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Abstract

This paper is an attempt to describe the character of business enterprise in nineteenth century Vancouver by examining real estate businessmen during the city's first boom from 1884-1893. Throughout the 1880s the area could still be described as a 'frontier' environment where rapid growth, general uncertainty, and fluid economic and social boundaries meant that the people who took an active role in a city's founding were crucial in determining the city's business culture.

What makes Vancouver's situation intriguing was the fact that businessmen representing a hierarchy of salaried corporate executives, specifically the managers of the Canadian Pacific Railway, and businessmen representing a very individualistic approach to enterprise, converged on the south shore of Burrard Inlet at the same time. While not unique to Vancouver, these two conceptions of business, active on a large scale at approximately the same time, created a commercial identity and environment particular to Vancouver. Using Alfred Chandler's four stage model on the changing relationship of business and entrepreneurship to society in the nineteenth and twentieth centuries, this paper proposes to show that, instead of following an evolutionary process of ever increasing business size and complexity through time, Vancouver's real estate industry and general business community retained the characteristics of independent personal enterprise to a greater degree than the dominant position of the CPR would suggest.

Even when attempts were made to establish institutions of self-interested collectivism or move toward a style of entrepreneurial capitalism, they were all effectively applied to the advantage of the individual. The voluntary and membership organizations such as the Vancouver Real Estate Board, and the Vancouver Board of Trade, the new business syndicates like the Vancouver Improvement Company and the Vancouver Loan, Trust, Savings, and Guarantee Company, and the decisions to enter the municipal, provincial, and federal political arenas were still dominated by an individualist creed. Until the maturation of the staple based industries enabled other enterprises to adopt managerial capitalism, the philosophy of the business community would remain heavily influenced by a personal enterprise form of business operation.
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The unconditional support of Hugh, Sarah, friends, and especially my wife-to-be Nina, has enabled me to enjoy my time in the Master's program at UBC to the fullest.

Most of all I would like to thank my parents Mark and Deborah Longhurst. Without their intellectual, emotional, and financial involvement, my academic journey would have never begun, nor provided me with such valuable experiences. Their love and support is a gift beyond words.

Grant Montgomery Longhurst
Vancouver, 1995
The party of the first part will sell and the party of the second part shall purchase, at the price of one thousand dollars all those certain pieces or parcels of land and premises situate lying and being in the City of Vancouver and known and described as Lots number (40. 42 & 42) forty, forty one, and forty two in Block number (9) nine according to registered plan (184) one hundred and eighty four of the subdivision of the west part of the District Lot (196) one hundred and ninety six.¹

The standard legal wording for mortgages, deeds, conveyances, and leases of land contains the phrase "situate lying and being" to describe the location of a piece of property. It is meant to convey a sense of geographical precision to the parties involved in the transaction, a particularly relevant point if the said property has not been personally surveyed by either party. The commodity in question is deemed to be "real" property, an estate superior to all others in its quality and durability. Such precise and descriptive language suggests the development and marketing of a stable and tangible product, one with a fundamental grounding that separates it from other more temporary goods. It embodies the concept that land cannot be created or manufactured, destroyed or disassembled, that it exists in a finite quantity in a world that perceives it to be the foundation of wealth and success.

Thus at first glance it would seem that the buying and selling of property would be a relatively conservative and predictable undertaking. However, the value of land is not necessarily established by its soil, rock, flora, and fauna. It is the human imagination that

¹ City of Vancouver Archives (hereafter CVA), F.C. Innes & Co. papers, Add Mss 38 vol 1 file 1, Sept. 1885 - June 1886. Text from the agreement made between R.H. Alexander, manager of the Hastings Mill, and the Trustees of the Presbyterian Congregation of Vancouver for land for the new church dated January 11, 1886.
sets the value of real property, for it is the imagination that can envision a mine, dam, farm, or sawmill, see the construction of a factory or storehouse, or picture the site of a home and community. In the face of humanity's extraordinary imaginative capacity, geographic and geologic precision become secondary and fleeting considerations. It is the potential of real estate, rather than its being, which attracts and fascinates.

In his article 'Urban Land Development in Nineteenth Century North America' Michael Doucet suggests that "at the root of all urban growth is the land development process." This process represents the conversion of vacant or rural land into some sort of urban use. It suggests that the social and economic character of a city are a function of its physical properties, and the usage capacities of its land. However, the land development process is not solely determined by geography. It is greatly influenced by the business philosophy and activities of the individuals and companies that own, sub-divide, market, and develop real estate, particularly those people who take an active role in a city's founding. The rapid growth, general uncertainty, and fluid economic and social boundaries attributed to new settlements in North America meant that the first generation of real estate businessmen were crucial in determining the city's business culture.

This was certainly the case for Vancouver during the real estate boom associated with its founding from approximately 1884-1893. In this period land represented the city's

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primary commodity and most active market. A number of historians have concluded that real estate, through direct investment and improvements, as well as the promotion of secondary services, was the primary engine of urban growth for early Vancouver. R.A.J. McDonald's research into the business affiliations of sixty-eight leading businessmen shows that, in his words, "it was the real estate promoter who led all other entrepreneurs in furthering business development." The research of Patricia Roy and Norbert MacDonald also supports the idea that land was the driving engine of the Burrard Inlet economy in the 1880s and following the incorporation of the City of Vancouver. Property was the concern of both the market participants and the community as a whole. The records of individual businessmen, companies, and organizations, as well as the contemporary newspapers, devote ample attention to the young city's land market.

Vancouver was the last of Canada's major cities to be created, and one of the last developed along the Pacific coast of North America. By the time of Vancouver's incorporation in 1886 Canada was a relatively stable political confederation and a Dominion within the immensely powerful world-wide British Empire. The nation taken as a whole was part of an international network of trade and commerce in raw materials, and had the beginnings of a financial, technological, and industrial base that placed it firmly among the developing societies and economies of the late Victorian world. Yet, in contrast, barely five years earlier the south shore of Burrard Inlet, with the exception of

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4 R.A.J. McDonald, 'City Building in the Canadian West: A Case Study of Economic Growth in Early Vancouver, 1886-1893', BC Studies Autumn (1979), 14
5 Norbert MacDonald, Distant Neighbors: A Comparative History of Seattle and Vancouver (Lincoln, Nebraska, 1987), 41; MacDonald, 'CPR Town...', 391; Patricia Roy, Vancouver: An Illustrated History, (Ottawa, 1980), 14
two very small sites servicing the Hastings Mill logging operation, was a vast impenetrable forest south all the way to the north arm of the Fraser river, and east some fifteen miles to New Westminster. Throughout the 1880s the area could still be described as a 'frontier' environment, meaning that it was an area of new settlement at the edge of an expanding population and economic base. Richard Wade described such towns as "spearheads" in the westward line of settlement that marked much of nineteenth century North American history.  

In his book *Pioneers and Profit: Land Speculation on the Iowa Frontier*, Robert Swierenga uses the term 'frontier' to describe an area marked by a "pre-development stage of land use". Vancouver was a frontier real estate market because the vast majority of land was in a raw, unoccupied state, where the opportunity for profit was rooted in the potential of the property.

Vancouver in 1889 presented curious contrasts. Take Granville Street, for instance, in which we were living. One end led to the docks, with 3,000 ton steamers lying in them, and the terminus of a transcontinental railway; the other left you at the end of a bridge which led to the forest, and after miles of mud, to New Westminster.... The extraordinary thing about Vancouver is that in the midst of all this wilderness it is so absolutely modern; no one would think to put up a house without a telephone and electricity.

This contrast between the elements of a modern industrialized city and those of the 'frontier' are reflected in the two styles of business that operated in the Vancouver real

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6 Wade, *The Urban Frontier*, 24
estate market in the 1880s. What makes Vancouver's situation intriguing was the fact that businessmen representing a hierarchy of salaried corporate executives, specifically the managers of the Canadian Pacific Railway, and businessmen representing a very individualistic approach to enterprise, converged on the south shore of Burrard Inlet at the same time. While not unique to Vancouver, these two conceptions of business, active on a large scale at approximately the same time, created a commercial identity and environment particular to Vancouver. Using Alfred Chandler's four stage model on the changing relationship of business and entrepreneurship to society in the nineteenth and twentieth centuries, this paper proposes to show that, instead of following an evolutionary process of ever increasing business size and complexity through time, Vancouver's real estate industry and general business community retained the characteristics of independent personal enterprise to a greater degree than the dominant position of the CPR would suggest. 9 To illustrate this we can start by delineating local variations of the general models presented in Chandler's *The Visible Hand: The Managerial Revolution in American Business*. The challenge of providing definitions of what constituted an independent entrepreneur and a corporate manager in nineteenth century Vancouver is that they can be seen in black and white terms only when viewed in isolation from each other. It is the dynamic activity of the marketplace that provides the most interesting picture of the real estate industry. To that end we can identify individuals who may be categorized as having initially operated in one fashion or the other. The paper will then look at how the individualist ideology of personal enterprise was retained through the

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maturation of Vancouver’s nineteenth century real estate market. In a process described by Michael Bliss as one of "self-interested collectivism", the personal enterprise entrepreneurs, while they did not surrender their belief in the responsibility of the individual for his own success or failure, did recognize that individual achievement could be facilitated by durable institutional bodies.10 These institutions could enhance their own power by creating a situation where private initiative could be furthered and acknowledged. The individualist entrepreneurs were trying to create bodies that would "concede the existence of a collective dimension in society without requiring them to jettison their attachment to an individual creed."11 As this paper will show, the individual creed in the real estate market of nineteenth century Vancouver was deeply rooted, and even the attempts at "self-interested collectivism" were resisted by that individualism.

An attempt to describe the character of business enterprise in an individual city is faced with a daunting series of challenges regarding evidence, argument, and methodology, in part, because the investigation is a struggle to define the construction of a specific culture and philosophy of business. The diversity of commercial activity, and the individual variations among "owners or operators of enterprises risking capital in the hope of profit", has left a huge body of evidence regarding the structure, operation, and ideology of business where both economic and social factors are relevant.12 General evolutionary models of urban growth and capitalist enterprise provide frameworks that do

10 Michael Bliss, A Living Profit: Studies in the Social History of Canadian Business (Toronto, 1974), 138
11 Allan Smith, 'The Myth of the Self-Made Man in English Canada, 1850-1914', Canadian Historical Review 2 (1978), 203
12 from Bliss' definition of 'businessman' in A Living Profit, 3
not necessarily mesh with the data from a particular city, nor with each other. Comparisons with other urban centres further expand these difficulties to the point where the complexity of the task might intimidate even the most ardent researcher.

However, capitalist enterprise has played such an obvious and important role in Canadian history that the drawbacks to its study are more than offset by the potential insights such work offers. It is clear that the defining characteristics of an urban centre were directly influenced by its past commercial activity. The nature of a city's people, culture, technologies, and interaction with the natural environment is revealed in the activities and viewpoints of its business community. Although a fully integrated definition of those business characteristics for the City of Vancouver is beyond the scope of this paper, an examination of the city's real estate industry during its first economic boom, from approximately 1884 to 1893, provides some valuable insights into the formation of Vancouver's business culture.

II

In the 1960s Alfred D. Chandler was the most important figure in the movement surrounding the founding of the second series of the journal *Exploration in Entrepreneurial History*. Chandler had begun to formulate a framework for the explanation of changing trends in economic opportunity and business operations in nineteenth century America. His fifteen years of research led to the publication of *The
Visible Hand: The Managerial Revolution in American Business in 1977. Chandler and his followers like Harold Livesay argued that a fundamental transition occurred in nineteenth century business from individualized enterprise through to modern bureaucratic corporations run by professional managers. The first stage of business operation he called "personal enterprise", which were locally based, and individually or family-owned and managed businesses. These type of enterprises usually operated in one undiversified goods or service market. Stage One businesses would include partnerships and, while they may have grown to the point of incorporation, still saw the capital stock and the day-to-day management remain in the hands of individual owners. Stage Two, "entrepreneurial or family capitalism", saw the company grow to a size where management began to be separated from ownership. Individual owners or families could not meet the organizational needs of the enterprise without a body of salaried managers. Capital remained closely held by the company founders, who still exercised control over the strategic business decisions. The trend of increasing complexity and scope in industrialized production, vastly improved transportation and communication systems, and the dramatic expansion of technology and markets continued through the 1900s. As the capital requirements of geographically extended operations grew, a third stage that Chandler called "financial capitalism" arose, whereby the providers of large amounts of investment capital began to place their representatives in positions that allowed them input into the management of the company. As ownership became more diluted and

13 Harold C. Livesay, 'Entrepreneurial Dominance in Business Large and Small, Past and Present.' Business History Review 63(1) Spring (1989), 1-21
14 Chandler, The Visible Hand, 5
separated from company management, a fourth stage, "managerial capitalism", saw salaried executives take almost complete control over the running of the enterprise. Chandler argued that these factors allowed managerial administration to become a more efficient method of operation than was permitted by the invisible hand of an unencumbered market. Hence, his hand was 'visible' as opposed to Adam Smith's 'invisible' one.

Chandler specifically points to railroads as the first of these modern business enterprises. The sheer size and scope of construction, operation, administration, and financing meant that no individual or group of men could run these operations. The result was the first modern corporations with a class of professional managers. These managers could look towards a lifetime commitment to these huge operations, to scaling an executive ladder where none had ever existed before. This new breed of businessman invariably required extensive training in engineering and/or accounting, with the concomitant commitment of time and money. Specialization of tasks led to specialization in education, and a new elite was created based on technical knowledge. The managers and bureaucrats of the CPR in Vancouver shared many characteristics with Chandler's stage four manager. They operated within a hierarchical framework of authority which limited their capacity for independent choices regarding the application of capital and labour. The results of any one decision, whether positive or negative, were borne, for the most part, collectively. This framework, and the new relationship between owners and

\[13\] ibid, 79
managers, spread the cumulative risk of any venture among a large number of individuals. Innovation and imitation were also subject to a collective appraisal and analysis which tended to impede the implementation of any truly unique goods or services. In some cases the business methodology introduced by the CPR removed the direct relationship of the professional manager to profit making. The specialization of tasks meant that not all business men were directly responsible for earning a profit. Administrative functions such as accounting, purchasing, and legal work, as well as on site work such as surveying and rail line construction, were all separated from the calculation of, and immediate concern with, total profitability. This is not to suggest that business men in a corporate environment did not focus on the success of the enterprise: the difference was rather one of emphasis. As career-minded individuals, managers tended to be more concerned with the long term health of the company, and their opportunity to rise in the ranks of its professional administrators. This is in contrast to the desire of the owners and shareholders to maintain a decent rate of return on their investment, usually in the form of good dividends. Chandler argues that the managerial capitalists began to take control of their own destiny within the corporate structure and came to dominate its strategic choices.\textsuperscript{16}

\textsuperscript{16} Chandler, \textit{The Visible Hand}, 170

In turn the businesses intimately linked to the railroads, like banking, steel production, mining, and telegraphs, began to adopt a similar approach to their business operations. The railroads became the most relevant models for companies that were
moving towards expanded production and distribution systems: the geographically extended multi-unit businesses. Alternative transport companies such as steamship lines and interurban electric railways would adopt many of the administrative and managerial reforms initiated by the railways. The success of these companies, combined with the nineteenth century advocacy of the scientific method and statistical analysis, led to a concept of business, identified with Frederick Winslow Taylor's scientific management, that stressed a search for the best way of doing things, whether it be production, distribution, or sales. General knowledge gave way to specialization as the specific functions of each operation were broken down in an attempt to maximize profit and efficiencies. Managers responsible for day-to-day operations were soon monitored, evaluated, and coordinated by a level of middle managers who in turn reported to a third top level of management.

Once this internal organization was in place the railroads turned their attention to formulating systems that gave them a measure of external control. In the case of American rail companies this was represented by the drive to create a cooperative approach among competing companies. This was meant to limit cutthroat pricing and insure that freight could be distributed along separately owned lines. More relevant to the Canadian situation was the attempt by railroad companies to garner the maximum influence and support from the various levels of government. In establishing the rights of way and the location of stations and depots the CPR applied tremendous resources to ensure a favourable and profitable political climate for its enterprise. This created an approach to
business that melded the environment of the corporate hierarchy with that of the political hierarchy. "In some respects they [Canadian railways] operated almost like states unto themselves; their company rules had the force of law, they employed their own police, and their executives, as the Grand Trunk goods manager put it, were 'as important as generals in an army or Ministers of State.'" According to Chandler, this sweeping change arrived with startling speed as part of the process of spanning the continent with steel.

It is clear that the CPR in the 1880s arrived in Coal Harbour as a mature multi-unit, geographically diverse corporation consistent with Chandler's definition of a managerial capitalist enterprise. The west end of Burrard Inlet was to become, not only the physical terminus of the railway, but the end point for years of accumulated corporate experience in railroad construction, real estate development and marketing, urban planning, and general commerce. The building of the CPR and its American counterparts had created a whole generation of businessmen who understood the value of the corporate application of capital, labour, and expertise, along with the need for political and corporate bureaucracies. The CPR's strategy to exploit its monopoly position was the underlying factor in almost all the company's commercial activity in the Burrard Inlet. The decision to pick Port Moody as the original terminus had meant that the standard federal land grants were only in place to that point, finalizing the existing agreement. The later announcement of Coal Harbour as the terminus allowed the company to enter into a new set of lucrative negotiations at the provincial level. This improved bargaining position

17 Paul Craven and Tom Traves, 'Canadian Railways as Manufacturers, 1850-1880' in Douglas McCalla ed., Perspectives on Canadian Economic History (Toronto, 1987), 118
resulted in land acquisitions from political and private sources on an unprecedented scale. At no other point in the construction of the transcontinental railway was so much land politically granted and personally gifted to the corporation.\(^\text{18}\)

However, the local market of Vancouver was dissimilar to the mature financial and industrialized national economy. In the tradition of Harold Innis, J.M.S. Careless, and Hugh G.J. Aitken, a strong case has been made by L.D. McCann and others for the existence of a staple-based economy in Vancouver where urban growth was determined by the relationship the metropolis had with the resource-producing hinterland, a concept that has been applied to most urban centres throughout the country.\(^\text{19}\) The city would function as a commercial entrepot, providing distribution and transportation services for goods traveling back and forth between the hinterland region and outside markets. In this model the CPR could be expected to monopolize all areas of the commercial market, including land via their real estate operations. However, in the 1880s the economy in Vancouver was nascent or developing, without a mature resource, industrial or financial base. The flow of goods was not yet large enough to bring the dynamics of the staple economy into play.\(^\text{20}\) The resource extraction that did exist was limited to the Hastings and Moodyville mills, or centered along the Fraser River in New Westminster and Steveston. A metropolitan-hinterland style economy would not become dominant until after the


\(^{19}\) L.D. McCann, 'Urban Growth in a Staple Economy: The Emergence of Vancouver as a Regional Metropolis' in L.J. Everden ed., \textit{Vancouver: Western Metropolis} (Victoria, 1978), 16-41; Roy, \textit{Vancouver: An Illustrated History}, 14

\(^{20}\) McDonald, 'City Building in the Canadian West', 6
1884-1893 boom period when the volume of production and demand, as well as profit margins, grew higher. Instead, the CPR, as a modern industrial, corporation operated in an economy that, as suggested previously, was more consistent with a 'frontier' environment. The CPR was created in a mature financial and commercial environment, but as the rail line extended across the country its regional operations found themselves distanced from that sophisticated late-Victorian economy. In fact, the presence of this bureaucratic corporation in the 'frontier' might be seen as an economic anomaly.

The location represented one of the last arenas of the westward development ethos. The injunction to 'Go west young man' and colonial expansion had created a legacy that suggested that commerce and profit were based on the work of individual business men with the tenacity and fortitude to make good at the farthest boundaries of an industrial world hungry for new markets. Geographical isolation, limited communication, and the need for immediate decision-making demanded that a local entrepreneur personally provide the capital, labour, organization and knowledge required. These entrepreneurs initially operated independently, with minimal or no association with corporations, investment syndicates, banks or government. It should not be surprising to find that a large number of businesses consistent with Chandler's stage one of "personalized enterprise" were active in the Vancouver real estate market of the 1880s.

Canadian economic history has traditionally stressed the collective nature of society in order to contrast it with the libertarian bias of American histories. More recent
works have tried to avoid an emphasis on Canada's supposed inclination towards authoritarian hierarchies in business, and in society at large. In his introduction to *The Development of Canadian Capitalism* Douglas McCalla notes that, along with the themes of an undiversified staple economy and the relationship between government and business, the role of the individual entrepreneur and the professionally managed corporation are both fundamental to an understanding of the particular character of Canadian business arrangements.\(^21\) Allan Smith has shown through his examination of the literature of the period that the idea of the self-made man was not restricted to newly opened parts of the country but strongly informed thinking regarding the nature of business and opportunity across the nation.\(^22\) Henry Klassen, in his article on entrepreneurship in the Canadian west, describes this as "a philosophy of development that stressed geographical expansion and diversification of interests."\(^23\) Two of the most comprehensive studies to date, Graham Taylor and Peter Baskerville's *A Concise History of Business in Canada* and Michael Bliss' *Northern Enterprise: Five Centuries of Canadian Business*, both identify, to varying degrees, the struggle between individualist and corporate approaches as an important part of the growth, profitability, and survival of Canadian businesses in the nineteenth century.\(^24\)

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\(^22\) Smith, 'The Myth of the Self-Made Man', 189-219
\(^23\) Henry C. Klassen, 'Entrepreneurship in the Canadian West: The Enterprises of A.E. Cross, 1886-1920', *The Western Historical Quarterly* August (1991), 314
The diverse ways in which people conceive the value of property makes the buying and selling of real estate a truly speculative enterprise that entails risk and uncertainty to an unparalleled degree. For these reasons the real estate marketplace became and remains a favourable environment for the activities of the individual entrepreneur, a sub-species of economic man whose activities have intrigued historians and economists for generations. In *The Visible Hand* Chandler's aim is to quantitatively and qualitatively examine the process of moving from personal enterprise to managerial capitalism. As a result his outline of what constitutes personal enterprise in somewhat lacking in depth. To better define the business operations of the independent real estate entrepreneur in nineteenth century Vancouver, it is necessary to look to a broader spectrum of academic research. The late Arthur Cole wrote in 1945 that "To study the 'entrepreneur' is to study the central figure in modern economic history and, to my way of thinking, the central figure in economics." Cole and his colleagues, a group connected with the Harvard University Research Center in Entrepreneurial History which operated from 1948 to 1958 and the journal *Explorations in Entrepreneurial History*, pushed forward the investigation of the role of the entrepreneur in business and society at large. Although they failed to arrive at any one unified model or conception of an entrepreneur, their work encouraged the economic historian to reconceive some of the generalizations regarding industrial and commercial expansion, urban growth, and business ideologies. Although the concept of entrepreneurialism has been applied to all of Chandler's four stages of enterprise, the work of Cole and his academic descendants helps us sift through the various interpretations to

arrive at a working definition of six defining characteristics of Vancouver's independent real estate entrepreneur. For the purposes of this paper the term 'entrepreneur' will be used to describe an individual engaged in personal enterprise.

First, the entrepreneur was a risk taker. His personal capital and labour, whether individually or in conjunction with partners or investors, was used to finance purchases and mortgages. That risk, as it relates to property, is the uncertainty of value, the fluctuations inherent in a purchase based on an expectational or self-justifying profit. According to the influential Austrian economist Joseph Schumpeter, the risk taker was also required to foresee opportunities inherent in a given situation or speculate on opportunities that might arise. In other words, he needed to extrapolate from economic, political, geographic, and social circumstances.

Secondly, the entrepreneur was responsible for the coordination and organization of the enterprise. This aspect was essential for the successful securing of adequate financial resources, bringing together factors of production such as clearing, surveying, and undertaking improvements. On Burrard Inlet it was important for the entrepreneur to understand legal contracts, the governmental registration and survey process, the details

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27 Schumpeter, The Economics and Sociology of Capitalism, xi
and value of lumber extraction, as well as the sales and marketing process. G.P. Marshall stresses that organization also involved the maintenance of good relations with the public, competitors, and society at large.\textsuperscript{28} The accumulation of goodwill, and a good reputation, was an extremely valuable skill in this newly emerging city.

Thirdly, the entrepreneur fulfilled a role as an innovator and/or imitator. As an innovator he introduced a new opportunity to the market, which in the case of real estate might be achieved with the pre-emption of previously un-claimed land. Perhaps more relevant to the new community of Vancouver was the imitative capacity of its entrepreneurs. Successful projects and institutions transplanted from other cities, harbours, and rail entrepots would constitute an entrepreneurial step. For example, in terms of real estate this would suggest methods of advertising and promotion that would create a market demand where one did not previously exist. Efforts to provide modern utility services, building styles, or various finance options would also represent imitative or innovative activities. A 'frontier' environment provided opportunities to be the first to introduce even the most basic elements of urban living such as water and food.

Fourthly, the entrepreneur was a self-confident decision maker. This may seem an obvious component of the previous three factors but as the network of choices became more complex the pressure to delegate to administrative employees increased. Arthur Cole believed this to be the primary function of the entrepreneur.\textsuperscript{29} For the purposes of

\textsuperscript{28} Marshall, \textit{Economics of Managerial Decision-Making}, 41
\textsuperscript{29} Cole, \textit{Business Enterprise in Its Social Setting}, 15
this investigation the 'entrepreneur' in nineteenth century Vancouver is defined as an individual who had, within the limits of being responsible to investors, total control over the application of capital and labour. An important aspect of making confident decisions was the aggressive assemblage of information. Political, social, economic, and technological information all impacted on the perceived value of land and the real estate entrepreneur pursued that information with the knowledge that it could be the source of profit. This was highlighted in Vancouver by the uncertainty regarding the final terminus for the rail line. Information on the machinations of the CPR and the provincial and federal government was eagerly sought.

Fifthly, the entrepreneur expressed an ideology, either through his words or actions, that declared his belief that profit making potential and opportunity was open to the individual. For example, according to Leland Jenks, in the nineteenth century this could be found in the acceptance of concepts of Social Darwinism, and the self-help ideas associated with Samuel Smiles. Entrepreneurs believed that the business elite were superior to other men in ability. According to Michael Bliss, nineteenth century businessmen believed that the organization of society as a whole was the responsibility of the capitalist elite. Lastly, and this too may seem obvious, the entrepreneur was a profit maker. They looked for the specific factor in each transaction that would give them an absolute advantage. This is not to suggest that profit was made on every deal, but, over

30 Leland H. Jenks, 'Business Ideology,' Explorations in Entrepreneurial History 10 (1) October (1957), 2
31 Bliss, A Living Profit, 143
the long term, the entrepreneur could ill afford to operate at a loss since the immature financial market of the Burrard Inlet had few provisions for deficit financing.

Using these models of the managerial capitalist and the independent entrepreneur adapted from Chandler to define the business operations in nineteenth century Vancouver, we can now examine businessmen representative of each category. Their activities and viewpoints reveal the dynamics of the real estate marketplace and the relative influence these men had on the maturing character of the city's business community.

III

On March 16, 1886, Walter E. Graveley bought unreserved Lots 1, 2, and 3 in Block 8 of the CPR's land grant at what was to become the corner of Carrall and Cordova Street in the City of Vancouver for $700.00. That transaction was recorded as the first private sale of a portion of the 6,475 acres of CPR land spread out through the old Granville town site, District Lot 185 in the West End, District Lot 541 across the peninsula from Coal Harbour to False Creek, and District Lot 526 south of False Creek. It was a time of incredible activity as squatters tried to beat the deadline for compensation and the new CPR town site took shape. The influx of people and materials was only slightly faster than the construction of buildings, streets and the 'necessities' of nineteenth century urban life. For example, in the process of moving his Gastown house onto the
new property Graveley knocked down a few telephone poles but was told by his lawyer that because the wires were strung only 15 feet above the ground he shouldn't worry about prosecution. "Forget it." advised the lawyer, "Telephone wires should be at least 30 feet high in the interests of public safety!"32

Graveley established his real estate and insurance business on that site and remained in Vancouver for the rest of his life. He became one of the established members of society, perhaps best known as a founder of the Vancouver Yacht Club and as its presiding Commodore when the Club obtained its Royal charter. He kept the contract labeled #1 as a momento of the occasion and for some historians that first transaction represented Graveley's sole connection with the history of Vancouver as it developed from milltown to metropolis, a town with a history of urban growth predicated on the export staple economy serviced by the CPR.33 Graveley's business operations were categorized as ancillary to the company's plans for its Western terminus, and were a relatively insignificant factor in the city's development compared to resource and industrial expansion, wholesale trading networks, and the rise of managerial capitalism. Yet, recorded conversations and a typewritten autobiography commissioned by founding Vancouver archivist Major J.S. Matthews under the title *Recollections of a Long Life* identify this event, not as the starting point in his business and life in Vancouver, but as the continuation of a career of enterprise initiated in Winnipeg and brought to the Lower

32 CVA, Graveley Family fond, Add. Mss 147. Typewritten manuscript by Walter Graveley entitled 'Recollections of a Long Life.'
33 Alan Morley, *Vancouver from Milltown to Metropolis* (Vancouver, 1961), 94
Mainland via Victoria in 1884. It reveals an approach to business very much associated with a personal enterprise style of entrepreneurship.

Graveley was born in Cobourg Ontario in 1853 and from an early age expressed his desire to make his way without family assistance. Between 1870 and 1878 he tried his hand at the southern Ontario wholesale wool trade, Lake Ontario shipping, and the marine insurance business successively. Although he received no financial help, he was very effective in using a network of family and friends to pursue those interests in hopes of finding a profitable future. Eventually he decided to go west with a companion he met as a reservist with the Queens' Own Rifles. He purchased his first land at an auction in Brandon, Manitoba with monies earned from bush surveying nearby. Proudly describing his brashness, he tells of "risking on this gamble all the money we had earned on the arduous survey trip and all our savings." This successful speculation encouraged Graveley to move to Winnipeg and set up a registered real estate business. The Winnipeg boom provided him with a good profit of $1080.00 in the first month, and he and his partner stayed until, following the collapse of the speculative bubble, "there was no cash left in Winnipeg." At that time Graveley's potential for further investment was limited and he was not yet in a position to put himself on more solid footing in the community.

Graveley decided to continue moving west. The fact that he was able to leave with some business capital intact suggests a certain level of market sophistication, likely gained in the other commercial arenas he had worked. This provided him with an understanding
of both the opportunities inherent in short-term fluctuations and the risk/reward analysis of longer-term volatility. At the urging of entrepreneur E.V. Bodwell and F.C. Innes, two other veterans of the Winnipeg market, Graveley traveled to Victoria to participate in the purchase of a Hudson's Bay Company (HBC) townsite on Vancouver Island in 1883. Bodwell had come west as a paymaster with the CPR in 1880 but had quickly left the confines of the company to pursue his entrepreneurial drive. He and Innes had been bigger players than Graveley in Winnipeg but all three shared a common belief in the profitability of new speculative land markets. Their association would continue into the Vancouver market and in 1888 Bodwell would be elected the first president of the Vancouver Real Estate Board and a President of the Board of Trade. Confident in their own experience and with a vision of continuing immigration, the partners bought HBC lands in Victoria for $8000.00 with a down payment of $1000.00, the remainder to be paid when the title deeds were delivered from England. Graveley, Innes and Bodwell chose to risk operating without the rest of the principal or an arranged mortgage. They began to sell the sub-divided lots through the Victoria Colonist, with handbills, and through their sales office. By the time the deeds arrived they had sold enough of the lots to finalize the purchase. Eventually Bodwell bought out the remaining lots and Graveley and Innes moved their partnership to Granville.\textsuperscript{34}

On the 13 November 1884 Graveley purchased half of District Lot 200A on the south east shore of False Creek from Dr. Israel Powell. This was his first purchase in the

\textsuperscript{34} CVA, Major Matthews Collection, Microfiche Vol. G-213 File 01848. Conversation recorded with Walter E. Graveley on June 8, 1933

23
area around the future Vancouver. The 1460 acres were purchased for the price of $11,075.00. He quickly planned out the subdivision parcels and this Lot became the basis of his newly established Gastown business. He and Innes claimed to have run the first ad for land in Coal Harbour that same year in the *West Shore* newspaper in Portland. Although perhaps not the first to become active in the Burrard Inlet market, he marked the arrival of a large number of real estate entrepreneurs who represented an approach to the industry that involved them in all aspects of the market.

Graveley recounts this and other risky episodes in his memoir with a touch of vainglory, as business coups worth highlighting. For example, he takes pride in detailing his claim of pre-empting several Gastown lots along the CPR right-of-way in hopes of receiving compensation. However, in contrast to these gambles, the majority of the transactions recorded in his business correspondence and price books from 1884-1931 speak of conservative and well collateralised mortgages, limited sale subjects, minimized debt positions, and prudent insurance provisions.\(^\text{35}\) The substantial part of his business involved real estate transactions with much less exposure to potential liability. Graveley's approach to real estate was consistently speculative; his speculative bent did not, however, necessarily lead to questionable business practices.

Walter E. Graveley was an independent-style entrepreneur and his activities, and those of his peers, in the early development of Vancouver appear to be more than

\(^{35}\) CVA, Graveley Family fond, Add. Mss 147. Business Correspondence and Price Book 1884-1931
ancillary to the real estate marketplace. His approach to business and his vision of
progress and opportunity were shared by a large number of immigrants to the south shore
of Burrard Inlet. It was an ideology that had found expression throughout North America
and the British Empire. Graveley's experiences and choices prior to his purchase of those
first CPR Lots reveal the nature of that ideology. Even taking the rosy hindsight of
Graveley's Recollections into consideration, one is left with the impression of a constant
search for unlimited opportunity and successful commercial enterprise.

F.C. Innes was also one of the first of the 'frontier' entrepreneurs to settle
permanently in the Granville town site, and F.C. Innes & Co laid claim to being the first
established real estate firm in the city. A veteran of the Winnipeg boom by way of
St. Paul, Minnesota, Innes was an experienced investor and salesman. His strength in
business stemmed from his extensive communications links with potential investors
throughout Britain and the western United States. His business correspondence show he
pursued an extensive advertising campaign in newspapers in Dublin, Birmingham,
Liverpool, San Francisco, St. Paul, Montana, Kansas, and Toronto. The response varied
from schoolteachers and engineers inquiring about the prospects for employment to
potential eastern syndicate investors. Innes was scrupulous about replying to them all.
Whether it be a letter from the American "man of limited means who is able and willing
to work at almost anything" or a Scottish inquiry regarding the placement and risk of

36 CVA, Major Matthews Collection, Add Mss 54, Vol. 1-21 File 02289. Excerpt from the Vancouver Weekly Herald
Dec. 24, 1886
37 CVA, F.C. Innes & Co papers, Add Mss 38, File 1-8. Purchase orders and invoices from newspapers as well as a
large number responses indicating the paper which prompted the inquiry.

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mortgage monies, Innes used every opportunity to extol the virtues of the new Terminal City and its surrounding lands.\textsuperscript{38} Such was his reputation as a promoter that letters of inquiry addressed to the Postmaster were often passed on to Innes, and after the 1886 fire it was Innes who was contacted by Victoria and San Francisco papers for a report on the damage.\textsuperscript{39} This perception made him an obvious choice for insurance, mortgage firms, and exporters looking to retain a representative in the booming town. As a result he could offer his clients all the services required for any land transaction from financing, notarizing and insurance, right down to the ordering of furniture and amenities for the prospective home builder.\textsuperscript{40}

In the same year he was among the first through the door when CPR lots went up for sale. According to Walter Graveley, on that first morning "[A.G.] Ferguson was first through the door, Dr. [J.M.] Lefevre was second; F.C. Innes was third; then came R.G. Tatlow; C.D. Rand was next, and I was behind C.D. Rand. The first three had stayed up all night in Ferguson's office in the same block."\textsuperscript{41} This indicates that these men had insufficient connections to arrange a private sale prior to the public offering, a regular stage in the distribution and marketing of CPR land. It also suggests the degree of importance they attached to obtaining the earliest possible foothold. Their thinking was born out by subsequent price fluctuations and town plans. The CPR's attempts to shift the

\textsuperscript{38} ibid, File 3, July-August 1886. Correspondence dated July 20, 1886 and July 26, 1886
\textsuperscript{39} ibid, File 1 June 14, 1886. McLagan of the \textit{Victoria Times} telegraphed Innes for the particulars
\textsuperscript{40} ibid, File 1 June 17, 1886. Innes even agreed to represent a San Francisco manufacturer of pool tables.
\textsuperscript{41} CVA, Major Matthews Collection, Add Mss. 54, Microfiche Vol. T-7A File 04480. Conversations with W.E. Graveley 1935
commercial center of town farther west to favor the value of their grant lands was fairly successful. Almost a year after the first sale John H. Roberts complained that the only properties advancing were between Carrall and Granville along Water, Cordova, and Hastings Street. He had not arrived until January of 1887 and indicates in his diary that by that time the prime pieces were already out of his range.42

F.C. Innes brought to Granville a conception of business as a self-contained enterprise where commerce was not so much dependent on specialized skills as it was on the ability of the entrepreneur to wear many hats. He sought out opportunity in all the various facets of real estate and was able to profit in the majority of them. With the exception of the CPR and its affiliates, the segmentation and administration of business that was occurring in the nineteenth century business had not yet arrived in Burrard Inlet. The growth expected with the completion of the railway did not materialize immediately. The development that occurred was driven by the personalized entrepreneurship of men like F.C. Innes.

The diaries of John H. Roberts provide an excellent insight into the daily operations of an independent real estate entrepreneur. Unlike the "professional" realtors, Roberts dealt strictly with his own portfolio and those of his relatives. He had arrived in Vancouver in 1887 from Winnipeg and was part of an established western Canadian family with property from Regina to Victoria. He fancied himself a poet and an astrologer,

42 CVA, Diary of John Hughes Roberts 1887-1890, Add Mss. 387, May 21, 1887
but his best prognostications were about land. The lands he held on the prairies provided him with some income and stability but it was in Vancouver that he planned to make his fortune. Like many of the independent entrepreneurs he chose to focus on the lands just to the east of the CPR grants. In his case this meant the neighborhood along Westminster Avenue, which would become Main Street and the Mount Pleasant area. He would later expand his portfolio to include large tracts of land on the north shore of English Bay in what would later become West Vancouver. He even acquired property as far north as Lilloet.

Roberts was a developer and sub-divider. He concerned himself with all the costs and carrying charges of clearing and surveying lots. This was of particular importance since some pieces had timber value while others in the same lot would be worthless until fully cleared. As his entry for the auction held on October 23, 1888 indicates, he was aware of the value of land in all its uses:

Every lot was started the moment it was put up - the bidding never lagging. This sale put me in mind of the Boom days in Winnipeg. I hope the buyers will not be so badly left as they were then. If they are they can fall back on the stumps and timber, and the glorious ferns and blackberries. Most of these lots will cost from $200 to $400 to clear every acre, and not one in a hundred will grow a crop without manure (except ferns and such.) A big crowd from Victoria came over. 43

His interest in the doings of the young community focused on those events that were likely to affect on the value of land. The clearing activity of larger land holders such

43 CVA, Diary of John Hughes Roberts 1887-1890 Add Mss 387, October 23, 1888
as those of the Oppenheimers or H.V. Edmonds was important since the clearing crews pushed roads and trails into previously inaccessible areas. The street clearing efforts of the city and the CPR were of prime importance. Pronouncements from William Van Horne were followed closely, including a promise to spend $1 million dollars on improvements.\textsuperscript{44} Events such as the installation of the first street lighting along Westminster, and the fact that the baker and the butcher were able to build their own homes, were held out by Roberts as indications of having chosen the right place to invest. By 1890 he could write with some humour that "Westminster [Avenue] has improved greatly, and is not at all the hell hole it used to be."\textsuperscript{45} Roberts shared a thirst for information with all independent entrepreneurs. These individuals operated at a level of investment that did not allow them to manipulate or control either supply or demand. However, they were attuned to the fluctuations of the market to a degree that still allowed for a profit to be made, even in the face of the pervasive influence of the CPR.

Roberts followed the model of personal enterprise by forming partnerships for specific purchases. H.A. Jones represented Roberts' properties when he chose to put them on the market, and he also participated in several transactions that required a higher capital outlay and/or a higher risk component. Gideon Robertson looked to Roberts as a potential partner for a block of buildings downtown in 1889 but Roberts felt more secure staying with raw and sub-divided parcel purchases.\textsuperscript{46} When the market grew too volatile

\textsuperscript{44} ibid, Oct. 29, 1888
\textsuperscript{45} ibid, Apr. 21, 1890
\textsuperscript{46} ibid, Nov. 28, 1889
in Vancouver and along Westminster, Roberts switched his focus to the pre-emption of land along the sunshine coast and in Point Grey.

Perhaps more than any other of Vancouver's early real estate entrepreneurs, Charles D. Rand embodied the pursuit of individual wealth and profit. According to his personal secretary James T. England, Rand was seen as the polar opposite of businessman David Oppenheimer with whom he worked closely in the Vancouver Improvement Company. While Oppenheimer was perceived as an advocate for the advancement of the city through his role in municipal politics, Rand was the city's prime exponent of the rights of the individual to pursue his vision, a quality that made him the ideal choice as the first president of the Vancouver Stock exchange in 1907. He started his B.C. real estate career with a Mr. Lipsett in Victoria. He and his brother Edward E. Rand established Rand Bros. in Vancouver in 1887. John Warren Bell recalled in his memoirs that Rand would meet daily with his cronies at Johnson's Shoe Store. At this "Leather Parliament" he would gather profitable news, gossip, and information on the volatile land market. Charles Rand became best known for his abilities in raising investment capital, particularly from British and European sources. As noted by Robert A. J. McDonald,

He promoted both the city's gas and street railway utility companies; he helped organize a local candy manufacturing company and a wholesale confectionery business; he served in 1891 and 1892 as chairman of the board of B.C. Ironworks Ltd.; and he promoted Vancouver's first important shipping company,

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47 CVA, Major Matthews Collection, Microfiche Vol. R-17 File 03834. From a conversation with James Thomas England recorded Jan. 27, 1936
along with a local delivery business. His interests extended to railways; in 1891 he first incorporated and then in 1893 became president of the ill-fated Burrard Inlet and Fraser Valley Railway Company, formed by its backers to provide competition in the lower mainland with the railroad monopoly of the CPR. Real estate, shipping, producers and consumers' goods manufacturing, utilities, railways - Rand's role as an entrepreneur ranged across a broad spectrum of business activity.48

Yet, although he operated as a representative of syndicated monies, incorporated ventures, and served as director for various boards, his operation did not become purely a management or administrative one. His skills were those of the promoter looking to draw the broadest and most lucrative client base into a marketplace with more ideas and potential than ready capital.

Gideon Robertson was one of the numerous experienced entrepreneurs to make their way to the Burrard Inlet from Winnipeg following the slump that hit that speculative market in 1882-83. He arrived in Victoria with a very important introduction to the Hon. John Robson and was diligent in nurturing that relationship. Although it is uncertain if he made his choice to come to Gastown based on Robson's advice, he certainly received early information regarding the negotiations between the province and the CPR to extend the line from Port Moody to Coal Harbour. This might explain why he was absent from the first rush through the doors of the CPR land office, although no record exists of any private arrangements being made on his behalf. This intelligence, along with several short-term partnerships with other experienced real estate entrepreneurs including Walter

48 McDonald, 'City Building in the Canadian West', 16
Graveley and Richard Tatlow, served him well in establishing himself as an influential realtor.\textsuperscript{49} Robertson's partnerships in his first ten years in business are noteworthy because of their large number and short duration. Deeds and records from various sources show his name attached to five different men from 1885 to 1895, with numerous indications that he engaged in deals without a partner during the same time.\textsuperscript{50} The lack of any long-term business relationship indicates a highly individualistic approach to the pursuit of profit tempered by an understanding of the benefits derived from pooling capital for the development and sub-division of larger parcels of land.

William Shannon was one of the few of these early real estate entrepreneurs to establish a reputation as something of a homesteader. A logger, prospector, miner, and timber cruiser in B.C. since 1863, he was one of the neighbors of the McLeery family and among the first purchasers of land on Lulu Island. His land interests extended, along with his family, into Chilliwack and what is now south Vancouver. He moved to Vancouver in 1887 and began a real estate business with J.Z. Hall which, according to their ads, gave "special attention to farming lands of which we have a large quantity for sale."\textsuperscript{51} Shannon and Hall quickly expanded to include urban land in their portfolio but their specific expertise and knowledge of agriculture provided the niche they needed to succeed. Recognizing the increasing value of food producing land as an essential, if initially

\textsuperscript{49} CVA, Major Matthews Collection, Add Mss 54, Microfiche Vol. R-104 File 03926. Excerpt from interview with Robertson published in The Vancouver Province Sept. 17, 1919

\textsuperscript{50} CVA, Robertson & Co fond, Add Mss 19; CVA, Thomas O. Townley fond, Add Mss 29, Vol.1, File 1-4 & Vol.4, File 2

\textsuperscript{51} CVA, Major Matthews Collection, Add Mss 54, Microfiche Vol. S-101&101A File 04147&04148
secondary facet of urban growth, they were able to operate without serious competition from the CPR, large land syndicates, or banks for an extended period of time. Shannon's heirs and his future partners were still operating a similar business well into the 1950s.52

The diaries of James A. Clarke of Port Moody show some of the pitfalls of speculation in real estate. Clarke was an engineer who had worked on several of the steam launches that plied the Fraser River and Burrard Inlet. He had purchased several lots in and around the future town of Port Moody and by 1882 was in a position to risk his capital on a larger enterprise. On the sixteenth of March R. Nuthall, an agent sent to Ottawa to represent the Port Moody landholders, cabled a telegram that said, "Everything correct. Good news by letter. Property valuable. Highest Authority." On the twenty-first a second telegram was received: "Govt. Engineer Rogers left for New Westminster to locate Terminus for good."53 In receipt of this seemingly definitive information Clarke made a purchase of 18 lots in Port Moody and prepared to clear and sub-divide them. By September of that year he had purchased lumber for the construction of a home for his large family. In the summer of 1883 he chaired the incorporation committee for a future city of Port Moody and was appointed a school trustee responsible for the construction of a school. Throughout this period he was extremely active marketing his property to potential investors in New Westminster and Victoria, and with a fair degree of success.

52 ibid, Shannon joined forces with [? ?]McLachlan in 1889 and [? ?]Martin ten years later. In 1951 Martin & Shannon Co. participated in the ceremony to name the Vancouver city park at 61st avenue and Adera after William Shannon.
53 CVA, James A. Clarke Diaries, Add Mss 157, Vol. 4 1882
He built and leased the Elgin House Hotel and applied for a lease of the tidal lands to start the construction of wharves.

However, rumours of the impending switch from Port Moody to Coal Harbour were already spreading and Clarke's inexperience in real estate speculation began to tell. In the face of uncertainty Clarke failed to limit his mortgage exposure and spread his holdings outside Port Moody. Most telling was his decision to turn down offers from David Oppenheimer and Dr. Israel Wood Powell to swap lands in Port Moody for lands in Coal Harbour.\(^{34}\) Over the next year Clarke would lead the attempts to persuade the federal Minister of Railways, the provincial government, the CPR's William Van Horne, and anyone else who would listen that Port Moody should remain the terminus. These efforts were to no avail and on January 10, 1887 the CPR took possession of the right of way along the extension of the line through Clarke's holdings. Financial pressure built up on Clarke as the demand for Port Moody lots dried up and mortgages were called in. By June 1887 Clarke had lost most of his property and was forced to sell his home and move to New Westminster. After a five-year absence he once again returned to a career as a ship's engineer.\(^{35}\) His experiences were not nearly as positive as those of his Vancouver counterparts, though his attitude was similar. Although Clarke lacked experience he was prepared to risk his relatively small personal capital base and make decisions regarding his labour that showed him to be in tune with the thinking of the individualist entrepreneur. His problem lay in a lack of sophistication regarding the fluctuating value of

\(^{34}\) ibid, Vol. 7 July, 30, 1884

\(^{35}\) ibid, Vol. 9 June 15, 1887
real property and the cyclical nature of its markets. He had wed himself to the idea of Port Moody as the terminus and was unable to change strategies in time to extricate himself. Interestingly, upon his return to a career as a marine engineer he actively began to develop ideas for patents on a series of engine inventions. These innovations eventually made him a wealthy man. It may be that his experience as a real estate speculator provided him with an insight into entrepreneurial activity of quite a different sort. In summing up the biography of H.V. Edmonds of New Westminster, another real estate speculator of the period, Robert McDonald could well have been talking about James Clarke: "[His] historical significance rests not with his chequered business and political careers but with the representative nature of his economic role and local outlook." 56

Vancouver's version of Chandler's nineteenth century managerial capitalists were dominated by what Angus Robertson refers to as the "Eastern Canadian Corporate Elite", connected to the CPR or the Bank of Montreal. 57 Their active participation in the subdividing, marketing, and development of the Burrard Inlet real estate market occurred at approximately the same time as that of the individualist entrepreneurs. The influential managers of the CPR Pacific Division included the general superintendent Harry B. Abbott, land commissioners L.A. Hamilton and J.M. Browning, treasurer W. F. Salsbury, and assistant superintendent J.D. Townley. They were quickly joined by men like Campbell Sweeny of the Bank of Montreal and J.C. Keith of the Bank of British

56 Robert A.J. McDonald, "Henry Valentine Edmonds" in Dictionary of Canadian Biography Volume XII 1891 to 1900 (Toronto, 1990), 294
Columbia, along with managers from firms like the Canadian Bank of Commerce and the Merchant's Bank of Halifax. These men represented the top echelon of the managerial elite and would have a tremendous influence on the real estate market of the Terminal City. They controlled the flow of large amounts of investment capital into Vancouver. Through improvements like the construction of buildings and the development of services the CPR increased the value of their own and other's holdings. The preparation of townsites and the laying out of streets dramatically influenced the prestige and commercial viability of parcels of land throughout the Burrard Inlet and False Creek area. The CPR alone derived revenues of $868,059.00 from property sales between 1886 and 1888.\textsuperscript{58} The CPR was the major employer in the new city and wielded the purchasing clout to dictate terms to merchants. In 1887, the same year as the train arrived, the CPR steamship line made Vancouver part of its Imperial 'All-Red Line' of global transport.

As a result, upon arrival in Vancouver these men and their executive peers were almost instantaneously accorded the highest status in the young business community. This was further reinforced by their shared background. The work of R.A.J. McDonald and Angus Robertson suggests that most managerial businessmen came from relatively wealthy and established eastern families, that they were highly educated for the period, and that they had established themselves in their chosen careers prior to their arrival at

\textsuperscript{58} Norbert MacDonald, 'The Canadian Pacific Railway and Vancouver's Development to 1900,' \textit{BC Studies} 35 (1977), 7-12
Burrard Inlet. These elements are consistent with Chandler's description of the traditional grounding of a professionalized managerial class.

The CPR's influence was pervasive. The negotiated land grants and private donations were recognized by the company as the primary source of profits for years to come. This land positioned the railroad and its ancillary managerial elite to become involved in the real estate market to an unprecedented degree. According to McDonald, "what distinguishes early Vancouver's economic history among major centres in the Canadian context .... is the extent to which the railway and real estate sectors in the Terminal City overlapped."\(^\text{60}\) It is on this point that the managerial situation in Vancouver deviates from that described by Chandler. The real estate arm of the CPR was only one of the multiple units of transportation, construction, manufacturing, finance, and administration that made up the company. Yet, the real estate operations in Vancouver were faced with a local environment very dissimilar to the international industrialized economy that marked much of North America and the British Empire. As a result, the actions of the local executives show some indication of having adapted to working in an arena that still fostered an individualist approach to enterprise. For example, the CPR's experience in Calgary and Winnipeg had convinced railway executives to set a land purchase payment plan in Vancouver that would discourage speculation on margin. One third of the value of the land would be required up front, and the remainder paid out at six

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\(^{59}\) R.A.J. McDonald, 'Vancouver's Four Hundred: The Quest for Wealth and Status in Canada's Urban West, 1886-1914,' *Journal of Canadian Studies* 25(3) (1990), 57; Robertson, *The Pursuit of Power, Profit, and Privacy*, Tables IV - X11, 73-89

\(^{60}\) McDonald, 'City Building...', 10
month and twelve month intervals. A discount would be given if a habitable structure was built on the land before the final payment date. Although this tactic kept under-capitalized players out of the market, it did not discourage speculative investment.

On an individual level, many of Vancouver's managerial elite established personal real estate investment portfolios. Historians of the CPR such as Pierre Berton have suggested that its officials were discouraged from engaging in any personal dealings in company land holdings. However, the evidence for Vancouver indicates that the practice was widespread. For example, J.M. Browning not only purchased land for himself, but represented some of the private investment capital of CPR president William Van Horne and director Donald Smith. In 1889 Smith and Van Horne owned the two largest buildings in the city. Senior executives, along with many surveyors and engineers like Henry and George Keefer, made arrangements for the private purchase of land inside and outside the CPR grant. Marcus Smith, the engineer in charge of construction between Emory's Bar and Port Moody, discreetly employed the services of New Westminster entrepreneur C.G. Major to act as a front man for a large number of land purchases. Even the CPR's chief medical officer, Dr. Lefevre, adopted a personal approach to real estate as evidenced by his joining Tatlow, Graveley, and Rand in their first-day purchases. Former CPR employees such as D.R. Harris, J. McFarland and E.V Bodwell had abandoned the authoritarian hierarchy of the company to pursue their entrepreneurial

61 Pierre Berton, *The Last Spike* (Toronto, 1971)
62 McDonald, 'City Building... ', 13
63 Robertson, *The Pursuit of Power, Profit, and Privacy*, 183
goals in the Burrard Inlet full time.\textsuperscript{64} Even corporations with no direct connection to the CPR were affected by the 'frontier' environment. J.C. Keith, manager of the Bank of British Columbia, was so zealous in his pursuit of personal profit in the speculative property market that he was eventually let go for failing to put the interests the bank ahead of his own.\textsuperscript{65} In contrast to the definitive model of \textit{The Visible Hand}, the activities of the managerial elite in nineteenth century Vancouver were influenced by the nature of the local real estate market and the success of individual enterprise. The speed with which individual entrepreneurs made large capital gains was in direct contrast to what the regular wage of a salaried employee. The opportunities for the independent capitalist were too numerous to ignore.

The influence of the 'frontier' environment also revealed itself in the activity of provincial politicians and bureaucrats who were quick to take personal advantage of privileged information regarding the location of the CPR terminus. Premier Smythe, who held the post of chief commissioner of lands as well as being the signatory on the deal with the CPR, had invested, along with his good friend and future premier John Robson, in substantial holdings around the planned CPR grant. Dr. Israel Powell, the Superintendent of Indian Affairs, a lieutenant-colonel of the militia, and a good friend of John A. Macdonald, was to become one of the top rank of land owners around Burrard Inlet and remained so through to his death in 1915. This attitude extended through all levels of government. Jonathan Miller had been a member of the New Westminster city

\textsuperscript{64} ibid, 200
\textsuperscript{65} ibid, 19
council as far back as 1864. In 1871 he was appointed the sole government representative in Granville and Hastings as constable and by 1886 was also Postmaster and elections returns officer for the new municipality.\(^{66}\) Miller invested heavily in real estate along the route from New Westminster to Burrard Inlet, and in land to the east of the CPR grant. In 1889 he and local merchant Thomas Dunn built the Dunn-Miller block, the largest brick building in the new community. According to the *Daily News Advertiser's* 1891 Souvenir Edition, Miller was perceived to be on par with the Oppenheimers in terms of land wealth, and there was no intimation that his public duties had been compromised by his property investments.\(^{67}\)

The connection between personal real estate interests and municipal politics was also very strong. Between 1886 and 1897 three of the six men elected mayor ran extensive real estate operations. Vancouver's first mayor, Malcolm A. McLean, was the brother-in-law of politician and western real estate speculator *extraordinaire* Arthur Wellington Ross. McLean ran a real estate office for Ross before Ross himself arrived to form a partnership with H.T. Ceperley.\(^{68}\) Ross had seen boom and bust in the Winnipeg real estate market, all the while holding a seat in the provincial legislature. He was critical of the CPR until his move to federal politics when his financial position deteriorated to the point that he spoke on behalf of the company in the Commons and was rewarded the job of assembling land for the CPR at Granville, an opportunity that he was able to take

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\(^{66}\) CVA, Miller Family Papers, Add Mss 819, File #1. Biography
\(^{67}\) ibid, File #3. Real Estate and Business Transactions
advantage of as a speculator. Ross was the consummate mix of entrepreneur and politician. In the words of biographer David Burley, "Arthur Wellington Ross was one of those ambitious young men from Ontario who headed west in the 1870s to seek their fortunes. With that single purpose in mind and little concern with public opprobrium, he sought to seize opportunities, whether in business speculation or in politics."69

David Oppenheimer was also among the first to recognize the importance of obtaining political influence and its intimate connection with real estate success. He was elected Mayor of Vancouver four times and it was during his terms that his Vancouver Improvement Company became the largest controller of land after the CPR. Vancouver city council was reluctant at that time to impose taxation that might restrict speculative transactions. Oppenheimer and others argued that speculative property investors should be courted because they wanted to see the city develop to the benefit of their investment but were not a drain on services.70 Attempts to impose a licensing fee on real estate agents met with a similar fate. The CPR land commissioner traditionally held the alderman's post for Ward I in the West End, and as a result, during this first boom period the city council became another arena of competition between the independent entrepreneurs and the managerial elite. In the years that followed city council would become less and less influenced by the aims and desires of the CPR, in part due to the tradition of entrepreneurs seeking municipal office in the manner of David Oppenheimer.

69 ibid, 900
70 Roy, Vancouver: An Illustrated History, 43
James Weldon Home and Richard Tatlow, two of the entrepreneurs later involved in the Vancouver Loan, Trust, Savings and Guarantee Company, also brought an active political element into their business dealings. Horne had made a fortune in the founding of Brandon, Manitoba, prior to the arrival of the railway, literally developing the whole town from nothing. A young Walter Graveley probably got his first taste of real estate speculation at one of Horne's Brandon auctions. Having surmounted all the difficulties of persuading the government to provide services and recognition, enticing farmers and trades people, and establishing local services, Horne hoped to re-create his successes at the railway terminus. He had visited the Granville area in 1883 and 1884 before fully committing himself to the new town site in 1886.71 Horne was elected to city council in 1888 and 1889. In 1890 he switched his attention to provincial politics and was elected as a Vancouver MLA, an event that further emphasized the connection between politics and personal enterprise in a 'frontier' environment.

R.G. Tatlow was an entrepreneur who exemplified the pursuit of individual profit while working within an established system of position and influence. Robert Garnett Tatlow had come to Vancouver as one of Gideon Robertson's many partners in real estate, having already established himself as a captain in the militia. In the aftermath of the great fire he invested in what was to become known as the Captain Tatlow building at the corner of Cordova and Cambie Streets, one of the first commercial buildings to go up in the reconstruction of the town site.72 In the years that followed the CPR's first sale Tatlow

71 J.B. Kerr, Biographical Dictionary of Well Known British Columbians, (Vancouver, 1890), 201
72 Vancouver, Weekly Herald, December 17, 1886
made a concerted effort to involve himself both in the booming real estate market and in politics, a combination that enabled him to apply his independent approach from an insider's role in the established political elite. In 1888 he became the first Parks commissioner for Vancouver. He then became the private secretary to Lieutenant Governor Richards and by 1894 had been elected an MLA. He would end his political career with an appointment as Minister of Finance & Agriculture in 1909. Tatlow was able to operate equally successfully within the parameters of independent entrepreneurship and a political establishment. Characterized as possessing "some daring, a ready tongue, and an excellent constitution," he took advantage of shifting opportunity both in the arena of immediate and volatile risk in the real estate market and the more controlled environment of politics. As part of Vancouver's emerging business community he represented how independent entrepreneurs began to change their style of operations while still committed to the idea of profit through personal enterprise.

In Vancouver's first civic election Malcolm McLean beat out R.H. Alexander, manager of the Hastings Mill, for the job of mayor, a victory for the personal enterprise segment of the community. Yet, McLean's victory was also a sign of the transition taking place among the individual real estate entrepreneurs. The most successful of them were keenly aware of the challenge posed by the corporate men and their approach to business. In a very short period of time individuals who had, through their past operations,
identified themselves through a personal approach to enterprise were creating collective bodies that would enhance their ability to realize personal profit.

Although it is possible that these bodies were a first step towards Chandler's stage two model of "entrepreneurial capitalism", the evidence suggests that they were either voluntary associations designed to serve as organs of lobby or exclusion with little impact on specific business operations, or incorporated bodies used to pool capital while still preserving a significant measure of control for each principal. In their book *Housing the North American City*, Michael Doucet and John Weaver suggest that "the embryonic form of the modern property development corporation can be seen in such associations." This may be the case, but Doucet and Weaver's definition of the modern property development corporation does not match up to a corporation as described in stage four of Chandler's model and thus does not equate to the structure of the CPR. A better way of viewing these associations is in terms of Michael Bliss' idea of "self-interested collectivism." The establishment of these collective groups represents a shift in perception among individual businessmen that acknowledges the formation of a permanent business community. This maturing community offered greater opportunities for profit, even though the profit motive remained a function of personal enterprise.

One of the first indications of a shift in the thinking of real estate businessmen occurred on March 14th, 1888 when, in the midst of the city's first boom cycle, twenty

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74 Michael Doucet and John Weaver, *Housing the North American City* (Montreal, 1991), 80
five men gathered to form the Vancouver Real Estate Board. It was designed to be 
Vancouver's version of a protective and promotional institutional body for those engaged 
in the enterprise of buying and selling real estate. Launched by men like Walter Graveley, 
his old partner E.V. Bodwell, F.C. Innes, R.G. Tatlow, the Rand brothers, and H.T. 
Ceperley, its members represented most of the personal-style real estate operations in 
town. The stated objects of the Board were to provide seemingly utilitarian services; a 
uniform schedule of commission rates and conveyancing; a system of accurate and 
prompt communication between real estate owners and sellers; and a suitable site for a 
central office where information could be posted and issued. However, the motivations 
behind the Board's creation were more complex than those stated in the first section of the 
Articles of Association. The Board was created in response to the huge increase in real 
estate transaction volume, and in anticipation of future urban expansion. Its members 
shared a belief in the potential of the Vancouver area, and by establishing this group they 
hoped to position themselves to gain a lion's share of profits. It was to be an exclusionary 
organization limited to a maximum of fifty members who would each require a four/fifths 
majority to be elected. By establishing city-wide minimums on commissions and fees, 
Board members hoped to eliminate cut throat competition and price gouging. Although it 
was to exist for less than four months, the circumstances surrounding both the Board's 
founding and its failure highlight the staying power and influence of personal enterprise 
operations and philosophies in the market.

75 CVA, Vancouver Real Estate Board minutes, Add. Mss 101, General Minutes March 14, 1888. The Board was 
resurrected in 1918 as the Vancouver Real Estate Exchange. It reverted to the original name in 1948 and remains the 
operator of the MLS service and is the prime representative of real estate companies and agencies.
As mentioned in its March 14th minutes, the Board would affect this exclusionary policy through three tactics. The first step would be to professionalize the real estate enterprise through a series of rules, regulations, and fees. The association would then take the next step of supplying a broad-based listing service for sellers. Once a system for distributing information was in place, association monies would be spent on advertising and services designed to affect a captive market of emigrant buyers and investors.

The Board's structure was similar to that of a private firm with a president, vice-president, and treasurer elected from the membership or shareholders. Three other members were elected to join them on the executive council, and a permanent secretary would be hired to take care of on-going administration. Membership was to be firmly limited by the constitution, with the added restriction of a large initiation fee of $150.00 and dues of $5.00 per month. This would discourage one-time deal makers and undercapitalized firms from entering the market. The key to establishing the members as professionals, with the concomitant control of access to market participation, was the establishment of a strictly adhered to set of commissions and conveyance fees. In Section 1 of Article X commissions of sale were to be set "at not less than 5% up to $5000.00 and not less than 2 1/2% exceeding $5000.00."\textsuperscript{76} Section 2 of Article X set the rate for brokerage on loan. Section 3 detailed all the flat rate charges for conveyancing such as writing up deeds, mortgages, or a record search. It even stipulated the accepted

\textsuperscript{76} italics mine
commission on disbursements on repairs and construction. In the last item of the Articles it was also made clear that commission splits should only be made with other members. This provision was intended to discourage outside interests from buying or selling independently of the Board. Infractions required a written submission to the executive committee for recommendation. After restitution, a first offense would garner a reprimand, a second offense would involve a fine based on a formula dealing with the commission or fee in question, and a third offense would be met with a larger fine or expulsion from the Board. All these rules were a step beyond the largely unregulated world of commerce in the newly emerging city. Beyond the need to comply with a government survey and registration process, real estate operations were allowed to function with very few outside restrictions.

The establishment of a listing service required that the Board have a central and visible office. Executive committee members Graveley, Douglas, and Rand were authorized to rent the office above McLellan & McFeeley's store on Cordova street for $25.00 a month to be occupied April 1st. Signage and door plates were purchased along with materiel for the office. J.M. Whitehead was retained as the Board's first Secretary and was charged with producing a detailed daily sheet of all the properties placed by Board members and their clients for sale. This process relied heavily on the members submitting new listing as quickly and as regularly as possible, a problem that frustrated Whitehead from the beginning. By April 18th the office was sufficiently busy for the Board to make a formal request to the Provincial Secretary for a phone line connecting it
to the Registry Office in New Westminster. To further establish the hegemony of the Board throughout the city, it was decided that the on-site *For Sale* signs on all listed member properties should be consistent.

Once the organizational and operational apparatus of the office was in place it fell to the Board to market itself as the source for all potential buyers and sellers of land in Vancouver, another shift from the personal approach that characterized the independent business operation. A comprehensive newspaper advertising campaign was launched in the Vancouver *Daily News-Advertiser* as well as papers in Victoria, New Westminster, Kamloops, and Nanaimo to attract investors and immigrants.77 A grander scheme for the production of a special edition of the Portland *Oregonian* was referred to committee which hoped to make arrangements with the Board of Trade and the City to guarantee a subscription of 6-10,000 copies. The previous year the Board of Trade, eleven of whose members were part of the Real Estate Board, had purchased one thousand promotional pamphlets by M. Pickens entitled *City of Vancouver, British Columbia Handbook*. The *Oregonian* project was meant to be a continuation of this style of advertising with its extensive lists of the city's assets.78 The Real Estate Board also sought to entice purchasers by setting up an immigrant reception center near the railway terminus. The proposal involved the cooperation of the Real Estate Board, the Board of Trade, and the general manager of the CPR. The CPR would provide the space for a reception area and several rooms for overnight accommodation. The two Boards would provide funding for meals

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77 ibid, Vancouver Real Estate Board minutes, April 9th, 1888
78 Roy, *Vancouver: An Illustrated History*, 20
and staff along with information about properties, labour opportunities, and retail goods and services. The Real Estate Board committee of Bodewell, Ceperley, and Tatlow met with all the interested parties and received a favorable enough response to consider the project feasible.\textsuperscript{79} 

As single businessmen, real estate entrepreneurs had highly individualistic operating styles but, perhaps for the first time, the men who formed this group saw the need, in the face of a potential influx of both clients and highly organized and capitalized competitors, to try and control their market. These twenty-five men shared a strong enough vision of the future to attempt to break through the habits of personalized entrepreneurialism to bind themselves to a single comprehensive system. This institution was a representative membership-based institution which, in the face of alternative methods of business, tried to achieve a new level of cooperation among independent real estate industry competitors. 

However, the independence of the frontier real estate entrepreneur was still too strong even for this tentative attempt at cooperation. On May 16th a member of the Board's Executive Council, D.F. Douglas of Douglas & Hargreave, was reprimanded for engaging in "a system of speculation... subversive of the principles of our constitution."\textsuperscript{80} Upon discovering that one of his clients wished to purchase a piece of property owned by a Mr. Young, Douglas had not approached Young with his client's offer but instead

\textsuperscript{79} CVA, Vancouver Real Estate Board minutes, Add Mss 101, April 25th, 1888 
\textsuperscript{80} ibid, May, 16th 1888
negotiated to purchase the property for himself. He then turned around and sold the property to his client at his offered price. The nature of the transaction flew in the face of the privileged business/client relationship that lay at the heart of formalized professional standards. Douglas' dealings were deemed subversive because they were seen as ethically unsound, and more importantly, the members felt they imperiled the Board's attempts to establish itself and its members as bastions of a uniform and credible system of real estate buying and selling, something that was essential for maintaining the viability, reputation, and raison d'etre of the Board.

According to the organization's minutes this incident marked the beginning of the end for the Board. Further problems developed regarding the strict exclusion of commission splits with non-members, as it became apparent that trying to exclude established firms from New Westminster, Victoria, and the United States representing new clients, while a step towards establishing themselves as exclusive agents for Vancouver real estate, would be counter-productive since outside purchasers were the major market for raw, sub-divided, or developed land. A system for splits was debated on May 18th in a special Executive Council meeting and brought forward at the general meeting on May 28th. A division developed between those who wanted to revise the constitution to include splits and lesser membership fees, and those who felt that a lack of agreement meant the Board should be disbanded. Douglas' refusal to make restitution to Young on May 31 and his subsequent expulsion for "unfair dealing unbecoming of a member of the Board" was used as a justification for the end of the organization. On June
6, 1888 the first incarnation of the Vancouver Real Estate Board was disbanded, its advertisements withdrawn, its rents and debts paid in full, and its accounts closed.

The formation of the Vancouver Real Estate Board was an attempt to harness the collective energy and influence of independent real estate entrepreneurs in the burgeoning Vancouver marketplace. It was a direct response to increased competition and represented a desire for an exclusionary body. While the Vancouver Real Estate Board did not replicate the "entrepreneurial capitalism" stage of Chandler's model, it did represent a shift towards collectivism in the operations of the frontier entrepreneur. However, its members still ran their businesses based on an individualist ideology, and transforming that economic individualism into a powerful united force proved too difficult. Independent entrepreneurialism was still an influential force in the shaping of the Vancouver business community. And these men still looked towards a personal path of advancement. The Vancouver Real Estate Board may be seen as a premature attempt to professionalize speculative enterprise at a stage when Vancouver's urban growth was too volatile for such a collective effort.

Another of the prime examples of the adaptations of personal enterprise was the business David Oppenheimer. His brother Charles had established a wholesale business in Victoria in 1858 and upon joining him in 1860 David and his younger brother Isaac expanded the business as they followed the Caribou gold rush, opening stores in Hope, Lytton, Barkerville, and Fisherville. They soon began to purchase and develop land in all
these locations and rode through the boom cycles of the mining towns. Eventually they
based themselves in Yale, acquiring large contracts to supply the CPR construction
crews. Oppenheimer's close involvement with the railroad convinced him of the
importance of the Burrard Inlet and he began to acquire property there as early as 1878.

The brothers moved their headquarters to Victoria as the rail line moved into the
upper Fraser valley, and at this point Oppenheimer shifted his real estate dealings away
from purely independent undertakings. In or around 1884 Oppenheimer organized a
group of Victoria and San Francisco entrepreneurs into a syndicate that arranged to
purchase a large number of shares of the Hastings Saw Mill. Their primary aim was to
exploit the land holdings and one of their first acts was to purchase outright the timber
leases and pastures that were due to expire in 1886. This included all of District Lot 195,
D.L. 196, D.L. 181, a large portion of D.L. 200A, and D.L. 264A. This represented a vast
swath of land east of the original Granville town site from Burrard Inlet to False Creek,
and a second huge portion south and east of False Creek. From this enterprise
Oppenheimer created the Vancouver Improvement Company, in part as the real estate arm
of the Hastings Mill acquisition but also as a holding company dominated by
Oppenheimer. Although it is uncertain who the first shareholders in the new Vancouver
Improvement syndicate were, it is apparent that, unlike the original Hastings Mill
syndicate, it included Vancouver-based entrepreneurs such as C.D. Rand, Walter

81 Peter Liddell and Patricia E. Roy, 'David Oppenheimer' in Dictionary of Canadian Biography Volume XII 1891 to
1900 (Toronto, 1990), 803
82 Robertson, The Pursuit of Power, Profit, and Privacy, 191
Such collaborations established an alternative source of development and expansion at Burrard Inlet to the CPR. According to an 1887 assessment, the combined holdings of the Vancouver Improvement Company and the Hastings Saw Mill totaled $350,000.00, or 35% of the value of the CPR's Vancouver property. The Vancouver Improvement Company was not a corporation in the style of the CPR, but by adopting a collective approach to the application and administration of capital Oppenheimer and other entrepreneurs were able to offset the rail company's monopolistic ambitions. This type of company is very similar to Chandler's second stage of "entrepreneurial capitalism." However, it was still much closer to the personal enterprise of stage one than it was to "financial" or "managerial" capitalism. The individual strategies of its principals were still the dominant factor in its operation.

Another syndicate, the Vancouver Loan, Trust, Savings and Guarantee Company, was organized in 1890 by H.T. Ceperley, H.A. Jones, R.G. Tatlow, J.W. Horne, and others. In a recorded conversation with former Vancouver archivist Major J.S. Matthews, Frank W. Hart recalled Henry T. Ceperley arriving on his door step with his family in tow and only a $20.00 gold piece in his pocket. Ceperley was one of Vancouver's few rags-to-riches entrepreneurs. While the majority of independent entrepreneurs were experienced businessmen and investors, Ceperley began his real estate career in Vancouver. He was greatly aided by a good partnership and an auspicious second

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84 Robertson, *The Pursuit of Power, Profit, and Privacy*, Table XXI, 188
85 CVA, Major Matthews Collection, Add Mss 54, Vol. C-139 File 00786. Conversation recorded Feb. 1, 1934
marriage. His partner A.W. Ross provided all the political and CPR connections, and Mrs. Ceperley (nee Ferguson) a ready supply of cash. From 1886 to 1891 the Ross & Ceperley Co. was among the first rank of real estate firms in the city. When Ross ran into trouble with some of his Winnipeg dealings, Ceperley became the most active partner in the newly formed Vancouver Loan, Trust, Savings and Guarantee. The local finance company caught the attention of the *Vancouver Daily World* newspaper: "In the land department it possesses unusual facilities and undertakes the purchase and sale of improved and unimproved real estate in Vancouver." This company represented a shift among its principals from a emphasis on periodic partnerships to an incorporated investment body that could both coordinate and solicit capital for large scale development projects, a process consistent with the maturation of business enterprise described by Chandler. However, the roots of the Vancouver Loan, Trust, Savings and Guarantee were firmly connected to the personal enterprise of its founders. It's ideology and operations were distinctly different compared to the managerial capitalism of the Canadian Pacific Railway.

The Vancouver Electric Railway and Light Company (VER&L) was the firm organized by real estate entrepreneurs that most closely resembled Chandler's second stage model for the maturation of enterprise. For obvious reasons the establishment of an inter-urban railway was forced to rely on many of the operational innovations of the modern industrial company, but it was still a far cry from the complex structure of a

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86 ibid, Excerpt from *Vancouver Illustrated Souvenir Daily World 1891*, 14
company like the CPR. The VER&L was a merger between the nascent Vancouver Electric Illuminating Company and the Vancouver Street Railway Company. The resulting shareholders brought together the Oppenheimers, C.D. Rand. J.W. Horne, and F.C. Innes with Jonathan Miller and his brother-in-law Benjamin Springer, the manager of the Moodyville sawmill. It was principally financed through F.C. Innes' informal connections with the British firm Yorkshire Guarantee Company. At its heart the enterprise was designed to increase the value of the lands owned by the local shareholders along the line, and when it began operations in 1890 it looked as if the gamble would pay off. However, while the principals might have profited individually, based on their land holdings, the inter-urban railway itself was in trouble. Although the structure of the company as a service provider was dissimilar to the personal enterprises of its founders, the motivation behind its establishment was still rooted in an independent mentality. While administrative and operational efficiency had been the driving engine of managerial innovations described by Chandler, the Vancouver Electric Railway and Light Company was driven by, and foundered on, individual real estate speculation. Thus it is not surprising that, even though its directors and shareholders were some of the most powerful men in the community, the company was forced to turn over its operations to creditor's trustees in 1893.

By 1893 the boom that had launched Vancouver as a city was over. The economy of this young town was not about to buck a world-wide down-swing. The signs had been visible in the real estate market as early as 1891 and the more astute entrepreneurs had eased themselves out of highly speculative deals, or out of the market all together. It was a period of retrenchment as the cycle of prosperity and growth played itself out. The transformation of the wilderness of Burrard Inlet into a viable urban centre had been an extremely rapid process. The fire of 1886 notwithstanding, construction of the city was undertaken in a very short period of time and the establishment of a nineteenth century urban culture took place equally quickly. In this situation the independent entrepreneur and the corporate manager found themselves competing in the same market at the same time. The pervasive influence of the CPR as a corporation representative of managerial capitalism was offset by the fact that during the city's first growth period it was operating in a local economy that still bore many of the hallmarks of a 'frontier'. As such Vancouver's real estate market in the 1880s was one of transition, where the volatile nature of opportunity and profit did not absolutely favour the seemingly dominant position of the CPR. In spite of the rail company's influence as a highly capitalized, geographically diverse, professionally managed industrial company, the ideology of managerial capitalism would not become dominant in the Vancouver real estate industry, or in the city's business community in general, until well into the next century.88

88 Robert A.J. McDonald, 'Incorrigible Optimists', Chapter Five in Making Vancouver: Class, Status, and Social Boundaries, 1863-1913 (Vancouver, 1996) [Forthcoming], 202-217
The activities of nineteenth century Vancouver's independent real estate entrepreneurs revealed the strength of the ideology underlying personal enterprise. Taken as a group, the self-confident, risk-taking, decision-making, innovative, imitative, organizing, and profit-making real estate entrepreneurs had a significant and long-term impact on the commercial culture of the new city. Even when attempts were made to establish institutions of self-interested collectivism or move toward a style of entrepreneurial capitalism, they were all effectively applied to the advantage of the individual. In the words of Allan Smith, they were "conceding the reality of circumstance without denying the proposition that the individual was responsible for what befell him."\textsuperscript{89} And as the failure of the Real Estate Board showed, even these first tentative steps encountered resistance from individual entrepreneurs. The voluntary and membership organizations such as the Vancouver Real Estate Board, and the Vancouver Board of Trade, the new business syndicates like the Vancouver Improvement Company and the Vancouver Loan, Trust, Savings, and Guarantee Company, as well as municipal and provincial politics, were still dominated by an individualist creed. Until the maturation of the staple-based industries enabled other enterprises to adopt managerial capitalism, the philosophy of the business community would remain heavily influenced by a personal enterprise form of business operation.

\textsuperscript{89} Smith, 'The Myth of the Self Made Man', 203
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