 1714, New France had a population of only 18,964, and Acadia but 1,773; whereas Newfoundland, despite the harrowing experiences of the war just ended, had a population in the same year of 3,160, and, in 1713, New England had a population of 110,000. By the Treaty of Utrecht, 1713, Acadia was ceded outright, and the French abandoned all territorial claims to Newfoundland, although they

⁹⁴H. A. Innis, *Select Documents in Canadian Economic History, 1497-1783*, pp. 63-5.

⁹⁵*Ibid.*, pp. 55, 65-6, 69.

⁹⁶See *Census of Canada, 1931* (Ottawa, 1936), Vol. 1, pp. 133 ff.

were granted certain fishing privileges, which were to prove a perennial source of trouble.⁹⁷

THE FRENCH WEST INDIES—
THEIR RISE AND INFLUENCE

It will be recalled that by the end of the seventeenth century the English plantations were dominating the sugar markets of Europe. But there were evil days ahead for the English planters, owing to the rapid developments that were taking place in the French Islands. At the opening of Colbert's regime, most of the trade with the French West Indies was in the hands of the Dutch,⁹⁸ and only three or four private ships from France visited the Islands each year. But the effects of Colbert's aggressive policy were soon evident. By 1670, the number of French vessels in this trade had risen to sixty, and by the close of the period, 1683, to two hundred and five.⁹⁹ The development of the French West Indies was greatly accelerated after 1697, when Spain ceded to France the western half of Hispaniola, described by Burke as: "The best and most fertile part of the best and most fertile Island in the West Indies, and perhaps in the world."¹⁰⁰ The English lost ground to the French in European markets very rapidly between 1713 and 1723, but, according to the Reports of the Consuls of England,

⁹⁷J. D. Rogers, *op. cit.*, pp. 106, 129, 132-5.

The Cambridge History, *op. cit.*, Vol. VI, p. 144.

D. W. Prowse, *op. cit.*, pp. 281-2, 352-4.

⁹⁸S. L. Mims, *op. cit.*, p. 51.

⁹⁹*Ibid.*, p. 236.

¹⁰⁰Edmund Burke, *An Account of the European Settlements in America*, Vol. 2, Part 5, p. 13.

there was a persistent decline from 1711 to 1765. In 1764, British merchants reported that even Hamburg, which formerly had been almost exclusively supplied by the English, was receiving all its sugar, from fifty to sixty thousand hogsheads annually, from the French.¹⁰¹

The exhaustion of the soil in the British plantations and the absence of new tracts of virgin land were chiefly responsible for this decline. It is asserted that the use of fertilizer in Barbados was general by 1689,¹⁰² and by 1717 there was practically no new land available in the English West Indies, except in Jamaica.¹⁰³ It was estimated that by this latter date it would require thirty to forty negroes, a few horses, and some cattle, to cultivate thirty acres in the French West Indies; but that in Barbados the same area of land would require one hundred and fifty negroes, fifty to sixty cattle, and twelve horses.¹⁰⁴ In Jamaica, the only Island in which there was any appreciable amount of uncultivated land, the trouble with the negroes,¹⁰⁵ the absence of roads into new territories,¹⁰⁶ and the restrictive policy of the planters,¹⁰⁷ militated against an extension of sugar culture. The large estates, which had always been characteristic of the Sugar Islands, had been extended to include many

¹⁰¹F. W. Pitman, *op. cit.*, p. 161, and cf. footnote No. 33, especially the reference to Macpherson, *Annals*, Vol. III, p. 431.

¹⁰²*Ibid.*, p. 98.

¹⁰³*Ibid.*, pp. 99, 245.

¹⁰⁴*Ibid.*, p. 245.

¹⁰⁵*Ibid.*, pp. 109, 115.

¹⁰⁶*Ibid.*, p. 125.

¹⁰⁷*Ibid.*, p. 108.

of the small holdings, and this intensified the difficulties of the planters by making them more than ever dependent upon outside sources for supplies that could not be raised profitably with slave labour.¹⁰⁸ Finally, in an attempt to cripple the French producers, who were securing many of their supplies through Jamaica and disposing of their products in that market, legislation was passed to put an end to this trade.¹⁰⁹ As a result, costs were increased for the English planters, because Jamaica declined as a trading centre; and costs were decreased for the French planters, because the New England traders went direct to the French West Indies and exchanged their provisions for French sugar and molasses.¹¹⁰ All attempts on the part of the home Government to lower tariffs, to force the cultivation of more soil in Jamaica, or to retain French Islands taken in time of war, were defeated by the planters, many of whom resided in England and wielded considerable political influence.¹¹¹ The failure of the Barbados Act of 1715 led to the agitation for, and finally the passage of, the Molasses Act of 1733, which aimed primarily at preventing the direct trade between New England and the French Sugar Colonies. It would have been very difficult, if not impossible, to enforce the Act, and, as no attempt was made to do so, the Act had few

¹⁰⁸Ibid., pp. 99, 109.

¹⁰⁹Ibid., pp. 149-150, 222-6.

¹¹⁰Ibid., pp. 204, 227, 242. (This trade was encouraged by the French, who in 1717 removed the legal barriers that had formerly existed. Wm. B. Weeden, *op. cit.*, Vol. II, p. 554.)

¹¹¹Ibid., pp. 123, 125-6, 176. The influence that the planters wielded in Parliament was not broken until the Reform Act of 1832.

economic consequences. The Sugar Act of 1739, also the result of the influence of the planters in England, permitted the export of sugar direct to the Continent, but it, too, was ineffective, owing to the inability of the English producers to compete with the French. In 1764, when France's colonial possessions had become few and of limited extent, the influence of the English planters was again manifested in the Sugar Act of that year, which was tantamount to a renewal of the Molasses Act of 1733. With strict enforcement, this Act was a serious threat to the commerce of the northern colonies, and the resentment that its enactment provoked has been regarded as one of the most important factors leading to the Revolution.

NEW ENGLAND'S EXPANDING TRADE

Irrespective of the flags that flaunted in the breezes of the Caribbean region, development in the West Indies meant further expansion in the New England colonies. France's continental colonies were not sufficiently far advanced, or favourably situated, to meet the economic demands of her Caribbean possessions; whereas the English colonies were most advantageously situated, and were sufficiently far advanced to meet not only the economic demands of the English plantations, but also those of the French.¹¹²

The French sugar producers needed the lumber

¹¹²Ibid., pp. 327-8. By the first part of the eighteenth century, agricultural production in the Middle Atlantic Colonies was supplementing the exportable surplus of New England.

and provisions of the English colonies, but they had equal need of a market in which to dispose of their molasses and rum. Molasses and rum, by-products in the manufacture of cane sugar, could not be sold in France: molasses, because her people had never recognized its food value; and rum, because the Government, to protect the domestic brandy industry, prevented its importation.¹¹³ The price of molasses in the French Islands was depressed, and large quantities of it were purchased by the New Englanders and distilled into rum. This rum, distilled from French molasses, was used in the fur and slave trades, where it competed successfully with French brandy, and, by so doing, defeated to a large extent France's protective policy. The influence that the New England rum had in the fur trade has been mentioned, and by 1723 it had practically replaced French brandy on the Guinea Coast.¹¹⁴ The success of this commerce, in so far as it led to an increase in colonial population, and to a demand on the part of merchants for supplementary articles of trade, redounded to England's advantage by enlarging the market for her manufactures.¹¹⁵

So New England's trade grew and expanded, with the West Indies as the keystone of the arch, and with fish, lumber, rum, and provisions, as the base, until she became the *carrying colony* of the English settlements in America as the Motherland

¹¹³S. L. Mims, *op. cit.*, p. 220.

¹¹⁴Wm. B. Weedon, *op. cit.*, Vol. II, p. 459.

¹¹⁵*Ibid.*, Vol. II, pp. 754-5.

became the *carrying nation* of the world. Newfoundland became more important as a half-way house between the old world and the new, and trade between Newfoundland and New England increased. In the year prior to the outbreak of the American Revolution it was estimated to amount to three hundred thousand pounds, or probably nearer four hundred thousand pounds.¹¹⁶ By this time, most of the goods were not destined for consumption in Newfoundland, but passed on to European markets, whence came many of the commodities taken in exchange. Direct trade was carried on with Africa, where rum was exchanged for slaves; fish, and small quantities of naval stores and lumber, went to Bilbao and Mediterranean ports in exchange for salt and other commodities; sugar, rum, and molasses, more often than not from the French West Indies, found their way into Ireland, where they were exchanged for Irish beef, butter, and other provisions, which were carried back to New England or taken to the French West Indies; and to England went furs, lumber, and naval stores, in exchange for English manufactures.¹¹⁷ But the trade with England was not well balanced, for, although lumber and naval stores were being exported in appreciable volume after the middle of the eighteenth century, by 1770 the total exports to England netted only £178,000, whereas

¹¹⁶D. W. Prowse, *op. cit.*, p. 329.

¹¹⁷Particulars regarding this diversified commerce may be had from: G. L. Beer, *Old Colonial System*, *op. cit.*, Vol. I, Part I; *The Cambridge History*, *op. cit.*, Vol. I; and Wm. B. Weeden, *op. cit.*, Vols. I and II, *passim*.

the value of imports reached the very large sum of £1,410,000.¹¹⁸ The difference between the value of imports from and exports to England was settled by the very considerable, though unrecorded, value of colonial-built vessels sold in the English market,¹¹⁹ and by indirect trade through the West Indies, Newfoundland, and foreign countries.¹²⁰

Unfortunately, much of this extensive trade had been made illicit by the Navigation Acts.¹²¹ At the outset, these Acts were aimed chiefly at Dutch shipping, and benefited New England by restricting to British and colonial vessels the ever-growing trade of a constantly expanding empire. Where the Acts might have been harmful, they were made innocuous through lack of enforcement,¹²² but they had the unfortunate consequence of making unavailable statistics of a large part of this early commerce.

FRANCE'S NORTHERN COLONIES

Slowness of Development.

The self-sufficiency of the French fishery and the attempt to combine settlements with the fur trade go far to explain the concentration of the French in the northern part of North America, the slow

¹¹⁸E. L. Bogart, *Economic History of the American People* (1930), p. 153.

¹¹⁹*Ibid.*, pp. 104-5.

Wm. B. Weedon, *op. cit.*, Vol. I, p. 364.

¹²⁰*The Cambridge History*, *op. cit.*, Vol. I, p. 593.

¹²¹*Ibid.*, Vol. I, Chapters IX and XX, *passim*.

¹²²For evasion of the Navigation Acts see: Wm. B. Weedon, *op. cit.*, Vol. I, pp. 233-4, 267; Vol. II, pp. 556 ff., and p. 717; and Sir Josiah Child, *op. cit.*, pp. 222-3.

growth of population, and the failure to establish trading posts along the main arteries of commerce. Another feature, which does not seem to have been sufficiently emphasized, is the relatively late development of the French West Indies. By the opening of the eighteenth century, however, France's possessions in the Caribbean region were becoming sufficiently important to cause the home Government to give serious consideration to their counterpart in the temperate zone, where supplies of provisions and lumber might be obtained. As early as 1670, an attempt was made to promote a three-cornered trade between France, New France, and the West Indies,¹²³ but, because the St. Lawrence was frozen over for a large part of the year, and because production was small and irregular, the trade was meagre and the policy ineffective. The Acadian region, though more accessible, had certain geographical drawbacks. On the south shore there were ample fishing grounds and an abundance of timber, but agricultural areas were few and small. Settlement had taken root in, and expanded along, the marshlands of the Bay of Fundy, and the happy combination of lumbering and agriculture with fishing, so characteristic of New England, did not develop. Even the fishing industry in this region was severely handicapped. The inshore fishery was not so productive as in Newfoundland

¹²³S. L. Mims, *op. cit.*, pp. 318-19.

H. A. Innis, *Documents*, *op. cit.*, pp. 320 ff, and 324-5.

Canada and Its Provinces, ed. Shortt and Doughty, Vol. X, Part 2. "Shipping and Canals", by M. J. Patton, pp. 482, 484.

and it was necessary to go to the nearby banks or ridges for much of the catch. The large French vessels could not move in and out of the harbours with facility, and the small boats could not go so far from the shore as was required, or remain out for the night fishing, which seems to have been most advantageous at certain seasons of the year.¹²⁴ The New Englanders fished in small vessels of from twenty to forty tons, which could be easily handled, which were seaworthy, and in which they could remain out for days when the fish were running well.¹²⁵ The French in Acadia did not adopt this technique,¹²⁶ and as a result the New Englanders dominated the fishery off the Acadian shore even before the land finally came into the possession of Great Britain.

Isle Royale—The Founding of Louisburg.

Under the terms of the Treaty of Utrecht, Placentia was to be abandoned and the inhabitants removed, and in 1713 France established a stronghold at Louisburg, Isle Royale (Cape Breton). The encroachments of the English, the rising importance of New France, and the growing West Indian trade, had made it more than ever necessary for France to have a stronghold on the Atlantic coast of North America that would guard the entrance to the St. Lawrence, serve as a port of call for vessels trading with her tropical possessions, and afford a base from

¹²⁴H. A. Innis, *Documents*, op. cit., pp. 52-3.

¹²⁵*Ibid.*, p. 52.

¹²⁶*Ibid.*, p. 53.

which the North Atlantic fishery could be carried on and protected. Louisburg, with a spacious and easily defended harbour, served well all these requirements,¹²⁷ situated as it was at the gateway to the St. Lawrence,¹²⁸ near the Grand Banks, in the centre of a flourishing shore fishery, and on the northern route of ships returning from southern waters. It was expected that provisions and lumber would come from Canada to supply the needs of the new colony and to make available balanced cargoes for the West Indian trade; that the French in Acadia, as well as in the new settlement to be established at Isle St. Jean, would find a market for their products at Louisburg; and that commodities from these sources, together with commodities from France and from development on the Island itself, would make the new base not only independent of outside assistance, but also an important trading centre for the Mother Country and for the colonies.¹²⁹

Developments at Isle Royale.

In 1713, one hundred and eighty settlers from Placentia and St. Pierre were transferred to Louisburg.¹³⁰ They took with them their boats and servants, and continued to follow the sedentary fishery. By 1717, the population of Louisburg had

¹²⁷Ibid., pp. 74-5, and see also:

J. S. McLennan, *Louisbourg from its Foundation to its Fall, 1713-1758*, pp. 25 ff.

¹²⁸At this time the northern entrance to the Gulf of St. Lawrence through the Strait of Belle Isle was not used, which left the Cabot Straits the only important channel. Ibid., p. 2 f.n.

¹²⁹Ibid., pp. 43-4.

¹³⁰D. W. Prowse, *op. cit.*, p. 259.

reached five hundred and sixty-eight. By 1752, the number had increased to four thousand, one hundred and seventy-four (including garrison officers and soldiers, fifteen hundred), and the population of the whole Island totalled five thousand, eight hundred and forty-five.¹³¹ The hope that the fishery would be benefited and trade expanded through the facilities that the new settlement provided for the sorting of fish according to the requirements of the various markets, as was done in a small way at Isle Percée,¹³² was partly realized. The fishery, which seems to have been well established even before the official founding of Louisburg, produced in 1718, 156,500 quintals, not far short of the 167,540 quintals for the peak year of 1731.¹³³ Production kept up exceptionally well, averaging about 150,000 quintals a year until the outbreak of the war of the Austrian Succession. During the war, Louisburg fell into the hands of the English, but was restored to the French in 1748, after which the fishery revived but never regained its former position.

Trade of the Colony.

Cod-fish was by far the most important article of export from Isle Royale. The seven to eight thousand tons of fish¹³⁴ to be carried to market each year drew to the various harbours, but especially to Louisburg, a large number of vessels, and was the

¹³¹See *Census of Canada, 1931*, op. cit.

¹³²H. A. Innis, *Documents*, op. cit., pp. 50-1.

¹³³See Appendix to Early Economic History, Table No. 7.

¹³⁴On the average of 150,000 quintals there would be available 7,500 long tons.

basis of a considerable trade in exotic commodities. In 1731, one hundred and sixty-nine vessels, excluding those engaged in the coastwise trade, entered the harbours of Isle Royale, and from 1733 to 1743 the number averaged nearly one hundred and fifty.¹³⁵ Fish were shipped to Europe, chiefly to France, Spain, and Italy; and considerable quantities of inferior grades went to the French West Indies. From France came provisions, wines, and manufactures; and from the West Indies, rum, sugar, and molasses. In exchange for West Indian products or French manufactures, Canada, Acadia, and Isle St. Jean, sent provisions and lumber, which were used either to satisfy the needs of the colony or to assist in making up balanced cargoes for the West Indian trade. New England was next in importance to France and the West Indies in the commercial relations of the Island. The New Englanders took much of the molasses brought from the West Indies, and no doubt a fair amount of French manufactures, in exchange for livestock, provisions, lumber, English manufactures, and a considerable number of vessels.¹³⁶ Some of this trade was carried on from Canso, where the English

¹³⁵See Appendix to Early Economic History, Table No. 8.

¹³⁶H. A. Innis, *Documents*, op. cit., pp. 107, 119, 120, 121-2, 132, 134, 136-9.

Don George Juan and Don Antonio de Ulloa, *Voyage to South America*, Vol. II, p. 375, and see Appendix to Early Economic History, Table No. 10.

Vessels. Although many New-England-built vessels were sold to the French at Louisburg, more were disposed of in the French and Spanish West Indies, and the competition that New England encouraged in this way she combated after 1730 by differential tariffs. See F. W. Pitman, op. cit., p. 216.

had established a fishery, and where the English from both Old and New England came to fish and to trade.

The extent of the trade at Isle Royale is difficult to determine, because that with the English was illicit and that with the West Indies often unrecorded,¹³⁷ but some of the available figures are given in the appendix.¹³⁸ In 1715, France removed the tax on coal; in 1716, the tax on fish and fish oils coming from Isle Royale; and, a few years later, the duties on her West Indian products entering the kingdom through this northern colony.¹³⁹ Considerable sums were spent at Louisburg on fortifications and in supporting the garrison, and by means of financial aid and regulation the Government made vigorous efforts to promote trade and industry. In spite of the vigorous efforts on the part of the home Government, Isle Royale trade, when measured either by the number of vessels or the product of fish, seems to have developed little after the first few years following the establishment of Louisburg.

Difficulties of Isle Royale.

Cape Breton is and was relatively barren, and the available agricultural land lay some considerable distance from the main fishing settlements, with the result that a very insignificant part of the foodstuffs

¹³⁷H. A. Innis, *Documents*, op. cit., p. 144.

¹³⁸See Appendix to Early Economic History, Table No. 6.

¹³⁹J. S. McLennan, op. cit., pp. 43-4.

H. A. Innis, *Documents*, op. cit., p. 68.

required by the inhabitants was supplied by the Island.¹⁴⁰ The anticipated wealth from boundless forests was not realized, and timber for the construction of vessels, and much of that used for local building purposes, had soon to be brought from beyond the boundaries of the colony.¹⁴¹ Dried cod was practically the only export that was produced on the Island, and, as it was a bulky commodity, outgoing cargoes to certain markets, especially to France and the West Indies, tended always to be greater than incoming cargoes; but in the trade with New England and the neighbouring French colonies, where Isle Royale secured much of its provisions and lumber, incoming cargoes were greater than outgoing cargoes.¹⁴² Since it was necessary to import most of the required supplies, prices were high; since cargoes were unbalanced, freight rates tended upwards. The cost of living rose, as did the cost of production, and an attempt to keep down the cost of production by restricting the income of workers led to labour troubles and social unrest.¹⁴³

The expectation that Canada would supply the much-needed foodstuffs was doomed to disappointment. New France had been built primarily on the fur trade, little attention had been paid to agriculture, and immigrants had been few; with the result that population had increased slowly. Crops and therefore trade fluctuated very greatly: one

¹⁴⁰Ibid., pp. 76, 107, 120, and 134.

¹⁴¹Ibid., pp. 116-17, 125-6, 126-7, 133.

¹⁴²J. S. McLennan, *op. cit.*, p. 223.

¹⁴³H. A. Innis, *Documents*, *op. cit.*, pp. 88-9, 90-96, 99, 105, 110-113, 421-3.

year there was a surplus of produce for export, another year, a shortage for the colony itself; one year there was an abundance of shipping and a dearth of cargoes, another year, an abundance of cargoes and a dearth of shipping.¹⁴⁴ To add to these difficulties, the quality of the products, especially flour, was far from dependable.¹⁴⁵ Isle Royale could not be supplied from Canada.

The settlement in Acadia, as has been observed, took root and flourished in the fertile marshlands of the Fundy area, and, as a source of supply, Acadia was far more dependable and accessible than Canada; but the population was small and the trade was contraband. However, the high prices obtainable at Louisburg stimulated production, enabled problems of transportation to be surmounted, and made the trade profitable notwithstanding attempts at restriction on the part of the English.¹⁴⁶ Cattle were driven overland to Bay Verte, then shipped to Louisburg; and grain and cattle, ostensibly destined to the English at Canso, were carried by vessels round Nova Scotia to the French ports at Isle Royale.¹⁴⁷ The Acadians, selling to the French at Isle Royale, as well as to the English at Annapolis and Canso, prospered as they had never prospered before.¹⁴⁸ This prosperity was

¹⁴⁴Ibid., pp. 112-3, 320 ff., 421-3. See also:

Baron de LaHontan, *New Voyages to North America*, ed. R. G. Thwaites, Vol. I, pp. 373-4, in respect to difficulties in the trade of Canada.

¹⁴⁵H. A. Innis, *Documents*, op. cit., pp. 328-9.

¹⁴⁶Ibid., pp. 125 and 219.

¹⁴⁷Ibid., pp. 124-5-6, and 219-20.

¹⁴⁸J. B. Brebner, *New England's Outpost—Acadia before the Conquest of Canada*, p. 81.

reflected in a rapid increase of population and in an expansion of settlement. So important did the trade become that the English maintained that, were it not for supplies from Acadia, the French at Louisburg would starve.¹⁴⁹ But Acadia was unable to keep the new French colony independent of further outside assistance, nor did the settlement at Isle St. Jean help much, for the newly-established colony found more profit and less difficulty in fishing and lumbering than in agriculture,¹⁵⁰ and the exports of produce to Louisburg were small and irregular.

Dependence upon New England.

Supplies from Canada were irregular, and those from Acadia small, but the high prices brought New England traders to Louisburg with grain, livestock, meat, lumber, and other commodities, and they could be depended upon to bring whatever quantities were required and when they were needed. The extent of the commerce with New England is difficult to determine, but that it was considerable is evidenced by the complaints of French merchants,¹⁵¹ and by the apologies and

¹⁴⁹H. A. Innis, *Documents*, op. cit., p. 132.

¹⁵⁰*Ibid.*, pp. 102-3, and 117.

D. C. Harvey, *The French Régime in Prince Edward Island*.

W. L. Cotton, *Chapters in our Island Story* (Revised edition, 1927), p. 19. See also Appendix to Early Economic History, Table No. 9, re boats built at Isle St. Jean.

W. L. Cotton, op. cit., p. 20: "During the French occupation of this Island successive misfortunes occurred . . . three successive incursions of mice, bred in the forest, overran and devoured their growing crops between the years 1724 and 1738. . . . 1749, a cloud of locusts passed over the land and completely destroyed their crops of grain."

¹⁵¹H. A. Innis, *Documents*, op. cit., pp. 127-8, 136-9.

explanations offered by Governor and Intendant.¹⁵² Louisburg needed, perhaps could not survive without, English colonial flour,¹⁵³ but equally important to her was an outlet in the English colonial market for the rum and molasses brought from the French West Indies. Traders from the English colonies were in a better position to learn of changes in the condition of the market than were traders from France; and severe fluctuations in price, owing to uncertain supplies in a limited market, discouraged the provision trade between Louisburg and the home ports. The many fishing vessels coming from France carried a full supply of provisions and salt for the season's operations and very often for the crew left over for the autumn fishery. They had no room for provisions for the settlers, because any remaining space was used for less bulky goods, for which there was a more stable market and, consequently, better profits.¹⁵⁴

The Fishery—Its Type, Technique, and Difficulties.

At Isle Royale there was prosecuted both the vessel and the sedentary fishery. To the old technique of fishing near the shore in small boats or shallops was added the New England method of using small vessels or schooners in which the fishermen could venture with safety to the off-shore fishing grounds. Some of these vessels were built on

¹⁵²Ibid., pp. 82, 107, 109, 113, 129-30, 130-1, 133, 134, 135-6, 140.

¹⁵³*Canadian Archives*, CIIB, Vol. XXXII, pp. 163-4-5.

¹⁵⁴The difficulties of securing supplies and the dependence upon New England are well shown in the *Documents* listed in note No. 152.

the Island,¹⁵⁵ but more often they were bought from the New Englanders,¹⁵⁶ and, when used by those coming from France, the larger vessel was laid up in harbour while the smaller craft was being operated. These two methods were adopted by both the sedentary and the vessel fishery; but the sedentary fishery tended to become a shallop fishery, whereas the vessel fishery tended to follow the English technique.¹⁵⁷ The major operations were carried on during the spring and summer, but a considerable autumn fishery developed,¹⁵⁸ to engage in which the vessels left crews on the Island, much to the disapproval of the inhabitants.

It is not possible to tell with accuracy the share of the catch attributable to the vessel fishery, since the figures are classified according to the type of craft used instead of the place of residence of the operator. However, the figures, which are summarized in tables in the Appendix to Early Economic History,¹⁵⁹ show: first, that the schooner fishery declined relatively to the shallop fishery; second, that the number of shallops used by vessels decreased noticeably, whereas the number used by residents remained comparatively steady and fairly high; third, that the gains in the schooner fishery by no means compensated the vessel owners for their losses in the

¹⁵⁵See Appendix to Early Economic History, Table No. 9.

¹⁵⁶See Appendix to Early Economic History, Table No. 10.

¹⁵⁷See Appendix to Early Economic History, Table No. 11, and H. A. Innis, *Documents*, op. cit., pp. 76, 77-9, 96.

¹⁵⁸*Ibid.*, pp. 92-6.

¹⁵⁹See Appendix to Early Economic History, Tables Nos. 7, 8, 11.

shallop fishery; fourth, that the number of vessels coming from France to fish and trade declined, and those coming to trade only increased; and fifth, that the autumn fishery, which was largely a resident fishery, made a substantial contribution to the total catch. It is clear that the vessel fishery lost ground to the resident fishery, and that both the vessel and the resident fishery encountered serious difficulties in the new French colony. The decline in the vessel fishery was due in part to the larger profits that were to be made in trading than in fishing, and in part to the removal of vessels to other fishing grounds, where the fishery could be prosecuted to advantage without the aid of schooners purchased from the New Englanders. During periods of hostilities, too, the vessel fishery was subject to serious interruption, for vessels from France, or schooners operating some distance off shore, might be captured by English cruisers.

After Acadia was ceded to the English, the English fishery in that area concentrated at Canso. There were many complaints about the quality of the Canso cure,¹⁶⁰ but it was purchased by the French in substantial quantities and at a lower price than was considered profitable for the French product.¹⁶¹ In Louisburg, in the West Indies, and in Spain, France was beginning to feel the pressure of competition from the English fishery.¹⁶²

¹⁶⁰H. A. Innis, *Documents*, op. cit., p. 161.

¹⁶¹*Ibid.*, pp. 83, 111-113.

¹⁶²*Ibid.*, p. 143, and J. S. McLennan, op. cit., p. 97.

The Economic Pressure Against France's Northern Colonies.

The advantages that the English settlements in North America held over the French, so evident by the close of the seventeenth century, increased rapidly during the first half of the eighteenth century. A larger population, a greater variety of production, and a more favourable geographical position, with ports open the year round, made possible economies in trade and commerce that proved overwhelming to the French. English competition in the Canadian fur trade was carried on through Hudson Bay and *via* the Hudson River, and increased in intensity.¹⁶³ New England rum¹⁶⁴ and Brazilian tobacco,¹⁶⁵ coupled with better and cheaper English manufactures, threatened to drive the French from their lucrative peltry trade; and, directly or indirectly, English wares found their way into the French colonies.¹⁶⁶ In everything, from the cost of shipping to the cost of provisions, the advantage was with the English. The development of the French West Indies, which was largely responsible for whatever success was achieved at Isle Royale, benefited the British colonies perhaps as much as, if not more than, it did the French, and came too late to make it possible for the French to overtake the lead that their strongest competitor had already attained. New England was the chief

¹⁶³H. A. Innis, *The Fur Trade*, op. cit., p. 119.

¹⁶⁴*Ibid.*, pp. 86, 88.

¹⁶⁵*Ibid.*, p. 99.

¹⁶⁶H. A. Innis, *Documents*, op. cit., pp. 105-6, 127-8.

factor in the final struggle against the French in America, and, as Brebner points out,¹⁶⁷ it was New England's policy that led to the taking of Acadia, and resulted eventually in the expulsion of the Acadians and the capture of Louisburg.¹⁶⁸

The north-eastward thrust of the New England fishery, the westward thrust of the industry at Newfoundland, accompanied by the ever-growing trade between the two colonies, had narrowed the French sphere of activity in this area very considerably by 1713; and the success that came with the years immediately following intensified the pressure against the French. The fall of Louisburg and the subsequent capture of Quebec were but milestones in the progress that the British were making against the French on the trade routes of the world and in the workshops of England. In this discussion, however, it has been necessary to concentrate on the developments that took place on the western side of the Atlantic, where local and general economic factors manifested themselves in such an intricate and fascinating way. Professor Unwin's argument that Canada would have become English by population pressure alone¹⁶⁹ is supported by figures for the middle of the eighteenth cen-

¹⁶⁷J. B. Brebner, *New England's Outpost—Acadia before the Conquest of Canada*, op. cit.

¹⁶⁸The fall of Louisburg in 1745, and its retention under English rule until 1748, was chiefly the result of New England enterprise, and its final capture in 1758 was strongly supported by the same colony. See Don George Juan and Don Antonio de Ulloa, op. cit., Vol. II, p. 383; and J. S. McLennan, op. cit., Chapter 9, *passim*, and Chapter 13, *passim*.

¹⁶⁹*Studies in Economic History—The Collected Papers of George Unwin*, ed. R. H. Tawney, 1927. Introduction, pp. lxiv-lxv.

ture.¹⁷⁰ In 1754, when the population of New France stood at 55,009, that of New England numbered 425,000. Isle Royale in 1752 could account for only 5,845, including soldiers and officers, and there were but a few thousand at Isle St. Jean and other points on the south shore of the St. Lawrence as far north and west as Gaspé. This is but another way of saying that the economic forces were overwhelmingly in favour of the English.

NEWFOUNDLAND—A HALF-WAY HOUSE BETWEEN EUROPE AND AMERICA

Turning to a consideration of Newfoundland for the period 1713 to 1783, it is found that, despite a high level of production maintained by the French fishery, the English fishery steadily advanced. Population increased, with the result that the inhabitants became the dominant factor in the shore fishery, and many of the English fishing vessels were forced to go to the Banks for their catch.¹⁷¹ St. John's, so admirably situated as a half-way house between Europe and North America, grew in importance as a mart for the exchange of commodities for both continents; and the influence of the rising commerce of England was reflected in the increased number of English vessels, both fishing and sack, that visited the Island.

The Inhabitants—Their Rise in Number and Importance.

The population of Newfoundland, which stood

¹⁷⁰See E. L. Bogart, op. cit., p. 125, and *Census of Canada, 1931*, op. cit.

¹⁷¹P. C. 763.

J. D. Rogers, op. cit., pp. 116-117.

at 3,295 in 1716, rose to 10,949 by 1774, and during the period of hostility with France and the American colonies there was only a slight decline to 10,701 in 1784.¹⁷² This creditable increase in population figures is paralleled by the rise in the percentage of boats used by, and the percentage of the total catch attributed to, the inhabitants.

The Fishery.

During the war of the Spanish Succession, as has been observed, the Newfoundland fishery sank to a low level. In 1716, the total catch amounted to only 88,469 quintals, but had risen to 506,406 quintals by 1749,¹⁷³ and to 695,866 quintals by 1774. During the troublous ten years that followed it fell away to 437,316 quintals in 1784. The percentage of the catch attributable to the inhabitants rose steadily from 38.24 in 1716 to 57.88 in 1749, reaching a peak of 62.84 in 1764, but it fell away to less than 50.00 in 1784. The bye-boatmen lost ground as their percentage settled from 27.48 in 1716 to 20.95 in 1774, rising slightly to 21.28 in 1784. The vessel fishery, although falling off during

¹⁷²See *Census of Canada, 1931*, op. cit.

¹⁷³An estimate for the French dry fishery made in 1745 places the annual catch at 1,149,000 quintals (see J. S. McLennan, op. cit., Appendix IV, p. 380). The comparable figures for the English fishery are:

	<i>Quintals</i>
1747—For British North America	300,000
1749—For Newfoundland	506,406,

showing a total of approximately 800,000 quintals. The figures for the French fishery are doubtless too high; for example, the catch attributed to Cape Breton, in arriving at the above total, is 186,000 quintals, whereas the maximum catch for that part of the French dominion was 167,540 quintals in the year 1731 (see Appendix to *Early Economic History*, Table No. 7). McLennan contrasts the figures of the French fishery with the 300,000 quintals for British North America (J. S. McLennan, op. cit., p. 221), which is obviously misleading.

the period, held about the same relative position in 1774 as it did in 1716, accounting for slightly over 34.00 per cent. of the total catch.¹⁷⁴

Trade—Its Extent and Diversification.

Of the trade from 1714 to 1727, Prowse writes as follows:¹⁷⁵

“The trade with England for provisions almost entirely ceased; salt beef, pork, butter, bacon, all came from Ireland; fresh meat, livestock, corn, flour, lumber, lime and bricks were all imported from the North American colonies; woollen cloths were largely shipped from Ireland; linen, etc. from France and Spain, and from the latter country, iron, for which the Basque Provinces have always been famous.”

But this trade, except that from the North American colonies, was carried chiefly in British vessels. Direct trade with England took a decided turn during this period, when the yearly average increased from the low point of £21,481 for 1704 to 1713, to £123,714 for 1764 to 1773, which figure was exceeded, as would be expected, for the period 1774 to 1783.¹⁷⁶ For 1765, Palliser estimates the trade with New England at £102,304, but Prowse claims that the amount was at least £200,000, and that in the year before the American Revolution it had risen to £300,000, or probably nearer £400,000.¹⁷⁷ Unfortunately, these figures are only estimates.

¹⁷⁴See Appendix to Early Economic History, Table No. 4.

¹⁷⁵D. W. Prowse, *op. cit.*, p. 283.

¹⁷⁶See Appendix to Early Economic History, Table No. 5.

¹⁷⁷D. W. Prowse, *op. cit.*, p. 329.

In the absence of further figures of trade, perhaps most light can be thrown upon the subject by a consideration of the figures of vessels trading and fishing at Newfoundland. The following table, prepared from figures given by Prowse,¹⁷⁸ shows the number of vessels of various classes for representative years, and the percentage that each class constitutes of the whole.

TABLE 2

	1716		1749		1765		1774		1784 ¹⁷⁹	
	No.	%	No.	%	No.	%	No.	%	No.	%
Sack Ships...	30	20.41	125	46.13	116	29.22	149	25.78	60	17.34
British Fishing Ships...	86	58.50	80	29.52	177	44.58	254	43.94	236	68.21
Trading Ships from the Colonies...	31	21.09	66	24.35	104	26.20	175	30.28	50	14.45
Total.....	147	100	271	100	397	100	578	100	346	100

If the year 1784 is omitted as being abnormal, following the close of hostilities, it will be seen that there was a steady, if, indeed, not a spectacular, rise in the total number of vessels employed in the Newfoundland trade and fishery. The increase in the number of sack ships is a reflection of the growth of the resident fishery, but the decline in their percentage of the whole, after the peak of 1749, is explicable only through a consideration of the part played by the British fishing vessels, which rose markedly in number and relative importance.

¹⁷⁸Ibid., pp. 694-5.

¹⁷⁹After 1774 the figures are affected by the transference to Canada of Labrador, formerly included in Newfoundland territory. See W. P. M. Kennedy, *The Constitution of Canada* (1922), p. 52.

Changes in the English Vessel Fishery—Effect on Trade.

Early in the eighteenth century, the old system of vessel fishery, under which the fishermen worked on shares and the vessel carried its own catch to market, passed away, and was superseded chiefly by the sack ship, which took little or no part in the fishing, but carried merchandise, bye-boatmen, and settlers, to the fishing grounds, and the product of the fishery from the fishing grounds to the various markets.¹⁸⁰ The fishing vessels that persisted, figures for which are given in the above table, seem to have combined trade and fishing, to have secured part of their cargo of fish from their own employees, and to have made up the remainder by barter or purchase. Before the first quarter of the century had elapsed, the fishing vessel proper had been forced from the shore to the bank fishery.¹⁸¹ Unfortunately, a reclassification of statistics was not made until 1769,¹⁸² when, for the first time, figures of the number of bankers are given, and show that out of a total of 354 fishing vessels, 222 were bankers.¹⁸³ It is difficult to say how many of the

¹⁸⁰J. D. Rogers, op. cit., p. 118.

¹⁸¹Professor A. P. Newton, of the University of London, writing in *The Cambridge History*, comments on this transition as follows:

“ . . . the sack ship men in their turn were driven out of the shore fishery and found their cargoes on the Banks 200 miles from the coast which until that period had never been frequented by Englishmen.”

This is obviously misleading, for, with the growing importance of the fishery conducted by the inhabitants and bye-boatmen, there was greater need for the sack ship to carry the product to market. Moreover, sack ships proper did not engage in fishing, and, although cargoes were often completed on the Banks, the Banks would be a very inconvenient place to carry on much trading or to collect full cargoes. See *The Cambridge History*, op. cit., Vol. VI, p. 140.

¹⁸²J. D. Rogers, op. cit., p. 147.

¹⁸³See Appendix to Early Economic History, Table No. 1.

vessels classified as bankers were engaged exclusively in fishing, for the practice of completing cargoes on the Banks must have been common with the English, as it was with the French.¹⁸⁴

To secure an understanding of trade, therefore, it is necessary to consider both fishing vessels and sack ships, keeping in mind the while that the bankers were an appreciable factor.¹⁸⁵ Many of the vessels classified as "Fishing vessels" were engaged in more than straight fishing. As early as 1615, when the average tonnage of fishing vessels was sixty, there were on the average five boats to the vessel; in 1644, with an average tonnage of eighty, there were on the average eight boats to the vessel. By 1714, however, the average tonnage of the vessels had risen to 94.12, but the average number of boats had dropped to 4.47. By 1749, the average tonnage had risen to 128.50, and the average number of boats to the vessel had fallen to 2.14. By the latter date, the inclusion of bankers as fishing vessels may have considerably influenced the average number of boats, but in 1769, omitting the bankers, the average number of boats to the vessel was 3.26, and in 1774, 3.64.¹⁸⁶ On this evidence alone, it seems obvious that the vessels classified as fishing vessels often served in a dual capacity, and that as the period progressed they were being used less for fishing and more for trading.

¹⁸⁴H. A. Innis, *Documents*, op. cit., pp. 80-81.

¹⁸⁵For Cape Breton, the ships were classified as ships coming to "Trade and Fish" and ships coming to "Trade" only, which nomenclature might have served better for Newfoundland also.

¹⁸⁶See Appendix to Early Economic History, Tables Nos. 1 and 3.

Trade with New England.

Judged by the number of vessels employed, trade between Newfoundland and the North American colonies increased steadily throughout this period. The percentage that colonial trading ships constituted of the total number of vessels visiting Newfoundland rose steadily from 21.09 in 1716 to 30.28 in 1774, which would suggest that trade with North America was gaining ground on the rest of Newfoundland's commerce. However, if tonnage is taken as the criterion, the percentage is smaller and the relative gain insignificant. From 1749 to 1774, while the percentage of colonial trading ships increased from 24.35 to 30.28,¹⁸⁷ the tonnage percentage increased only from 18.06 to 19.36.¹⁸⁸ This illustrates that the tonnage of British fishing and trading vessels was increasing rapidly, whereas the tonnage of colonial vessels changed little throughout the period.

The colonial trade was carried on chiefly by New England, and consisted of provisions and lumber from the Middle and Northern colonies; tobacco and rice from the Southern colonies; and rum, sugar, and molasses, from the West Indies, with instances of the importation of such commodities as logwood.¹⁸⁹ The quantities of sugar, molasses, rum, and tobacco, were so great that it is impossible to believe they were all consumed by the inhabitants, and Rogers assures us that there is ample evidence to show that most of these commodities went

¹⁸⁷See p. 65.

¹⁸⁸See Appendix to Early Economic History, Table No. 1.

¹⁸⁹R. G. Lounsbury, *op. cit.*, pp. 608-613.

through Newfoundland to European countries in exchange for continental products.¹⁹⁰ In addition to the products of Europe and Great Britain carried home by the New Englanders, there was refuse fish for the West Indies; and there was a continuance of the very considerable profits found in transporting settlers from Newfoundland to the rapidly growing colonies on the mainland. During the eighteenth century, the rush of emigrants from Ireland so taxed the capacity of vessels that outward fares to Newfoundland rose to half as much again as homeward fares.¹⁹¹

Tonnage—Required and Available.

Some light may be thrown upon the volume of trade of this colony by considering the tonnage available and the tonnage required for practically the sole export produced in Newfoundland, dried cod. The table that follows is for the year 1769, when bankers were first differentiated from fishing vessels, and similar results would be obtained were any later year taken.

TABLE 3
TABLE OF TONNAGE AVAILABLE AND
TONNAGE REQUIRED, YEAR 1769

TONNAGE AVAILABLE:*

	No.	TONNAGE	TOTAL TONNAGE AVAILABLE
British Fishing Ships.....	132	23,047	
Sack Ships.....	117	12,071	
Colonial Trading Ships.....	120	8,706	
		<hr/>	43,824

¹⁹⁰J. D. Rogers, op. cit., p. 81.

¹⁹¹Ibid., p. 120.

TABLE OF TONNAGE AVAILABLE AND TONNAGE
REQUIRED, YEAR 1769—*Continued*

QUANTITY OF FISH MADE BY:†

	QUINTALS	TONS	TONNAGE REQUIRED	TOTAL TONNAGE REQUIRED
British and Colonial Ships‡.....	221,340	or 11,067		
Less one-third**.....		3,689		
		<hr/>	7,378	
Bye-boatmen.....	93,220			
Inhabitants.....	263,464			
	<hr/>			
	356,684	or 17,834		
Less one-third.....		5,945		
		<hr/>	11,889	
			<hr/>	19,267

* The tonnage taken for fishing vessels is that which appears in all tables as if it pertains to bankers as well as fishing vessels, which is obviously incorrect. In the detailed tables found in Macpherson's *Annals of Commerce*, it is observed that tonnage fluctuates in accordance with the number of fishing vessels, and not with the total figures including bankers. For 1769, Macpherson gives the tonnage as 23,047 for 354 vessels; for 1774, 22,182 for 254 vessels. With one hundred vessels less, therefore, it is seen that the tonnage fell off by approximately nine hundred; but most of this decline was in bankers, there being but eight fishing vessels less than in the earlier year, and for other periods the tonnage may be observed to fluctuate with the fishing vessels and not with the bankers. Again, the average tonnage on this basis for 1769 would be but sixty-five, whereas in 1615, over one hundred and fifty years earlier, the vessels averaged sixty tons. For 1752, Rogers places the tonnage of the fishing vessels at 120 (J. D. Rogers, op. cit., p. 117).

This argument may be further strengthened by considering the average tonnage of all vessels. In later years, with the rise of the bank fishery, this shows a noticeable decline, which is absurd in the face of the known facts. According to the table in Prowse (p. 696) the average tonnage for all vessels for the period 1764-1774 inclusive is 78.86, the same as that given for fishing vessels over one hundred years earlier.

† The figures for the quantity of fish taken have been used, rather than those for the fish carried to market. (In the year 1769 the figures do not vary greatly, but in some years, according to tables in Prowse, the fish marketed is considerably under the fish produced—see p. 694, year 1772, and p. 695, year 1773.)

This policy has been followed because no allowance has been made for fish oil and salmon, and, further, because it is not clear whether the fish marketed is that marketed in foreign markets or in all markets. In one table (p. 694) Prowse heads the column "Fish to Foreign Markets", and in another table (p. 696) "Fish carried to Market", and the latter is merely a recapitulation of the former.

‡ *British and Colonial Ships.*

According to the heading of this item, the catch includes that made by colonial vessels as well as vessels from Great Britain, but it is doubtful

TABLE OF TONNAGE AVAILABLE AND TONNAGE
REQUIRED, YEAR 1769—*Concluded*

whether the figures show the colonial catch, owing to the difficulty in securing the information. See Macpherson, *Annals of Commerce*, op. cit., Vol. III, p. 562.

** *Required Tonnage.*

It is assumed that a vessel will carry one and one-half times as many long tons as its registered tonnage. This figure was obtained from wooden shipbuilders in Nova Scotia, and is supported by data concerning the Canso fishery. Out of a total of thirty-eight vessels loading at Canso in 1735, 1737, 1738, and 1739, the weight of fish taken as cargo ranges from a low of roughly 70 per cent. of registered tonnage to a high of 215 per cent. These ships total 3,180 registered tons, and the fish exported in them amounted to 3,654 tons, making the figures for the cargo 115 per cent. of those for the registered tonnage (*Canadian Archives, N. S. A.*, Vol. XXIII, 178; Vol. XXIV, 169, 198, 227). At Newfoundland, of course, with the bulk of the fishery in the hands of the inhabitants and bye-boatmen, and with a far larger catch, full cargoes would be much easier to obtain.

A modern sailing vessel, according to Johnson, will carry one and two-third times its net registered tonnage. (See Emory R. Johnson, *Ocean and Inland Water Transportation*, pp. 9, 10, 11. See also *Encyclopedia Britannica*.)

For general discussion of the history of methods used in calculating tonnage the reader is referred to G. S. Laird Clowes, *Sailing Ships, Their History and Development*, pp. 57-8.

The above figures show:

(a) That the sack ships could accommodate the entire catch of the residents and bye-boatmen.

(b) That were the fishing vessels confined to carrying their own catch, they would have less than one-third of a cargo.

(c) That the total tonnage available was about two and one-quarter times that of the total tonnage required.

No account is taken of the bankers, which on an assumed basis of 100 tons each would total 22,200 tons.

Although these figures are subject to numerous qualifications, some of which have been noted, they at least help to emphasize that Newfoundland was

a trading as well as a fishing centre of very considerable importance. Most of the fish was marketed in Europe. References to the practice of exchanging refuse cod for the West Indies for colonial products became fewer, and there were complaints that a larger proportion of colonial products were paid for in bills of exchange, until, in 1765, Palliser states that nine-tenths of the returns for the trade with New England were made in bills of exchange on London.¹⁹²

The Dominance of British Influence.

The trade with New England, important as it was, seems to have been over-emphasized, for, although dependable data on Newfoundland's trade, except perhaps that with England, are not obtainable, the figures for vessels, whether number or tonnage, show quite definitely that by far the larger part was with Europe. When it is appreciated that a more accurate accounting of colonial vessels must have been made towards the latter part of the period; that the fishing vessels were more and more becoming traders; that in tonnage the British vessels were holding their own against the Colonial vessels; and that bankers have been practically excluded in this consideration: it is clear that British influence dominated Newfoundland. Most of the merchants in the colony were British, and many of them had establishments both at home and in Newfoundland.¹⁹³ Certain it is that Newfoundland,

¹⁹²D. W. Prowse, *op. cit.*, p. 329.

¹⁹³J. D. Rogers, *op. cit.*, p. 139.

the oldest of England's oversea colonies, was again, if not still, facing eastwards.

THE ENGLISH FISHERY AT CANSO

The dominance of the British trader, so evident in Newfoundland, was noticeable at Canso soon after that place became the centre of the English fishery in Nova Scotia, following the Treaty of Utrecht. The New Englanders in their schooners, the French in their shallows,¹⁹⁴ and the Old Englanders in their larger vessels, assembled at Canso to share in the abundant cod-fishery. The French soon ceased to come in any considerable numbers, and the vessels from England had never been more than a few,¹⁹⁵ so that the fishery was primarily in the hands of New England fishermen.¹⁹⁶

Much of the catch was taken back to New England, thence forwarded to various markets, some was sent direct to the West Indies, the French purchased varying quantities,¹⁹⁷ and a very considerable amount was shipped direct to Mediterranean ports. In 1725, excluding refuse fish for the West Indies, the trade is said to have amounted to 56,357 quintals,¹⁹⁸ and in 1731 to 50,000 or 60,000 quintals.¹⁹⁹ In 1737, out of a total production of 40,000 quintals, 24,400 quintals were sent to European markets, and the remainder was taken back to

¹⁹⁴H. A. Innis, *Documents*, op. cit., p. 153.

¹⁹⁵*Ibid.*, pp. 158, 160, 222.

¹⁹⁶*Ibid.*, pp. 163, 236-7.

¹⁹⁷*Ibid.*, pp. 129, 132.

¹⁹⁸*Canadian Archives*, N. S. A. XVI, 134-7.

¹⁹⁹H. A. Innis, *Documents*, op. cit., p. 221.

New England or shipped direct to the West Indies.²⁰⁰ In the following year, when production is given as 48,000 quintals, 20,000 quintals went to European markets, 20,000 quintals were taken back to New England, and 8,000 quintals were sold to the French at Isle Royale.²⁰¹ But it is the European trade that is of primary interest, for it is here that the British sack ship was competing with the American trading vessel; that the British trader was competing with the New England trader in what had been considered the exclusive territory of the latter; and it is here that one may see that the marginal territory had been pushed west and south from Newfoundland to Nova Scotia. The percentage of the European trade carried in British vessels stood at 50.77 in 1735, 62.08 in 1736, 64.75 in 1737, and 45.95 in 1738.²⁰²

THE NEW COLONY—NOVA SCOTIA

Time was to strengthen and extend the British commercial connections begun in such a small way at Canso, and as the story proceeds this growing force will be repeatedly commented upon, but for the present it will be necessary to turn back to see what was taking place in the newly-acquired colony.

For some years after Acadia came into the hands of the English, the colony received little attention from the home Government. Port Royal, renamed

²⁰⁰*Canadian Archives, N. S. A.* XXIV, 168.

²⁰¹*Ibid.*, 198.

²⁰²See Appendix to Early Economic History, Table No. 12.

Annapolis Royal, remained the capital, and, except for the small English garrison there, and the English fishery at Canso, the population was little altered. By 1749, however, pressure from New England and the impending struggle with France aroused to action the authorities in London, and Halifax was established as a counterpoise to Louisburg and made the capital.

Immigration and Settlement.

The first settlers in Halifax were ex-service men and artificers from England, and New Englanders from Louisburg, which was restored to the French in 1749. In 1752, the number of first-comers was increased by about twenty-two hundred German Protestants.²⁰³ Many of the ex-service men, who rarely make good settlers, drifted away to the older colonies, and in 1753 most of the Germans removed to about seventy miles west of Halifax, where they founded the present town of Lunenburg.²⁰⁴ As long, however, as the French remained in possession of the St. Lawrence basin, it was impossible for the English to make much progress with new settlements. The Indians, who for years had been under the influence of the French, were kept in a state of constant agitation by French agents,²⁰⁵ and it was felt that the Acadians, peaceful people though they were, could not be depended upon in the impending struggle. In 1755, harsh measures

²⁰³J. D. Rogers, *Canada*, being Vol. V, Part 3, of *Historical Geography of the British Colonies* (C. P. Lucas), p. 51.

²⁰⁴*Ibid.*, pp. 51-2.

²⁰⁵J. S. McLennan, *op. cit.*, pp. 67-70.

were taken to remove this second element of uncertainty, and the Acadians were expelled from their homes in Nova Scotia. In 1758, Louisburg was captured, and in the same year expeditions were fitted out against the settlements in the Gulf of St. Lawrence. The population of Isle St. Jean was reduced from over four thousand to a few hundred, and the inhabitants on the coast of the mainland were forced to take refuge in the interior of the northern part of what is now the Province of New Brunswick,²⁰⁶ where their descendants are to be found today. In 1760, Canada fell into the hands of the British, after which the Indians in Nova Scotia were brought to terms and settlement began in earnest.

The Government issued an invitation to the old colonists to settle the lands of the Acadians,²⁰⁷ and this invitation was so well responded to that by 1765 practically all the former Acadian holdings were in the hands of the English from New England.²⁰⁸ But there were other New Englanders, who for years had come to fish off the Nova Scotian coast,²⁰⁹ who considered this territory their special preserve, and who had only awaited more propitious circumstances under which to establish a new and

²⁰⁶W. F. Ganong, "A Monograph of the Origins of Settlement in the Province of New Brunswick", in *Proceedings and Transactions of the Royal Society of Canada*, Second series, Vol. X, Section II (Toronto, 1905), pp. 36-7.

²⁰⁷T. C. Haliburton, *A Historical and Statistical Account of Nova Scotia*, Vol. I, pp. 219-223.

²⁰⁸J. D. Rogers, *Canada*, op. cit., p. 52.

²⁰⁹A. W. H. Eaton, *Chapters in the History of Halifax* (Published in *Americana*, New York, National Americana Society, Vols. X and XI April, 1915-October, 1916), Chapter 6, p. 174 f.n.

permanent base for their industry. With a base nearer the fishing grounds, the season could be lengthened by the saving of time otherwise employed in trips to and from New England, and the quality of the cure could be improved through more immediate and uninterrupted attention to the catch. The trip westwards had often to be made against heavy winds, causing long delays and frequently considerable loss through deterioration of the cargo. The advantages of the new base, together with the encouragement given by the Government, induced New England fishermen to settle on the coast of Nova Scotia from Canso to Yarmouth.²¹⁰ While New England fishermen were settling along the south shore of Nova Scotia, Jersey and Guernsey fishermen, extending their operations from Newfoundland, were establishing posts in Cape Breton, on the Strait of Belle Isle, and on the shores of the Gulf of St. Lawrence as far north as Paspébiac (Gaspé).²¹¹ In the decade from 1760 to 1770, enclosures in Scotland stimulated migration from that country and many emigrants found homes in the newly-acquired British colonies.²¹² In 1764, William Davidson began his salmon fishery on the Miramichi,²¹³ and was later joined by more of his countrymen. After 1767, Scotch Highlanders in considerable numbers came to Prince Edward Island, and in 1773 the Scotch

²¹⁰H. A. Innis, *Documents*, op. cit., pp. 163-4.

²¹¹J. D. Rogers, *Canada*, op. cit., p. 58.

²¹²*Ibid.*, p. 57.

²¹³W. F. Ganong, op. cit., p. 44.

settlement at Pictou was founded.²¹⁴ A small number of New Englanders established a settlement at Maugerville, on the Saint John River, as early as 1761, and, shortly after, others settled on the Isthmus of Chignecto.²¹⁵ From Lunenburg west, and in the Bay of Fundy area, the New Englanders dominated. The only considerable settlement direct from England was made by the Yorkshire Methodists, who from 1772 to 1774 settled at Sackville and Amherst on the Chignecto Isthmus, and on the Nappan and Maccan,²¹⁶ and made a break in the chain of New England settlements. Another break was in Clare township, Digby county, where Acadians returning from their exile were permitted to found new homes.²¹⁷ The immigration was considerable, for in 1772 the whole territory, excluding Prince Edward Island, boasted a population of 19,920,²¹⁸ about three-quarters of whom were of New England origin or descent.²¹⁹

Economic Progress.

These newcomers, though handicapped by little and poor equipment, were aggressive and energetic people, and were soon busy operating their farms, prosecuting the fishery, hewing down the forest and working it into lumber either for export or the building of ships, and developing trade with the older colonies and the West Indies. In 1766, there

²¹⁴J. D. Rogers, *Canada*, op. cit., p. 55.

²¹⁵Rev. W. O. Raymond, *The River St. John* (1910), p. 281.

²¹⁶J. D. Rogers, *Canada*, op. cit., p. 57.

²¹⁷*Ibid.*, p. 57.

²¹⁸See *Census of Canada, 1931*, op. cit.

²¹⁹A. W. H. Eaton, op. cit., Chapter 10, p. 188.

were produced in the province sixty-seven thousand bushels of grain, and there were on the farms:

Horses.....	1,237
Cattle.....	12,602
Sheep.....	7,837
Swine.....	3,479

In the same year, fishermen cured 50,143 quintals of cod-fish, and pickled 10,667 barrels of salmon, mackerel, and other fish; and there were operating in the province thirty-one saw-mills, which produced 1,721,000 feet of boards.²²⁰

From the beginning of English settlement, ship-building seems to have flourished: in 1751, the first craft was built at Halifax;²²¹ in 1760, three fishing vessels were being constructed at Liverpool;²²² in 1763, Yarmouth launched the first of what was to become a magnificent home-built fleet;²²³ and when, in 1770, James Simonds built the schooner *Betsy*, he initiated the industry at Saint John.²²⁴

In 1758, the construction of the Dock Yard at Halifax was started,²²⁵ and Halifax became important as a British naval base in the North Atlantic. The requirements of this centre for masts and timber gave considerable impetus to the forest industries, and outlying communities were aided materially by the demand for provisions to supply both the resident population and the ships that

²²⁰Canadian Archives, N. S. A. LXXX, 168.

²²¹F. W. Wallace, *Wooden Ships and Iron Men*, p. 12.

²²²D. Campbell, *History of Nova Scotia*, p. 149.

²²³F. W. Wallace, *op. cit.*, p. 12.

Rev. J. R. Campbell, *Yarmouth, A History of the County*, p. 97, gives this date as 1764.

²²⁴F. W. Wallace, *op. cit.*, pp. 10-11.

²²⁵T. C. Haliburton, *op. cit.*, Vol. II, p. 15.

called. Although the local demand was undoubtedly of primary importance at the beginning, it was not long until production far exceeded the requirements of Halifax and masts and timber were finding their way to Great Britain. By 1772, Nova Scotia was third among the important areas in America supplying these massive sticks for the British Navy. Falmouth stood first with three hundred and eighty-two masts, Portsmouth came second with three hundred and twenty-nine, and Nova Scotia made a good showing with one hundred and eighty-nine.²²⁶ Two years later, in 1774, the square timber trade with Great Britain began and the first shipment was made from Pictou.²²⁷

Trade.

The early trade was small and prosecuted under difficulties, but by 1772 the main channels were sufficiently well developed to be quite discernible. For that year, a summary of the statement of trade is as follows:

TABLE 4

	IMPORTS TO NOVA SCOTIA	EXPORTS FROM NOVA SCOTIA
Several Colonies of America..... (chiefly New England)	£31,000	£26,000
Southern Europe, Africa, Azores, and West Indies..... (chiefly West Indies)	2,000	13,615
Great Britain, Ireland, Islands of Jersey and Guernsey.....	30,000	3,750
	£63,000	£53,365 ²²⁸

²²⁶R. G. Albion, *Forests and Sea Power*, p. 276.

²²⁷Rev. G. Patterson, *Pictou—A History of the County*, p. 244.

²²⁸H. A. Innis, *Documents*, op. cit., pp. 226-7.

It will be observed that the total given for exports is £10,000 greater than the sum of the individual items. See also *Documents*, p. 225, for statement of trade in 1764.

It is significant that even at this early date approximately 25 per cent. of the colony's exports were going to the West Indies, and an examination of the details of the statement shows that much of the trade with the other colonies of North America was in goods from or destined to the Caribbean. Because the agricultural development in the province was still confined chiefly to the Bay of Fundy area, it was more convenient to send goods to Boston, where there was a ready market, than to Halifax; and for Halifax to import the same or similar goods from Boston.²²⁹ However, the good market that obtained at the capital, where Liverpool, Lunenburg, and Chester, disposed of their lumber, staves, and provisions, greatly assisted development on the Atlantic seaboard.²³⁰ A considerable import from Great Britain, which rose rapidly in later years, merely illustrates further how the ubiquitous British trader was extending his sphere of influence and tightening his grip on the northern regions of North America.

The outbreak of the American Revolution seriously interrupted the trade of the province, but the requirements of Halifax, and of the British army and the British fleet,²³¹ soon provided a better market for provisions than had been enjoyed in New England; and certain centres that had been in

²²⁹Ibid., pp. 214-215.

²³⁰Ibid., p. 243, and Beamish Murdoch, *History of Nova Scotia*, Vol. II, p. 613.

²³¹A. W. H. Eaton, op. cit., Chapter 2, pp. 767, 776.

Canada and Its Provinces, op. cit., Vol. XIII, Archibald Mac-Mechan, "Nova Scotia General History", p. 219.

the habit of securing most of their British manufactures through New England made direct contacts with the Motherland.²³² Lumbering operations were encouraged by the great demand for masts and timber, by the requirements of the West Indian trade, and by shipbuilding in the province. It was during this struggle that masting operations were begun on the Saint John River. The first shipment reached Halifax in 1780, and by 1782 there were sufficient masts from this area to make available a surplus for export to Great Britain.²³³ When hostilities were concluded in 1783, there was an influx of Loyalist settlers from the former colonies, which, in the course of months, more than trebled the population of the province,²³⁴ and taxed to the utmost the resources of the colony and the ingenuity of the officials.²³⁵

NOVA SCOTIA—THE LOYAL PROVINCE

The Old Empire and the Colonial System.

Behind the early colonial policies of France and England seems to have been the vague conception of a self-contained empire. Mims, writing on the French West Indies,²³⁶ and Pitman, writing on the British West Indies,²³⁷ emphasize the lack of balance in both empires, and show how attempts to restrict trade to Imperial channels contributed to

²³²Rev. G. Patterson, *op. cit.*, p. 98.

²³³R. G. Albion, *op. cit.*, p. 292.

²³⁴See *Census of Canada, 1931*, *op. cit.*

²³⁵H. A. Innis, *Documents*, *op. cit.*, pp. 183-4, 185.

²³⁶S. L. Mims, *op. cit.*, Chapter 16, *passim*.

²³⁷F. W. Pitman, *op. cit.*, Preface, viii.

their collapse. It has been observed that the rapid development of sugar culture in the English plantations was responsible for the almost phenomenal growth of the Middle and Northern Atlantic colonies, that production soon exceeded the requirements of the British West Indian market, and that an outlet had to be found in the French Islands. For many years little or no attempt was made to enforce trade regulations and restrictions, and when an attempt was made to restrict the commerce between the British colonies on the mainland and the French West Indies serious friction developed.²³⁸ The laws and regulations were based on the principles of mercantilism, but the policy followed had become virtually that of *laissez faire*. The economic structure, therefore, became plastic and flexible, whereas the political structure hardened to rigidity, and the real difficulty arose when an attempt was made to confine this flexible system within the walls of the rigid political structure. Lipson states that the colonies would not have cut themselves adrift from the Empire because of economic grievances alone,²³⁹ but it is clear that he did not mean to imply that these economic grievances did not strengthen the feeling of nationalism that had taken root.

By 1776, the year of the signing of the Declaration of Independence, many of the colonists counted

²³⁸The problem of balance within the Empire from the point of view of the West Indies and the Northern Colonies is discussed by F. W. Pitman, *op. cit.*, pp. 189-190, and S. L. Mims, *op. cit.*, Chapter 9, especially p. 222.

²³⁹E. Lipson, *op. cit.*, Vol. III, p. 196.

their residence in the New World in terms of generations. Difficulties in the direct trade with Great Britain led to less direct intercourse, and consequently the people in each country were poorly acquainted with the others' point of view. The economic strength of the colonies made them relatively independent of British capital, which, apart from what the settlers brought with them, had never come in any considerable quantity.²⁴⁰ When, by the removal of the French from North America, the foremost object that the colonies and Great Britain had in common was achieved, it was discovered that each had little understanding of the other, separated as they were by many miles of ocean and with comparatively little intercourse—in short, it was discovered that they had become strangers. Looking backwards over the years that have intervened, it is difficult to see how friction could have been averted until the older ideas of empire had changed, and the growing commerce of Britain, and the need of the colonies for the rapidly accumulating British capital, had strengthened, through closer contacts, the tenuous bonds that held the colonies to the Motherland.

The Position of Nova Scotia.

In Nova Scotia, circumstances were quite different. The colony was new, sparsely populated, and

²⁴⁰The export of British capital to the British West Indies, as explained earlier—see p. 34—was of considerable importance to the American colonies. The support of English capital in the shipbuilding industry of New England as late as 1722 is mentioned by Wm. B. Weeden, *op. cit.*, Vol. II, pp. 553-4.

dependent to an unusual extent upon the home Government. The peninsula part of the province contained most of the settlers and was perilously exposed to naval attack, and this would leave the handful of people little inclined to face the force of the British Navy, which had so effectively demonstrated its power in the recent struggle with France. The Bay of Fundy area, where the greater number of New Englanders had settled, was especially vulnerable. Most of the farming was done on the dyked marshes, and cutting the dykes would have meant ruin to the entire area.²⁴¹ The dependence of Great Britain on outside sources of supply for masts and naval stores²⁴² enhanced the value of her northern possessions and stimulated a closer vigilance over Nova Scotia when once hostilities with the older colonies had broken out.²⁴³ The outbreak of hostilities closed the New England market, but this loss must have been fully compensated by the requirements of the British forces operating against the colonies. The trade in masts and naval stores was stimulated by the cessation of supplies from the older colonies and by the needs of a greatly augmented fleet operating from the naval base at Halifax.

The People and Their Occupations.

The population at this time numbered about twenty thousand, of whom approximately three-

²⁴¹H. A. Innis, *Documents*, op. cit., p. 188.

²⁴²R. G. Albion, op. cit., p. 276.

²⁴³Gerald S. Graham, *British Policy in Canada*, pp. 43-4.

quarters came from New England. The remainder was composed of Acadian French, German settlers at Lunenburg, and a few from Great Britain, Jersey, and Guernsey. This latter group was confined to the eastern part of the province and to Prince Edward Island, and about their loyalty there could be little question. The Germans, although having no reason to be especially partial to Great Britain, had had no opportunity to become acquainted with the older colonies or sympathetic to their cause. The French, though expelled from their homes by British forces, had for years thought of New England rather than Old England as their enemy; and the Roman Catholic clergy in Acadia, no less than the same class in Canada,²⁴⁴ considered that there was an opportunity for more equitable treatment from Great Britain than from the colonies.

It is, however, the attitude of the New Englanders resident in the province that raises the most interesting considerations, for this group was but recently settled in the province, had close ties with the older colonies, and outnumbered all the others by about three to one. Since these people apparently quite willingly left the older colonies for the advantages to be gained in the new, it seems legitimate to assume that their sentimental attachment to their former homes was not nearly so great as that of the majority of those who remained behind. Many came at the expense of the Govern-

²⁴⁴W. P. M. Kennedy, *op. cit.*, p. 69.

ment to homes already established; others benefited materially from the generosity expressed in Imperial parliamentary grants; and Murdoch's conclusion that this left them ill-disposed to take up arms against the Government of Great Britain seems quite tenable.²⁴⁵ Miss Viola Barnes, writing on this subject in the January, 1931, number of the *New England Quarterly*, maintains that the merchant class perceived they would have trade advantages with the West Indies when once the older colonies were out of the Empire,²⁴⁶ and that it was their attitude and efforts that kept Nova Scotia loyal. But this contention seems to have been adequately refuted by W. B. Kerr, writing in the March, 1932, issue of the *Canadian Historical Review*. In the same article he states that "the decisive fact . . . was the almost total want of sympathy among artisans, fishermen, and farmers for the American cause."²⁴⁷ But neither gives much information concerning the merchants, their nationality, the range of their activities, their influence, or their business connections outside the province.²⁴⁸ Of the artisans, there is little to be said. Industries were few and the number employed was insignificant. It would seem, too, that most of them, especially at Halifax, had come direct from

²⁴⁵Beamish Murdoch, op. cit., Vol. II, p. 448.

²⁴⁶Viola F. Barnes, "Francis Legge, Governor of Loyalist Nova Scotia", in the *New England Quarterly*, Vol. IV, No. 1, January, 1931.

²⁴⁷W. B. Kerr, "The Merchants of Nova Scotia and the American Revolution", in the *Canadian Historical Review*, Vol. XIII, No. 1, March, 1932.

²⁴⁸This entire subject is fully discussed in Professor Brebner's book, *Neutral Yankees*.

Great Britain, since out of the 2,543 settlers who landed in 1749, 505 were classed as artisans.²⁴⁹ The special circumstances of the agriculturists of the province have been handled in sufficient detail in preceding pages, but it will be necessary to add a few words to what has already been said concerning the fishermen.

Professor Innis, in a paper read before the Canadian Historical Association, maintains that the New England fishery had reached geographical limits in Nova Scotia,²⁵⁰ and his arguments and statement of advantages that attended settlement have been incorporated in the present work. The New England fishermen who settled in Nova Scotia were not strangers to the land. They had fished off its shores for many years, and once established on this new base they rapidly developed a prejudice against other fishermen who came to operate in what they considered their special preserve.²⁵¹ The fishing industry demands and encourages individualism and lends itself to a rapid growth of local patriotism. A rapid growth of local patriotism in Nova Scotia was foreseen by Stanhope, who, in arguing that Nova Scotia should be united with Massachusetts, contended that if this were not done "Rivalry in trade and the fisheries . . . would render the two provinces very ill friends; though

²⁴⁹J. D. Rogers, *Canada*, op. cit., p. 51.

²⁵⁰H. A. Innis, *An Introduction to the Economic History of the Maritimes*, in Annual Report of the Canadian Historical Association, 1931.

²⁵¹It is claimed that in 1762 New Englanders fished off the Nova Scotia shore to the number of 200 sail. See H. A. Innis, *Documents*, op. cit., p. 244.

very near neighbours."²⁵² In 1730, Massachusetts dissuaded settlers *en route* from the Palatinate to Nova Scotia from proceeding to that colony, which gives some evidence in support of Stanhope's views.²⁵³

Policy of the Home Government.

Imperial expenditures in the province increased as soon as hostilities had broken out, and large disbursements of Government funds would have no small influence upon a colony so recently established and therefore in serious need of currency and credit. With the use of force against the thirteen colonies came a relaxation of restrictions in Nova Scotia: witness the granting of free lands in 1775, the removal of charges for the cutting of timber for the West Indian trade, and similar freedom for the export of coal.²⁵⁴ Even the grievances that the people had against Governor Legge were given a sympathetic hearing by the home Government, and his replacement by Lieutenant-Governor Arbuthnot in 1776²⁵⁵ went far, as Professor Martin has pointed out, to prevent the spread of political discontent.²⁵⁶ A spirit of disloyalty manifested itself in only a few instances. In the outlying districts on the Saint John River and the Isthmus of Chignecto, under

²⁵²Chester Martin, *Empire and Commonwealth—Studies in Governance and Self-Government in Canada*, p. 56.

²⁵³H. A. Innis, *Documents*, op. cit., p. 168.

²⁵⁴*Ibid.*, pp. 179-181.

²⁵⁵Major Francis Legge left the province in 1776, but retained the Governorship until 1782, during which time the administration was carried on successively by Lieutenant-Governors Arbuthnot, Hughes, and Hamond. See A. W. H. Eaton, op. cit., Chapter 9.

²⁵⁶Chester Martin, op. cit., p. 85.

pressure from self-appointed agents of the disaffected colonies, and, in the former case, the guns of an American privateer,²⁵⁷ the settlers openly sided with the revolutionary cause, and at Chignecto actually took up arms. On the peninsula itself the only overt acts that could be construed as indicating disloyalty to Great Britain were an isolated case of incendiarism in Halifax, hasty action against a sheriff at Shelburne when seizing a schooner upon the charge of illicit trading, a petition by the people of Yarmouth that they might be permitted to remain neutral, objections to the Militia Act passed during Governor Legge's administration, and the mild counterpart of the "Boston Tea Party", when several shipments of the East India Company were landed at Halifax and distributed with no more than verbal opposition.²⁵⁸

Effects of the Struggle.

Doubtless the poor communications within the province, and the dispersion of the small population over a relatively large area, permitted sympathies

²⁵⁷For a discussion of this incident see *The River Saint John*, by Rev. W. O. Raymond, op. cit., 1910 edition, pp. 433-4-5. The various incidents during the Revolution affecting the Saint John River and the Bay of Fundy region of New Brunswick are fully discussed in Chapters 19 and 20 of the above volume.

²⁵⁸A. W. H. Eaton, op. cit., Chapter 10, p. 197. In addition to the works already referred to respecting events of the Revolution affecting Nova Scotia, see: Emily P. Weaver, "Nova Scotia and New England during the Revolution", in the *American Historical Review*, Vol. X, pp. 52-71; D. C. Harvey, "Machias and the Invasion of Nova Scotia", in *Report of the Canadian Historical Association, 1932*, pp. 17 ff.; Archibald MacMechan, "Nova Scotia—General History, 1775-1867", in *Canada and Its Provinces*, op. cit., Vol. XIII, pp. 227 ff.; W. B. Kerr, "Nova Scotia in the Critical Years, 1775-6", in the *Dalhousie Review*, April, 1932.

to remain inarticulate until they were transformed into open hostility by the plundering operations of revolutionary privateers. Vessels were then fitted out in retaliation, and Nova Scotia made common cause with Great Britain.²⁵⁹ As the struggle continued, there came immigrants who supported the British connection,²⁶⁰ and those who left the province were for the most part the stronger supporters of the colonial cause.²⁶¹

After 1783.

It is not difficult to understand why, after the Revolutionary war was over, this region desired to remain within the Empire. The large influx of United Empire Loyalists, the rapid growth of trade with Great Britain and the British West Indies, the influx of British capital and British settlers, the war of 1812-1814, the aggressive policy of the United States with respect to trade, and the protracted dispute over American fishing rights within the territorial waters of British North America: these, with many minor factors, converted the apathetic acceptance of British authority in 1776 into an ardent support of the British connection after 1783.

²⁵⁹H. A. Innis, *Documents*, op. cit., pp. 233-4. Beamish Murdoch, op. cit., Vol. II, pp. 576-7, 591, 599, 606-7-8-9, 617-18-19-20; Vol. III, pp. 2, 4, 5, 7, 8.

²⁶⁰A. W. H. Eaton, op. cit., Chapter 2, p. 769.

H. A. Innis, *Documents*, op. cit., p. 181.

R. McLeod, *Markland, or Nova Scotia*, p. 66.

J. G. Bourinot, *Cape Breton and Its Memorials*, p. 80.

²⁶¹A. W. H. Eaton, op. cit., Chapter 10, pp. 191-2, 192 f.n., 193, 194, 196.

Haliburton quotes Judge Deschamps' estimate that the population had been reduced to 12,000 by 1781. See T. C. Haliburton, op. cit., Vol. I, p. 261.

APPENDIX TO
EARLY ECONOMIC HISTORY

TABLE No. 1
VESSELS ENGAGED IN THE NEWFOUNDLAND TRADE AND FISHERY

YEAR	TOTAL TON- NAGE	BRITISH FISHING SHIPS				SACK SHIPS				COLONIAL TRADING SHIPS			
		No.	TON- NAGE	AVERAGE TON- NAGE	PER CENT. OF TOTAL TONNAGE	No.	TON- NAGE	AVERAGE TON- NAGE	PER CENT. OF TOTAL TONNAGE	No.	TON- NAGE	AVERAGE TON- NAGE	PER CENT. OF TOTAL TONNAGE
1615	.....	250	15,000	60	.....	.....	.....	.....	.....	.....	.....	.....	.....
1644	.....	270	21,600	80	.....	.....	.....	.....	.....	.....	.....	.....	.....
1677	.....	109	9,035	82.89	.....	.....	.....	.....	.....	.....	.....	.....	.....
1714	.....	85	8,000	94.12	.....	.....	.....	.....	.....	.....	.....	.....	.....
1749	35,430	80	10,280	128.50	29.02	125	18,750	150	52.92	66	6,400	96.97	18.06
1751	30,971	122	14,580	119.51	47.07	87	9,380	107.82	30.29	103	7,011	68.07	22.64
1764	40,580	141	14,819	105.10	36.52	97	11,924	122.93	29.38	205	13,837	67.50	34.10
1765	38,548	177	17,268	97.56	44.80	116	14,353	123.73	37.23	104	6,927	66.60	17.97
1767	40,348	258	23,419	90.77	58.04	92	10,532	114.48	26.10	115	6,397	55.63	15.86
1769	43,824	Fishing Vessels.. 132	23,047	174.59	52.59	117	12,071	103.17	27.54	120	8,706	72.55	19.87
		*Bankers. 222											
		354	23,047	65.10	52.59								
1770	41,494	Fishing Vessels.. 130	22,045	169.58	53.13	123	13,363	108.64	32.20	138	6,086	44.10	14.67
		Bankers. 238											
		368	22,045	59.90	53.13								
1771	41,424	Fishing Vessels.. 125	21,954	175.63	53.00	120	10,995	91.63	26.54	123	8,475	68.90	20.46
		Bankers. 244											
		369	21,954	59.50	53.00								
1772	42,245	Fishing Vessels.. 116	20,950	180.60	49.59	146	14,508	99.37	34.34	138	6,787	49.18	16.07
		Bankers. 190											
		306	20,950	68.46	49.59								
1773	33,370	Fishing Vessels.. 92	18,855	204.94	56.50	93	8,553	91.97	25.63	125	5,962	47.70	17.87
		Bankers. 170											
		262	18,855	71.97	56.50								
1774	46,333	Fishing Vessels.. 124	22,182	178.88	47.88	149	15,179	101.87	32.76	175	8,972	51.27	19.36
		Bankers. 130											
		254	22,182	87.33	47.88								

*See p. 70 f.n.

Year 1615, Whitbourne, R. op. cit., pp. 11-13.

In the year 1774 the total is given as 46,533 for tonnage, but the sum of the individual items is 46,333.

Years 1644 and 1677, P. C. 756.

1714 and succeeding years from P. C. 827.

TABLE NO. 2
NEWFOUNDLAND FISHERY

	1675	1700	1716	1749	1765	1774	1784
Number of Boats kept by:							
British Fishing Ships.....	677	800	319	171	322	451	572
Inhabitants.....		674	408	654	1,156	1,446	1,068
*Bye-Boatkeepers.....		90	184	349	345	518	344
Inhabitants and Bye-Boatkeepers.....	277	764	592	1,003	1,501	1,964	1,412
Total.....	954	1,564	911	1,174	1,823	2,415	1,984

Year 1675, from P. C. 756; remaining years from P. C. 827 "Returns of the Admirals".

*Concerning the term "Bye-Boatkeeper", Prowse comments as follows: (p. 297 f.n.)

"Bye-Boatkeepers were what we should now call planters or middlemen. They were not possessed of fishing ships, but they generally either had fishing establishments or hired them; they fitted out a number of men and boats; all who were independent sold their fish for the best price to sack ships, traders, etc."

The term *Bye-Boatkeeper* seems to have been used consistently throughout the mass of literature on the Newfoundland fishery; but, for the benefit of those who may wish to refer to some of the earlier source material, it is well to point out that *Planter* is often identified with both bye-boatkeeper and inhabitant. Sir John Berry, writing to Secretary Sir Joseph Williamson, September 12, 1675, includes "An exact account of the *Planters*, who are 1,655 men, women and children"—possessing 277 boats (P. C. 734), and, in this instance, the term *Planter* obviously means inhabitant.

For the year 1677, R. M. Martin (*The British Colonies*, Vol. I, p. 302) gives *Bye-boatmen's* boats as numbering 337; yet in a statement contained in a representation of the Lords Commissioners for Trade and Plantations to His Majesty (P.C. 756) these same figures are given for *Planters' boats*, and it seems quite certain in connection with this same statement that the term *Planters* refers to *Inhabitants*.

In 1699, with the beginning of the Returns of the Admirals, the term *Planter* seems to be largely dropped, but the figures are such as to suggest that for the earlier years not only was the term inconsistently applied, but the figures given under whatever heading (except *Fishing Ships*) included boats of both inhabitants and bye-boatmen.

TABLE No. 3
NEWFOUNDLAND FISHERY
BRITISH FISHING SHIPS, BOATS, AND AVERAGE NUMBER OF BOATS TO THE SHIP

YEAR	SHIPS	BOATS	AVERAGE NUMBER OF OF BOATS TO THE SHIP
1615.....	250	1,250	5
1644.....	270	2,160	8
1675.....	105	677	6.45
1682.....	32	183	5.72
1684.....	43	294	6.84
1700.....	171	800	4.68
1714.....	85	380	4.47
1715.....	108	376	3.48
1749.....	80	171	2.14
1765.....	177	322	1.82
1769.....	132	430	3.26
1774.....	124	451	3.64

Year 1615, R. Whitbourne, op. cit., pp. 11-12-13.

Years 1644, 1675, 1682, 1684, from P. C. 756; remaining years from P. C. 827.

TABLE No. 4
NEWFOUNDLAND FISHERY
PRODUCTION

BY:	1716		1749		1764		1774		1784	
	QUINTALS	PER CENT.	QUINTALS	PER CENT.	QUINTALS	PER CENT.	QUINTALS	PER CENT.	QUINTALS	PER CENT.
British and Colonial Ships . . .	30,329	34.28	118,400	23.38	116,570	20.77	237,640	34.15	131,650	30.10
Bye-Boatmen.....	24,310	27.48	94,900	18.74	92,050	16.39	145,800	20.95	93,050	21.28
Inhabitants.....	33,830	38.24	293,106	57.88	352,690	62.84	312,426	44.90	212,616	48.62
Total.....	88,469	100	506,406	100	561,310	100	695,866	100	437,316	100

D. W. Prowse, op. cit., p. 694.

TABLE No. 5
TRADE—NEWFOUNDLAND—ENGLAND

YEAR	IMPORTS FROM ENGLAND	EXPORTS TO ENGLAND	TOTAL TRADE	YEARLY AVERAGE
1701-2.....	£11,811	£6,425		
1702-3.....	7,021	4,757		
1703-4.....	13,401	9,619		
1704-5.....	5,008	8,596		
1705-6.....	11,857	8,729		
1706-7.....	9,011	10,533		
1707-8.....	8,577	13,902		
1708-9.....	12,151	11,158		
1709-1710.....	13,965	11,874		
1710-1711.....	10,759	5,830		
1711-1712.....	19,640	11,473		
1712-1713.....	12,059	6,677		
	<u>£116,428</u>	<u>£ 98,391</u>	£ 214,819	£ 21,481
1713-1714.....	11,491	9,601		
1714-1715.....	11,288	8,120		
1715-1716.....	9,487	7,162		
1716-1717.....	12,086	5,724		
1717-1718.....	13,134	8,134		
1718-1719.....	11,394	7,680		
1719-1720.....	14,643	11,859		
1720-1721.....	17,858	6,815		
1721-1722.....	21,382	11,775		
1722-1723.....	18,830	10,614		
	<u>£141,593</u>	<u>£ 87,484</u>	£ 229,077	£ 22,907
1723-1724.....	19,846	12,624		
1724-1725.....	19,243	22,528		
1725-1726.....	19,220	14,133		
1726-1727.....	39,973	10,986		
1727-1728.....	37,972	14,202		
1728-1729.....	46,889	15,462		
1729-1730.....	28,954	21,725		
1730-1731.....	31,373	18,987		
1731-1732.....	56,281	27,693		
1732-1733.....	29,751	30,564		
	<u>£329,502</u>	<u>£ 188,904</u>	£ 518,406	£ 51,840
1733-1734.....	30,385	18,932		
1734-1735.....	30,101	25,535		
1735-1736.....	32,009	28,740		
1736-1737.....	43,752	38,041		
1737-1738.....	34,666	33,821		
1738-1739.....	46,753	31,746		
1739-1740.....	43,588	21,562		
1740-1741.....	48,519	20,251		
1741-1742.....	51,274	39,740		
1742-1743.....	34,074	34,951		
	<u>£ 395,121</u>	<u>£ 293,319</u>	£ 688,440	£ 68,844

TRADE—NEWFOUNDLAND-ENGLAND (*Continued*)

YEAR	IMPORTS FROM ENGLAND	EXPORTS TO ENGLAND	TOTAL TRADE	YEARLY AVERAGE
1743-1744.....	£ 19,803	£ 21,831		
1744-1745.....	28,488	28,302		
1745-1746.....	33,891	32,829		
1746-1747.....	26,079	49,021		
1747-1748.....	44,770	37,182		
1748-1749.....	39,672	58,936		
1749-1750.....	37,372	44,867		
1750-1751.....	48,256	52,833		
1751-1752.....	41,459	46,995		
1752-1753.....	37,824	40,927		
	<u>£357,614</u>	<u>£ 413,723</u>	£ 771,337	£ 77,133
1753-1754.....	32,803	50,752		
1754-1755.....	37,105	36,946		
1755-1756.....	21,427	29,648		
1756-1757.....	33,324	23,537		
1757-1758.....	38,220	25,454		
1758-1759.....	50,772	36,923		
1759-1760.....	26,300	56,643		
1760-1761.....	25,262	57,964		
1761-1762.....	23,436	34,387		
1762-1763.....	34,102	55,102		
	<u>£322,751</u>	<u>£ 407,356</u>	£ 730,107	£ 73,010
1764.....	30,354	72,588		
1765.....	43,928	70,498		
1766.....	45,207	65,779		
1767.....	48,950	53,550		
1768.....	48,357	46,761		
1769.....	50,835	64,080		
1770.....	43,108	91,058		
1771.....	49,424	89,394		
1772.....	67,625	107,822		
1773.....	68,087	77,744		
	<u>£497,875</u>	<u>£ 739,274</u>	£1,237,149	£123,714
1774.....	46,234	77,263		
1775.....	50,331	123,067		
1776.....	50,442	130,280		
1777.....	46,066	122,367		
1778.....	45,550	133,577		
1779.....	65,725	87,947		
1780.....	100,257	102,640		
1781.....	51,593	74,091		
1782.....	68,825	125,388		
1783.....	58,377	149,563		
	<u>£583,400</u>	<u>£1,126,183</u>	£1,709,583	£170,958

This table has been compiled from the Shelburne MSS., Canadian Archives.

TABLE No. 6
TRADE OF LOUISBURG
YEAR 1740

	EXPORTED FROM	IMPORTED INTO
	LOUISBURG	LOUISBURG
	livres	livres
West Indies.....	242,988	269,315
Canada.....	114,776	196,403
New England.....	70,678	49,147
Acadia (1741).....	35,998	56,946

YEAR 1753

	EXPORTED FROM	IMPORTED INTO
	LOUISBURG	LOUISBURG
West Indies.....	673,863	1,112,883
Canada.....	111,157	13,276*
New England (1752).....	654,680	.....
France.....	735,805	1,063,337

*1752

For details of this trade see J. S. McLennan, op. cit., pp. 388-396.

The figures for Acadia, 1741, are taken from the *Documents*, op. cit., p. 143.

TABLE No. 7
ISLE ROYALE FISHERIES—PRODUCTION

YEAR	GOELETTES	CHALOUPE	AUTUMN	TOTAL
	(SCHOONERS)	(SHALLOPS)		
	QUINTALS	QUINTALS	QUINTALS	QUINTALS
1718.....	80,500	76,000	.....	156,500
1723.....	36,800	63,360	21,000	121,160
1726.....	27,200	76,650	37,050	140,900
1727.....	26,800	57,000	30,880	114,680
1730.....	37,600	85,260	42,770	165,630
1731.....	29,600	97,680	40,260	167,540
1733.....	47,500	84,065	33,800	165,365
1734.....	41,600	74,290	23,920	139,810
1735.....	37,960	74,725	29,810	142,495
1736.....	35,960	83,250	31,900	151,110
1738.....	39,650	78,500	34,320	152,470
1739.....	51,000	73,060	19,600	143,660
1740.....	44,850	55,800	22,500	123,150
1744.....	17,000	47,000	5,430	69,430

CANADIAN ARCHIVES:

Year 1718—CIIB., Vol. III, 141-2
 " 1723—CIIB., " VI, 192
 " 1726—CIIB., " VIII, 133
 " 1727—CIIB., " IX, 67
 " 1730—CIIB., " XI, 94
 " 1731—CIIB., " XII, 50
 " 1733—CIIB., " XIV, 160

Year 1734—CIIB., Vol. XVI, 179
 " 1735—CIIB., " XVII, 75
 " 1736—CIIB., " XVIII, 130
 " 1738—CIIB., " XX, 135
 " 1739—CIIB., " XXI, 152
 " 1740—CIIB., " XXII, 221
 " 1744—CIIB., " XXVI, 101

See also J. S. McLennan, op. cit., p. 382.

TABLE No. 8
SHIPPING OF ISLE ROYALE

YEAR	TRADING AND FISHING	NUMBER OF VESSELS FROM:					TOTAL	SETTLERS' COMMERCE AND COAST- ING TRADE	GRAND TOTAL
		FRANCE TRADE ONLY	TOTAL— FRANCE	CANADA	WEST INDIES	NEW ENGLAND AND ACADIA			
1723.....	50	27	77	.....	.....	.....	77	24	101
1726.....	33	28	61	15	9	33	118	41	159
1727.....	37	27	64	29	12	22	127	66	193
1730.....	47	34	81	31	19	37	168	76	244
1731.....	49	35	84	29	25	31	169	72	241
1733.....	45	25	70	17	25	46	158	81	239
1734.....	19	34	53	31	19	46	149	55	204
1735.....	22	46	68	25	16	52	161	67	228
1736.....	25	35	60	23	14	35	132	73	205
1738.....	30	43	73	14	15	42	144	54	198
1739.....	35	21	56	20	24	49	149	59	208
1740.....	36	37	73	19	22	50	164	49	213
1744.....	19	14	33	12	12	*40	97	65	162

*12, Acadia; 28, Prizes of war.

CANADIAN ARCHIVES

Year 1723—CIIB., Vol. VI, 191
 " 1726—CIIB., " VIII, 133
 " 1727—CIIB., " IX, 67
 " 1730—CIIB., " XI, 94

Year 1731—CIIB., Vol. XII, 150
 " 1733—CIIB., " XIV, 159
 " 1734—CIIB., " XVI, 178
 " 1735—CIIB., " XVII, 75
 " 1736—CIIB., " XVIII, 129

Year 1738—CIIB., Vol. XX, 134
 " 1739—CIIB., " XXI, 151
 " 1740—CIIB., " XXII, 220
 " 1744—CIIB., " XXVI, 100

See also J. S. McLennan, *op. cit.*, p. 382.

TABLE No. 9
VESSELS BUILT IN ISLE ROYALE

YEAR	NUMBER	TOTAL TONNAGE
1733.....	14	687
1734.....	7	370
1736.....	5	213
1737.....	9	645
1738.....	9	569
1750.....	12	352

CANADIAN ARCHIVES

Year 1733—CIIB., Vol. XIV, 163.

" 1734—CIIB., " XVI, 14.

" 1736—CIIB., " XVIII, 133. In this year there were also built at Isle St. Jean, for the trade and fishery at Isle Royale, three vessels with a total tonnage of ninety.

" 1737—CIIB., Vol. XIX, 135-6.

There were also built at Isle St. Jean, for the trade and fishery at Isle Royale, five vessels having a total tonnage of two hundred and thirty-five.

" 1738—CIIB., Vol. XX, 244.

The figures given include one vessel built at Port Royal, 44 tons. In addition one vessel was built at Isle St. Jean, for the trade and fishery at Isle Royale, 60 tons.

" 1750—CIIB., Vol. XXIX-I, 204-5.

In addition, six vessels were built at Isle St. Jean, for the trade and fishery at Isle Royale, with a total tonnage of one hundred and eighty-eight; and three at Acadie, with a tonnage of eighty.

See also J. S. McLennan, *op. cit.*, p. 388.

Note—It is questionable if all the vessels so listed were built at Isle Royale. In 1743 it was complained that the French built vessels at Pictou River, and sailed away in the spring before the English man-of-war arrived. Such vessels seem to have been included among those built in the French colony (H. A. Innis, *Documents*, *op. cit.*, pp. 126-7).

TABLE No. 10

VESSELS BOUGHT IN ISLE ROYALE FROM THE ENGLISH

YEAR	NUMBER	TOTAL TONNAGE
1733.....	16	680
1734.....	9	340
1736.....	7	173
1738.....	12	783
1750.....	30	1,671
1754.....	24	1,773

CANADIAN ARCHIVES

Year 1733—CIIB., Vol. XIV, 164

" 1734—CIIB., " XV, 305

" 1736—CIIB., " XVIII, 134

Year 1738—CIIB., Vol. XX, 244

" 1750—CIIB., " XXIX-I, 202-3

" 1754—CIIB., " XXXIV, 175

See also J. S. McLennan, *op. cit.*, p. 387.

TABLE No. 11

FISHERY—ISLE ROYALE—SHALLOPS AND SCHOONERS

YEAR	CHALOUPES (SHALLOPS)			GOELETTES (SCHOONERS)		
	HABITANS	VAISSEAUX	TOTAL	HABITANS	VAISSEAUX	TOTAL
1718....	304	322	626	..	..	..
1723....	210	142	352	34	59	93
1726....	285	80	365	23	45	68
1727....	280	105	385	20	47	67
1729....	327	52	379	26	49	75
1730....	329	77	406	33	61	94
1731....	366	78	444	21	53	74
1733....	338	53	391	34	61	95
1734....	299	24	323	29	51	80
1735....	271	34	305	25	48	73
1736....	290	43	333	15	47	62
1737....	317	24	341	14	50	64
1738....	286	28	314	17	44	61
1739....	245	36	281	20	40	60
1740....	250	29	279	15	54	69
1744....	181	54	235	6	28	34

CANADIAN ARCHIVES

Year 1718—CIIB., Vol. III, 141-2	Year 1734—CIIB., Vol. XVI, 179
" 1723—CIIB., " VI, 191	" 1735—CIIB., " XVII, 75
" 1726—CIIB., " VIII, 133	" 1736—CIIB., " XVIII, 130
" 1727—CIIB., " IX, 67	" 1737—CIIB., " XX, 243
" 1729—CIIB., " X, 144	" 1738—CIIB., " XX, 134
" 1730—CIIB., " XI, 94	" 1739—CIIB., " XXI, 151
" 1731—CIIB., " XII, 50	" 1740—CIIB., " XXII, 220
" 1733—CIIB., " XIV, 162	" 1744—CIIB., " XXVI, 100

TABLE No. 12

SACK SHIPS LADING AT CANSO—
FISH SENT TO FOREIGN MARKETS

YEAR	IN ENGLISH SHIPS		IN NEW ENGLAND SHIPS		TOTAL	
	QUINTALS	PER CENT.	QUINTALS	PER CENT.	QUINTALS	PER CENT.
1735.....	5,466	50.77	5,300	49.23	10,766	100
1736.....	9,022	62.08	5,512	37.92	14,534	100
1737.....	15,800	64.75	8,600	35.25	24,400	100
1738.....	8,280	45.95	9,740	54.05	18,020	100

CANADIAN ARCHIVES

Year 1735—N.S.A., Vol. XXIII, 178	Year 1737—N.S.A., Vol. XXIV, 169
" 1736—N.S.A., " XXIV, 101	" 1738—N.S.A., " XXIV, 198

Note: Whenever there was doubt regarding the origin of the vessel, it was included with those from New England.

In the returns for 1738 there is an item of 1980 quintals designated as "Masters and Mates Ventures", which has been omitted from the above total since it could not be brought within the classification used. The inclusion of this item would, however, raise the total for that year to 20,000 quintals.

THE MARITIME PROVINCES AND
THE RECIPROCITY TREATY

THE MARITIME PROVINCES AND THE RECIPROCITY TREATY¹

THE traditional belief has been that the Maritime Provinces benefited greatly from free access to the American market under the terms of the Reciprocity Treaty. So far, this belief has never been carefully examined, and it is the aim of this brief summary of much factual material to make a beginning at the elucidation of some obscurities in a problem that has long awaited investigation. The conclusions reached are: that, although trade in general held up well and exports to the United States increased considerably, the importance of the American market was most obvious during the latter years of the Civil War; that much of the increase not attributable to the Civil War is accounted for by a transfer of figures; and that for the major industries the overwhelming advantages of the American market were not so apparent until some years later. Why, then, does the idea persist that the Maritime Provinces were dealt a fatal blow by the abrogation of the Reciprocity Treaty and that their losses were greater than those of any of the other North American Colonies? The answer, in very general terms, can be given briefly, and is, that a concomitance of circumstances favourable to

¹This study was first published in *The Dalhousie Review*, Vol. XIV, No. 3, October, 1934, and is re-printed here with the kind permission of the editor.

the Maritime Provinces synchronized with the period of the Reciprocity Treaty, and that shortly afterwards the tide of events began to flow in the opposite direction. The abrogation of the Reciprocity Treaty and the advent of Confederation were the two outstanding political events that roughly marked the turning point, and responsibility has been popularly placed on one, or the other, or both. It will be impossible to discuss here the part that Confederation may have played in accelerating the decline in the relative prosperity of the Lower Provinces, but the Reciprocity Treaty contributed less to the prosperity of this period than did the American Civil War, railway construction in Nova Scotia and New Brunswick, and those external forces that greatly stimulated the ship-building industry and the carrying trade.

By the turn of the half century, the British North American Colonies were well on their way to attaining their majority. Responsible Government for Nova Scotia and Canada was conceded in 1848, and granted in due course to the other provinces. The Enabling Act² of 1846 made complete fiscal freedom inevitable in the course of a few years, and, in 1849, the sweeping away of the Navigation Acts exposed the Colonies to the competition of all the world in the carrying trade. Preferential treatment in the British West Indies no longer existed, and colonial preference in the markets of

²9-10 Victoria, Cap. 94, August 28, 1846: "An Act to enable the Legislatures of certain British Possessions to reduce or repeal certain duties of Customs."

Great Britain was rapidly disappearing, to vanish entirely in 1860. The Maritime Provinces weathered these changes without approaching too near to the disaster that was repeatedly predicted. By 1850, the population stood at about half a million. The rapidly expanding market for fish and lumber had made it possible to establish both industries on a sound foundation; and the increasing commerce of the world, demanding more and more shipping capacity, had led to the growth of the shipbuilding industry on a large scale. The General Mining Association had made extensive investments in the coal fields of Nova Scotia, and definite progress had been achieved under the able management of Richard Brown, until, in 1853, mineral products, almost exclusively coal and gypsum, constituted about one-tenth of Nova Scotia's total exports.

So far, the advent of the steamship had not affected the supremacy of the sailing vessel in the trade in bulky commodities and to distant markets. Little more than the first sod had been turned in railway construction in British North America, and even in the United States there were only 9,021 miles in operation in 1850. Although these two important innovations of the nineteenth century, the steamship and the locomotive, had had little effect upon the economic structure of the Lower Provinces, nevertheless, the trend of population westwards beyond the Alleghanies, and along the margin of the Great Lakes, was beginning to make itself felt through increased production in foodstuffs,

which was virtually putting a stop to grain raising in the Maritime Provinces.

In the fishing industry, Nova Scotia was pre-eminent, with considerably over a third of her recorded exports made up of fish and fish products; Prince Edward Island came next with about one-tenth; and New Brunswick made a very poor showing with about one-twentieth. In agriculture and foodstuffs, Prince Edward Island held first place, as they constituted from two-thirds to three-quarters of her entire export trade; New Brunswick can be ignored; and in Nova Scotia they accounted for from one-sixth to one-fifth. Much of this group was made up of re-exports of commodities that were not produced either within the province itself or within the Maritime Provinces; and, except in Prince Edward Island, the imports vastly exceeded the exports. In the products of the forest, New Brunswick had no rival. From two-thirds to four-fifths of her entire export trade belonged to this group, and, if the statistics pertained to domestic production alone, the proportion would be much higher. In Prince Edward Island the proportion was less than one-fifth, and on the decline; whereas in Nova Scotia the industry seems to have been fairly steady, the proportion holding at about one-sixth. For Nova Scotia, the mining industry has been already mentioned, and it may be neglected for New Brunswick and Prince Edward Island.

By 1850, the United States had become a powerful and numerous nation, with a population of over

twenty-three million, and a merchant marine second only to that of Great Britain. Whitney's cotton gin, and the many inventions that led to the mechanization of the textile industry in England, made possible a rapid extension of the area under cotton culture in the Southern States. Following the War of 1812-1814, the slight and sporadic movement of population across the Alleghanies developed into a general migration to the valleys of the Ohio and Upper Mississippi. On the northeastern seaboard, the manufacturing industries got a start during the Napoleonic Wars, and, although there was a setback at the close of hostilities, they made rapid progress under the fostering care of the protective system established in 1816. This gave rise to a three- or four-cornered trade of manufactured goods from the Northeastern States to the northern territory between the Alleghanies and the Mississippi River, foodstuffs and supplies from this territory to the cotton-producing areas in the South, raw cotton to England and the New England States, and manufactured goods from the industrialized section of Great Britain to the New England and East Central States. This, very briefly and very roughly, is the course of the trade that formed the basis of the industrialized area on the northeastern seaboard of the United States, especially New England. The demand of the home market was primarily responsible for these manufactories; nevertheless, some of the products soon began to be marketed beyond the national

boundaries, and it is the export figures that most conveniently illustrate what was taking place. Exports of domestic manufactures, of an average value of \$4,689,787 for the decade 1821-1830, had increased to an average value of \$10,516,215 for the decade 1841-1850. The growth of the cotton industry is best shown by the decline in re-exports of foreign manufactures and the increase in exports of domestic products. Re-exports of foreign cotton manufactures fell from an average value of \$2,061,161 for the decade 1821-1830 to \$635,546 for 1841-1850, and, at the same time, American manufactures of cotton rose from an average value of \$1,177,082 for the years 1826-1830 to \$3,955,734 for the years 1841-1850.³ It will be no surprise, therefore, to learn that trade between the Maritime Provinces and the adjacent territory to the south greatly increased, and the trend can be accurately discerned from the following table.⁴

TABLE No. 5

MARITIME PROVINCES—PERCENTAGE OF TOTAL IMPORTS AND EXPORTS FROM AND TO THE UNITED STATES

YEAR	NOVA SCOTIA		NEW BRUNSWICK		P. E. ISLAND	
	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS
	%	%	%	%	%	%
1831....	20.4	9.1	12.8	4.2	.3	1.3
1841....	24.9	12.0	19.0	3.2	.8	1.5
1851....	25.2	20.8	33.7	10.8	12.9	30.5

³*Report of Israel D. Andrews on the Trade and Commerce of the British North American Colonies*, Sen. Ex. Document No. 112, 32nd Congress, 1st Session (Washington, 1853), pp. 843, 845.

⁴The Prince Edward Island percentages, and those of Nova Scotia for the year 1831, apply to the total foreign trade. This leads to no serious error, since the foreign trade of Prince Edward Island was largely confined to the United States, which also holds true for Nova Scotia as late as 1831.

In what follows, an attempt will be made to set forth the major developments under the Reciprocity Treaty,⁵ to ascertain the benefits derived by the Maritime Provinces, and to estimate what they lost through its abrogation by the United States in 1866. Briefly, the treaty established reciprocal free trade in natural products between the United States and the British North American Colonies. The United States obtained the privilege of exporting its goods down the St. Lawrence River without discriminatory charges, and American fishermen were allowed to carry on their operations in the territorial waters of British North America. The Maritime Provinces were greatly disappointed not to receive the right to American registry for their vessels and access to the lucrative coastwise trade of the United States. The permission to fish in American territorial waters north of the thirty-sixth degree N. latitude was little valued.

The trade of the period is set forth in Table No. 6, and a glance at the totals in this table will disclose a considerable fluctuation from year to year, and a noticeable spread between imports and exports. For the time being, it will suffice to attribute the former to the fortunes of trade, but the latter may be accounted for by:

1. The sale of ships on the British market, which were never included in the tables of exports,

⁵For the story of the negotiations that led to the Reciprocity Treaty, see the excellent work of Charles C. Tansill, *The Canadian Reciprocity Treaty of 1854* (Johns Hopkins University Studies in Historical and Political Science, Series XL, No. 2, 1922).

TABLE No. 6

MARITIME PROVINCES—TOTAL IMPORTS AND EXPORTS, AND IMPORTS AND EXPORTS FROM AND TO THE UNITED STATES

(In thousands of pounds)

YEAR	NOVA SCOTIA				NEW BRUNSWICK				P. E. ISLAND			
	IMPORTS		EXPORTS		IMPORTS		EXPORTS		IMPORTS		EXPORTS	
	Total	U.S.	Total	U.S.	Total	U.S.	Total	U.S.	Total	U.S.	Total	U.S.
1848.....	846	295	523	150	629	244	639	44	133	16	40	1
1852.....	1,194	347	980	266	1,110	393	796	83	171	34	106	28
1853.....	1,417	415 ^r	1,078	277 ^v	1,716	574 ^v	1,072	121 ^v	210	37	117	24
1854.....	1,791	575 ^v	1,247	318 ^v	2,068	711	1,104	97	273	39	152	16
1855.....	1,882	738 ^v	1,472	481 ^v	1,431	782	826	123	268	43	147	33
1856.....	1,869	678	1,372	413	1,521	714	1,073	173	356	52	167	28
1857.....	1,936	... ^v	1,393	... ^v	1,418	628	917	158	258	50	134	50
1858.....	1,615	583	1,264	408	1,162	564	810	163	186	42	153	65
1859.....	1,620	576	1,377	456	1,416	675	1,073	236	234	62	178	89
1860.....	1,797	651	1,323	446	1,446	688	916	248	230	56	205	79
1861.....	1,522	611	1,154	304	1,238	628	947	175	209	43	163	48
1862.....	1,689	605	1,129	362	1,291	616	803	185	211	47	150	44
1863.....	2,040	771	1,309	373	1,595	739	1,029	259	293	71	209	106
1864.....	2,520	860	1,434	489	1,863	691	1,052	263	337	83	202	78
1865.....	2,876	865	1,766	723	1,476	636	1,153	361	381	91	291	124
1866.....	2,876	808	1,608	645	2,083	779	1,327	386	444	74	246	24

2. The appreciable earnings of locally owned vessels,
3. The tendency to undervalue the exports,
4. The spread that usually exists between imports and exports, imports being taken at a c.i.f. value, whereas exports omit the shipping costs,
5. The concentration of imports at a few principal ports, whereas exports from smaller centres may have often gone unrecorded.

Turning again to the fluctuations from year to year, we can easily see that the rapid recovery from the low point of 1848 culminated between the years 1854 and 1857. The depression that followed was just beginning to lift when civil war in the United States disturbed the normal trend of the trade cycle, depressing it at first and then accelerating its rise.

The general increase in both imports and exports with the United States is readily discernible. If one has in mind the dates of ratification⁶ and remembers that the returns apply to the calendar year,⁷ it will be evident that the treaty could not have materially affected the import figures of Nova Scotia and New Brunswick for 1854, and only to a small extent those of Prince Edward Island, and that

*⁶The treaty was ratified on September 23, 1854, by the Province of Canada, on October 7 by Prince Edward Island, on November 3 by New Brunswick, and on December 13 by Nova Scotia. It was not finally proclaimed by the President of the United States until March 16, 1855.

⁷For Nova Scotia, the returns are for the calendar year up to and including 1856. In 1857 a change was made, bringing the trading year to a close on September 30, and this date was not altered until after Confederation. For New Brunswick and Prince Edward Island the calendar year applies throughout.

exports were not affected until 1855; but, to avoid any danger whatever of overlapping, 1853 will be taken as the base year. Comparing the figures of subsequent years with those of 1853, it will be found that, with only two or three minor exceptions, there was a noticeable increase in trade with the United States, and that the percentage increase was usually higher, and the percentage decrease usually lower, than for the corresponding total figures. But the changes that took place may be more readily appreciated if the percentages that trade with the United States constituted of total imports and exports are set forth for a few sample years. In the following table, these percentages are given for the years 1853, 1860, and 1865. The year 1853 has been chosen for reasons already given, 1860 because it seems to represent a normal year after the treaty had had some time to make its influence felt, and 1865 because in that year the full effects of the Civil War were being experienced.

TABLE No. 7

MARITIME PROVINCES—PERCENTAGE OF TOTAL IMPORTS AND EXPORTS FROM AND TO THE UNITED STATES

YEAR	NOVA SCOTIA		NEW BRUNSWICK		P. E. ISLAND	
	IMPORTS %	EXPORTS %	IMPORTS %	EXPORTS %	IMPORTS %	EXPORTS %
1853. . . .	29.3	25.8	33.5	11.4	17.8	21.1
1860. . . .	36.2	33.7	47.6	27.1	24.7	38.8
1865. . . .	30.1	41.0	43.1	31.4	23.9	42.7

The above table shows quite clearly that the American market became much more important relatively for both sales and purchases; that the proportionate benefit was far greater to New

Brunswick and Prince Edward Island than to Nova Scotia; and that the American Civil War had an unmistakable influence upon the course and volume of trade.

It will be observed that between one-quarter and one-half of the total imports came from the United States, and this trade was greatly facilitated by the established channels of commerce. Ships returning from the West Indies frequently, if not generally, carried a cargo to American ports, where they picked up freight for the last lap of their homeward journey. These freights were often carried at distress cargo rates,⁸ which offered an advantage not only to American products but also to the entrepôt trade through American ports. Nova Scotia was the province chiefly affected in this way, but a similar situation existed in New Brunswick, where a large number of vessels, moving north from American ports to load lumber from the Fundy area for the British market,⁹ were available to transport the goods at very low rates. These imports were primarily agricultural products and foodstuffs. Of the imports into Nova Scotia from the United States in 1860, valued at £651,000, £430,000 worth came under this classification. In the same year, New Brunswick's imports from the United States were valued at £688,000, of which £366,000 worth were agricultural products and foodstuffs. The 1860 figures are not available for Prince Edward Island,

⁸*Journals, House of Commons, Canada, 1877, Appendix No. 4, p. 38.*

⁹See *Journals of the Legislative Assemblies of Nova Scotia and New Brunswick for tonnage inward and outward.*

but in the previous year the total imports from the United States amounted to £62,000, of which £27,000 worth came under the same classification.

It is impossible to learn from the provincial returns what goods were and were not the produce of the United States; however, the American returns show as exported to the *Other Provinces* foreign goods to the value of \$1,912,968 in 1853, \$2,572,383 in 1854, \$3,229,798 in 1855, and \$626,199 in 1856. Of these exports, a large part was made up of wheat and wheat flour from the Province of Canada, for which commodities the values are: 1853, \$852,514; 1854, \$1,233,826; 1855, \$1,273,740; 1856, \$66,898.¹⁰ The abrupt drop for the year 1856 brings to light another difficulty in dealing with the trade of this period. In both the United States and the British North American Provinces all imports not paying duty were considered as destined for home consumption, and no distinction was made between such domestic and foreign products in the export figures. Undoubtedly this benefited both sides, but, at the same time, the practice exaggerated the increase in trade that took place under the Reciprocity Treaty, and the dependence upon the American market as an outlet for the products of the Maritime Provinces.

¹⁰*Statistics of the Foreign and Domestic Commerce of the United States.* Communicated by the Secretary of the Treasury in answer to a Resolution of the United States Senate, March 12, 1863 (Washington, 1864), pp. 79 and 83. Unfortunately, for the purpose of comparison, the American Trade Returns show only two divisions for British North America: the *Province of Canada* and *Other British North American Provinces*.

The export trade will be considered in greater detail under the four main groups, in the following order: (1) the products of the forest; (2) agricultural products and foodstuffs; (3) the products of the mines; (4) the products of the fisheries.

The Southern New England and East Central States, with their large and growing demands for lumber, would presumably have provided the most logical outlets for the forest products of the Maritime Provinces, especially since, by 1850, the more accessible stands of timber in the New England States, except in Maine, were beginning to show signs of depletion;¹¹ but the heavily wooded area west of the Appalachians, in the region of the Great Lakes, began to be exploited about this time, and, although much of the production was used locally and in the Plains region to the west, by 1860 more than ninety million feet were being floated down the Erie Canal.¹² The source of supply was again augmented in the eighties as the lumber industry moved into the yellow pine region of the South; and following the completion of the Panama Canal large supplies began to come from the Pacific Coast, not only to the Northeastern States but to the Maritime Provinces themselves. The opening of these new areas, and the improvements in transportation facilities, did not permit either the New England States or the Maritime Provinces to reap

¹¹Chalfant Robinson, *Two Reciprocity Treaties* (New Haven, 1903) p. 36.

¹²*Statistics of the Foreign and Domestic Commerce of the United States*, op. cit., p. 146.

much in the form of monopoly profits from their proximity to a most important market;¹³ but, towards the end of the century, as supplies had to be brought from greater distances, the Maritime Provinces, particularly New Brunswick, were able, despite tariff restrictions, to dispose of increasing quantities of lumber in the American market.¹⁴

Under the Reciprocity Treaty, shipments of lumber to the United States markets were not heavy, and much of what was sent seems to have been attracted by other than local demands. Working with the three years, 1853, 1860, and 1865, Nova Scotia was sending less at the close of the period than before the advantages of the Reciprocity Treaty were available. The figures dropped from £43,000 in 1853 to £34,000 in 1860, and to £32,000 in 1865. Although this latter figure constituted about one-fifth of the total exports of forest products, it included boards, planks, and deals, to the value of only £9,249, the larger part of the exports being made up of firewood and lathwood. These figures do not give much ground for the contention that the American market for (Nova Scotia) lumber was very important during the period of the Reciprocity Treaty.

¹³For the development of the lumber industry in the United States, see Emory Johnson et al, *History of the Domestic and Foreign Commerce of the United States* (Washington, 1915), Vol. I, pp. 232, 263, 287-290.

¹⁴The Dominion trade returns give details of exports, by provinces, as late as 1890, and a summary of commodities shipped to various markets, by provinces, as late as 1900. The figures do not apply solely to the products of the province to which the exports are credited, but they do afford valuable information for any regional study up to that time.

As Prince Edward Island was shipping very little lumber, and practically none to the United States, it can be disregarded; but New Brunswick was pre-eminently the lumberman's province, and the trend was the reverse of that in Nova Scotia. Exports to the United States increased from a value of £66,000 in 1853 to £108,000 in 1860, and to £161,000 in 1865. Whereas Nova Scotia sent a very small amount of sawn lumber, New Brunswick sent, in 1865, sawn lumber, including deals, to the value of £93,434. Many factors, including the geographical distribution of the lumber industry, undoubtedly contributed to this difference between the two provinces. Large shipments of lumber to the British market left from the Bay of Fundy area of New Brunswick, and frequently cleared first for American ports to evade the difficulties that might arise under the deck-load law. For 1861, there is a specific reference to seventeen vessels having followed this practice, and their cargoes were included in the returns of exports to the United States. On the St. Croix, New Brunswick lumber was often loaded on the American side, with the same object in view,¹⁵ and it is not known how much of this was included in the exports to the United States. When the abrogation of the Reciprocity Treaty was beyond question, the various provinces united to send a delegation to the West Indies and South America to explore the possibility of new and ex-

¹⁵H. A. Innis, and A. R. M. Lower, *Select Documents in Canadian Economic History, 1783-1885* (Toronto, 1933), p. 675.

tended markets. In the report submitted,¹⁶ it is declared that much of the lumber and box shooks sent to Cuba and elsewhere from the United States originated in New Brunswick or the Province of Canada, and the American Consul at Saint John gave support to this earlier contention when, in 1870, he wrote:¹⁷

“This trade—in box shooks—will very soon be monopolized by these Maritime Provinces.”

These observations go far to explain the disparity between the lumber trade of Nova Scotia and that of New Brunswick with the United States. Lumber from eastern Nova Scotia, as from the north shore of New Brunswick, went direct to the British market, but a certain amount from the Fundy area was shipped first to New Brunswick. The large exports destined to Great Britain from the Bay of Fundy area of New Brunswick made it a simple matter to call at an American port to evade the deck-load law. From the western part of Nova Scotia, much sawn lumber was sent to the West Indies, but this was shipped direct and helped to provide assorted cargoes, always a problem in the Caribbean and South American trade. New Brunswick had practically nothing but lumber to send to the West Indies, and therefore it was much easier to sell through the American market, and to ship

¹⁶*S. P. Canada*, Vol. XXVI, No. 4, 1866, Paper No. 43. See also *Journals of the Legislative Assembly of New Brunswick*, 1866.

¹⁷C. K. Ganong, *The Canadian Reaction to the American Tariff Policy*, unpublished thesis (University of Wisconsin, 1931), pp. 175-6.

through American ports. The advantages from this indirect trade must be credited to the Reciprocity Treaty, for, although the trade did not entirely cease, it was seriously interfered with by the abrogation of the treaty. Perhaps this was the greatest loss incurred until a few years later when, as supplies of timber had to be brought to the eastern seaboard from ever increasing distances, the geographical position of New Brunswick would have made a free market in the eastern United States most desirable and beneficial.

The opening up of vast fertile areas to the west and south-west of New England disastrously upset the hopes and aspirations of the agriculturists in the northeastern part of the continent. Prior to 1840, the agricultural production of the Ohio and Mississippi valleys went almost exclusively to the cotton-producing States in the South. By 1850, the movement eastwards practically equalled the movement southwards, and from that time forward became increasingly more important.¹⁸ In 1849, Professor Johnson, in his famous report on the agricultural capabilities of New Brunswick, pointed out that grain production was shifting to the West,¹⁹ and from 1850 to 1860 the movement of wheat eastwards from Chicago increased, roughly, from two million to twenty million bushels.²⁰ The

¹⁸G. S. Callender, *Selections from the Economic History of the United States, 1765-1860* (Boston, 1909), pp. 271-5.

¹⁹J. F. W. Johnson, *Report on the Agricultural Capabilities of the Province of New Brunswick* (Fredericton, 1850), pp. 60-61.

²⁰Clive Day, *A History of Commerce* (New York, 1922), p. 570, and *A History of Commerce of the United States* (New York, 1925), p. 163.

advantage did not stop with grain, for beef and pork were among the many commodities the production of which for the eastern market was rapidly increasing; then, just about the close of the period of the Reciprocity Treaty, the introduction of refrigeration methods for the meat trade deprived New England and the Maritime Provinces of advantages they would have otherwise possessed in supplying fresh meats to a growing and nearby market.²¹ It was not until some years later that there arose the possibility of considerable profits from potatoes and other root crops, and from a variety of smaller items, such as eggs and poultry. In view of what has just been said, it will not be surprising to learn that very little was achieved in taking advantage of the large American market as an outlet for the agricultural products of the Lower Provinces.

The figures that follow cover all agricultural products and foodstuffs, and include re-exports as well as the products of the province to which they pertain.

TABLE No. 8

EXPORTS OF AGRICULTURAL PRODUCTS TO THE UNITED STATES, WITH THE PERCENTAGE THAT THEY CONSTITUTE OF THE TOTAL AGRICULTURAL EXPORTS

YEAR	NOVA SCOTIA		NEW BRUNSWICK		P. E. ISLAND	
	EXPORTS TO U.S.	PER CENT. OF TOTAL	EXPORTS TO U.S.	PER CENT. OF TOTAL	EXPORTS TO U.S.	PER CENT. OF TOTAL
1853 . . .	£ 24,278	10.3	£ 4,002	12.8	£ 3,423	5.0 (1852)
1860 . . .	63,631	26.6	10,006	37.9	72,098	52.9 (1859)
1865 . . .	107,141	32.9	59,292	76.2	77,724	36.5

²¹R. A. Clemen, *The American Live Stock and Meat Industry* (New York, 1923), *passim*.

For Nova Scotia and New Brunswick, these increases were more apparent than real. Before the provinces were knit into compact units by their railway systems, it was possible for one section to have a surplus for export while another part of the same province would be obliged to import the same commodity, and when such exchanges were with the United States they usually showed a balance in favour of that country. Large quantities of foodstuffs from the Bay of Fundy side of Nova Scotia were shipped to New Brunswick, whence they were occasionally re-exported. Prince Edward Island sent more of her exports to the United States *via* Saint John after the completion of the railway from Saint John to Shediac. Following the outbreak of the Civil War, Nova Scotia became a more important distribution centre for West Indian products. But, with or without these considerations, a close scrutiny of the figures for 1865, the best of the three years given above, discloses that the Maritime Provinces made a very poor showing.

In 1865, Nova Scotia exported to the United States agricultural products and foodstuffs to the value of £107,000, or \$535,000. Of this, \$309,000 consisted of re-exports of sugar, and of all the items mentioned in the returns only two of any importance have a very favourable showing; namely, eggs to the value of \$3,278, and vegetables to the value of \$148,734.²² Even this comparatively large figure for vegetables is modified by imports to the

²²The total exports of vegetables amounted to a value of \$183,242.

value of \$64,810, of which \$12,274 worth came from the United States.

The value of agricultural exports from New Brunswick to the United States, in 1865, was \$284,000, and from this will have to be deducted \$53,000 for exports of wheat flour, and \$7,910 for sugar. Only about one out of every three items shows an excess of exports over imports. Of those items in which New Brunswick had a favourable balance in her trade with the United States, exports to the United States were valued at \$137,217, and to all countries at \$149,344; whereas imports of similar products from the United States were valued at \$31,887, and from all countries at \$304,742. Such is the very sad tale of New Brunswick's efforts to take advantage of the large market provided in the United States for agricultural products under the Reciprocity Treaty.

Prince Edward Island presents a more pleasing picture, for out of the £77,000 worth of agricultural products sent to the United States in 1865, a minimum of £74,000 had been produced within the province. The largest item was oats, with a value of £54,624, but the advantages that Prince Edward Island possessed in this branch of the grain trade were soon made negligible by the same forces that had already practically killed wheat production in the three provinces.

A study of the Reciprocity Treaty made by the United States Tariff Commission between 1916 and 1918 concluded that the trend of commerce was not

changed by the abrogation of the treaty; that the re-opening of the market in the Southern States, and the improvement in American currency after 1866, greatly mitigated the baneful influence of the new tariffs; and that the demands of the American market were such that the burden of the tariffs fell upon the importers, rather than upon the exporters. "But the Maritime Provinces", the report reads, "felt severely the loss of a free market for their fish and coal. In the case of these products no other market could be substituted for the United States, and the exports were materially reduced."²³

So far as coal is concerned, Nova Scotia has not, and never did have, a very extensive market in the United States.²⁴ During the period of the Reciprocity Treaty, sales increased appreciably, owing to the opening of new mines, the demand in New England for gas coal, and the fact that the railways had not then gone very far in granting commodity rates on low-grade freights. The pressure of the war years delayed the extension of American railways and the opening of American mines, with the result that the demands of the industrial areas in New England raised the price of coal to \$8.00 per ton in Boston, about 1864.²⁵ After that time, the price steadily fell, and this decline, together with a tariff of \$1.25 per ton, later reduced to 75 cents per

²³United States Tariff Commission, *Reciprocity and Commercial Treaties* (Washington, 1919), p. 88.

²⁴See table of exports, *Annual Report on the Mines*, Province of Nova Scotia, 1931, p. 258.

²⁵*Journals of the House of Commons, Canada*, 1877, Appendix No. 4, p. 84.

ton, was severely felt in the mining areas of Nova Scotia.

The production of coal in the United States increased from an average of:²⁶

THOUSANDS OF
SHORT TONS

12,513	for the years	1851 to 1860,	to
20,538	“ “ “	1861 to 1865,	“
31,706	“ “ “	1866 to 1870,	“
52,179	“ “ “	1871 to 1875.	

In the late sixties, the amalgamation of railways and the struggle to increase traffic led to a gradual introduction of very low rates for coal, especially from mines situated along the lines of the various roads. The cost of bringing coal to the surface in Nova Scotia increased rapidly with the deepening of the mines, until by the middle seventies it was fully twice as high as in the United States, and the disparity continued to grow.²⁷ This circumstance, together with the determination of the American railways to reserve to themselves all the traffic possible, drove the Nova Scotia product completely out of the market. During the days when Whitney controlled the Dominion Coal Company, there was a revival of shipments to the New England market; but this was owing entirely to Whitney's connections in New England, and the trade proved unprofitable for both the producers in Nova Scotia and the New England Gas and Coke Company, the

²⁶*Statistical Abstract of the United States* (Washington, 1932), p. 711.

²⁷*Journals of the House of Commons, Canada, 1877, Appendix 4, pp. v and 31.*

chief New England consumer.²⁸ The comparatively poor quality and high cost militated against the Nova Scotia product, and confined its market chiefly to the Maritime Provinces and the St. Lawrence valley. Unfortunately, from the point of view of the mining industry, there was keen competition in this latter market from British coal carried as return cargo on the timber ships at rates sometimes less than those prevailing between Sydney or Pictou and Montreal.²⁹

The fishing industry affords an opportunity to obtain a better appreciation of what might have happened had the Reciprocity Treaty not been abrogated, for, under the Washington Treaty, Canadian fish were allowed free access into the American market from July 1, 1873, to 1885. It will not be necessary to pay much attention to either New Brunswick or Prince Edward Island, because the trade was centred chiefly in Nova Scotia. Much of the fish from the two other provinces, as well as some from Newfoundland, was sent to Nova Scotia and merged in Nova Scotia's export figures.

According to the trade returns, exports of fish and fish products from Nova Scotia in 1854, before the Reciprocity Treaty became effective, amounted to a value of £521,000, of which 31.7 per cent. went to the United States. From 1856 to 1865, the

²⁸E. Forsey, *Economic and Social Aspects of the Nova Scotia Coal Industry* (Toronto, 1926), pp. 6, 13-14.

²⁹C. O. MacDonald, *The Coal and Iron Industries of Nova Scotia* (Halifax, 1909), p. 43.

average value of exports amounted to £585,000, of which 35.7 per cent. went to the United States. Since the United States was still an exporter of dried and pickled fish,³⁰ and since Boston and New York afforded incomparably greater opportunities for assorted cargoes than was possible from any of the Nova Scotian ports, there is every justification for the opinion that a fair amount of the imports from Nova Scotia was re-exported. Special support to this contention is given by the provision in an Act dated March 2, 1855,³¹ for a refund of duties paid on exported fish and fish products that had been imported from British North America after September 11, 1854, the date of the promulgation of the treaty by the President of the United States.

After the free market in the United States was closed in 1866, total fishery exports fell off noticeably for a few years; but had risen sufficiently by 1873 to bring the average value for the period 1868 to 1873 up to £566,000, slightly higher than the average of the four years, 1862-1865. This favourable showing may be due in some degree to more complete statistics, but, on the other hand, it is diminished by the elimination from the statistics

³⁰The United States was, on balance, an exporter of dried fish, but she imported more than she exported of pickled fish. For details see *Commerce and Navigation*, reports of the Secretary of the Treasury of the United States, and *Statistical Abstracts of the United States* for the period.

³¹S. L. Vol. X, Chapter 144, March 2, 1855—"An Act to amend 'An Act to carry into effect a Treaty between the United States and Great Britain' signed on the fifth June, 1854, and approved August fifth, 1854". No drawback was permitted for duties paid on dried and pickled fish, but under the provisions of the Warehousing Act of 1846 these products could be placed in bonded warehouses and re-exported without payment of duty. See *Andrews Report*, 1853, op. cit., p. 631.

of the trade between the provinces united in 1867 by Confederation. In 1868, a revolution broke out in Cuba, which interfered with trade for a few years, and the depreciated American currency must also have had an adverse influence.

Under the Washington Treaty, there was a considerable increase in exports to the United States, the average value for the period being \$1,259,875, as contrasted with the average value of \$1,045,000 for the years 1856 to 1865, but the percentage that these exports constituted of total fishery exports dropped from 35.7 to 28.5. By this time the figures are sufficiently reliable to place any significant error out of the question, and they do serious violence to the contention that in those days Nova Scotia had no other outlet for her fish than the American market; and the American returns, showing increases in the export of domestically caught fish in 1874, and decreases in 1886, with corresponding decreases and increases in the re-export of the foreign product, confirm the opinion expressed earlier that fish from the Maritime Provinces entered into the foreign trade of the United States. Even after the abrogation of the Washington Treaty, total exports of fish continued to increase, and the average value of \$5,105,000 for the period 1891 to 1900 compares very favourably with \$4,454,000 for the period 1875 to 1884. The average values of exports to the United States for these same periods were \$1,704,000 and \$1,197,000 respectively. It is not necessary to emphasize the

absolute and relative increases, but attention ought to be called to the emergence of the fresh fish trade. The figures for this entire period show that practically 100 per cent. of the exports of fresh fish went to the American market. As the meat packing industry expanded and refrigeration plants were installed, cured and chilled meats rapidly ousted dried and pickled fish from all but the southern markets. Even here, canned meats and canned fish, jerked beef and salt pork, made inroads into a market that had seemed to be set aside for the cod and herring fishermen.³²

These comments strongly suggest that, although the American market was important, the overwhelming dependence of the Maritime Provinces upon it as an outlet for the products of their fisheries during these earlier days has been very much exaggerated, and it is desired to emphasize that it has been the growth of the fresh fish industry in comparatively recent years that has made the American market so essential.

Since the importance of the Reciprocity Treaty has been severely discounted, it will be necessary to call attention to other factors that went far to make this period stand out as the golden age in the economic life of the Maritime Provinces. The one internal development that must not be overlooked is the programme of railway construction, begun in New Brunswick in 1853 and in Nova Scotia in 1854, which, by the end of 1866, had given New

³²Ruth F. Grant, *The Canadian Atlantic Fishery* (Toronto, 1934), *passim*.

Brunswick two hundred and eighteen miles of road, and Nova Scotia one hundred and forty-seven miles.³³ During this period, Nova Scotia spent on construction work alone about seven and a half million dollars, and paid out in interest nearly two millions and a half.³⁴ It is likely that the expenditure in New Brunswick was little, if any, lower than in Nova Scotia, for, although the cost of construction was lower, the mileage was greater. The facilities in marketing afforded by the linking of Halifax with the Bay of Fundy shore of Nova Scotia, and of Saint John with the north shore of New Brunswick, together with the substantial outlay in both provinces, could not fail to give a fillip to trade, both internal and external.

Far more important than these internal developments were external developments that led to a rapid expansion of world trade and a more than corresponding increase in the demand for carrying capacity. For bulky commodities and distant voyages the sailing ship was still supreme, and in this branch of industry the Maritimes had exceptional advantages. New Brunswick built almost exclusively for the British market, and, although Nova Scotia was primarily interested in building up her own mercantile marine, and Prince Edward Island found an outlet for her excess tonnage

³³From statement prepared by the Department of Railways and Canals, Ottawa. The fifty-one miles of road from Truro to Pictou were not opened to traffic until 1867, but have been included with the above totals because most of the expenditure had been made by 1866.

³⁴James A. Maxwell, *A Financial History of Nova Scotia*, unpublished thesis (Harvard).

chiefly in British North America, it is a conservative estimate that fully half the tonnage built was disposed of outside the Maritimes. Since the average of the years 1855 to 1865 was about 113,500 tons, and since £7.0.0 per ton may be taken as a reasonable value, it can be seen that the value of new vessels exported averaged, roughly, £400,000, or \$2,000,000. Of course, there were serious fluctuations, and if the figures are examined in detail it will be noticed that construction reached its peak in the later years of the Civil War.

The influence of the American Civil War seems rarely to have been given due consideration, but the Maritime Provinces are seen to have benefited greatly when one realizes that American shipyards were engaged in turning out war vessels, and not merchantmen; that worn-out vessels and vessels sunk by Southern raiders were not replaced; and that the total American mercantile marine dropped from 2,496,894 tons in 1861 to 1,387,566 tons in 1866.³⁵ Bluenose vessels were adept at running the blockade, and many a tidy fortune was made by buying cotton in the South for sixpence per pound and selling it in Great Britain at seven times that figure.³⁶ Likewise, Bluenose fishermen gained at the expense of their New England rivals, for the American fishing fleet of 204,197 tons in 1862 had dwindled to 98,231 tons by 1866.³⁷ Added to these

³⁵Emory R. Johnson and G. G. Huebner, *Principles of Ocean Transportation* (New York, 1920), p. 452.

³⁶Victor Ross, *History of the Canadian Bank of Commerce* (Toronto, 1920), pp. 105-6.

³⁷*Annual Report of the Commissioner of Navigation to the Secretary of Commerce and Labour* (Washington, 1908), pp. 185, 187.

advantages came war-time prices, which in the United States had by 1865 more than doubled their level in 1860.³⁸

From this time onwards, every important development seemed to be to the comparative disadvantage of the Maritime Provinces. The opening of the Suez Canal in 1869 dealt a serious blow to the sailing vessel in the far-eastern trade. Every technical advance in the steam engine, and in the manufacture of iron and steel, forced the sailing and wooden vessel farther and farther into the background. The increasing capacity of vessels worked to the disadvantage of the smaller ports. The higher cost of rail over water transportation favoured such termini as had a large hinterland upon which to draw for numerous and varied cargoes. Refrigeration methods favoured the meat trade to the disadvantage of cured fish. The opening of new and fertile lands completely shattered the agricultural structure on the eastern part of the continent. As every innovation seemed to require another radical readjustment, it is little wonder that the period of the Reciprocity Treaty stands out as the golden age in the economic history of the Maritime Provinces.

³⁸K. W. Taylor, and H. Michell, *Statistical Contributions to Canadian Economic History* (Toronto, 1931), Vol. II, p. 49.

THE RECIPROCITY TREATY OF 1854:
A REGIONAL STUDY

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IT HAS been generally held² that, although the net effects of the Reciprocity Treaty, 1855-1866, are difficult to estimate, the Maritime Provinces gained more than did the Province of Canada. The rapid development in Central Canada and the painful readjustments in the Maritime Provinces since the abrogation of the treaty and the consummation of Confederation may seem to justify this conclusion; but the analysis that follows, although by no means complete, is sufficient to raise grave doubts of the validity of this conclusion, and to suggest that the Province of Canada had more to gain from free access to the American market.

The simplest and most general test of the efficacy of any trade policy is the measure of increase or decrease in those branches of commerce that it was designed to influence. In order to apply this test, the following table has been prepared, showing for the Province of Canada and for the Maritime Provinces the figures of imports from and exports to

¹This study was first published in *The Canadian Journal of Economics and Political Science*, Vol. II, No. 1, February, 1936, and is re-printed here with the kind permission of the editor.

²E.g., Adam Shortt wrote: "At first the Maritime Provinces were either indifferent or opposed to the treaty, but it turned out in the end that they had most to gain from it" (*Cambridge History of the British Empire*, Vol. VI (Cambridge, 1930), p. 389).

the United States for the years 1854 to 1866 inclusive, as percentages of the year 1853. Had 1854 been chosen as the base year, a slight advantage would have been gained for the thesis of this paper, but the results would not have been materially different.

TABLE No. 9*

IMPORTS FROM, AND EXPORTS TO, THE UNITED STATES,
1853-66, AS A PERCENTAGE OF THOSE OF 1853

YEAR	IMPORTS FROM UNITED STATES		EXPORTS TO UNITED STATES	
	PROVINCE OF CANADA Per cent.	MARITIME PROVINCES Per cent.	PROVINCE OF CANADA Per cent.	MARITIME PROVINCES Per cent.
1853	100.0	100.0	100.0	100.0
1854	<u>131.8</u>	<u>129.0</u>	96.7	<u>101.9</u>
1855	176.8	152.2	187.3	149.9
1856	192.7	140.6	201.2	144.6
1857	171.6	.....	147.8	.....
1858	132.7	115.8	133.5	149.8
1859	149.3	127.8	155.8	183.8
1860	146.6	135.9	206.2	182.3
1861	171.5	124.8	159.6	124.1
1862	192.1	123.5	168.5	139.4
1863	156.6	153.9	206.2	174.0
1864 . . . .	.....	159.1	.....	195.6
1865	125.8 ✓	154.9	238.8	284.2
1866	129.3 ✓	161.8	<u>364.6</u>	<u>248.2</u>

*This table has been prepared from official returns. The figures for the Province of Canada exclude coin and bullion, ships built for sale abroad, and short returns from inland ports, an estimate of the unrecorded exports to the United States. The figures for the Maritime Provinces exclude coin and bullion and ships built for sale abroad, and no attempt appears to have been made to estimate the unrecorded exports. In the Province of Canada the fiscal year coincided with the calendar year until 1864, and for 1865 and 1866 ended on June 30. For New Brunswick and Prince Edward Island the figures are for the calendar year, but Nova Scotia changed her fiscal year from the end of December to the end of September in 1858.

In two years only, 1865 and 1866, did imports from the United States show a greater increase for the Maritime Provinces than for the Province of Canada, notwithstanding the increased dependence of the Maritime Provinces upon the American market for foodstuffs, the attempts on the part of the Province of Canada to force trade up the St.

Lawrence or over the Grand Trunk Railway from Portland, the rapid extension of rail and steamship connections, and higher prices in the United States during the period of the Civil War, which affected manufactured products far more than they affected foodstuffs and raw materials. However, as it rested with the provinces, and later with the Dominion of Canada, to continue to import American produce free, or at a low rate of duty, exports have rightly been considered a better criterion by which to judge the benefits of the Reciprocity Treaty.

On the side of exports, the best year for the Province of Canada, 1866, shows the returns to be 364.6 per cent. of the 1853 figures. For the Maritime Provinces, the increase was not nearly so great. The returns for the best year, 1865, were only 284.2 per cent. of the figures for 1853. Comparing the figures year by year, it is seen that out of the eleven years for which data are available, the Maritime Provinces showed a greater gain than did the Province of Canada in only four years, 1854, 1858, 1859, and 1865. As the figures for 1854 were not influenced directly by the Reciprocity Treaty, that year may be disregarded; 1858 and 1859 were affected by crop conditions in the Province of Canada and by differences in the influence of the business cycle upon the two regions, but may be permitted to stand as legitimate comparisons; whereas 1865 requires special explanation. For 1865 and 1866 the fiscal year for the Province of Canada closed on June 30, for Nova Scotia on

September 30, and for Prince Edward Island and New Brunswick on December 31. The Reciprocity Treaty ceased to be operative on March 17, 1866; there were, therefore, for the Province of Canada nine months of this year during which goods could be exported to the United States under the terms of the treaty, but for two of the Maritime Provinces there were only three months, and for the other only six months. During the Civil War and for a short period of readjustment following, American demands were steadily increasing, and an effort was made to market as many goods as possible before the treaty expired. The last year of the treaty, therefore, saw the largest amount of exports from the British North American Provinces to the United States, but, considering the small part of the fiscal year of 1866 that fell within the treaty period for the Maritime Provinces, as compared with the Province of Canada, it seems more legitimate to compare 1864 and 1865 for the Maritime Provinces with 1865 and 1866 for the Province of Canada than to take corresponding years. If this is done, it will be seen that the advantage to the Maritime Provinces as shown for 1865 becomes an advantage to the Province of Canada, leaving only two years during the lifetime of the treaty when it can be said that exports from the Maritime Provinces to the United States showed a relatively greater increase than the exports from the Province of Canada.

Unfortunately, for the purpose of comparison, the American trade returns show only two divisions

for British North America, the *Province of Canada* and *Other British North American Provinces*, but, despite this, the increases that the American figures show strengthen very materially the impression gained from the above table. As a percentage of 1853, imports into the United States from the Province of Canada were 357 for 1860, and 356 for 1863, whereas the corresponding figures for the Other British North American Provinces were 187 for 1860 and 195 for 1863.

So far, the Maritime Provinces have been treated as a unit, but in Table No. 10 exports from each of the four provinces to the United States for a few sample years, 1860, 1864, 1865, and 1866, are shown as percentages of the exports of 1853. Perhaps the most normal year of trade under the treaty was 1860, whereas 1864, 1865, and 1866, reflected the influence of the Civil War.

TABLE No. 10*

EXPORTS TO THE UNITED STATES AS A PERCENTAGE OF THOSE OF 1853

YEAR	CANADA	NOVA	NEW	PRINCE
	PER CENT.	SCOTIA	BRUNSWICK	EDWARD
		PER CENT.	PER CENT.	ISLAND
				PER CENT.
1853	100.0	100.0	100.0	100.0
1860	206.2	160.6	203.8	321.0
1864 . . . .	.....	176.0	216.4	312.1
1865	238.8	260.4	297.0	487.4
1866	364.6	232.3	317.3	87.2

*1864 is omitted for Canada because the figures available are for the half-year only, and is included for the other provinces because, as already stated, it is more legitimate to compare 1864 and 1865 for the Maritime Provinces with 1865 and 1866 for the Province of Canada than corresponding years.

According to these figures, the importance of the American market for Nova Scotia had not increased nearly so much as, for New Brunswick about the

same as, and for Prince Edward Island very much more than, for the Province of Canada. With only the smallest and least important of the Maritime Provinces showing a greater increase than the Province of Canada in exports to the United States, it can scarcely be claimed on this evidence that the American market was more important to the Maritime Provinces, or that those provinces reaped a greater gain from the Reciprocity Treaty. But the reader will immediately call to mind the qualifications made by the United States Tariff Commission, or by such writers as Chalfant Robinson and Frederick Haynes, that the figures of trade between the Province of Canada and the United States were inflated by:³

1. Convenience trading, by which is meant that a certain commodity was supplied to the neighbouring country at one point, and at another point similar goods were purchased from that country.

2. Duplicated returns, such, for example, as when American wheat was shipped through the Province of Canada and was counted first as imports into Canada and then as exports to the United States.

3. Transferred exports, covering such practices as followed in the flour trade between the

³Chalfant Robinson, *Two Reciprocity Treaties* (New Haven, 1903).

Frederick E. Haynes, *The Reciprocity Treaty with Canada of 1854* (Publications of the American Economic Association, Vol. VII, No. 6, 1892).

United States Tariff Commission, *Reciprocity and Commercial Treaties* (Washington, 1919).

C. K. Ganong, *The Canadian Reaction to the American Tariff Policy*, unpublished thesis (University of Wisconsin, 1931).

Province of Canada and the Maritime Provinces, when products from the Province of Canada entered the United States as destined for home consumption and were re-exported to the Maritime Provinces as American products.

4. Indirect trade, when American merchants used lumber from the Province of Canada to fill orders from Cuba and other West Indian markets.

It is seldom suggested that such factors also affected the trade returns of the Maritime Provinces. But, judging from the type of commodities sold to, and purchased from, the United States, and the decline in intra-provincial trade, the Maritime Provinces found it convenient to use American ports as clearing centres. Trade returns were duplicated when Newfoundland and West Indian products were re-exported from the Maritime Provinces, especially Nova Scotia; when American fishermen landed their catches at Nova Scotian ports, whence they were shipped to the United States as domestic production; and when Maine lumber was floated down the Saint John River and included in New Brunswick's exports. There was a transference of exports when fish from the Maritime Provinces, destined to the Province of Canada, reached the market as an American product, and when timber vessels, *en route* to Great Britain, cleared for American ports to evade the deck-load law. New Brunswick also entered indirectly into the American trade with the West Indies, and much of the fish exported from Nova Scotia to the United

States was destined ultimately to other foreign markets.⁴

The proportion of a country's trade that is dependent upon any one market is of great significance. Tables 11 and 12 have, therefore, been constructed, showing the percentage that imports and exports from and to the United States constituted of the total imports and exports of each of the four provinces.

TABLE No. 11
IMPORTS FROM THE UNITED STATES AS PERCENTAGES
OF TOTAL IMPORTS

YEAR	CANADA PER CENT.	NOVA SCOTIA PER CENT.	NEW BRUNSWICK PER CENT.	PRINCE EDWARD ISLAND PER CENT.
1853	36.8	29.3	33.5	17.8*
1854	38.3	32.1	34.3	14.3*
1855	57.7	39.2	54.7	16.1
1856	52.1	36.3	47.0	14.7*
1857	51.3	. . . .	44.3	19.0
1858	53.7	36.1	48.5	22.5
1859	52.4	35.6	47.6	26.4
1860	50.1	36.3	47.6	24.7*
1861	50.8	40.2	50.7	20.7*
1862	49.2	35.9	47.7	22.3*
1863	44.7	37.8	46.3	24.2
1864	37.1	34.1	37.1	24.7
1865	37.1	30.1	43.1	23.9*
1866	31.3	28.1	37.4	16.7

*Total foreign imports.

The import figures for the period of the Reciprocity Treaty proper, 1855 to 1866, show that the highest percentage for the Province of Canada was 57.7 in 1855, and that until the outbreak of the

⁴H. A. Innis and A. R. M. Lower, *Select Documents in Canadian Economic History, 1783-1885* (Toronto, 1933), p. 675.

L. C. A. and C. M. Knowles, *The Economic Development of the British Overseas Empire* (London, 1930), Vol. II, p. 163.

Journals of the Legislative Assemblies of the various Provinces, Appendices on Trade and Commerce.

Civil War the percentage never fell below 50. The lowest percentage was reached in 1866, with 31.3. For Nova Scotia, the highest figure was 40.2 in 1861, and the lowest, 30.1 in 1865, omitting 1866 with 28.1 since only six months of this year were within the Reciprocity Treaty period. In no year was the percentage that imports from the United States constituted of total imports higher for Nova Scotia than for the Province of Canada. The New

TABLE No. 12

EXPORTS TO THE UNITED STATES AS PERCENTAGES OF TOTAL EXPORTS

YEAR	CANADA PER CENT.	NOVA SCOTIA PER CENT.	NEW BRUNSWICK PER CENT.	PRINCE EDWARD ISLAND PER CENT.
1853....	45.7	25.8	11.4	21.1*
1854....	45.4	25.5	8.8	10.7*
1855....	70.6	32.7	14.9	21.9
1856....	62.9	30.1	16.2	16.8*
1857....	54.9	....	17.3	36.0
1858....	56.0	32.3	20.2	41.7
1859....	61.4	33.2	22.0	49.2
1860....	58.4	33.7	27.1	38.7*
1861....	43.1	26.4	18.5	29.7*
1862....	49.3	32.1	23.1	29.7*
1863....	52.1	28.5	25.2	50.4
1864....	62.5	34.1	25.0	38.2
1865....	59.3	41.0	31.4	42.7*
1866....	70.4	40.1	29.1	8.8

*Total foreign exports.

Brunswick figures exceeded those for the Province of Canada in 1863, 1865, and 1866, and equalled them in 1864. For Prince Edward Island, the maximum figure of 26.4 in 1859 obviates any necessity for further comment.

But exports are far more pertinent than imports, and according to Table 12 the percentage of exports

from any of the three Maritime Provinces to the United States did not exceed the corresponding percentage for the Province of Canada in any single year. What is more striking still, the highest figures shown for either Nova Scotia or New Brunswick are lower than the lowest figures for the Province of Canada, which minimum for the Province of Canada was exceeded by Prince Edward Island in only two years, 1859 and 1863. The maximum for the Province of Canada of 70.6 in 1855 was nearly equalled in 1866 with 70.4, whereas the maximum for Nova Scotia was 41.0 in 1865, and for New Brunswick, 31.4 in the same year, as against the minimum figure for the Province of Canada of 43.1 in 1861.

In any treatment of this subject it is impossible to ignore such differences. The figures for the Province of Canada exclude coin and bullion, ships built for sale abroad, and short returns from inland ports—estimates of unrecorded exports to the United States. Had these two latter items been included, the percentage of exports going to the United States would have been even higher in most years than has been shown in Table 12. The figures for the Maritime Provinces also exclude coin and bullion and ships built for sale abroad, and there does not seem to have been any attempt to estimate the unrecorded exports. Much of the incentive to smuggling had been removed, and it seems legitimate to assume that for both regions efficiency in collecting trade returns increased during the period.

Further, total exports from the Maritime Provinces were less than from the Province of Canada, whereas the value of vessels sold abroad was much greater for the former than for the latter. Therefore, the omission of this item from the trade returns exaggerates the relative importance of the American market to the Maritime Provinces.⁵ There would be little advantage in enlarging upon these qualifications, for, although the statistical data leave much to be desired, it would seem that, on balance, the figures give about as accurate a picture of trends in one region as in the other.

Limitations of space preclude an extensive discussion of the marketing of the various commodities shown in the trade returns, but the following table will facilitate at least a cursory examination of the main groups of exports.

In general, the conclusions of the United States Tariff Commission seem to have been accepted: that the re-opening of the southern market and the improvement in American exchange after 1866 lessened the shock from the abrogation of the Reciprocity Treaty, and that the growing demands of the home market forced the American consumer to shoulder the burden of the new tariffs. But the Maritime Provinces have been largely exempted from these sweeping generalizations. They "felt severely the loss of a free market for their fish and coal. In the case of these products no other market could be substituted for the United States and the

⁵Most of the vessels exported from the Maritime Provinces were constructed in New Brunswick.

TABLE No. 13*
EXPORTS BY COMMODITY GROUPS, YEAR 1865

	PERCENTAGE OF TOTAL EXPORTS	PERCENTAGE SENT TO THE UNITED STATES	PERCENTAGE OF THE TOTAL EXPORTS TO THE UNITED STATES
AGRICULTURE:			
Nova Scotia.....	18.4	32.9	14.8
New Brunswick.....	6.8	76.2	16.4
Prince Edward Island.	73.0	36.5	64.3
Canada.....	51.8	81.4	71.1
FISHERIES:			
Nova Scotia.....	39.3	42.3	40.8
New Brunswick.....	7.5	49.6	11.8
Prince Edward Island.	17.6	83.3	35.3
Canada.....	2.1	11.6	.4
FORESTS:			
Nova Scotia.....	8.8	20.7	4.4
New Brunswick.....	66.3	21.1	44.7
Prince Edward Island.	8.4	....	....
Canada.....	40.7	35.3	24.2
MINERALS:			
Nova Scotia.....	15.5	83.8	31.7
New Brunswick.....	5.1	86.2	13.9
Prince Edward Island.	.3	....	....
Canada.....	1.4	20.3	.5
MANUFACTURES AND MISCELLANEOUS:			
Nova Scotia.....	11.7	12.5	3.6
New Brunswick.....	13.3	26.1	11.0
Prince Edward Island.	.5	22.6	.3
Canada.....	3.9	55.9	3.6
WINES AND LIQUORS:			
Nova Scotia.....	6.3	30.5	4.7
New Brunswick.....	1.0	68.3	2.2
Prince Edward Island.	.2	21.7	.1
Canada.....	.1	75.6	.2

*By taking the year 1865 for all four provinces the writer's contentions are not so strongly supported as had 1866 been taken for the Province of Canada. However, by considering the best year of trade for the Maritime Provinces, a slight compensation is made for the absence of more comparative data.

exports were materially reduced."⁶ Such conclusions seem to be a combination of projecting backwards an explanation that might be accepted in part for a later period, and of rationalizing the tardy development of the Maritime Provinces since the abrogation of the Reciprocity Treaty.

⁶United States Tariff Commission, *Reciprocity and Commercial Treaties* (Washington, 1919), p. 88.

Nova Scotia was the only province in which the export of minerals was at all important, and in 1865 this group of commodities made up only 15.5 per cent. of her total exports. Of the minerals exported, about 90 per cent. was coal, which went chiefly to the United States. The duty of \$1.25 per ton, which became effective in 1866, later reduced to 75 cents per ton, placed a heavy handicap on coal exports from Nova Scotia, but the sanguine hopes of Nova Scotia to capture the coal market of the eastern United States could not have been realized, tariff or no tariff. Exports of coal increased during the period of the Reciprocity Treaty, and especially during the Civil War, when prices were high; but the rapid expansion of mining operations in the United States following the close of the war, and the introduction of commodity railway rates in the late sixties, coupled with the growing disparity in the cost of production in Nova Scotian as compared with American mines, were sufficient in themselves to effectively close the United States market to the Nova Scotian product.⁷

The dictum of the United States Tariff Commission with respect to the fisheries might have some significance if applied to more recent times, but it certainly does not spring from a careful study of the industry for the period of the Reciprocity Treaty. During the last four years of the treaty, the value of fish exported from Nova Scotia, the province in which the fishing industry

⁷For a more detailed discussion of the trade between the Maritime Provinces and the United States during this period, see pp. 103 ff.

was most important, averaged \$2,698,000, of which 33.9 per cent. went to the United States. From 1868 to 1873, the value of fish exported averaged \$2,717,000, of which only 23.9 per cent. went to the United States. Had free access to the American market been such a determining factor, it is difficult to see how exports could have increased even this slight amount, considering: the recession in trade during the late sixties; the revolution in Cuba, which broke out in 1868; and the elimination from trade returns of intra-provincial shipments. From 1873 to 1885 Canadian fish entered the American market free of duty. From 1876 to 1880 the total value of fish exported from Nova Scotia averaged \$4,327,000, but exports to the United States stood at a slightly lower figure than for the later years of the Reciprocity Treaty. After the abrogation of the Washington Treaty, there was a temporary decline in the export of fish from Nova Scotia, but expansion was soon resumed and was not reversed until after the middle nineties, when, in spite of rising prices, there was a general recession.⁸

Forest products, unlike the two preceding groups of commodities, concerned both the Maritime Provinces and the Province of Canada. Prince Edward Island had turned agricultural, and of the small amount of lumber that was exported only a fraction of 1 per cent. found its way to the American market. Nova Scotia was using her forest wealth to build up a fleet of Bluenose vessels, and

⁸Ruth Fulton Grant, *The Canadian Atlantic Fishery* (Toronto, 1934), Chapter 2, *passim*.

to supplement the trade in fish with the West Indies. Of what was exported, about one-fifth went to the United States, most of which was firewood; and her exports of forest products to the United States actually declined during this period. Exports of forest products from New Brunswick constituted from two-thirds to three-quarters of the total exports, and by 1865 about one-fifth was being sent to the American market. Although the export trade in forest products from the Province of Canada was not so important relatively as for New Brunswick, nevertheless, it did make up from one-third to one-half of the total exports, and over one-third was being shipped to the United States. Judging by the relative amounts of forest products taken by the United States, the American market was far more important to the Province of Canada than to New Brunswick, even before the period of the Reciprocity Treaty. In 1853, only 7.5 per cent. of total forest products exported from New Brunswick went to the United States, whereas 27.7 per cent. from the Province of Canada was sent to that market.

Lumber is included with those commodities on which the American consumer had to bear the burden of the tariff that followed the abrogation of the Reciprocity Treaty. Supplies from the East Central States, it is asserted, had been largely exhausted, and according to Robinson,⁹ even in New England, demand exceeded supply in all the states

⁹Chalfant Robinson, *Two Reciprocity Treaties*, op. cit., p. 36.

but Maine. It is even suggested that forest reserves in the American Lake region were being seriously depleted, and that it was becoming necessary to fall back upon the large "Canadian" reserves.¹⁰

At this time, although the United States was on balance an importer of lumber, she still had a considerable export trade, and part of what was received from the Province of Canada entered into the American trade to Cuba and other West Indian markets. By 1860, a fair amount of lumber was being shipped east from the Lake States, about 50 per cent. being supplied by Michigan.¹¹ It is obvious, therefore, that prices in Michigan must have been lower than prices on the Atlantic coast by at least the amount of the shipping costs. Lumber from the Province of Canada, besides moving eastwards along with the Michigan product, was disposed of in the Chicago market; but to suggest that there was a shortage of lumber in the vicinity of Chicago, except as a temporary war-time condition, is absurd. As late as 1882, Michigan alone produced over 900,000,000 feet of pine lumber,¹² and it was not until the close of the century that the Lake region was displaced as the chief lumber-producing area of the United States.

¹⁰This conclusion seems to have been the result of placing too much emphasis upon the large amount of lumber reported to be reaching the Chicago market from the Province of Canada. See Donald C. C. Masters, *The Reciprocity Treaty of 1854* (London, 1937); and Arthur Harvey, *The Reciprocity Treaty* (Quebec, 1865).

¹¹*Statistics of the Foreign and Domestic Commerce of the United States* (Washington, 1864), p. 163.

¹²Emory Johnson et al, *History of the Domestic and Foreign Commerce of the United States* (Washington, 1915), Vol. I, p. 288.

What happened to the American market towards the end of the century is not a question that it is necessary to consider here, but it is quite obvious that during the period of the Reciprocity Treaty, and immediately afterwards, the best market was in the Eastern States. It is rather surprising, therefore, if the American market was so lucrative, that a stimulus was not given to exports from Nova Scotia, and that a larger share of the output from New Brunswick, even if the special circumstances of this trade are disregarded, was not shipped to the best markets, New York and Boston. Another explanation besides the one generally offered, the shortage of supplies from American sources, must be found to elucidate the difference between the market outlets for the lumber produced in the Maritime Provinces and in the Province of Canada. The alternative explanation seems to be that, as lumber production was pushed westwards in Canada West, and especially after it reached the Georgian Bay area, the extra cost of conveying the product to Montreal for oversea shipment was sufficient to force trade through American channels, irrespective of tariff barriers, and that intra-marginal virgin forest resources made it possible to carry the burden and even to increase production.

Turning to agricultural products and foodstuffs, as shown in Table 13, it will be seen that in Prince Edward Island alone of the Maritime Provinces were exports of this group of commodities relatively important, but that in the Province of Canada they

constituted one-half of the total exports. The percentages in the above table are supplemented by absolute figures of imports and exports from and to the United States for the year 1865.

TABLE No. 14

AGRICULTURAL PRODUCTS AND FOODSTUFFS, IMPORTS FROM, AND EXPORTS TO, THE UNITED STATES, YEAR 1865

	IMPORTS		EXPORTS
Nova Scotia.....	\$2,091,019	....	\$ 535,706
New Brunswick.....	1,958,452	....	284,604
Prince Edward Island.....	246,686	....	373,075
Total—Maritime Provinces	\$4,296,157	....	\$ 1,193,385
Province of Canada.....	9,018,544	....	15,172,436

The overwhelming dependence of the Maritime Provinces upon the United States as a source of supply of rather than as an outlet for agricultural products, is apparent; as is also the importance of the United States to the Province of Canada, either as a market for agricultural products or as a channel through which they were conveyed to their ultimate destination. If domestic products alone were shown, the disparity would be even greater. The figures for Nova Scotia would be reduced by \$309,000 for re-exports of sugar, and the only important item of local production would be vegetables, chiefly potatoes, amounting to \$148,000. The exports from New Brunswick were not only absolutely and relatively small, but were more than offset in almost every instance by imports. With Prince Edward Island it was different. She had become an agricultural province, and about three-quarters of her exports originated on the farm. In

the best year of the Reciprocity Treaty, 1865, 36.5 per cent. of these agricultural exports went to the United States, of which oats made up over two-thirds. American tariffs that became effective in 1866 seriously reduced the total exports to the United States market, but by 1870 the high figure for total exports of £291,000, in 1865, had been exceeded by £61,000. Although, as already stated, the figures for the Province of Canada are inflated, and not all the exports to the United States were destined for consumption in that country, nevertheless, it is impossible to escape the conclusion that the American consumer and, particularly, the convenience of the American market were of far more significance to the Province of Canada than to the Maritime Provinces, taken individually or collectively.¹³ In agriculture, as in lumbering, owing to her geographical location, the Province of Canada was more dependent upon the American market than were the Maritime Provinces.

The two other groups shown in Table 13, Wines and Liquors, and Manufactures and Miscellaneous, are not very important for any of the provinces, and the latter group, more important for Nova Scotia and New Brunswick, is made up of such

¹³Although Prince Edward Island showed a larger percentage of her total exports made up of agricultural products and foodstuffs, nevertheless, the smaller proportion of these products going to the United States leaves that province relatively less dependent upon the American market even for agricultural products than was the Province of Canada. In 1865, slightly over 28 per cent. of the total exports from Prince Edward Island was made up of commodities in this group going to the United States, as compared with nearly 43 per cent. for the Province of Canada.

things as haberdashery, cottons and woollens, and hardware, largely a matter of re-exports.

The absence of data makes it impossible to consider the proportion of production directly dependent upon the American market, but it will be of some assistance to examine the figures of trade upon a per caput basis. As the returns for 1860 represent the most normal year during the existence of the treaty, and deviate but slightly from the average for the period, they have been used in conjunction with the census figures of population for 1861.

TABLE No. 15
IMPORTS AND EXPORTS PER CAPUT, YEAR 1860

PROVINCE	IM- PORTS	EX- PORTS	TOTAL TRADE	IM- PORTS FROM UNITED STATES	EX- PORTS TO UNITED STATES	TOTAL, TRADE UNITED STATES
Nova Scotia.....	\$26.40	\$19.45	\$45.85	\$ 9.57	\$6.56	\$16.13
New Brunswick....	27.83	17.63	45.46	13.24	4.78	18.02
Prince Edward Island	13.83	12.35	26.18	3.41	4.79	8.20
Maritime Provinces.	25.41	17.89	43.30	10.22	5.66	15.88
Canada.....	13.72	12.57	26.29	6.89	7.35	14.24

The much greater dependence of the Maritime Provinces upon foreign trade is apparent. The figures are slightly inflated by including the trade of the three provinces with one another, but, even when allowance is made for this, there is still a wide difference between the two regions. As formerly, exports of vessels, short returns from inland ports, and such invisible items as shipping freights are not included; but, despite the much greater dependence of the Maritime Provinces upon

foreign trade, their exports per head to the United States are considerably lower than those of the Province of Canada, and most other years would show a greater difference in the same direction. On what grounds, therefore, it may be asked, is based the claim that the Maritime Provinces had most to gain from the Reciprocity Treaty, or most to lose from its abrogation? Surely not on the grounds that they were more dependent upon the American market as an outlet for their products than was the Province of Canada.

THE MARITIME PROVINCES AND
THE NATIONAL POLICY
(Comments upon Economic Regionalism in Canada)

THE MARITIME PROVINCES AND THE NATIONAL POLICY¹

(Comments upon Economic Regionalism in Canada)

IT HAS long been evident that within the Dominion there is a wide diversity of economic interests and outlook; but, with the spate of complaints, protests, and petitions, that since 1929 has poured into Ottawa, this diversity has taken on distinct regional characteristics. The Maritime Provinces, the Central Provinces, the Prairie Provinces, and British Columbia, have had their peculiar economic difficulties. For the most part, these economic difficulties have been attributed to the policy followed by the Dominion Government: the manner in which taxes have been levied and revenues disbursed, the cost of giving tariff protection to domestic industries, and encroachments upon the rights and privileges of provincial governments.

The Maritime Provinces have complained that they were not receiving their share of the good things of life that Confederation had brought to the Dominion as a whole; they have asked repeatedly for a larger share of the federal funds with which to carry on those new functions of government that came gradually to be recognized in the western

¹This study was first published in *The Dalhousie Review*, Vol. XVI, No. 1, April, 1936, and is re-printed here with the kind permission of the editor.

world as natural and legitimate; and they do not seem ever to have felt altogether at home in the new edifice erected by the Fathers of Confederation. Although, in this article, attention will be focused upon the National Policy, with special reference to the Maritime Provinces, and upon the relations between the Maritime Provinces and the rest of the Dominion, the approach has nationwide application, and it is hoped that the discussion will make some contribution to a better understanding of the general problem of economic regionalism in Canada.

To gain an appreciation of the effects of any economic policy that has been made operative, economic conditions as they exist under that policy must be compared with economic conditions as they would have existed had the policy not been adopted; that is to say, conditions as they are must be compared with conditions as they might have been. This is a difficult procedure even under the simplest of circumstances, but many times more difficult in a social problem where every factor is so dependent upon every other factor. J. B. Clark² has emphasized that the marginal increment from an additional unit of one of the factors of production is the difference between the total product from all the factors appropriately organized before the one unit is added and the total product from all the factors appropriately organized after the one unit is added. In a similar way, the increment or

²*The Distribution of Wealth* (London, 1925), pp. 250-1.

decrement resulting from an economic policy is the difference between the total income accruing to the people or the area from the economy appropriately organized with the policy and the total income as it would have accrued to the same people or area from the economy appropriately organized without the policy. This emphasis upon the differences between totals seems necessary because of the tendency to isolate one feature of an economic policy, and to consider the effects of varying this one feature without taking into account that, if this were done as a practical experiment, other features of the policy might also have to be varied. It is such interrelations of economic forces and the interdependence of various aspects of State economic policy that lead many students to consider the National Policy as something that goes far beyond the policy of tariff protection. For most purposes, too, it will not suffice to consider only differences in income, but the subjective aspect of income will have to be taken into account to disclose differences in economic welfare.

The range of considerations to be kept in mind when one is examining the effects of the National Policy upon the Maritime Provinces, or upon any other economic region of the Dominion, varies according to the purpose of the inquiry. If the purpose is to establish a case for secession on economic grounds, then the comparisons must be between conditions as they now exist and conditions as they would exist had the Maritime Provinces remained

outside Confederation and pursued some specified policy. In view of the time factor, and the number of variables that would enter into such a problem, it is quite obvious that there is plenty of room for wide differences in the conclusions. If, on the other hand, the purpose is that of urging a modification of policy within limits that will not disturb certain desired conditions, such as the maintenance of the existing political system, the range is narrowed and the problem becomes more practical. Again, if political objectives are not questioned, but compensation is sought because the cost of achieving and holding those political objectives bears with disproportionate severity upon one area, it becomes necessary to attempt a statistical measurement, or to adopt some arbitrary basis on which to mete out rough justice. However, if the purpose is to investigate economic regionalism in general, all considerations must be kept in mind.

Owing to the almost insurmountable difficulties of the analytical approach when the time element is an important factor, a problem is usually better understood by treating it as one of historical development and by tracing through the years its emergence and intensification. In this way a better appreciation may often be obtained of the complex forces that have been at work, and, therefore, of the complexity of any remedies that may be applied. It is frequently possible, and sometimes necessary, to combine the analytical with the historical approach, and to test the conclusions by hypothetically

varying one or other of the major factors or circumstances. For example, had Confederation not taken place when it did, what would have been the result? Would not American settlers have forced their way into the Prairies and the Pacific area, and have brought those territories into the Union as formerly they had brought Oregon into the Union? Would not American railways have followed the settlers, making Minneapolis and St. Paul and Duluth, instead of Port Arthur and Fort William and Winnipeg, the natural gateways to this territory? Would not the railway systems of the Central Provinces have terminated in the West at Chicago or Detroit and in the East at Portland, Boston, and New York, and have been dominated by American capital? Would not the absence of a western market have limited the growth of manufacturing and have restricted the increase of population in this region? Would not this have meant an absolute decrease in the total amount of commerce for this region, and also a diminished proportion going down the St. Lawrence? To what extent would this have diminished the Quebec market for Nova Scotia coal, and the present Canadian market for Nova Scotia iron and steel? To what extent would this have restricted shipping facilities, both rail and water, now enjoyed by the Maritime Provinces? In brief, to what extent would the failure to consummate Confederation in 1867 have affected the entire economy of the Maritime Provinces? The difficulties of this approach have been

already emphasized, but by such a speculation the weak and the strong strands of the economic fabric of the Dominion may be more easily seen and distinguished.

After having taken a glance down the road where these suppositious cases might lead, it is necessary to turn to a more realistic examination of the course over which national development has led. Confederation was consummated, the western territories and British Columbia did become part of the Dominion of Canada, and ribbons of steel bind together, no matter how tenuously, the East and the West.

In discussing any fundamental problem of the Canadian economy it is impossible, even if it were desired, to ignore the work and findings of Professor H. A. Innis. He sees the Canadian economy as arising in the first instance out of the commercial and industrial struggle between France and England, dominated by the physiographical features of the area, and moulded in no small degree by the structure of the earliest industry—the fur trade.³ The fur trade lent itself to centralized control, whether carried on through the St. Lawrence or through Hudson Bay. After 1821, when the two rival fur companies amalgamated, the export of

³The thread of this approach is to be found running through all his writings. See especially:

An Introduction to the Economic History of Ontario from Outpost to Empire, Vol. XXX, Papers and Records, Ontario Historical Society.

An Introduction to the Economic History of the Maritimes, including Newfoundland and New England, Annual Report of the Canadian Historical Association, 1931.

Cape Breton and the French Régime, Transactions of the Royal Society of Canada, Third Series, Section II, Vol. XXIX, 1935.

forest products, and, later, of wheat, dominated the commerce of the St. Lawrence basin and led to a demand for increased shipping facilities. The costliness of these facilities and the sparseness of population, coupled with the tradition of centralized control, made it necessary for the Government to intervene to an unusual extent in the economic life of the country, and, to lighten the financial burden, the Central Provinces extended their influence eastwards as well as westwards, and finally enveloped the Maritime Provinces both economically and politically. After the middle of the century, when the fur trade was being threatened by the encroachment of settlers, and when pressure from the United States made it necessary to establish effective control over the western areas, the tendency towards centralization was increased by the unification of Hudson Bay and St. Lawrence interests. To accomplish the task of nation building, Government intervention, which had already gone far in the St. Lawrence basin, had to be extended to take care of the new programme of railway construction and settlement. The same forces that led to more Government intervention and centralization led also to centralization in many branches of industry, more especially transportation and banking. Financial responsibilities felt by the Government necessitated a search for additional revenue, and a tax on imports was the most accessible and fruitful source available. The commercial and industrial equipment brought into existence by

Government policy created a problem of overhead costs on a national scale, which led to pressure for the adoption or extension by the Government of the principle of protection.

The part of the Maritime Provinces that borders upon the St. Lawrence seems naturally to fall within the orbit of the St. Lawrence valley economy, by virtue of its geographical location and the structure of its commerce and industry, but many features of the economy as a whole are diametrically opposed to the dominant features of the St. Lawrence valley economy. The early history of the Maritime Provinces was the history of the fishing industry, and this industry, with its strong tendency towards decentralization, in contradistinction to the fur trade, has left its mark upon the Maritime Provinces, more especially upon Nova Scotia. Furthermore, the commerce of this region, radiating from a number of natural ports, did not involve the Governments in large expenditures for transportation facilities, as in the Canadas; but, when the railway era began, the Governments of the Maritime Provinces found themselves in a similar position to the Government of their sister province to the north-west. This change in the circumstances of the Maritime Provinces, and possibly also the aspirations of the coal industry of Cape Breton Island, coupled with basic geographical and commercial ties that bind together all parts of the St. Lawrence basin, furnished the economic basis upon which Confederation was eventually built.

It may be well to break in upon this process of synthesis to deal with another aspect of the problem. This aspect may be thought of as the psychological, or, in the language of Professor Toynbee, as responses to human and physical challenges. A glance at the map will show how the fertile and populated areas of Ontario and Quebec are wedged in between the barren parts of the Canadian shield to the north and the United States to the south. In the days of the fur trade, the commerce of this region was threatened by the Hudson Bay route; and, in the days of timber and grain, by the route through American ports. The threats to the region came in the form of military aggression as well as in the form of trade rivalry, with the possibility of economic, if not political, annexation. During the Revolutionary War, as during the War of 1812-1814, it was this region, and not the Maritime Provinces, that was seriously threatened. In 1812, it was the town of York, not Halifax, Fredericton, or Charlottetown, that was sacked. In 1849, the annexation manifesto originated in Montreal, and not in one of the commercial centres of the Maritime Provinces. The Reciprocity Treaty of 1854 was made on the insistence of the Province of Canada, and not on the insistence of the other provinces. When, during the American Civil War, there loomed up the possibility of a conflict between Great Britain and the Northern States, again it was the Province of Canada, and not the Maritime Provinces, that was most exercised; and

when, towards the close of the Civil War, it seemed likely that the American Government might discontinue the bonding privileges, it was the Province of Canada, and not New Brunswick or Nova Scotia, that stood in danger of commercial strangulation. In the Maine boundary dispute and the Fenian raids, New Brunswick had common grievance with the Province of Canada, but both economically and politically the Maritime Provinces had much less to fear from the United States than had the Province of Canada.

At this time the Maritime Provinces faced seawards rather than landwards, and there was no adjoining Rupert's Land or North West Territories to divert their gaze. Therefore, the extension of American settlement and American railways farther and farther into the territory west of the Mississippi did not bring to them the same consciousness of being hemmed in and isolated as it brought to the Province of Canada. In the Province of Canada there was also the racial problem, which can scarcely be said to have existed in the Maritime Provinces. The Anglo-Saxons, to strengthen their position against the French, began to look westwards to Rupert's Land and beyond; whereas the French, to escape political submergence, looked to the Maritimes as a possible counterpoise. Although the ideal of a larger nationality appealed to many in the Maritime Provinces, and although others were won over to favour Confederation because of the material gains that seemed likely to flow from political

union, it cannot be denied that the spur to nation building was far stronger in the Province of Canada than in the Maritime Provinces. ✓ (3)

These two parts of the same approach help to make it clear why the drive for expansion originated in the present Central Provinces, and why the development took the form it did.

At the time of Confederation, imports per head into the Maritime Provinces were about twice as great as into the Province of Canada. Duties were then primarily for revenue purposes, and the lower rates prevailing in the Maritime Provinces may be attributed partly to this relatively larger volume of imports. Even today, the Maritime Provinces seem to be more dependent upon outside sources of supply than do the Central Provinces, although it is impossible, with present statistical information, to say to what extent this situation has been intensified or modified since 1867. So far as tariffs provide revenue, and the Maritimes were or are consuming more imported commodities per head, it is legitimate to argue that they have carried a relatively larger part of this burden than have the Provinces of Ontario and Quebec, and a similar statement would hold true for the Western Provinces. }

* As tariffs were raised and became more protectionist, internal sources of supply were substituted for external sources, and the higher prices paid for domestic commodities increased costs and added to the consumer's burden. The artificially protected and naturally sheltered industries are in the best

position to pass on increased costs, but industries producing for outside markets are seldom able to reimburse themselves by raising prices. All parts of the Dominion have been and are, of course, dependent to some extent upon exports, but the regions more largely dependent upon outside markets are the regions that have to shoulder the heavier burden resulting from a policy of protection. The region most favourably situated in this respect is that of the Central Provinces, and its gain may have been absolute or may have been only relative.

[Federal revenues and money borrowed from overseas were used to provide or to improve transportation facilities, to encourage immigration, and to promote, by means of bounties, certain domestic industries.] The expenditure of funds in this way affected the primary incidence of the tariff burden, but, more important than the direct redistribution of the tariff burden, were the general effects that these expenditures had upon the economic structure of the country as a whole. The opening of the West enlarged the market for Central Canadian manufactures, and, as the main channel of trade was down the St. Lawrence, helped to concentrate commercial interests along that waterway. Greater industrial activity and greater concentration of population in the Central Provinces opened up new possibilities for the industries of the Maritime Provinces. This was most marked in coal mining and in the production of iron and steel.

All possible
ways for
saving
bank
profits.

The pull of the St. Lawrence economy upon the Maritime Provinces since Confederation is most clearly seen in the growth of population in Nova Scotia. From 1871 to 1931 the population of Nova Scotia increased 32.2 per cent., but in the western part of the province the increase was only 7.5 per cent., whereas in the eastern part the increase was 46.7 per cent.⁴ Whether the growth of population for the province, or for the eastern part, would have been greater under a policy of free trade, raises anew the entire question of the National Policy. Professor J. H. Jones is inclined to argue that lower costs under a policy of free trade would have enabled the Nova Scotia iron and steel industry to invade foreign markets, and, consequently, to have expanded more than it did under the National Policy.⁵

Intervention on the part of the federal government, when once the soundness of some of the enterprises—for example, the Canadian Pacific Railway—had been proved, may have resulted in lower interest rates for Canadian borrowers abroad. On the other hand, higher prices for capital equipment increased the amount of financial capital required, and tended to throw an additional burden upon primary producers. However, in a country that is developing rapidly, with rich virgin resources being brought into production, there often

⁴The Counties of Digby, Annapolis, Hants, Kings, Queens, Lunenburg, Shelburne, and Yarmouth, have been taken as constituting the western part of the province, and the remaining counties as the eastern.

⁵See *Province of Nova Scotia, Report of Royal Commission, Provincial Economic Inquiry, 1934*, p. 46 f.n.

accrue to investor and operator much larger returns than those for which they would have been willing to undertake the enterprise. So far as the added burdens fell upon these larger returns, they were not nearly so onerous as if they had fallen entirely upon labour, and, when the larger returns were receivable by persons resident outside of Canada, it is probable that the decrease in these returns did not lessen the national income. As the rich virgin resources that have been exploited lay for the most part elsewhere than in the Maritime Provinces, it may be argued that the Maritime Provinces shifted some of their burden to other regions. Such an argument can have little more than academic interest, without a great deal of painstaking research, but it helps to bring out the interrelations of the various factors, and to emphasize the impracticability of attempting to reach a final conclusion by considering any of them in isolation.

Economic goods are more mobile than factors of production, and, of the factors of production, capital moves much more easily than labour, whereas land can scarcely be said to have any degree of mobility. Through immigration and settlement policies, the federal government increased the mobility of labour; and through grants, subsidies, and direct expenditures, the mobility of capital. But settlement policy was directed towards the Prairie Provinces, and, apart from this, labour was left to find its own way to the best market. With the growth of industry and commerce

in the Central Provinces, labour was rapidly drawn away from sub-marginal occupations; but in the Maritime Provinces this transfer of labour was effected with more difficulty because of the slower rate of development, the degree of specialization that had already been achieved, and the distance that separated them from the Central Canadian market. The deliberate policy of keeping down railway rates on raw materials and export commodities, and of reimbursing the railways by higher rates on manufactured goods, helped to intensify regional specialization. High railway rates on a commodity favoured production close to the market, and, since the largest regional market was in the Central Provinces, and large-scale production afforded substantial economies in many industries, an added stimulus was given to the concentration of manufacturing in Ontario and Quebec. Relatively lower freight rates in the Maritime Provinces prior to 1912, which were re-established by the Maritime Freight Rates Act, 1927, have helped to keep certain industries there. The arbitrary use of freight rates in Canada for the purpose of influencing the location of industries is doubtless responsible for the analogy that has occasionally been drawn between statutory rates and regional tariffs. Canada's transportation policy has had still other effects upon the Maritime Provinces: by making Halifax the terminus of the *Canadian National* and Saint John the terminus of the *Canadian Pacific*, by preferences to goods imported through Canadian

ports, by mail subsidies, and by the operation of *Canadian National* steamships. Although it is impossible to state the extent, industries in the Maritime Provinces must have received many benefits from lower freight rates, more frequent sailings, improved harbour facilities, and better equipment on both rail and water.

The downturn of the business cycle has usually served as an opportune time for increasing tariffs; but, during a period of reviving trade, larger revenues, instead of leading to a reduction of tariffs, have usually encouraged Governments to be over-generous in their expenditures. In the first decade of the twentieth century, railway construction and Government commitments were carried far beyond all the requirements of the near future, and laid a foundation for the Canadian National Railways' system with its excess capitalization. Provincial governments, partly because of emulation and partly because they were subject to the same forces, followed a policy similar to that of the federal government, until the burden upon the taxpayer has become very onerous. It is not meant to insinuate that the general policy of interventionism as followed in Canada has been wrong, for the history of the country makes it clear that it was virtually inescapable; but, where it has led to the misdirection of resources, it has restricted the national income and compromised the economy as a whole. With each new crisis the federal government has reached out for more taxes, which has left

fewer sources of revenue available to provincial governments. With each new crisis, too, provincial governments have found themselves compromised, and have called increasingly upon the federal government for financial aid. Every time that this aid has been sought and granted, the influence and power of the federal government has been automatically extended; and resentment against these encroachments upon provincial powers and functions is amply manifest in petitions to Ottawa for a clearer recognition of provincial rights.

The Maritime Provinces have been foremost in these demands and petitions, because of the greater difficulty that they have experienced in finding adequate funds with which to carry on the functions of government, because of the strong local patriotism that is bound to exist in provinces that have had practically no immigration over a span of several generations, and because the Maritime Provinces have felt themselves declining relatively in both economic power and political influence. But this feeling of resentment in the Maritime Provinces is more deeply rooted than the preceding remarks indicate. During the past three-quarters of a century, technical changes in both industry and trade have meant painful readjustments for the Maritimes as contrasted with rapid development in other provinces. The importance of power machinery and large-scale operations has worked to the disadvantage of small industries, a decentralized economy, and a population thinly scattered or

clustered in many small agglomerations. The difference between the basic features of the regional economy and that of Canada as a whole, or perhaps, more specifically, that of the Central Provinces, has lent credence to the assumption that Confederation, or, better, the policy followed since Confederation, is responsible for the conflict of forces now operating in the region.

During the present depression the unfavourable features of the national economy have stood out very prominently. The decline in prices for export commodities has not been accompanied by a corresponding decline in the prices of protected commodities, and added protection has tended to increase the spread. As a result, the regions largely dependent upon export industries have borne a disproportionate share of the burden of the depression, although the resultant diminution of buying power has been reflected in unemployment in the protected home industries. This has left little opportunity for the transference of labour, and with the regional concentration of both types of industries the entire problem has become intensified. If the difficulties are to be long continued, especially when the barriers to the movement of labour are taken into account, there may result still greater differences in the economic welfare of the various economic regions of the Dominion, and the process of levelling may be long drawn out. Such considerations point to the need for greater flexibility in the

internal price structure, for greater mobility of labour, and for a policy of social services designed to break the severity of the impact of industrial fluctuations upon the weaker regions of the Dominion.

The present depression may mark a turning point in Canada's economic history. Perhaps international mobility of capital and labour as it existed in the period prior to the War, and even up to 1929, is gone forever, and the growth of economic nationalism may be a long-run tendency. Professor Innis maintains that, apart from the external situation, the unlikelihood of the discovery of any new resources that will lend themselves to rapid and extensive exploitation points to the necessity of a change in policy from one designed to encourage expansion to one designed to encourage integration and consolidation.⁶ The Canadian economy as a whole is built on the unitary principle, and a large amount of centralization is inescapable. The federal government is still in the best position to collect taxes, and, so far as administrative efficiency is concerned, to disburse them. For certain purposes, however, regional differences make centralized control difficult and perhaps inadvisable; yet provincial boundaries do not always coincide with economic regions, and provincial administration throughout the Dominion seems very deficient. It would appear, therefore, that the future National Policy

⁶"Economic Conditions in Canada", 1931-1932, in *The Economic Journal*, Vol. XLII, March, 1932.

will have to be framed with three major objectives in mind:

1. The maximizing of the national income and economic welfare,
2. The equitable distribution of the national income among the various economic regions,
3. The reconciliation of national objectives with regional requirements.

BASIC ECONOMIC PROBLEMS OF
THE MARITIME PROVINCES

BASIC ECONOMIC PROBLEMS OF THE MARITIME PROVINCES¹

JUST one hundred years ago, Joseph Howe, in addressing the Halifax Mechanics' Institute, spoke as follows:

"I must confess that, at a first glance, the youthful native of Nova Scotia would seem to require more than an ordinary share of *amor patriae* to justify much pride at the present condition of his country, or to inspire any ardent hope of her future prosperity and renown. He sees her almost the least in population and extent in the whole range of a mighty continent, and without reference to the glorious nations of the old world, but a child in resources and improvement, as compared with the states and provinces by which she is more immediately surrounded, and upon which the signs of a manhood, vigorous and advanced, are already deeply impressed. He may love her, but can he hope to render her conspicuous among such competitors—to raise her up to the level which they may, without any very extraordinary efforts, attain? To the south and west a more generous sun warms a more fertile soil into a higher measure of fruitfulness and beauty than nature bestows on him: and to the north, he finds countries which, from their geographical extent and earlier settlement have a greater command of resources—are already

¹A paper read before the Maritime Conference on Canadian Affairs, Halifax, August 28, 1934.

vastly in advance—and seem destined to leave (Nova Scotia far behind in the race of improvement;) and to merge, in their own mental effulgence, the feeble light of science which even ardent patriotism may kindle upon her soil.”

These words were equally applicable to New Brunswick and Prince Edward Island, and the same thought, with but little different wording, well might come from the lips of an orator of today.

Mr. Howe proceeded to point out the hope of overcoming these handicaps, but it is my duty, one hundred years later, without his genius or eloquence, to take up the more prosaic side of his oration, and to point out problems and difficulties that the native sons of the Maritime Provinces must face and combat.

In one very important respect, however, I stand on equal footing with this illustrious son of Nova Scotia; namely, in my audience. He spoke, as I do now, to a group of people sufficiently familiar with the subject to enable him merely to mention, or allude to, many points that would otherwise require elaboration. To do full justice to this subject one ought to trace in detail the growth of the economic structure of these provinces; to indicate the numerous, and often very extensive, readjustments that have had to be made from time to time; and to conclude with a broad picture of conditions as they now obtain, showing the many contacts with other economies and pointing out the readjustments still necessary if the maximum advantage is to be taken

of existing opportunities, or, if you prefer, how the minimum loss may be incurred from existing disadvantages. But human endurance could not enable you to listen to such a long discussion, even had time and endurance enabled me to prepare it. I am obliged, therefore, to fall back upon a simpler approach: to mention briefly ⁽¹⁾ the natural resources upon which our industries are based and the ⁽²⁾ geographical relations that have moulded these industries in their growth, and, finally, to point out the more obvious weaknesses in the body economic.

The Natural Resources.

Much of the area included in the Maritime Provinces is underlain by a very ancient geological formation, or by igneous intrusives of later geological times, both of which are very resistant to weathering and frequently give rise to a soil not the most fertile.) The continental ice-sheet of Pleistocene times left many traces of its handiwork on the landscape of the Maritime Provinces. Projecting beyond the land into the sea, it carried with it much of the loose top soil of many regions, and in its retreat left scattered indiscriminately materials of all sizes. These glacial deposits often blocked the courses of rivers and streams, damming back their waters into lakes and swamps. Numerous cataracts and waterfalls were created as the waters found new outlets, and this gave to an otherwise mature topography the appearance of extreme youth. The older and harder areas, usually

with a thin soil, constitute most of the timbered and waste lands of today, which in Nova Scotia account for nearly 80 per cent. of the land area of the province; in New Brunswick, for almost 90 per cent.; and in Prince Edward Island, for about one-third (33.2 per cent.).

The agricultural lands have been formed of the softer rocks, sedimentaries that were laid down at various times as the surface was raised and lowered during the geological history of this region. Often, too, these soils are found to have been either enriched or adulterated by glacial deposits. It is impossible to determine how much of the land is arable, without a great deal of very specialized and costly work, including a soil survey, but it is pertinent to observe at this point that, nearly three hundred and thirty years after the coming of the first settlers to Acadia, only: 6.36 per cent. of the total land area of Nova Scotia, 7.50 per cent. of the total land area of New Brunswick, 54.79 per cent. of the total land area of Prince Edward Island, and, 9.07 per cent. of the total land area of the three provinces, was classified as "Improved Farm Land" in the 1931 Census.

*LAND NOT
BEST -
FERTILITY?*

The mineral resources, like the soils of the provinces, have their bases in the geological structure of the region. Gold is found in the earlier, and gypsum, limestone, and coal, in the later, geological formations. Of these, coal is by far the most important, and has the distinction of being unique in its location at tidewater on the Atlantic coast of

North America.) Unfortunately, the cost of production is high, because some seams are badly fractured, others dip steeply, and still others extend far under the sea.

The fourth and final group of the natural resources upon which the industries of the Maritime Provinces have been built is to be found in the adjacent waters and in the lakes and rivers of the interior. Water power, whether applied directly or transformed into electrical energy, may be merely mentioned and then passed by. More venerable in its history, and of very great importance on account of the number of people whom it employs, is the (fishing industry.) The prolific inshore waters were, and are, supplemented by the cod and haddock fisheries of the many Banks that stretch from the Gulf of Maine to Newfoundland, and by the shellfish and inland fisheries.

This hasty survey of the primary resources of the Maritime Provinces is sufficient in itself to indicate that industrial activities and industrial production vary; and now it will be necessary to look at some of the more important factors that have conditioned, and still condition, the economic development within this region.

Geographical Factors.

With the exception of the coast of Labrador, this eastern projection of the continent is nearer to Europe than any other part of the mainland. Nearness to Europe was of considerable advantage in the

early days, when fishermen from Europe crossed the Atlantic to catch and cure the golden cod, and returned with their cargoes at the end of the fishing season. It was also of considerable advantage in the days of sailing vessels, when fish and lumber were almost the only staples to be exported, and when a full cargo could be made up of either, or both. But the coming of the steam vessel, with its greater tonnage, and the increasing importance of rail transportation, diminished the advantages of a shorter sea voyage and increased the advantages of a shorter land haul; consequently, the main arteries of commerce shifted to the north and to the south of the Maritime Provinces. The total area of these provinces is, roughly, fifty thousand square miles, and to the north and west lies a thinly settled hinterland, separating this part of the seacoast from the richer and more densely populated areas of the interior. The limited area, the virtual separation of Nova Scotia and New Brunswick, with two principal ports instead of one, the absence of an extensive hinterland, and the difficulties of securing through freights from the interior, compromise local exporters because of insufficient shipping facilities, and make quite understandable the age-old agitation for "Canadian shipments through Canadian ports".

Owing to the dominance of fishing in the early days, to numerous small rivers down which timber could be floated to seaboard, and to the situation of most of the fertile stretches of country on or in

parallel lines to the coast, settlement in Nova Scotia (spread out along the shore.) In New Brunswick, with the dominance of lumber, the existence of larger rivers that stretch far into the interior, and the presence of fertile lands along these river valleys and adjacent to the Gulf of St. Lawrence, settlement moved inland in long, thin lines. The effects were almost identical: a small population, widely scattered, making (land transportation) difficult and costly. Add to these the long haul to the interior, and it will be readily realized that the difficulties against which (local manufacturers) have to struggle are by no means insignificant.

NOT
CENTRALIZED

The Manufactories.

The sparseness of population, the difficulties of distribution within the region itself, and the cost of shipping to the interior, have tended to keep industries small; supplying local wants for which distance affords a natural protection, or manufacturing high-quality specialty goods, the transportation costs on which are relatively insignificant. These circumstances are reflected in the net output of manufactures, of which, in 1930, the Maritime Provinces produced 4.1 per cent. of the Canadian output, whereas the 1931 Census shows them to have possessed 9.72 per cent. of the total population. They are also reflected in the size of manufactories. In 1930, a year that can be considered more nearly normal than any succeeding year for which figures are available, 62.6 per cent. of all

those employed in the manufacturing industries in Nova Scotia were employed by firms who had on their pay rolls one hundred people or less; 54.4 per cent. in New Brunswick were so employed; and 100 per cent. in Prince Edward Island; and this despite the iron and steel industry in Nova Scotia and the forest industries in New Brunswick. For Ontario and Quebec, the percentages are respectively 37.8 and 33.0, and for all Canada, 39.3. Although the dominance of small-scale industries may have certain advantages, nevertheless, the problems of industrial technique, of marketing, and of the overhead of management, increase according as the firm falls below the optimum size.

The Forest Industries.

Some indication has already been given of the extent of the forested area in each of the three provinces, and it has been intimated that the lumber industry is prosecuted on a comparatively large scale in New Brunswick. If the Dominion figures for 1930 are consulted, it will be seen that the average net production per mill in Nova Scotia is less than one-third that of mills in New Brunswick, and that the New Brunswick figures stand between those for Ontario and Quebec—about 20 per cent. less than the former, and about 10 per cent. greater than the latter. So far as Ontario and Quebec serve as legitimate standards of comparison, it will be seen that, in scale of production, New Brunswick is under no disadvantage, but that

the average output in Nova Scotia is very low. In both Nova Scotia and New Brunswick, the hardwood branch of the industry, with its many small, portable mills, is handicapped by small-scale production, but it is not intended to emphasize here the problems connected with the size of industrial units, for they have been reasonably well taken care of under *Manufactories*. The one aspect of the forest industries that does stand out, and that ought to be emphasized, is that whether the product is lumber or newsprint it is destined mainly for outside markets; hence the stimulus given to lumber production when the Canadian dollar depreciated to par with, and below the value of, the pound, and the difficulties of the newsprint industry as a consequence of the drastic curtailment of advertising in the United States following the slump of 1929. All branches of the forest industries experience wide fluctuations in response to cyclical movements in business, and here, as elsewhere, are to be found problems of (industrial technique,) problems of marketing, and problems of the fuller utilization of the resources. Into such details it is impossible to enter, yet it seems unwise to pass them by unmentioned.

The Agricultural Industry.

Despite the relatively small proportions of the areas of Nova Scotia and New Brunswick, and of the Maritime Provinces taken as a unit, that are devoted to agriculture, this industry fairly consistently

holds first place in value of production for two of the provinces, but of late has been surpassed by both manufacturing and mining in Nova Scotia. Speaking generally, (the industry is limited by the scarcity of suitable soil;) by the quality of the soil, which has usually to be improved by fertilization and which seriously restricts the production of grains, except as rotation crops; and by the topography of the country, which separates fields into small units, making the use of heavy machinery for large-scale operations impracticable. It is found, therefore, that the emphasis is placed upon (root and fodder crops,) except in a few areas, such, for example, as the Annapolis Valley, where apple culture predominates. These circumstances in themselves would not be so serious were it not that many farms have only a small amount of arable land, much of the holdings being taken up by timbered and waste lands. The net result is that, although the average size of farms compares quite favourably with the average for such provinces as Ontario and Quebec, the average amount of improved land, except in Prince Edward Island, is very much less. These features of Maritime agriculture are well illustrated in the following table:

TABLE NO. 16*

	NUMBER OF FARMS	AVERAGE ACREAGE OF FARMS	AVERAGE ACREAGE IN IMPROVED LAND	AVERAGE ACREAGE IN FIELD CROPS
Nova Scotia.....	(39,444)	109.0	21.4	14.6
New Brunswick.....	34,025	122.0	39.1	28.2
Prince Edward Island	(12,865)	92.6	59.5	38.5
Quebec.....	(135,957)	127.3	66.2	44.7
Ontario.....	(192,174)	118.8	69.1	48.7

*1931 Census.

Perhaps I ought to emphasize here that these figures are used merely to illustrate certain features of Maritime agriculture of which we are aware, and that they are not intended to prove anything. Allowances ought to be made for the influence that the type of farming has upon the average amount of land under cultivation, but such allowances will by no means account for all the differences between provinces. There are a large number of farms in New Brunswick and Nova Scotia that do not in themselves supply incomes sufficient to provide a living for the occupants; consequently, a great many engage in a variety of outside activities and occupations, such as lumbering, fishing, and mining, making it all the more difficult for them to be proficient in any or all. This is not a condemnation, it is merely a statement of fact concerning a practice, which in general is quite defensible, but which greatly increases the problem of technique.

Time is calling and it will be necessary to move rapidly over the other phases of the agricultural problem; furthermore, the Departments of Agriculture, provincial and federal, are aware of the difficulties in both marketing and production, even though they may be perplexed how best to cope with them, and compromised by lack of funds.

Before leaving this question of agriculture, it will be well to mention two commodities, potatoes and apples, which must seek a market beyond the Maritimes and beyond the Dominion. These two commodities afford another example of the manner in which the economy of the Maritimes is dependent

depression upon external markets and affected by external forces. Since the beginning of the depression, large quantities of New Brunswick and Prince Edward Island potatoes have been shipped to Ontario and Quebec; before that they went chiefly to the United States, or to Cuba and the other West Indies. The West Indian market has been seriously affected not only by the general depression, but by what might be described as the calamitous plight of the cane sugar producers; and low prices, coupled with a tariff of seventy-five cents per one hundred pounds, have made the American market virtually inaccessible. Apples, on the other hand, find their outlet chiefly in Great Britain and on the European continent, and, like lumber, have been affected by exchange rates and foreign competition. The apple industry presents a very interesting problem, which arises from indirect competition with citrus fruits and the highly-coloured and well-packed apple of the Pacific coast. But the temptation to explore these alluring by-paths must be resisted.

The Fisheries.

Following the order in which the natural resources have been discussed, I shall now pass to a consideration of the (fishing industry.) Here the ramifications and problems are numerous. Many small fishing establishments find proper equipment too costly, and proper attention to curing and grading too laborious. The individual fisherman, catching for the fresh fish trade, or curing his own

catch, finds it (difficult to break from traditional practices and to accept the new technique necessary in the preparation of the product for which there is the most remunerative demand.) But to obtain an understanding of the forces that operate in this industry, let us consider briefly what has happened in the dried fish trade.

The invention of the tin can, and the development of modern methods of refrigeration and transportation, lost to the dried, and also to the pickled, fish trade much of the northern market. It then became necessary to concentrate upon the southern markets, especially the Sugar Islands of the Caribbean, but adjustments were made and the prospects were bright enough until the equilibrium of the sugar market was very seriously disturbed by the policy of subsidizing beet sugar production in Europe and protecting it in the United States. The purchasing power in Mediterranean countries failed to recover after the War, Norway subsidized exports of dried fish, Iceland rose from a small to a large producer, and Great Britain returned to the market with a commodity that was a by-product of the fresh fish trade. These circumstances, coupled with the conditions existing among the cane sugar and coffee producers, and the low prices of food-stuffs generally, left this branch of the industry in a very bad way. The alternative seemed to be the fresh fish trade, especially after the introduction of rapid freezing processes, but American tariffs, and a mistaken Canadian policy, definitely closed this

avenue of escape. With the principal Canadian market far away and poorly organized, and the retail equipment sufficiently inadequate to effectively undo any good an "Eat More Fish" campaign might accomplish, there seemed nothing for the fishermen of this region to do but to heave to and wait for the storm to pass. A similar story, perhaps not quite so dramatic, might be told of the other branches of the industry, but enough has been said to show how far-reaching are the forces that play upon this branch of production, and how exposed is another vital spot in our economy.

Minerals—Coal, Iron and Steel.

The coal and the iron and steel industries are almost entirely dependent upon Canadian markets. I do not feel there is the ghost of a chance that Nova Scotia coal can find an outlet in the New England States, or that any large part of Nova Scotia's iron and steel can find an outlet in Empire markets. To keep plants operating, orders from overseas for steel may be accepted on a non-profit basis, but it is difficult to see how business from such sources can ever constitute a large and lucrative outlet for the local industry. Here, as in the forest industries, the most violent swings of the business cycle are felt with smashing severity. Throughout the depression, the iron and steel industry the world over has suffered along with the other capital goods industries, and since in normal times the iron and steel industry takes about one-

quarter of Nova Scotia's output of coal, and since much of the remainder is used by railways or in industrial plants, it is quite understandable that production in both industries moves in the same direction and at about the same time.

Summary of Industrial Aspects of Basic Economic Problems.

It will be necessary to bring together at this point the main features that have so far been discussed of the basic economic problems of the Maritime Provinces. A large part of the production of these provinces is destined to outside markets; three important industries are subject to violent cyclical fluctuations; and in manufacturing, farming, fishing, and, in Nova Scotia, in lumbering, (small units are the rule rather than the exception.) The local market is small and scattered, the larger Canadian market is far removed and costly to reach, adequate all-the-year-round shipping facilities for the export trade are difficult to maintain, and beyond the boundaries of the Dominion there is no shelter except that provided by Imperial preferences. As already emphasized, small production units lead to difficulties in the technique of production, often to inefficient management owing to the impossibility of a proper division of labour, and usually to excessive overhead in marketing. These generalizations apply whether the small units are in the manufacturing, fishing, agricultural, or lumbering industry. (A large dependence upon foreign markets

makes high-quality production necessary, efficient marketing organization a tremendous saving, and adequate information concerning markets almost invaluable. How to supply these needs and how to mitigate the severity of industrial fluctuations constitute a very large part of the fundamental problems of the Maritime Provinces, and I am happy to say that I have not been asked to prescribe a general panacea.

General and Socio-Economic Problems.

There is another group of problems, which, in contrast to those more or less industrial, may be termed "Socio-Economic". There is, for example, the problem of [backward areas] areas that were built up on fishing and lumbering, or lumbering and agriculture, or some other combination of resources, and that have [fallen behind owing to exhaustion of forest resources or of soil fertility,] or owing to changes in industrial technique that have made competition more difficult. The struggle to make a living has been intensified, and it has become practically impossible to maintain municipal institutions at a level comparable to that in other parts of the same province or of the Dominion. It has been demonstrated in a few instances that there are still possibilities in these communities, but the young and aggressive have moved elsewhere and local leadership is lacking to begin the process of exploitation. (To bring to these communities the requisite leadership, to ferret out their latent

possibilities, and to start them on the upward path, is a work in which many branches of government and many private institutions have been engaged for years; but so far no massed attack has been made upon the problem, and there are no adequate studies available to make its magnitude apparent. The work done by St. Francis Xavier University, in the eastern part of Nova Scotia, is outstanding evidence of the growing realization of this socio-economic problem.

The various indices of prosperity show the Maritime Provinces to be lagging behind the other older provinces of the Dominion. Income per head, or per person gainfully employed, is lower than in either Ontario or Quebec, and with the centralization in Ontario and Quebec of many industrial, financial, commercial, and transportation companies that do business in all parts of the Dominion, there is certainly a shifting of taxable income to those two provinces. The censuses of population show the Maritime Provinces to have a smaller proportion of the population within the more productive age groups; therefore, with a smaller income of the gainfully employed and a relatively larger number in the unproductive age groups, the Maritime Provinces find difficulty in supporting their social and governmental institutions, which tend to be modelled upon those of the more prosperous provinces. With a Royal Commission to investigate federal subsidies, it is hoped that this troublesome question will soon be out of the way,

settled upon some permanent and reasonably equitable basis; but I feel that a general re-alignment of federal-provincial relations is long overdue, and trust that this re-alignment will not be delayed until another depression forces it upon us.

The question of protective tariffs has been intentionally ignored. There is no doubt that a protective tariff tends to weigh heavily upon export industries, but for most of the world, including Canada, the issue of Protection *versus* Free Trade is not only dead, but buried. Therefore, the decision that has to be made from time to time by the people of this region is not one in favour of protection or free trade, but one in favour of more, or less, protection.

Conclusion.

This survey has been sketchy, perhaps discursive; it has also been slightly sombre. But I wish you to bear in mind that I set out to discuss economic problems, and economic problems, no matter how fascinating to the student, are necessarily sombre to the people who have to grapple with them. There are many bright spots in the economic history of these provinces, many brilliant achievements of which all may be justly proud, and to point out that there is still work to be done ought not to discourage, but to stimulate to greater activity.

THE AGRICULTURAL INDUSTRY
OF THE MARITIME PROVINCES

THE AGRICULTURAL INDUSTRY OF THE MARITIME PROVINCES

IN THE Maritime Provinces, agriculture engages 30.7 per cent. of all the gainfully employed, and 35.4 per cent. of all the males gainfully employed. Until recent years, this industry made the largest single contribution to the total net value of production in each of the three provinces; but since the beginning of the depression and the exceptional drop in prices of agricultural products, it has been surpassed by mining and manufacturing in Nova Scotia,¹ and by manufacturing in New Brunswick.² Nevertheless, it is safe to say that, of all industries, agriculture still holds the foremost position in the economic life of the Maritime Provinces.

In Prince Edward Island, 35.4 per cent. of the land area is in field crops, 54.8 per cent. in improved land, and 85.2 per cent. in occupied farms. In Nova Scotia, the figures are: 4.3 per cent. in field crops, 6.4 per cent. in improved land, and 32.4 per cent. in occupied farms. New Brunswick has 5.4 per cent. in field crops, 7.5 per cent. in improved land, and 23.4 per cent. in occupied farms. For the three provinces as a unit, the figures are: 6.3 per cent. in field crops, 9.1 per cent. in improved land,

¹Except in 1933, when agriculture surpassed both manufacturing and mining. See *Survey of Production in Canada* (Ottawa: Dominion Bureau of Statistics, 1934), p. 9.

²See Table No. 1, Appendix to the Agricultural Industry.

and 29.8 per cent. in occupied farms. From these figures, it is obvious that Prince Edward Island alone can be said to be preponderantly agricultural.

With such a small percentage of the area now under the plough, although more than three and one-quarter centuries have elapsed since the first settlers landed in Acadia, it is evident that much of the soil is not suited to agriculture. Prince Edward Island, as the above figures indicate, has little waste land, and is often spoken of as the "Million acre farm"; but the land area of Prince Edward Island constitutes only 4.3 per cent. of the total land area of the Maritime Provinces. The agricultural lands of Nova Scotia lie for the most part in the five lowlands already described,³ and to a smaller extent are found on the seacoast, where the less resistant slates have yielded to weathering. The most fertile and abundant areas are in the northern section of the province, stretching from the eastern part of Digby county through to Inverness in Cape Breton Island. From St. Mary's Bay, in Digby county, along the coast to the western part of Mahone Bay, in Lunenburg county, is a narrow strip of arable land broken here and there by infertile stretches. From Mahone Bay, this narrow strip turns inland, runs through Lunenburg into Queens county, and gives rise to the farming district about New Germany. Eastwards along the shore through the remainder of Lunenburg county, and through Halifax and Guysborough counties, very little farm land is

³See p. 8.

to be found, and the same may be said, with more reservation, of the southern and eastern coast of Cape Breton Island. In New Brunswick, the most fertile areas are found along the river valleys; in the eastern section of the south-central lowlands,⁴ stretching through part of Westmorland and Albert counties; and in certain parts on the coast, more especially in the vicinity of Bathurst, on the Bay of Chaleur. Six counties in Nova Scotia: Annapolis, Colchester, Cumberland, Hants, Kings, and Pictou, have 64.6 per cent. of all the improved land in the province. In New Brunswick, seven counties: Madawaska, Victoria, Carleton, York, Kings, Westmorland, and Kent, have 70.8 per cent. of all the improved land. To put the same thing in other words, approximately two-thirds of the improved land of Nova Scotia is to be found in a comparatively narrow strip extending about two-thirds of the way across the northern part of the province; and, in New Brunswick, about three-quarters of the improved land is to be found in a ladle-shaped area extending down the Saint John river, up its most important tributary, the Kennebecasis, and into the fertile district about Moncton.⁵

The arable land in certain parts of the Maritime Provinces is found only in small plots that are widely scattered. This gives rise to farms with small acreages of improved land, and frequently makes it

⁴See p. 6.

⁵Table 2 in the Appendix to the Agricultural Industry will assist the reader to more fully appreciate the sectional distribution of arable land.

impossible to increase the arable acreage of the working units by the amalgamation of holdings. It also places serious limitations on the growth of agricultural population, and makes it extremely difficult to establish and maintain the social and commercial institutions necessary to a successful agriculture. In other parts of the Maritime Provinces, the topography of the country leaves large stretches of arable land broken into comparatively small fields, and this militates against large-scale operations by restricting the use of machinery. When comparison is made with Ontario and Quebec, as in the following table, it is seen that the average size of farm in the Maritime Provinces does not differ greatly from the average size in Ontario and Quebec, but the average amount in improved land and in field crops is much less.

TABLE No. 17*

PROVINCE	NUMBER OF FARMS	AVERAGE ACREAGE OF FARMS	AVERAGE ACREAGE	
			IN IMPROVED LAND	IN FIELD CROPS
(PER OCCUPIED FARM)				
Nova Scotia.....	39,444	109.1	21.4	14.6
New Brunswick.....	34,025	122.0	39.1	28.2
Prince Edward Island	12,865	92.6	59.5	38.5
Quebec.....	135,957	127.3	66.2	44.7
Ontario.....	192,174	118.9	69.1	48.7

*Census of Canada, 1931.

Prince Edward Island, with 59.5 acres in improved land and 38.5 acres in field crops on the average farm, can scarcely be said to be handicapped by want of arable land; but New Brunswick shows an average of only 39.1 acres in improved

land and 28.2 acres in field crops; and Nova Scotia comes far behind with an average of 21.4 acres in improved land and 14.6 acres in field crops. The use of averages, although helping to bring out general characteristics, conceals important variations among the units. In the above table, Nova Scotia makes a poor showing, but Nova Scotia has some very fine farming areas. In the Annapolis Valley, in Schubenicadie, and in parts of Pictou county, as stated by Professor Longley, there are to be found farms that will compete with the best in Canada and the United States.⁶

Soil Fertility.

The agricultural soils of the Maritime Provinces are not of high fertility when compared with such rich soils as those of Western Canada; but Professor Harlow, Chemist at the Agricultural College, Truro, is of the opinion that about two-thirds of the agricultural soils of Nova Scotia are from average to good fertility when compared with soils the world over, and that only about one-third are below average fertility.⁷ This generalization would also hold fairly well for New Brunswick, but the proportion of good and average soils in Prince Edward Island would probably be higher. In a Report issued in 1928, giving details of the analyses of fifty samples of soil taken from seventeen Prince

⁶Evidence before the Nova Scotia Royal Commission, Provincial Economic Inquiry, September 15, 1934.

⁷*Province of Nova Scotia, A Submission of Dominion-Provincial Relations and the Fiscal Disability of Nova Scotia within the Canadian Federation*, Royal Commission Economic Inquiry, 1934, p. 61.

Edward Island farms, the Dominion Chemist, in summarizing the results, writes as follows:

“From the standard of fertility as measured by chemical analyses, the larger number of these soils are below rather than above the average of productive sandy loams, though only a few can be stated as distinctly poor.”⁸

Without going into details, it may be said that the soils are deficient in lime, phosphorous, and nitrogen, and that best results are obtained from the application of lime and chemical fertilizers. According to the 1931 Census, Prince Edward Island led all the provinces in the expenditure per farm for fertilizers, New Brunswick came second, and Nova Scotia third. If the figures are based on the number of farms reporting, Saskatchewan leads with \$112.36 per farm, Prince Edward Island comes second with \$104.83, Manitoba third with \$88.74, New Brunswick fourth with \$85.81, and Nova Scotia eighth with \$47.53. But Saskatchewan had only 199 farms reporting, and Manitoba 191, as against 9,065 or 70.5 per cent. in Prince Edward Island, 17,431 or 51.2 per cent. in New Brunswick, and 18,504 or 46.9 per cent. in Nova Scotia. In Ontario and Quebec, less than one out of every four farms reported the purchase of fertilizer; in British Columbia, only one out of every five; and in Alberta, only 222 out of 97,408 farms.⁹ There is no

⁸Frank T. Shutt, D.Sc., F.I.C., Dominion Chemist, *The Soils of Prince Edward Island, Their Nature and Composition, with suggestions as to fertilizer treatment* (Ottawa: Department of Agriculture, 1928).

⁹The census figures referred to cover returns for manure purchased as well as chemical fertilizers, but the bulk of the expenditure, especially in the Maritime Provinces, is for chemical fertilizers.

doubt that the use of chemical fertilizers is more general in the Maritime Provinces than in any other part of Canada, and this would be still more obvious were figures obtainable on the basis of acreage instead of on the basis of total number of farms, or the total number of farms reporting. In both New Brunswick and Nova Scotia the value of fertilizers purchased in 1930 was less than the corresponding values for 1920, which reflects conditions in the apple and potato industries rather than the abandonment of the practice of using chemical fertilizers; and the actual amount used in 1930 may have been greater than the amount used in 1920, for the price of fertilizers had declined during the decade.

The general and comparatively intensive use of chemical fertilizers may be accounted for as much by the type of agriculture as by the type of soil. In the production of grain and the raising of beef cattle, these provinces could not compete with the rich western lands of the United States and Canada. As an alternative, they turned to the production of fruits and roots. These crops, especially apples and potatoes, were suited to the farm organization and to the character of the soil. Markets were accessible, and, as the yield per acre was large, the cost of fertilizer per unit of output was small. Moreover, the production of root crops dovetailed with the dairy industry, for fodder crops could be grown in rotation with potatoes and other roots.

Comparisons and Contrasts.

Prince Edward Island has an average of 38.5 acres per farm in field crops, of which grain accounts for 15.2 acres, fodder crops for 18.4 acres, and potatoes and other roots for 4.8 acres. Of the area devoted to grains, oats and mixed grains account for 86.7 per cent.; of the area devoted to fodder crops, hay accounts for 99.2 per cent.; and of the area devoted to roots, potatoes account for 86.7 per cent. There is an average of only 8.6 apple trees per farm, and the area devoted to small fruits is insignificant. In every branch of livestock, Prince Edward Island surpasses Nova Scotia and New Brunswick in the average number per farm.¹⁰ Of horses, there are 2.3; of cattle, 7.8, including 3.5 milch cows; of sheep, 6.1; of swine, 3.2; and of poultry, 72.0.

On the average, each farm in Nova Scotia has 14.6 acres in field crops. Of this, 2.6 acres are seeded to grains, 11.1 acres to fodder crops, and .8 acres to potatoes and other roots. Of the area devoted to the production of grains, oats and barley account for 88.7 per cent.; of the area devoted to fodder crops, hay accounts for 96.0 per cent.; and of the area devoted to roots, potatoes account for 72.1 per cent. Apple trees average fifty-five per farm;

¹⁰These averages are calculated from the figures given in the census statements of Livestock on farms, by counties, and differ from the averages given in the census returns. The differences seem to be accounted for by the inclusion in the census averages of livestock not on farms as well as livestock on farms. The differences are not large and the practice followed in the census returns seems to be determined by the desirability of having comparable figures from census period to census period. In the present work it has been deemed more important to work with figures for livestock on farms only, because of the many comparisons made between counties, for which total livestock figures are not available.

and small fruits, .02 acres. There is an average of 1.09 horses for each farm, but 15,000 farms do not report horses. There are 5.6 head of cattle per farm, and, of these, 2.7 are milch cows. There is an average of 5.0 sheep per farm, but sheep are found on less than one out of every four farms. There are slightly more than one head of swine, and 32.4 head of poultry per farm.

New Brunswick shows an average of 28.2 acres per farm in field crops, of which 8.3 acres are devoted to grains, 17.8 acres to fodder crops, and 2.0 acres to potatoes and other roots. Of the total acreage seeded to grains, oats and buckwheat account for 92.4 per cent. Among the fodder crops, hay is unrivalled, accounting for 97.8 per cent.; and potatoes make up 86.6 per cent. of the area devoted to root crops. New Brunswick has twelve apple trees per farm against Nova Scotia's fifty-five; but the area devoted to small fruits averages about the same as for Nova Scotia, .02 acres. New Brunswick has 1.5 horses per farm; 6.3 head of cattle, of which 3.0 are milch cows; 4.2 head of sheep; 2.5 head of swine; and 39.4 head of poultry; showing a higher average than Nova Scotia in each class of livestock, with the exception of sheep.

Apple production is far more important to Nova Scotia than to either New Brunswick or Prince Edward Island. Prince Edward Island and New Brunswick are more dependent upon the potato crop than is Nova Scotia. Livestock and animal products hold a key position in the farm economy of

each province. The importance of animals and animal products is shown in the figures for livestock, in the preponderance of oats among the grains, and in the relatively large acreage devoted to fodder crops. Apples and potatoes are the only agricultural commodities that are exported in large quantities from the Maritime Provinces, although Prince Edward Island produces a surplus of poultry and dairy products, which find a market outside the province, and there are a number of other items of small value individually but important in the aggregate, and often vital to restricted areas.

— *Fruit Culture.*

Apples are produced in Prince Edward Island mainly for the farmers' domestic use, and any small surplus is disposed of locally. New Brunswick has a large number of commercial orchards, but production is insufficient to meet total provincial requirements, and, although apple trees are found in all counties, most of the commercial production is concentrated in the southern part of the province below Woodstock on the west and the central part of Kent county on the east.

Apple production in Nova Scotia is twelve to fifteen times as great as in New Brunswick. It has been stated that 75 per cent. of Nova Scotia's apple crop is grown within a radius of twenty-five miles from Windsor, and census returns show that in 1930 two counties, Kings and Annapolis, accounted for 85.9 per cent. of the total apple crop, and for 84.7 per cent. of the value of all orchard fruits. About

75 per cent. of the crop is marketed through independent dealers, and the remainder through co-operatives. The entire area is dotted with warehouses to take care of the crop, and shipments are made from Port Williams on the Bay of Fundy shore and from Halifax. Distances to port of shipment are less than for any other competing area on the continent. Port Williams is, figuratively, right at the back door, and Halifax is only forty-five miles from Windsor, seventy-two miles from Kentville, and one hundred and fifty miles from Digby. Exports of apples average considerably over one million barrels per year, or about 75 per cent. of the total commercial production. The British market has always absorbed the bulk of the exports, and since the beginning of the depression and the granting of Imperial preferences the proportion has been steadily increasing, until in recent years it has reached about 90 per cent. The growth of the industry is clearly reflected in the following table.

TABLE No. 18*
EXPORTS OF APPLES FROM NOVA SCOTIA

		BARRELS
1880-1885.....	Annual Average	30,320
1886-1890.....	“ “	83,356
1891-1895.....	“ “	118,552
1896-1900.....	“ “	261,879
1901-1905.....	“ “	377,225
1906-1910.....	“ “	496,655
1911-1915.....	“ “	786,633
1916-1920.....	“ “	932,957
1921-1926.....	“ “	1,268,172
1928-1932.....	“ “	1,037,081
Year 1933.....		2,267,592
“ 1934.....		1,669,162
“ 1935 (Estimate).....		1,347,058

*The figures in this table up to 1926 are taken from *Report of the Apple Marketing Enquiry Committee* (Halifax, 1927), p. 7. The later figures are from *Annual Reports of the Department of Agriculture, Province of Nova Scotia*.

Although Nova Scotia's apple industry is highly concentrated, the producing unit is less specialized than the producing units in either British Columbia or Quebec. A survey of 158 farms in Nova Scotia,¹¹ covering the crop year 1929-1930, showed that out of an average income of \$4,210, \$2,654, or 63 per cent., was derived from the sale of apples; \$308, or 7.3 per cent., from other crops; \$1,046, or 24.9 per cent., from livestock and livestock products; \$77, or 1.8 per cent., from increase in the inventory of feed and supplies; and \$126, or 3 per cent., from miscellaneous sources. The importance of apples to each farm varies considerably, as would be expected, but, of the farms covered in this survey, those whose acreage in apples ranged from four to eight received the smallest proportional returns from apples, but those returns constituted 50 per cent. of the total farm income. On the other hand, those farms whose acreage in apples ranged from thirty-four to thirty-nine received the highest proportional returns, or 87.9 per cent. of the total farm income.

Orchard practices have been steadily improving, and the Government has lent every aid in this direction. In 1933, a Board was established to cope with the increasing menace of the apple maggot. *The Apple Maggot Control Board*, as it is known,

¹¹"Sources of Receipts on 380 Farms in Nova Scotia, Quebec, and Ontario, 1929", by J. Coke, in *The Economic Annalist* (Ottawa: Department of Agriculture, February, 1932); and "An Analysis of the Incomes of Apple Growers in 1929-1930", by J. Coke and A. Gosselin, in *The Economic Annalist*, May, 1932.

was given wide powers, even to the extent of destroying infected orchards.¹²

The apple producers of the Annapolis-Cornwallis Valley have been experiencing difficult times since 1925, but good crops and satisfactory prices in 1934 and 1935 have brought a large measure of recovery, and, today, the industry is perhaps as financially sound and as well equipped as it was before the depression.¹³

Apples are so all-important that other types of orchard fruits may be left unmentioned, but a few words ought to be spared for small fruits, of which the total value of production in 1930 was \$163,000 for Nova Scotia, \$142,000 for New Brunswick, and \$14,000 for Prince Edward Island. Two counties in Nova Scotia, Guysborough and Richmond, derive some revenue from the sale of foxberries, and find the chief market in the United States. Blueberries are shipped from Nova Scotia and New Brunswick, and of late there has been a revival in the cranberry trade.¹⁴ But strawberries make up from 80 per cent. to 90 per cent. of the total value of small fruits in each of the three provinces, and shipments are made from Nova Scotia and New Brunswick to Montreal and Boston. It has been discovered that

¹²This power was confirmed by decision of the Nova Scotia Supreme Court, October, 1935.

¹³It may be well to remind the reader that the Government of Nova Scotia considered the situation of the industry sufficiently grave in 1930 to justify an investigation by a Royal Commission.

¹⁴Census returns understate the value of "other small fruits", which includes foxberries, blueberries, and cranberries. Compare the Reports of the Department of Agriculture, Nova Scotia, with the census returns for confirmation of this statement.

the climate favours a late variety of strawberry, which comes on the market after large shipments from other areas have ceased to arrive. Production has been increasing during recent years, and the prospects of future development are promising.

The Potato Industry.

Potatoes are the chief agricultural export of Prince Edward Island and New Brunswick; but Nova Scotia does not, on balance, produce a surplus, and shipments out of the province are fully offset by purchases from Prince Edward Island and New Brunswick.

The large potato-producing areas of Nova Scotia are in the northern counties, and, according to the census returns, Kings county leads in acreage, followed in order by Pictou, Cumberland, and Inverness. In Kings county, potatoes have been crowded into a secondary position by the rapid rise of the apple industry, but in both acreage and production it still far exceeds its nearest rival.

It can scarcely be said that in Prince Edward Island there is any concentration of the potato industry; because, for each of the three counties of the province, the ratio of the acreage in potatoes to the acreage in field crops is about the same. Prince Edward Island has made a specialty of producing a high-quality product for use as seed. In 1930, of the total acreage in the New England States and the Maritime Provinces entered for field inspection, Prince Edward Island had 55 per cent., and, of the total acreage that passed inspection, 58 per cent.

In 1930, 23,500 acres of potatoes passed field inspection in the Maritime Provinces, and, of this total, 20,925 acres were in Prince Edward Island. The following year showed an increase for each of the three provinces in the acreage that passed field inspection, but after that the figures fell off, until in 1935 the total was 13,750 acres, of which 10,444 acres were in Prince Edward Island. During the seven years, 1929 to 1935, from 30 to 45 per cent. of the total acreage planted to potatoes in Prince Edward Island passed field inspection, whereas in New Brunswick the highest percentage was 7.6, and in Nova Scotia, 3.6.¹⁵ In addition to specializing in seed stock and a high-quality product, Prince Edward Island has made an outstanding success in the co-operative marketing of potatoes. The Prince Edward Island Potato Growers' Association was organized in 1920, and the volume of business steadily increased until 1930-1931, when the Association marketed 2,216,385 bushels.¹⁶ Since then, the volume has seriously declined, owing to unfavourable conditions in the potato industry, lower production in the province, and financial difficulties encountered by the Association during the crop year 1934-1935.

Of the total acreage planted to potatoes in New Brunswick, according to the 1931 Census, four counties: Carleton, Victoria, Gloucester, and West-

¹⁵See *Reports of the Dominion Botanist* (Ottawa: Department of Agriculture, Division of Botany). Detailed figures for the years 1931-1935 were not published, but have been supplied through the courtesy of Dr. H. T. Gussow.

¹⁶*Annual Report of the Department of Agriculture, Province of Prince Edward Island, 1931.*

morland, account for 57.2 per cent., and, of the total production, for 61.4 per cent. Carleton county alone has 23 per cent. of the total acreage, and nearly 30 per cent. of the total production; and Carleton and Victoria counties have the largest average acreage per farm of all the counties in Canada.¹⁷ But even in these more specialized districts, potatoes are by no means the exclusive interest of the farmers. A survey of 199 farms in Carleton and Victoria counties, covering the crop year 1934-1935, shows that acres in potatoes averaged 13.8 per farm, and made up 16 per cent. of the area in field crops; that of labour expended, 33.5 per cent. was devoted to the raising of potatoes, 33.3 per cent. to other crops, 28.2 per cent. to livestock, and 5 per cent. to activities outside the farm; and that of animal work done, 38.2 per cent. went to the production of potatoes, 34.5 per cent. to other crops, 23.8 per cent. to livestock, and 3.5 per cent. to work outside the farm.¹⁸

The United States and the Caribbean region have been the most important markets for Maritime potatoes, and the high-grade seed stock of Prince Edward Island and New Brunswick has long commanded a premium in the Southern States and in the West Indies. The greatest obstacle to trade has

¹⁷"Land Utilization in Carleton and Victoria Counties, New Brunswick", by Ian McArthur, in *The Economic Annalist* (Ottawa, February, 1936).

¹⁸*Ibid.* Dr. J. F. Booth, Chief of the Agricultural Economics Branch, Department of Agriculture, Ottawa, has furnished the information concerning division of labour on the basis of production. Figures concerning income have not yet been released, and, as the year was most unfavourable to potato producers, their use might be misleading.

been the tariff barriers erected by the United States and Cuba.

From the abrogation of the Reciprocity Treaty until 1913, the American tariff varied from 15 cents to 25 cents per bushel. The Underwood tariff of 1913 admitted potatoes free, with provision for a countervailing duty of 10 per cent. ad valorem. In 1921, the Emergency tariff reimposed the old rate of 25 cents per bushel; and the Fordney-McCumber tariff in the following year raised the rate to 50 cents per one hundred pounds. In 1930, the rate was again raised, this time to 75 cents per one hundred pounds. The reciprocity trade agreement between Canada and the United States, 1935, introduced a distinction for the first time in American tariff history between table and seed stock. Under this agreement, seed potatoes from Canada are admitted into the United States at 60 cents per one hundred pounds from the first of December to the last of February, and at 45 cents per one hundred pounds from the first of March to the end of November. These rates are applicable within a quota limit of 750,000 bushels annually; and imports of table stock, or of seed stock in excess of the quota limit, will pay the general rate of 75 cents per one hundred pounds. The seed potato provisions of the Canada-United States Trade Agreement, 1935, came into effect January 1, 1936, but on December 1, 1935, the United States Potato Act came into operation. *The Potato Act* has as its purpose the balancing of supply and demand at a price level

that is considered adequate to the needs of the American producer. To accomplish this, domestic producers are allotted sales quotas, and an internal revenue tax of $\frac{3}{4}$ of 1 cent per pound is imposed on all sales in excess of the quota. To prevent the efforts of the Government from being frustrated by imports, sales quotas are also allotted to dependencies of the United States and to foreign countries. All imports in excess of the quota are subject to the regular tariff charges, and, in addition, to a tax equivalent to the internal revenue tax of $\frac{3}{4}$ of 1 cent per pound. Canada's quota under this Act is approximately 2,600,000 bushels, and on all sales to the United States in excess of this amount, including the quota of 750,000 bushels for seed potatoes, there must be paid $\frac{3}{4}$ of 1 cent per pound, as well as the duty of 75 cents per one hundred pounds, or an amount equivalent to a tariff of \$1.50 per one hundred pounds.¹⁹

Cuba, the most important potato market in the Caribbean region, has been overwhelmed by the difficulties of the sugar trade, and in her efforts to encourage diversified production at home has imposed tariffs that make the American tariffs look diminutive. From 1904 until 1927, the Cuban tariff was 65 cents on every one hundred kilogrammes, or 220.46 pounds. In 1927, there was imposed a seasonal tariff of \$2 per one hundred kilos from December first to May thirty-first, and of \$1

¹⁹American tariff rates are taken from United States tariff schedules. For Canada's position under the United States Potato Act, see *The Agricultural Situation and Outlook* (Ottawa: Department of Agriculture and Department of Trade and Commerce co-operating, 1936), p. 46.

per one hundred kilos for the rest of the year. In 1929, the rates were increased to \$5 per one hundred kilos from November first to June thirtieth, and to \$1.50 per one hundred kilos for the rest of the year. In 1931, the rate was set at \$5 all the year round. In 1934, the seasonal tariff was again adopted, with rates of \$5 per one hundred kilos from November first to June thirtieth, and \$4 per one hundred kilos for the rest of the year.²⁰ From 1903 until 1934, American exporters to Cuba had the advantage over Canadian shippers of a 20 per cent. preference. By an agreement of 1934 between Cuba and the United States, the American exporters were given a preference of 50 per cent. on the \$4 rate and retained the 20 per cent. preference on the \$5 rate. In 1928, a decree admitted certain varieties of seed potatoes free of duty from February first to March fifteenth and from September fifteenth to November thirtieth; varieties that were not specified and all varieties imported during the rest of the year were subject to the regular tariff schedules. In 1929, the number of varieties of seed stock admitted free was reduced from fourteen to

²⁰In the Cuban tariff there are minimum and maximum rates. The maximum rates are double the minimum rates. The rates given above, and which were applicable to Canada until March 10, 1936, are the minimum rates. By a law of March 15, 1935, it was provided that the minimum rates should apply to only those countries that purchased at least fifty per cent. as much from Cuba as they sold to Cuba, that the minimum rates plus a surcharge of twenty-five per cent. should apply to all countries whose purchases from Cuba were between twenty-five and fifty per cent. of their sales to Cuba, and that the maximum rates should apply to those countries whose purchases were less than twenty-five per cent. of their sales to Cuba. Since March 10, 1936, imports of Canadian potatoes have been subject to the maximum rates, that is, \$8 per one hundred kilogrammes from July 1 to October 31, and \$10 for the rest of the year.

seven, and the exemption period was set at September fifteenth to February fifteenth. In 1931, the number of varieties was again reduced, this time to three, and the exemption period was extended another month to March fifteenth. In 1934, the period during which such potatoes could enter free of duty was shortened to run from September first to January thirty-first, but the number of varieties was increased to four.²¹

Depressed conditions in the export trade after 1930 compelled the Maritime producers to seek an outlet in Ontario and Quebec. The keen competition that ensued forced prices to ridiculously low levels and led to a curtailment of production. The prices received for the 1935 crop have been higher than the prices for some years past. This may be attributed to the low yield of potatoes in competing areas, to the Canada-United States Trade Agreement, and to the United States Potato Act. Although the crop in the Maritime Provinces was light, the quality was excellent, and, therefore, the total returns were sufficient to suggest that there will be a larger acreage planted to potatoes in 1936.

The trends in acreage and production during recent years may be observed from the following table, which to facilitate comparison includes figures for Ontario and Quebec and for the Dominion as a whole.

²¹These data have been taken from a statement of Cuban tariff rates from 1900 to 1935 supplied through the courtesy of Mr. William Gilchrist, Chief, Foreign Tariff Division, Department of Trade and Commerce, Ottawa.

TABLE No. 19
 POTATOES—ACREAGE AND PRODUCTION
 (Yields in thousands of cwt.)

	PRINCE EDWARD ISLAND		NOVA SCOTIA		NEW BRUNSWICK	
	ACREAGE	YIELD Cwt.	ACREAGE	YIELD Cwt.	ACREAGE	YIELD Cwt.
Average	42,437	4,481	30,083	2,903	45,439	5,189
1925-29.....						
Year						
1929.....	42,500	3,820	30,783	2,872	45,215	4,646
1930.....	45,700	4,799	31,200	3,338	48,000	5,853
1931.....	53,815	4,884	22,664	1,946	60,260	6,341
1932.....	37,500	3,188	20,600	2,122	48,200	3,856
1933.....	37,600	3,760	20,500	1,866	46,900	5,394
1934.....	40,200	4,824	21,900	2,453	54,200	6,938
1935.....	33,100	3,045	20,600	2,086	44,300	4,383

	QUEBEC		ONTARIO		CANADA	
	ACREAGE	YIELD Cwt.	ACREAGE	YIELD Cwt.	ACREAGE	YIELD Cwt.
Average	160,682	13,666	161,361	9,796	552,127	44,747
1925-29.....						
Year						
1929.....	162,411	15,429	148,435	8,484	543,727	39,930
1930.....	165,800	13,491	159,000	10,965	571,300	48,241
1931.....	146,190	16,897	171,175	12,042	591,804	52,305
1932.....	132,500	11,475	156,000	9,516	521,500	39,416
1933.....	133,100	13,444	157,500	10,112	527,700	42,745
1934.....	143,400	14,244	164,300	11,830	569,200	48,095
1935.....	127,900	11,338	149,200	7,878	506,800	38,670

Animals and Animal Products.

Within the past half-century there has been a downward trend in the Maritime Provinces in the number of most kinds of livestock, and where the trend has been upward the increase has been slight. Poultry is a conspicuous exception, showing an increase of nearly twofold from 1891 to 1931. The maximum number of milch cows was reached in 1891, and the maximum number of other cattle in 1901. The number of sheep has declined steadily since 1871, except for a slight rise in 1921. Swine, on the other hand, have shown an upward tendency

from 1881. For three census periods the number held about the same, rose to a peak in 1911, fell again in 1921, but not to the former level, and rose again in 1931.

These changes were accompanied by a decrease in the number of farms,²² with the result that the number of livestock per farm sometimes increased even when the total number was decreasing. The number of milch cows and of other cattle²³ per farm shows a persistent increase, although the total number in each of these classes of livestock in 1931 was lower than in any preceding period since 1881. The number of swine per farm also shows an upward tendency. With sheep, although the number per farm has fluctuated, the trend has been unmistakably downward. They have been treated as a frontier animal and in the older counties have given place to other kinds of livestock. In 1931, the number of poultry per farm was two and one-half times as great as the number per farm in 1891, and the upward tendency during the forty years was unbroken. These trends can be followed in more detail in Table No. 20, which gives the number of

²²For the Maritime Provinces as a whole, the largest number of farms is reported for the census year 1891, and the next preceding census shows the second largest number. In 1891, many plots of less than one acre were counted as farms, but had the definition been the same as used in the preceding and later censuses, it is doubtful if 1891 would have shown much, if any, increase over 1881. From 1891, or from 1881 if the 1891 figures are rejected, the total number of farms in the Maritime Provinces steadily decreased from 120,616 in 1891, or from 106,339 in 1881, to 86,334 in 1931. For detailed figures see *The Maritime Provinces in their Relation to the National Economy of Canada* (Ottawa: Dominion Bureau of Statistics, 1934), pp. 37 ff.

²³The figures for other cattle would be affected by the change from oxen to horses.

head per farm of the various kinds of livestock for the six census periods, 1881 to 1931.

TABLE No. 20
MARITIME PROVINCES—LIVESTOCK PER FARM

CENSUS	MILCH	OTHER	SHEEP	SWINE	POULTRY
	COWS	CATTLE			
1881.....	2.70	2.81	7.20	1.32	....
1891.....	2.44	2.41	5.49	1.17	16.5
1901.....	2.75	3.27	5.55	1.33	19.9
1911.....	2.78	3.19	4.51	1.99	25.8
1921.....	2.81	3.40	5.78	1.66	33.0
1931.....	2.93	3.26	4.85	1.96	41.1

A substantial improvement in the quality of the livestock has accompanied the general tendency towards a greater number per farm, but the Maritime Provinces have become increasingly dependent upon outside sources of supply for many kinds of livestock and livestock products, because the improvement in quality has not been sufficient to offset the decline in total numbers and at the same time to provide for the increased demand brought about by a larger population with a higher standard of living. There is a certain export trade in local products to Newfoundland, the French Islands of St. Pierre and Miquelon, the United States, and the West Indies, but the quantities exported are far more than offset by supplies obtained from other provinces. The one exception is sheep. In this branch of the industry the figures show that for most years the mutton, lamb, and live animals, shipped out of the provinces much more than offset the quantities shipped into the provinces.²⁴

²⁴The figures given in Tables Nos. 21 and 22 are for a year in which the shipments of mutton and lamb into the Maritime Provinces exceeded the shipments out of the provinces.

TABLE No. 21*
MEAT AND MEAT PRODUCTS SHIPPED TO:
(Year 1935)

	PRINCE EDWARD ISLAND LBS.	NOVA SCOTIA LBS.	NEW BRUNSWICK LBS.	TOTAL— MARITIME PROVINCES LBS.
Beef.....	294,053	13,632,183	6,594,682	20,520,918
Veal.....	360	121,068	45,272	166,700
Mutton and Lamb...	394	546,324	90,334	637,052
Pork.....	97,837	4,584,566	1,512,443	6,194,846
Lard, Pure.....	205,525	1,726,704	1,622,049	3,554,278
Lard, Compound....	301,783	4,152,054	4,554,305	9,008,142
Miscellaneous.....	2,086,327	6,951,649	5,244,186	14,282,162
Total.....	2,986,279	31,714,548	19,663,271	54,364,098

TABLE No. 22*
MEAT AND MEAT PRODUCTS SHIPPED FROM:
(Year 1935)

	PRINCE EDWARD ISLAND LBS.	NOVA SCOTIA LBS.	NEW BRUNSWICK LBS.	TOTAL— MARITIME PROVINCES LBS.
Beef.....	4,900	112,961	.....	117,861
Veal.....	2,841	4,281	21,591	28,713
Mutton and Lamb...	5,900	3,401	139,396	148,697
Pork.....	52,587	21,242	56,777	130,606
Lard, Pure.....	.....	.....	452	452
Lard, Compound....	.....	.....	.....	.....
Miscellaneous.....	6,326	67,403	28,535	102,264
Total.....	72,554	209,288	246,751	528,593

*These figures are taken from supplementary data supplied through the courtesy of Dr. T. W. Grindley, Chief, Agricultural Branch, Dominion Bureau of Statistics.

TABLE No. 23
RECAPITULATION OF TABLES Nos. 21 AND 22
(Year 1935)

	PRINCE EDWARD ISLAND LBS.	NOVA SCOTIA LBS.	NEW BRUNSWICK LBS.	TOTAL— MARITIME PROVINCES LBS.
Meat and Meat Products shipped:				
To.....	2,986,279	31,714,548	19,663,271	54,364,098
From.....	72,554	209,288	246,751	528,593
Net Shipments To....	2,913,725	31,505,260	19,416,520	53,835,505

All the Nova Scotia figures shown in Table No. 22 are for exports; all the Prince Edward Island figures are for exports, except 4,155 pounds of miscellaneous products; but, of the figures shown for New Brunswick, all the veal, all the mutton and lamb, 4,760 pounds of pork, and 18,839 pounds of miscellaneous products, were shipped to Quebec and Ontario. Table No. 21 requires no comment, nor does the summary statement. Import figures, of course, are not included as it is impossible to obtain information pertaining to the ultimate destination of goods of this kind brought into the country, and the data are modified slightly by figures of shipments of livestock to and from the Maritime Provinces.

Information concerning the net movement of livestock is given in the following table, which, like Tables Nos. 21 and 22, excludes intra-maritime shipments.

TABLE No. 24
NET SHIPMENTS OF LIVESTOCK FROM:
(Year 1935)

	PRINCE EDWARD ISLAND	NOVA SCOTIA	NEW BRUNSWICK	TOTAL— MARITIME PROVINCES
	No.	No.	No.	No.
Cattle.....	1,405	1,881	7,113	10,399
Calves.....	1,917	1,983	6,568	10,468
Swine.....	4,617	468	—(1,694)	3,391
Sheep.....	934	872	4,005	5,811

As with shipments of meat and meat products, so also with shipments of livestock, the provincial distribution of imports cannot be shown. The only deductions that it was necessary to make for

shipments into the Maritime Provinces from elsewhere in Canada were twenty head of cattle to Nova Scotia, and 115 head of cattle and 4,932 head of swine to New Brunswick. These tables add concreteness to the generalizations made above, but, because intra-maritime shipments are omitted, they ought not to be used as an index of the relative position of any one of the Maritime Provinces. The chief export markets for Maritime livestock are Newfoundland, the French Islands of St. Pierre and Miquelon, and the United States. The United States has confined its purchases mainly to milch cows, which formerly were taken in considerable numbers from all three provinces, more especially from New Brunswick. Since the depression, the American market has dwindled, although there was a marked revival during 1935 in the trade between New Brunswick and the State of Maine.²⁵ Nova Scotia and Prince Edward Island send most of their exports of livestock to their neighbours to the north-east. To contrast the export market with the market in the rest of Canada for Maritime livestock, the figures in column four of Table No. 24 have been broken down into two classes: net shipments to other provinces in Canada and shipments to export markets, and are presented in Table 25. Of the export figures, New Brunswick accounts for about 70 per cent. of the cattle, Prince Edward Island for over 75 per cent. of the calves and over 90

²⁵See *Annual Report of the Department of Agriculture, Province of New Brunswick*, 1935, p. 20.

TABLE No. 25

SHIPMENTS OF LIVESTOCK FROM THE MARITIME PROVINCES TO OTHER PROVINCES AND TO EXPORT MARKETS
(Year 1935)

	NET SHIPMENTS TO OTHER PROVINCES	SHIPMENTS TO EXPORT MARKETS	TOTAL
	No.	No.	No.
Cattle.....	260	10,139	10,399
Calves.....	9,293	1,175	10,468
Swine.....	—(966)	4,357	3,391
Sheep.....	4,401	1,410	5,811

per cent. of the swine, and Nova Scotia and Prince Edward Island account for all but one head of sheep.

A large number of farms in the Maritime Provinces have only a limited amount of arable land. This greatly restricts the number of livestock that can be carried by each farm and, consequently, the total number for the whole region. Where output is on an extremely small scale, low operating costs are often difficult to attain and effective marketing facilities difficult to establish. Co-operative marketing is quite widespread, but this movement is handicapped by the many areas where output is extremely small, or insufficient to meet local demands. The winters are long and accompanied by a heavy fall of snow, which adds to other difficulties a protracted season of indoor feeding; much of the soil requires the use of chemical fertilizers, which adds to the cost of producing protein feeds; and the limited resources can be more profitably used in the production of dairy products than in the production of meat and meat products.

The Dairy Industry.

Cheese factories were established in the Maritime Provinces shortly after Confederation. The production of home-made cheese declined rapidly in Prince Edward Island and New Brunswick after 1880, and in Nova Scotia after 1890, and its place was taken by the factory product. Since the establishment of the first creamery in 1884, the output of creamery butter has steadily risen, but the production of dairy butter did not begin to fall off until after 1910. Even today, in only one province, Prince Edward Island, is the output of creamery butter in excess of the production of dairy butter, and for the three provinces taken together the production of dairy butter greatly exceeds the output of creamery butter. With the growth of urban population there has come an increased demand for whole milk; and, in 1930, in Prince Edward Island 13.6 per cent., in Nova Scotia 14.2 per cent., and in New Brunswick 11.3 per cent., of the milk produced was sold as whole milk. Recently, the ice cream trade has been absorbing large quantities of cream. The demands of the ice cream, the whole milk, and the butter markets, have left little milk for the cheese factories, with the result that the production of factory cheese has ceased in Nova Scotia and has declined to very low levels in both New Brunswick and Prince Edward Island. The total production of butter in Prince Edward Island is slightly in excess of local requirements, but in the other provinces there is a deficiency—about one-quarter in Nova

Scotia and one-fifth in New Brunswick—which leaves the Maritime Provinces as a unit dependent upon outside sources of supply for a large amount of their butter.

The handicaps of the dairy industry in the Maritime Provinces go far beyond those basic circumstances that limit the economic supply of milk. It is difficult for the creameries, even when well managed, to keep down operating costs or to turn out a product of uniform quality, because most have a capacity below what might be considered as normal, and many have an output that is far less than the average. In a number of districts, the cost of collection is high owing to the distances that separate farms and to the proportionately large number of small producers. Farms with a small output often lack adequate facilities to maintain the cream in good condition until it reaches the factory. A considerable number of urban consumers have become accustomed to butter brought in from outside, which is more lightly salted and of a milder flavour than the local product, and it would be difficult to persuade these consumers to accept the local product even if output could be stepped up sufficiently to meet all local demands.

The limitations of the dairy industry place limitations on the swine industry. The Maritime Provinces produce a proportionately large number of high-grade bacon hogs,²⁶ but the total supply falls far short of meeting the local demand. The number

²⁶*The Financial Times*, Montreal, February 13, 1931.

of swine per farm is: for Nova Scotia, 1.1; for New Brunswick, 2.5; and for Prince Edward Island, 3.2. The number of swine per milch cow is: for Nova Scotia, .40; for New Brunswick, .85; and for Prince Edward Island, .91. These figures, when read in the light of what has been said earlier concerning the potato industry,²⁷ show a close correlation between the raising of swine on the one hand and the dairy and potato industries on the other. This is further emphasized by figures for Carleton and Victoria counties, New Brunswick. Carleton county has 3.8 swine per farm and Victoria county has 3.3. The number of swine per milch cow is 1.15 for Carleton county and 1.40 for Victoria county. The reason why the effects of the potato industry are not more apparent in Prince Edward Island and in Carleton and Victoria counties, New Brunswick, is doubtless that potatoes are produced as table and seed stock and most years the percentage of culls is comparatively small.

Eggs.

From one-quarter to one-half of the eggs consumed in the Maritime Provinces come from elsewhere in Canada or are imported. Only in Prince Edward Island is production in excess of local requirements, and prior to the depression this province was exporting over fifty thousand cases annually. The Prince Edward Island Co-operative Egg and Poultry Association, Incorporated, established in 1914,

²⁷See pp. 214-216.

through its marketing organization and the encouragement given to the production of a high-grade commodity, has placed Prince Edward Island eggs on a competitive level with the best on the continent,²⁸ and provides the classical example of what co-operation can accomplish in the poultry industry. Nova Scotia and New Brunswick have endeavoured, in the Maritime Egg and Poultry Exchange, to emulate the policy of their sister province, but they had a later start, the local demand was usually in excess of local supplies, and circumstances generally were not so propitious as in Prince Edward Island. Sales on a co-operative basis for the two provinces combined have never approached those of Prince Edward Island, and, becoming dissatisfied with the management, Nova Scotia has recently withdrawn from the Maritime Egg and Poultry Exchange. There have been many obstacles to overcome, but the poultry industry has been making rapid strides in each of the three provinces. The depression has slowed down the rate of progress, but the trend is still definitely upwards.

The Fox Industry.

In the agriculture of the Maritime Provinces, foxes may be legitimately considered as another kind of livestock, for the raising of foxes has been combined with general farming operations, and the combination has been found to work very

²⁸*Annual Report of the Department of Agriculture of the Province of Prince Edward Island, 1929, p. 54.*

satisfactorily. There are a few farms where attention is confined almost exclusively to the raising of foxes; but, in Nova Scotia, of the 612 farms reporting foxes in 1934, 465 had nineteen or less; in New Brunswick, of the 977 farms reporting foxes, 709 had nineteen or less; and in Prince Edward Island, of the 645 farms reporting foxes, 406 had nineteen or less. The raising of foxes in captivity was begun in Prince Edward Island about fifty years ago, and the other Maritime Provinces soon followed her example. The industry is now established in many provinces throughout the Dominion, and in a number of other countries, but Prince Edward Island still leads the world in the production of high-grade pelts and high-grade breeding stock. The financial importance of the industry is indicated in the following table, which shows returns from the sales of animals and pelts.

TABLE No. 26
FOXES AND FOX PELTS SOLD, YEAR 1934

	PRINCE EDWARD ISLAND	NOVA SCOTIA	NEW BRUNSWICK
Returns from sale of:			
Animals.....	\$111,771	\$ 48,880	\$ 78,791
Pelts.....	650,525	222,014	678,088
Total.....	\$762,296	\$270,894	\$756,879

Farm Income and Expenses.

Thus far in the discussion little has been said about the relative importance of each branch of the industry. To fill this lacuna, and to bring out other features essential to a composite picture of the entire industry, statements of farm income and farm

expenses have been prepared from the 1931 Census data and are presented below.

TABLE No. 27*
FARM INCOME, YEAR 1930

	PRINCE EDWARD ISLAND	NOVA SCOTIA	NEW BRUNSWICK
Field crops sold.....	\$3,267,411	\$1,231,116	\$3,330,381
Fruit, sold and consumed on farms	103,120	3,380,561	403,865
Garden and hothouse products sold	27,381	405,438	338,671
Garden produce used on farms....	123,486	835,217	632,970
Dairy products sold.....	1,018,278	3,828,753	3,056,698
Dairy products consumed on farms	745,499	2,072,770	2,347,075
Domestic animals sold alive.....	1,142,500	1,466,340	1,175,030
Domestic animals slaughtered....	571,777	1,412,988	1,538,134
Foxes and fox pelts sold.....	1,010,078	313,810	622,074
Wool produced.....	29,106	66,538	61,542
Poultry sold alive.....	92,773	85,757	75,235
Poultry slaughtered.....	301,938	327,599	510,867
Eggs sold.....	706,157	1,024,253	795,537
Eggs consumed on farms.....	226,194	715,105	702,938
Honey and maple products produced	1,098	23,889	46,536
Forest products sold.....	71,976	1,825,454	1,474,567
Forest products consumed on farms	449,779	2,072,687	2,023,545
	\$9,888,551	\$21,088,275	\$19,135,665

*See note following Table No. 28.

TABLE No. 28*
FARM EXPENSES, YEAR 1930

	PRINCE EDWARD ISLAND	NOVA SCOTIA	NEW BRUNSWICK
Feed.....	\$321,640	\$2,782,420	\$1,810,310
Seed.....	227,370	368,120	472,490
Livestock purchased.....	502,243	817,528	915,085
Fertilizers.....	950,250	879,540	1,495,830
Spraying materials.....	110,368	249,677	132,155
Labour—Cash and Board.....	1,071,210	2,460,200	2,345,170
Electric Light and Power.....	14,740	99,460	72,130
Taxes.....	198,740	1,296,870	1,161,720
Mortgage Interest, 5%.....	243,335	328,500	324,270
Depreciation—Buildings, 5%....	984,325	2,194,525	1,934,025
—Machinery, 10%....	811,590	1,055,410	1,325,250
	\$5,435,811	\$12,532,250	\$11,988,435

*Tables 27 and 28 have been prepared from information made available through the 1931 Census, except for the figures for foxes and fox pelts, which are taken from *Report on the Fur Farms of Canada, 1930*. The figures for field crops sold have not
(Continued on next page.)

A number of important items are omitted from these tables because the data are not available, and, in the figures given, there is a possibility of a considerable margin of error. With one exception, forest products, income from sources other than agriculture is not included, nor are increases or decreases of inventories. Very few farmers keep records of their transactions; therefore, the returns are often little more than rough guesses. The data were collected in 1931, a year of depression, and this may have caused a bias towards an understatement of income. For these reasons, figures showing the net, or the average net, income have been omitted.

Special Features of Maritime Agriculture.

In the Maritime Provinces, mixed farming is general and specialized farming exceptional, which is corroborated by the importance of nearly every item that appears in the statement of income. It is obvious, too, from values given for produce used on the farm that farming in this region is self-sufficing to a high degree. This impression is strengthened by the information made available in reports of a few farm surveys. A survey of 163 farms in Antigonish county, Nova Scotia,²⁹ shows that 36.8 per cent. of

²⁹*Antigonish County, Nova Scotia, A Study of Land Utilization, Farm Production, and Rural Living*, The Extension Division, Nova Scotia Department of Agriculture and The Agricultural Economics Branch, Dominion Department of Agriculture co-operating (Nova Scotia Department of Agriculture, Bulletin No. 118, January, 1936).

been published, but were supplied through the courtesy of Mr. O. A. Lemieux, Statistician, Census and Vital Statistics Branch, Dominion Bureau of Statistics, and the prices used are the average unit value obtainable from the bulletins of the Census of Agriculture, Seventh Census of Canada. The prices for livestock purchased were assumed to be the same as the average prices for livestock sold, also obtainable from the Bulletins of the Census of Agriculture. The figures for dairy products have been taken from the final bulletins of Animal Products, 1931 Census. Interest on mortgages has been assumed to be at the rate of 5 per cent. per annum.

the average income is made up of farm produce used in the home, and the range by districts is from 33.6 per cent. to 40.9 per cent. A survey of 26 farms in the Boisdale district, Cape Breton county, Nova Scotia, for the year 1934-1935,³⁰ shows that 26.4 per cent. of the total farm income is made up of farm produce used in the home. A survey of 199 farms in Carleton and Victoria counties, New Brunswick, covering the crop year 1934-1935,³¹ shows that the value of the farm produce used in the home amounted on the average to \$277, as compared with \$271 in the Antigonish survey and \$246 in the Boisdale survey. In the Annapolis Valley, where specialization has been carried further, perhaps, than in any other part of the Maritimes, a survey of 156 farms, covering the crop year 1930-1931,³² shows that the food, fuel, and shelter, supplied by the farm amount on the average to \$613.

The figures for field crops sold are very low, whether considered as separate totals in relation to the figures for other groups of commodities, or as a percentage of the total value of field crops produced. In Prince Edward Island, the total value of field crops produced was \$10,741,326, and the total value of field crops sold was \$3,267,411, or 30.4 per cent.; in Nova Scotia, the total value of field crops

³⁰*The Boisdale District, Cape Breton County, Nova Scotia, A Farm Survey*, by Dr. W. V. Longley (Nova Scotia Department of Agriculture, Bulletin No. 119, March, 1936).

³¹*Land Utilization in Carleton and Victoria Counties, New Brunswick*, by Ian McArthur, op. cit., with supplementary information supplied through the courtesy of Dr. Booth.

³²"Notes on Farm Organization in the Annapolis Valley, Nova Scotia", by J. Coke, in *The Economic Annalist*, January, 1933.

produced was \$13,031,376, and the total value of field crops sold, \$1,231,116, or 9.4 per cent.; and, in New Brunswick, the total value of field crops produced was \$15,251,523, and of field crops sold, \$3,330,381, or 21.8 per cent. Of field crops sold, potatoes accounted for \$2,732,644, or 83.6 per cent., in Prince Edward Island; for \$542,034, or 44 per cent., in Nova Scotia; and for \$2,299,393, or 69 per cent., in New Brunswick. This information, valuable in itself, also serves the purpose of throwing light upon the item of feed shown in the table of expenses. The total value of feed purchased by the three Maritime Provinces combined is \$4,914,370; and the total value of field crops sold, after the value of potatoes is deducted, is \$2,254,837. If all this \$2,254,837 had been made up of fodder crops, and if all sales had been made to other Maritime farmers, there would still remain the very large sum of \$2,659,533 paid to other parts of Canada, or to outside countries, for feed shipped into the region to support the farm livestock.

The importance of poultry, eggs, and dairy products, is sufficiently patent to obviate the need of further comment. The very large figures for forest products in Nova Scotia and New Brunswick, which are certain to arouse attention, are for products originating on the farm and give no clue to income derived from forest operations off the farm. In both Nova Scotia and New Brunswick, considerable income is derived from extra-farm operations, linking agriculture very closely to lumbering,

fishing, and a number of other branches of endeavour. The information available on this point is very meagre, but, according to the 1931 Census, 10.2 per cent. of the farm operators in Prince Edward Island, 31 per cent. in Nova Scotia, 20.2 per cent. in New Brunswick, and 23.6 per cent. in the Maritimes as a unit, consider their principal occupation as something other than farming. British Columbia surpasses Prince Edward Island with 15.9 per cent., but falls far short of the two other Maritime Provinces, or of the three Maritime Provinces taken as a unit, and the next nearest province, Quebec, shows only 8.2 per cent. of its farmers in this group. Interpreted, these figures mean that many farms in the Maritime Provinces serve primarily as a home for the occupant, and that much of the income is derived from other sources.

The farm surveys to which reference has already been made throw further light upon this aspect of Maritime agriculture. The 163 farms surveyed in Antigonish county showed an average income of \$737, of which 73.6 per cent. was derived from agricultural pursuits on the farm of the operator, 3.2 per cent. from non-agricultural operations on the farm, and 23.2 per cent. from other sources. The twenty-six farms surveyed in the Boisdale district showed an average income of \$931, of which 74.5 per cent. was derived from agricultural pursuits on the farm of the operator, 4.8 per cent. from non-agricultural operations on the farm, and

20.7 per cent. from other sources. At the time of writing, the figures of total farm income are not available for the 199 farms surveyed in Carleton and Victoria counties, but the average farm income from miscellaneous sources, which seems to include everything but agricultural work on the farm of the operator, was \$104, and the average for those reporting such income, \$197.³³

Critics maintain that these outside activities lower the standard of agricultural practices, and it must be admitted that they do interfere with farm technique and increase the difficulties of management. But the Maritime farmer has often been constrained to eke out his meagre income with revenue from other sources, and he has done this with a remarkable degree of success. Of the six districts shown in the Antigonish survey, Cape George has the highest average income, \$849 per farm, but the proportion derived from agricultural work on the farm of the operator is the lowest, 55.5 per cent. St. Andrews has the second lowest income per farm, \$658, but the proportion derived from agricultural work on the farm of the operator is the highest, 82.5 per cent. The average income for all districts is \$737 per farm, of which 73.6 per cent. is derived from agricultural work on the farm of the operator. These figures are at least interesting; perhaps significant.

³³The purpose of this survey was to investigate the potato industry, and farms with less than five acres in potatoes were not included. Had the sample been taken at random, the survey would have had greater value for the present purpose, but the original purpose would not have been nearly so well served.

Summary and Conclusions.

Agriculture in the Maritime Provinces is a mature industry. Most of the richest agricultural land has long since been occupied, and for many years the opening up of new agricultural areas has not been an important factor.³⁴ The steady decline in the total number of farms and in the acreage under the plough³⁵ reflects in part the abandonment of farms that were carved out of sub-marginal land that should never have been occupied, or that were ancillary to industries that have since declined or been moved to other localities. Agricultural progress, however, has been made through better management, improved marketing organization, and the application of more scientific methods. Progress in the future must be along similar lines.

³⁴See "Factors in the Growth of Rural Population in Eastern Canada", by O. A. Lemieux et al., in *Proceedings of the Canadian Political Science Association* (Montreal, 1934), especially Table III, Appendix.

³⁵For the shrinkage in the number of farms and in the acreage under cultivation see *The Maritime Provinces in their Relation to the National Economy of Canada* (Ottawa: Dominion Bureau of Statistics, 1934), p. 37. According to the 1931 Census, there were 376 vacant or abandoned farms in Prince Edward Island, or 2.8 per cent. of the total number of farms; 3,064 vacant or abandoned farms in Nova Scotia, or 7.2 per cent. of the total number of farms; and 1,622 vacant or abandoned farms in New Brunswick, or 4.6 per cent. of the total number of farms.

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APPENDIX TO
THE AGRICULTURAL INDUSTRY OF
THE MARITIME PROVINCES

TABLE No. 1*

PERCENTAGE OF THE VALUE OF NET PRODUCTION IN
EACH INDUSTRY TO THE TOTAL NET OUTPUT OF EACH
OF THE MARITIME PROVINCES, YEARS 1928 AND 1934

	PRINCE EDWARD ISLAND		NOVA SCOTIA		NEW BRUNSWICK	
	1928	1934	1928	1934	1928	1934
Agriculture....	83.81	75.71	25.36	19.37	34.95	24.48
Forestry.....	3.38	4.81	6.95	8.48	26.19	22.61
Fisheries.....	5.17	8.43	8.10	8.66	5.86	6.27
Trapping.....	0.03	0.01	0.15	0.30	0.22	0.24
Mining.....	.....	.....	21.16	26.32	2.58	3.67
Electric Power..	0.82	2.10	1.82	4.71	2.23	4.96
Construction...	1.57	1.41	13.57	8.16	5.96	6.64
Custom & Repair.....	0.87	1.28	1.92	1.73	2.03	2.17
Manufactures, n.e.s.....	4.35	6.25	20.97	22.27	19.98	28.96
	100.00	100.00	100.00	100.00	100.00	100.00

*The figures contained in this statement are taken from *Survey of Production in Canada*, published annually by the Dominion Bureau of Statistics, Ottawa.

TABLE No. 2
MARITIME PROVINCES,
AGRICULTURAL LANDS BY COUNTIES*

	TOTAL		AVERAGE	AVERAGE
	NUMBER OF OCCUPIED FARMS	AVERAGE ACREAGE PER FARM	ACREAGE OF IM- PROVED LAND PER FARM	ACREAGE IN FIELD CROPS PER FARM
NOVA SCOTIA:				
<i>Northern Counties</i>				
Digby.....	2,093	87.5	9.5	8.3
Annapolis.....	2,158	133.8	24.1	19.3
Kings.....	3,055	95.0	33.2	21.3
Hants.....	2,370	139.7	27.1	20.9
Cumberland.....	2,806	153.2	42.2	28.5
Colchester.....	2,685	141.6	33.5	25.3
Pictou.....	2,931	117.9	40.9	21.3
Antigonish.....	1,765	117.5	26.2	16.6
Inverness.....	3,027	111.8	18.4	13.3
Victoria.....	1,414	122.6	18.9	12.5

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TABLE NO. 2 (Continued)
 MARITIME PROVINCES,
 AGRICULTURAL LANDS BY COUNTIES

	TOTAL NUMBER OF OCCUPIED FARMS	AVERAGE ACREAGE PER FARM	AVERAGE ACREAGE OF IM- PROVED LAND PER FARM	AVERAGE ACREAGE IN FIELD CROPS PER FARM
<i>Southern Counties</i>				
Yarmouth.....	1,744	66.8	8.8	5.7
Shelburne.....	750	100.1	4.7	2.5
Queens.....	1,010	95.4	7.3	5.8
Lunenburg.....	3,614	80.9	9.8	8.0
Halifax.....	2,702	106.4	10.6	8.0
Guysborough.....	1,725	101.7	9.5	5.4
Richmond.....	1,460	71.5	5.6	3.9
Cape Breton.....	2,135	87.0	16.6	9.5
Province.....	39,444	109.1	21.4	14.6
NEW BRUNSWICK:				
Madawaska.....	1,815	135.3	55.1	42.0
Victoria.....	1,447	132.5	53.7	42.1
Carleton.....	2,570	158.0	82.9	66.8
York.....	2,739	171.5	41.7	31.3
Kings.....	2,860	163.7	54.1	34.6
Westmorland.....	3,716	114.7	46.0	30.4
Albert.....	1,080	155.2	40.9	25.2
Kent.....	3,088	100.1	36.1	26.2
Sunbury.....	745	177.0	36.5	25.7
Queens.....	1,628	172.9	41.3	25.5
Northumberland.....	3,376	88.2	19.2	13.6
Gloucester.....	5,112	60.4	16.9	12.7
Restigouche.....	1,800	100.5	29.3	21.4
Charlotte.....	1,549	129.5	21.0	16.5
Saint John.....	500	132.5	26.0	17.5
Province.....	34,025	122.0	39.1	28.2
PRINCE EDWARD ISLAND:				
Kings.....	3,493	94.9	50.4	30.7
Queens.....	4,877	90.8	65.1	40.4
Prince.....	4,495	92.7	60.5	42.3
Province.....	12,865	92.6	59.5	38.5

*Census of Canada, 1931.

TRENDS IN THE ECONOMIC HISTORY
OF THE MARITIME PROVINCES

TRENDS IN THE ECONOMIC HISTORY OF THE MARITIME PROVINCES

THE economy of the Maritime Provinces rests upon the four corner-stones of fishing, farming, lumbering, and mining. The fishing industry has been important since Europeans first visited these shores; and the sea, in addition to supplying a valuable commodity of trade, has afforded a ready and cheap means of transportation. Agriculture is nearly as venerable as fishing, but has been restricted by soil conditions and topographical features to few and comparatively small areas. At the beginning of settlement, the face of the country was covered by dense forests, and, because of a favourable climate and large areas unsuited to other uses, the forest industries have held, and, more especially in New Brunswick, continue to hold, a prominent place in the economic life of these provinces. The working of mineral deposits began with the quarrying and export of gypsum and sandstone, but throughout the past three-quarters of a century coal production has overshadowed all other mining operations. Superimposed upon these extractive industries are a number of manufactories, which are advantaged by nearness to raw materials, by water transportation, or by proximity to the local market. For an area so small, and with a population of little more than one million, such a

variety of industrial activities implies a complex economic structure.

For nearly three centuries after the discoveries of Cabot, the Maritime Provinces were passing through a formative period, when sovereign allegiance was determined, the foundations of primary industries were laid, and important trade routes were opened. From the close of the eighteenth century until the last quarter of the nineteenth century, development was persistent, though fluctuating, and was characteristically maritime in both form and direction. From the last quarter of the nineteenth century until the present day, maritime influences have been increasingly offset by the strong pull of continental forces. Radical changes have followed in swift succession, necessitating numerous and often painful readjustments in the economy.

1497 to 1783.

Fishermen from France, Portugal, Spain, and England, followed Cabot to the *New-founde-Lande* in search of the golden cod. The English fishery was not firmly established until the middle of the sixteenth century, but before the close of the century Spain and Portugal had practically withdrawn from Newfoundland waters, and the struggle between France and England was fairly joined.

The fishing industry as carried on from the two countries differed markedly. The French, who possessed abundant supplies of salt, followed the *Wet* fishery, by which is meant that the catch was

heavily salted and carried to France or other European countries in a green (in brine) state. The English, who, unlike the French, were obliged to obtain most of their salt through trade, followed the *Dry* fishery, the catch being lightly salted and dried in the sun before it was carried to England or outside markets. The home market absorbed most of the catch of the French fishermen, but the English home market was small and much of the catch had to be exported. The French fishermen came from many ports, widely separated, and fished over a vast area from the Petit Nord to the western end of Acadia. The English fishermen came mainly from a compact area in the West country, and concentrated at first in Newfoundland, on the Avalon peninsula, and, during the early part of the seventeenth century, in New England.

The fishing vessels gradually moved westwards from Newfoundland until they reached Cape Breton. From there, some pressed forward into the Gulf of St. Lawrence, and others moved along the shoreline into the Gulf of Maine. As early as 1563, French fishermen were operating out of the port of Canso, and by the first decade of the seventeenth century both French and English vessels had gone as far as the shores of New England. By 1624, fifty vessels from England were visiting the Gulf of Maine, and another base for the English fishery had been established.

New England soon proved an important factor in the struggle with the French for dominance in

North America. The natural resources of the region, a lucrative market in the British West Indies, and increasing demands for supplies for the English fishery at Newfoundland, provided a sound foundation for New England's commercial eminence. By the middle of the century, the resident fishermen of New England had largely replaced the vessel fishermen of Old England in the waters of the Gulf of Maine, and the Fisher-Trader-New-Englander had reached back to Newfoundland along the coast of Acadia. At Newfoundland, New Englanders disposed of foodstuffs, rum, lumber, and staves. They took payment in fish, English merchandise, and bills of exchange, and found also a ready source of profit in transporting settlers from the Island to the colonies on the mainland.

✓ The English fishery and English trade stimulated settlement in the New World; whereas the French fishery and French trade handicapped settlement. As English vessels came out to Newfoundland lightly laden, there was plenty of room for extra hands and passengers, and fares were low; but, on the homeward voyage, the vessels were heavily laden, passenger space was limited, and fares were high. This encouraged the extra hands to remain at Newfoundland or to move on to New England. French fishing vessels had no room on the outward voyage for passengers or extra hands; and when settlements were established on the banks of the St. Lawrence and in Acadia, vessels from France came heavily laden with provisions and mer-

chandise and returned with light cargoes of furs. The English settlements in the New World were complementary to each other and to the Mother Country; but this was not so with the French settlements. To be specific on one important point of contrast: when the French West Indies began to develop rapidly, there was no French New England to supply the foodstuffs and raw materials needed. An attempt was made to develop a triangular trade between France, Canada, and the French West Indies, but this failed because the St. Lawrence was closed to navigation during part of the year, and because Canada, depending chiefly upon the fur trade, was undeveloped agriculturally and commercially. The French entered the Dry fishery as outside markets, especially that of the French West Indies, became of increasing importance; but the English already occupied the better and more strategic sites. In her workshops, in her colonies, and on the trade routes of the world, England was rapidly outstripping France; and by the opening of the eighteenth century, with the aid of English manufactures, New England rum, and Brazilian tobacco, was making serious inroads into the French fur trade in Canada. The economic superiority of the English over the French Empire became manifest in 1710 when, for the last time, Acadia passed from French to English rule.

Whether the fishery was French or English, whether wet or dry, and whether the fishermen came from home ports or were residents of the

settlement, operations, except in the Bank fishery, were carried on in small boats that did not venture far from shore. The vessels were used to carry out supplies and to transport the catch to market, but during the fishing season they were laid up in port. The inshore fishery of New England was limited, and the best catches were to be made on the nearby banks and ridges. It was impossible to visit these fishing grounds in the small boats, and the larger vessels were unwieldy and too costly. To overcome these handicaps a new technique was required. This technique came with the construction of small vessels that were seaworthy, that were easily handled and capable of plying back and forth in light winds, and that could serve equally well in the fishing industry and in the carrying trade. In Acadia, circumstances were similar to those in New England, but the French settlers did not develop a special technique, nor did they adopt the methods of the New England fishermen. By the early 1640's, New England fishermen were operating off the Acadian shore and carrying on trade with the inhabitants, until, in the words of Brebner, Acadia became "New England's outpost".¹

After the Treaty of Utrecht, the English fishery in Nova Scotia centred at (Canso). Fish were cured and shipped direct to the West Indies and European markets, or carried back to New England by the fishing vessels. In the export trade from Canso, more particularly exports to European

¹J. Bartlet Brebner, *New England's Outpost, Acadia before the Conquest of Canada* (New York: Columbia University Press, 1927).

countries, the sack ships from Old England competed with vessels from New England, forcing the margin of competition south and west from Newfoundland to Nova Scotia. There was also a fair amount of trade with the French at Isle Royale. As the French prepared their cures mainly for the European markets, there was a dearth of lower grade products to meet the rapidly growing demands of the French West Indies, which provided a favourable market at Louisburg for the Canso cure.

The French fishery at Isle Royale, established after the loss of Placentia in 1713, was divided between the resident fishermen and the vessel fishermen who came from France. To the old technique of using small boats or shallops from which they fished near the shore, was added the New England method of employing small vessels or schooners in which they could venture with safety to the offshore fishing grounds. Because of the relative barrenness of the Island, only a limited number of the vessels and a limited amount of the food supply could be produced locally; the rest had to be obtained from outside sources, chiefly New England. Despite these trade relations with Isle Royale, the English colonists were anxious to see the French expelled from North America. Louisburg fell into English hands in 1745 and remained under English rule until 1748, largely as a result of New England enterprise, and the campaign that led to the final surrender in 1758 was strongly supported by the same colony.

When once the menace of the French was removed, New Englanders began to settle in the colony: agriculturists along the Bay of Fundy shore on the dyked marshlands that the Acadians had been forced to abandon in 1755, and fishermen along the south shore from Yarmouth to Canso. Some Jersey and Guernsey fishermen established themselves in Cape Breton and on the Gulf shore as far north and west as Gaspé; and a few British settlers arrived in the colony during the 1760's and 1770's. Halifax had been founded in 1749, and the settlement at Lunenburg, in 1753. In the late 1760's, the Acadians began to return to their native land and to settle in Clare township, Digby county; and after the American Revolutionary war there came to the province a large number of Loyalists, who more than trebled the population.

1783 to 1876.

The early history of the Maritime Provinces is little more than a chapter in the history of the North Atlantic fishery. After the region was divided into three, for a time four, separate provinces, the fishing industry, although affecting all, was of primary importance only to Nova Scotia. Exports of fish and fish products from Nova Scotia stood at 35.9 per cent. of the value of total exports for the year 1853, and at 53.1 per cent. for the year 1873. At the outset, interest was concentrated almost exclusively upon cod, dried and salted for the West Indian market, but the abundance of herring and

11-5

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mackerel in the adjacent waters soon gave rise to an important trade in pickled fish.

Statistics for the period are especially unreliable, but trade returns show exports of dried fish from Nova Scotia to be 81,191 quintals as an average for the years 1805-1807, 170,455 quintals for the year 1831, 314,951 quintals for 1847, and 498,134 quintals for 1873. Exports of pickled fish for corresponding dates are shown as: 43,299, 57,488, 221,052, and 237,904 barrels. Dried fish were exported chiefly to the West Indies, but European markets also took an appreciable quantity, and towards the end of the period large shipments were sent to the United States for home consumption and for re-export. The pickled fish trade developed in response, first, to the demands of the West Indies, and, second, especially after 1846, to the demands of the American market.

The timber trade began with the export of masts: for the French navy during the French régime, and for the British navy during the English régime. By the close of the Napoleonic wars, the export trade in square timber was growing rapidly, and reached its peak during the twenties, or shortly after the export of deals was begun. By the middle forties, the combined exports of all sawn lumber had surpassed in volume those of square timber. These generalizations are based primarily upon the trade as it developed in New Brunswick, for exports of forest products were to New Brunswick even more important than exports of fish and fish

TIMBER
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products were to Nova Scotia. During the third quarter of the century, the export of forest products from New Brunswick constituted from two-thirds to three-quarters of the total value of all exports, as against one-twelfth to one-sixth for Nova Scotia and Prince Edward Island. New Brunswick concentrated upon the British market, whereas the chief trade of Nova Scotia was in pine boards to the West Indies.

Prince Edward Island soon became an agricultural province, but, except for a brief period in their history, Nova Scotia and New Brunswick have always depended largely upon outside sources for many agricultural products. This has been owing partly to preoccupation with other industries, such as fishing in Nova Scotia and lumbering in New Brunswick, but chiefly to the relative scarcity of rich arable land, which made it more economical to purchase supplies from outside sources than to produce them locally. As the interior of the continent was opened up, Western grains and Western meats were poured into the market at prices that could not be met by local producers. The effect upon the Maritime Provinces of the westward movement was very obvious in the forties, and increased in strength during the remainder of the period and for some years after. On the eve of Confederation, imports per head for the Maritime Provinces were about twice as great as for the sister province of Canada, and much of this disparity may be explained by the extent to which

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the Maritime Provinces depended upon other regions for supplies of foodstuffs.

The Maritime Provinces obtained most of their imports from Great Britain and the United States. From Great Britain came manufactured goods; from the United States, foodstuffs and, towards the end of the period, manufactured goods and re-exports from the West Indies and elsewhere. From one-half to three-quarters of the total exports of New Brunswick were sent to the British market, whereas Prince Edward Island sent about one-quarter, and Nova Scotia from one-sixteenth to one-eighth. Throughout the period, exports to the United States showed a persistent increase, although, as illicit and unrecorded trade was proportionately greater in the early years, official returns exaggerate the upward trend. In 1831, Nova Scotia sent less than 10 per cent. of her total exports to the United States, New Brunswick less than 5 per cent., and Prince Edward Island less than 2 per cent. By 1851, these percentages had increased to 20.8 for Nova Scotia, 10.8 for New Brunswick, and 30.5 for Prince Edward Island. Twenty years later they stood at 28.8 for Nova Scotia, 28.9 for New Brunswick, and 26.1 for Prince Edward Island. Nova Scotia was the only one of the Maritime Provinces profoundly interested in the West Indian market, and, although the West Indies absorbed a decreasing proportion of total exports, this outlet was fully as important to Nova Scotia at the end of the period as was the American market.

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The maritime position of the provinces, the abundance of available timber, the needs of the fishing industry, and the requirements of the trade with the Caribbean and Great Britain, gave rise to the shipbuilding industry. New Brunswick was the premier shipbuilding province, and her vessels went chiefly to England, where they were sold along with the timber cargoes that they carried. Nova Scotia sold comparatively few vessels abroad, but built up a large fleet locally owned and locally manned. As a shipbuilding province, Prince Edward Island was far behind New Brunswick or Nova Scotia, and found an outlet for most of her excess tonnage in British North America. For the three provinces as a unit, the peak of the shipbuilding industry was reached in 1864, although New Brunswick never surpassed the high figures of 1854, and the peak year for Nova Scotia was in 1875.

1876 to the Present Day.

The peak of the shipbuilding industry in 1864 marks the crest of the wave of maritime forces that brought to these provinces their golden age. The consummation of Confederation in 1867 and the completion of the Intercolonial Railway in 1876 mark the rising tide of continental forces that were destined to dominate the economy of the Maritime Provinces. (The pressure from technical changes in transportation, in manufacturing, and in marketing, began to be felt, and the Maritime Provinces found themselves pinned between the iron rail and the

iron hull, the multiple expansion steam-engine and the locomotive, the cold-storage plant and the refrigerator car, the large-scale manufactory and new low cost units in the production of raw materials and foodstuffs. In 1867, the Cunard steamships ceased calling at Halifax because the small cargoes destined for that port did not justify the extra time and expense. The advantages of a short ocean voyage and easy accessibility by sea were being rapidly replaced by the advantages of short inland haulage and volume of traffic; and Halifax was passed by for Boston and New York to the south-west and Quebec and Montreal to the north-west. To meet these changing conditions and to obtain a share of the steamship trade, it was necessary to concentrate more of the commerce of the region at strategic centres, such as Halifax and Saint John, and to direct some of the growing commerce of the interior through these ports. This could be accomplished only through the medium of railways, but railways drew trade away from the small ports, which became enervated and declined; and the hope that railway connection with the rest of Canada would make available to Maritime ports a vast hinterland could not be fully realized because the handicap of distance was too great to be entirely overcome. Although the railways could not regain for the Maritime Provinces the relative eminence that they held in the days of wooden ships, nevertheless, railway construction throughout Canada had the effect of greatly stimulating the iron and

steel industry in Nova Scotia during the three decades following 1880. Coal mining responded to the expansion in the iron and steel industry and to the growing demands of the Quebec market. It was also favoured by the decline of the timber trade between Quebec and Great Britain, for timber vessels returning from British ports had long been in the habit of carrying out British coal at distress cargo rates.

At the time that wooden vessels and wind propulsion were being ousted by the iron hull and the screw propeller, large-scale industries were replacing the small factory and workshop. In the Maritime Provinces, much capital and enterprise was transferred from industries that were declining to those that were advancing, but the transference was not sufficiently rapid, nor sufficiently extensive, to enable this region to keep pace with other parts of the continent. Not a few of the newly-established and newly-expanded industries suffered in competition with rivals who were reaping increasing advantages from their location in populous areas and their proximity to a large consuming market, with the result that there was a migration of capital and labour to other parts of North America. According to the census returns, the rural population for the Maritime Provinces as a whole was at its maximum in 1891, and careful analyses of the figures show that the decline is to be accounted for by the disappearance of the small industries or handicrafts of rural areas, which were replaced by

urban factories, and these urban factories, in many instances, were established outside the Maritime Provinces.

In the lumber industry, competition became keener. Local resources were being depleted and virgin forests in other areas were being opened up. The pulp and newsprint industries, which have been growing in importance since the beginning of the century, but especially during the past fifteen years, absorb an ever-increasing share of the forest production of these provinces. Until the Great War, the British market remained the most important single outlet for lumber, and within recent years has once again taken first place, but most of the pulp and paper products go to the United States.

Pressure upon the agriculturists continued. Cheap transportation compelled them to surrender to the Western grain producer, and the introduction of refrigeration soon brought Western meats to the local market. The exhaustion of timber resources in certain areas and the decline of rural industries made it more difficult for the agriculturists to turn to other branches of endeavour. The growth of urban population brought some compensation by stimulating the demand for certain agricultural products, more especially those of the dairy, for which nearness to market gave an obvious advantage to the local producer. More attention was paid to the production of potatoes, which were marketed in the United States and the West

Indies; the lumber industry continued to provide a local market for hay and oats; and the Annapolis Valley discovered that the steamship had placed it next door to millions of apple consumers in the industrial centres of Great Britain.

The fishing industry expanded until the middle nineties, held fairly steady for a decade or more, and then declined. The invention of the tin can and the development of modern methods of refrigeration and transportation lost to the dried and also to the pickled fish trade much of the northern market. This made it necessary to concentrate upon the southern market, especially the Sugar Islands of the Caribbean. But, even here, canned meats and canned fish, jerked beef and salt pork, made serious inroads into a field that had seemed to be reserved for the cod and herring fishermen. Yet the prospects were fairly bright until equilibrium was seriously disturbed by the European policy of subsidizing, and the American policy of protecting, beet sugar production. After the War, the purchasing power in Mediterranean countries failed to recover, Norway subsidized exports of dried fish, Iceland rose from a small to a large producer, and Great Britain returned to the market with a commodity that was a by-product of the fresh fish trade. The canned lobster trade began about 1850, but did not make rapid strides until the seventies, when the live lobster trade was in its initial stages. Within recent years, the value of the lobster catch has exceeded that of any other specie, and cod, for years the un-

rivalled leader, has dropped to second place. Cod is king of the dried fish trade, and even now, with the dried fish trade in an unusually depressed condition and after many years of steady decline, more cod is disposed of dried and salted than in any other form. Haddock has never been so highly prized as is cod in the dried fish trade, but holds first place in the fresh fish trade of the Maritime Provinces. The development of the fresh fish trade has been confined to the present century and has been contingent upon transportation and refrigeration facilities. (The markets are entirely in the United States and Canada.) In the American market, there is the handicap of tariffs; in the Canadian market, the handicap of distance; and, in both, strong competition with other low-priced foodstuffs.

The forces that have been working upon the Maritime Provinces are clearly reflected in population figures. By 1784, after the influx of the Loyalists and one hundred and eighty years after the first colony was planted in Acadia, the total population was only between 40,000 and 45,000. By 1825, the figures stood at about 250,000, and, by 1841; at slightly over 400,000. This sudden spurt in population growth is to be explained by a fortunate conjuncture, during this period, of economic forces that greatly expanded the market for Maritime products, by low passenger rates on timber vessels returning from the British Isles, by the enclosure movement in Scotland, and by difficult times in Ireland. After the middle of the century, the tide of

immigration slackened abruptly, but during the thirty years from 1841 to 1871 the population increased nearly 90 per cent., or from 405,000 to 767,000.

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(Emigration from the provinces to other parts of North America became pronounced during the sixties, although it had been observed as occurring sporadically from the beginning of the century. It is estimated that by 1881 over one hundred thousand persons born in the Maritime Provinces were resident in the United States, and that by 1921 three hundred and twenty-five thousand were resident outside the Maritimes. From 1861 to 1871 the population increased 15.5 per cent., and, during the next ten years, 13.5 per cent., but for the thirty years from 1871 to 1901 the total increase was only 16.5 per cent. In other words, the eighties and nineties of last century were comparatively lean years for the Maritime Provinces. From 1901 to 1931 the population increased in round numbers from 894,000 to 1,009,000, or 12.9 per cent. During the first two decades of the present century, the Maritimes were buoyed up by the effects of the general expansion throughout the rest of Canada and by the effects of the Great War. From 1921 to 1931, the increase in population was, however, only .9 per cent., and there was an absolute decrease in both Nova Scotia and Prince Edward Island. As the rate of development fell off, industries that were dependent on rapid expansion in the rest of the Dominion languished, and others suffered from the

continuation of the movement towards greater concentration of manufactories in the Central Provinces.

Urban population increased from 90,000 in 1871 to 140,000 in 1891, and to 380,000 in 1931; whereas rural population declined from 677,000 in 1871, and 740,000 in 1891, to 628,000 in 1931. Many cross-currents are concealed in these total figures, but the decrease in rural population is to be attributed to a transference of certain industries from the country to urban centres rather than to a decline in agriculture. From 1881 to 1931 the number engaged in agriculture decreased 22 per cent., but agriculturists in the Maritimes have always included many persons who combine farming with other occupations, and in 1881 the proportion of such persons was undoubtedly much higher than in 1931. Although the number engaged in agriculture decreased 22 per cent., those engaged in manufacturing increased 86 per cent.; in professional occupations, 122 per cent.; and in mining, 431 per cent. The number of fishermen was very little changed, but the number of blacksmiths dropped 57 per cent.; the number of coopers, 61 per cent.; the number of sailors, seamen, and deckhands, 81 per cent.; carriage-makers, 90 per cent.; millers, 92 per cent.; and tanners, 94 per cent. All these percentages take no account of the 16 per cent. increase in total population from 1881 to 1931.

This brief sketch is admittedly deficient, but the purpose behind it is to indicate only a few of the

more outstanding historical trends that ought to be kept in mind when discussing the present situation in the Maritime Provinces. These provinces were not fully established until the last quarter of the eighteenth century, much later than comparable areas on the Atlantic seaboard. When once properly launched as an economic region, they were especially exposed to a multitude of external forces, which often emanated from remote corners of the world. The response to these forces was favourable from the last quarter of the eighteenth century until the end of the third quarter of the nineteenth century, during which period there was rapid development. From that time forward, the fortunes of the provinces were reversed as the nature of the forces changed. In the former period, they were lured out upon the sea; in the latter, they were driven back into the continent. In the former period, growing demands for fish, for timber, and for wooden ships, stimulated all branches of industry; in the latter period, competition from the heart of the continent and technical changes in manufacturing and transportation forced them to seek new enterprises to replace old ones that were on the wane. In the former period, interest was concentrated upon markets and problems of production; in the latter period, upon transportation facilities, lower freight rates, and the adequate safeguarding of old, and the encouragement of new, industries. In the former period, numerous ports were the year round termini of all the trade routes

of the world; in the latter period, Halifax and Saint John have shared with American ports the honour of being the winter termini of Canadian railways. The Maritime Provinces have become increasingly dependent upon federal policy and general expansion throughout Canada, and many of their industries suffered as the result of the slowing down of Canadian expansion after the War. Although the Maritime Provinces, along with the rest of the world, have been severely battered by the depression, their problems today are less those of the depression than they are problems arising out of long-run tendencies that were greatly intensified during the 1920's.

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