

EDGAR CROW BAKER
AN ENTREPRENEUR IN EARLY BRITISH COLUMBIA

by

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B.A., University of Victoria, 1970

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS

in
THE FACULTY OF GRADUATE STUDIES
in the Department
of
History

We accept this thesis as conforming
to the required standard

THE UNIVERSITY OF BRITISH COLUMBIA
April, 1976

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ABSTRACT

The subject of this thesis is the nature of entrepreneurship in British Columbia from 1874 until about 1905. The business affairs of one Victoria entrepreneur, Edgar Crow Baker, are used to examine the character of these men, their business endeavours and the society that they lived in.

The era of the entrepreneur in British Columbia began with the Fraser River gold rush in 1858. It continued until about the turn of the century, when the era of the corporate entrepreneur was ushered in with the arrival of large corporations from outside the province that began to buy up the smaller local companies.

Victoria was the principal headquarters for these entrepreneurs from 1858 until about the end of the 1880's. During the 1890's, control of the province's business affairs passed from Victoria to Vancouver and by the end of that decade, Victoria was no longer a creative business force in the province. The change from an economy that was oriented on maritime lines, largely through the port of Victoria, to a continental system in which Victoria did not occupy a strategic location, was the event that destroyed Victoria's business position. It was the Canadian Pacific Railway that brought about this change and Vancouver Island's isolation from it that caused the decline of Victoria as a business centre.

Before the coming of the railway, British Columbia had no direct or rapid means of communication with the principal areas of population and business in the western world, and this isolation was an important factor in determining the character of the province's early society. The long and dangerous sea or land trip required to reach the region acted as a deterrent to the normal pattern of immigration, a screen that kept out less venturesome settlers. This was also true of California before 1869 and it was from this area that British Columbia drew the majority of its immigrants in the gold rush of 1858. These prospectors, entrepreneurs and confidence men had been attracted to California by the same force that now drew them to British Columbia.

In every society there are a number of bolder and more materialistic individuals, who respond to the opportunity presented by a gold rush; British Columbia in 1858, and for several decades thereafter, found itself inhabited to a great extent by persons of this type. It was this situation that gave the province's early society such a large proportion of entrepreneurs and created an atmosphere conducive to entrepreneurship.

The business and communications link that was thus forged with California gave British Columbia's society a second distinctive feature. This was its strong

identification with California and particularly, Victoria's relationship to San Francisco. It is unlikely that the majority of British Columbia's immigrants from California were true Americans (like the government officials, many were British), but nevertheless, they brought to the province a strong belief in the American ideal. This ideal is perhaps the most significant factor in understanding this early era of entrepreneurship. It cast the entrepreneur in the role of a hero in the national epic: the opening of the frontier; the developing of resources and industry; the providing of urban services. Society honoured the successful entrepreneur by social recognition and the approval of his right to economic reward.

The presence of an Anglo-American society in Victoria can be traced to the foregoing factors. The upper ranks of this society were more British than American or Canadian in composition and followed the social customs of the English gentry. But in commerce, it was the American tradition of entrepreneurship that governed the conduct of business, and equally as important, society's approach to these activities.

Edgar Crow Baker arrived in Victoria from Halifax in 1874, a time when Victoria was well established in her role as the business, as well as political, centre of the province. With considerable determination and

skill, he quickly became an accepted member of the upper ranks of the city's society, and after a short period of business setbacks, he began steadily to increase his involvement and influence in business. By these two means, he became either the friend or the partner of the majority of the province's most prominent politicians and businessmen; although, these men were virtually one close knit group.

Baker, then, lived and worked with the leading entrepreneurs of the province. His life is the case study that reveals some of the characteristics of these men, illustrates the variety of their business interests and gives some indication of the nature of the society that supported them. Baker left a set of annual journals for the period 1874 to 1920, in which he describes his daily business affairs. It is these records that provide the principal means of analyzing the nature of entrepreneurship in early British Columbia.

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ACKNOWLEDGEMENTS

The question of thanking all those who have assisted me in the preparation of this paper is somewhat complicated by the length of time I have taken to complete it, and consequently, the number of people I have questioned on the subject.

First, however, I must thank Dr. Margaret Ormsby for suggesting that I read the Baker Journals and pointing me in the direction of this thesis.

The co-operation of the Provincial Archives was, of course, critical to the success of my work and to the staff there, I express my appreciation for their help.

Many others have offered advice and assistance in various forms and to them, also, my sincere thanks.

I must also mention the many hours of typing and of patient listening that my late wife, Norah, endured as her share of helping me through the initial years of this project.

Finally, my appreciation to Mrs. Geri O'Hara for her long hours of precision typing that transformed my rather unclear draft and notes into neatly typed pages.

CHAPTER I

INTRODUCTION

The first question to be answered is, "Who was Edgar Crow Baker?" And the second is just as important, "What is there of interest about him?"

Edgar Crow Baker was an English naval officer who came to Canada on half pay in 1872. Two years later, he moved from Halifax to Victoria where he lived until his death in 1920. The strange fact is, that Baker was as well known fifty six years ago as he is unknown today. On the 4th November, 1920, the day following his death, The Daily Colonist printed a large, two column wide picture of Baker in the top centre of its front page. His obituary hailed him as an "honoured citizen", a man "who for nearly fifty years has occupied an eminent place in the community as businessman, City Councillor, Provincial [sic] and Dominion member of Parliament, and, last but not least, a citizen of the highest type."¹ The eulogy occupied a full column on the front page and a column and a half inside the paper. By comparison, a business and political giant such as the Honourable James Dunsmuir had received no greater recognition from The Daily Colonist when he died just five months earlier.²

¹The Daily Colonist, 4 November, 1920, p. 1.

²Ibid., 8 June, 1920, p. 1.

The thing of interest about Baker is what his life reveals about Victoria's business community in the period from 1874 to about 1910. Entrepreneurism was the hallmark of the age and, up until the 1890's, the majority of this entrepreneurial activity was directed from Victoria; the business, as well as the political, centre of the province. Baker, in partnership with many of the province's leading businessmen, was in the forefront of this activity throughout most of the period mentioned. His involvement with business, politics and society provides an informative insight into the nature of this entrepreneurism and the society associated with it.

Baker's business interests included almost every major economic activity in the province. He was also involved in one or two business ventures that were unique to him and a few of his associates. He speculated in land in Victoria and elsewhere in the province. In particular, as a member of parliament during the building of the Canadian Pacific Railway, Baker worked his way into an inside group who were able to exploit the Coal Harbour and False Creek lands of Vancouver. He joined others in forming railway, water, light and telephone companies. He set up land development syndicates and lumber mills in the Kootenays to take advantage of the mining boom in the 1890's. He bought and sold ships, tugs and barges and used them for a variety of

enterprises from running a 4th of July excursion to Port Angeles, salvage work, transporting stone for the new legislative buildings, to the export of Chinese "coolies"³ from Victoria to Mexico. He was a notary, a justice of the peace, a marine surveyor, a commission merchant and secretary of the Victoria Pilotage Commission. Baker held directorships in a shoe factory, a department store, a hotel and the British Columbia Investment and Loan Society. He was the president of several mining companies, the first president of the Victoria Stock Exchange of British Columbia, had an interest in several sealing schooners and was the organizer of a scheme to link the Hawaiian Islands together by cable. In short, Edgar Crow Baker was an entrepreneur.

Baker was active in federal and provincial politics and played the game for himself, his friends and constituents, in that order. He was an alderman in the Victoria City Council and a member of parliament from 1882 until 1889, when he resigned for business reasons. In 1894, Baker was president of the Victoria Liberal-Conservative Association. Later, Premier Dunsmuir offered him a seat as Minister of Finance in his government, but Baker declined. Baker still had political ambitions, however, and tried

³Daily British Colonist, 31 March, 1886, p. 4.

unsuccessfully for many years to win an appointment as a senator.

As elsewhere, business and politics blended in the social life of Victoria. Here, Baker was on intimate terms with the majority of the leading businessmen and virtually every member of the Executive Council from 1874 to 1915. His first position, business agent for the Hastings Saw Mill Company in Victoria, brought him into contact with a wide selection of the business community. His wife's uncle, Captain James Arnold Raymur, was manager of the mill and as such was one of the most influential businessmen in the province. The social events at the latter's home in Victoria were a great source of useful introductions for Baker. Freemasonry also provided Baker with a means of meeting many prominent Victorians. It was a powerful organization in the province in this era. Many leading businessmen and politicians were Masons as was Baker, who held the position of Grand Master for British Columbia for two years. Baker was a naval officer (on half pay) and this gave him an entree into one of the most influential groups in Victoria society, as well as a useful business connection. He was a director of the Royal Hospital, president of the British Columbia Rifle Association, secretary of the Board of Trade for many years and later, a vice president of that organization. Baker was also a member of the Victoria Cricket Club at

a time when its president was Lieutenant Governor Trutch and vice-president, Chief Justice Begbie.

This thesis is concerned with the nature of entrepreneurship in British Columbia as seen through the business life of Edgar Crow Baker from the time of his arrival in Victoria in 1874, until the end of his active business career in about 1910.

Entrepreneurism is a subject that has received relatively little attention from Canadian historians. The role of a number of eastern Canadian entrepreneurs has been examined, but their careers are seldom analyzed to reveal the nature of entrepreneurship in their time and locality.

Similarly, British Columbia's entrepreneurs have received some individual attention, but more often, they have been considered in general terms. Some work has been done on the activities of particular business communities, such as Professor Careless' article on "The Business Community in the Early Development of Victoria, British Columbia",⁴ but most of these studies do not examine the actions of the individual entrepreneur in detail. The purpose of this paper is to try and provide a detailed

⁴J.M.S. Careless, "The Business Community in the Early Development of Victoria, British Columbia", Canadian Business History: Selected Studies, 1497-1971, David S. Macmillan, Toronto, McClelland and Stewart, 1972, pp. 104-123.

study of one representative entrepreneur and through his affairs, a better understanding of the nature of entrepreneurship in early British Columbia.

Baker's business life provides a useful case study of the business community for several reasons. First, his home and business headquarters were in Victoria, where, for at least half of the period under study, the majority of the province's leading businessmen also lived and worked. Also, as indicated earlier in this introduction, his business interests were varied and included virtually every type of economic endeavour in British Columbia. Coupled to this aspect of his business life is the fact that in these activities he was associated with a wide cross section of the business community. Finally, Baker left a complete set of business journals for the period under examination.⁵ They are a valuable record of many business and political events of the era.

It is Baker's business journals that form the principal primary material from which the nature of entrepreneurship in British Columbia is viewed. In these annual

⁵Note: In all there are fifty-nine volumes of E. C. Baker's diaries and a few other papers held by the Provincial Archives of British Columbia. His diaries are annual records and the volumes used in preparing this paper are identified by their year. These records will be referred to hereafter by the notation "Baker" and the date of the entry.

journals, he neatly and precisely set down the details of each day's business. The information and impressions that he noted in his meticulous daily entries were private and to that extent should honestly reflect his interests and feelings.

Baker's journals clearly portray a society that was dominated by interest in commercial enterprise. Mining ventures, land development and a variety of other activities occupied the minds of these men as much in their leisure hours as in their business hours. It was a society geared to aggressive and freewheeling enterprise. Its entrepreneurs were constantly probing for and planning new deals. Their overriding characteristic was their materialism, their eagerness to make a dollar. In common with other societies,⁶ they helped to shape the society that they lived in and were in turn an outgrowth of that society.

There were several factors present in the early development of this society that helped to create the entrepreneurial spirit that was so characteristic of it. The first and most important of these was the highly selective pattern of settlement. Leaving out the somewhat

⁶William Miller, ed., Men in Business, Cambridge, Harvard University Press, 1952, p. 1.

dormant Hudson's Bay Company years, the first real settlement was brought about by the Fraser River gold rush in 1858 and its complementary gold rush in the Cariboo some four years later. British Columbia was isolated from the major centres of population throughout this period and remained so until the completion of the Canadian Pacific Railway in 1885. The nearest area containing a white population of some concentration was California. This latter settlement in turn was isolated at the end of a three to four week stage coach trip from the American Midwest, a condition that did not change until the completion of a rail link to San Francisco in 1869. In these early years of settlement, distance, danger, inconvenience and fear of the unknown acted as a strong deterrent to the normal pattern of immigration to both California and British Columbia. The result in both cases was a society that consisted mainly of those who were attracted by the prospect of wealth and adventure and were not afraid of danger and hardship. These were societies in which materialism, initiative and boldness were the chief business characteristics. S. W. Jackman in his Portraits of the Premiers repeatedly mentions the lure of gold as the force that brought most of the men who were the premiers between 1871 and 1900 to British

Columbia.⁷ Even government appointees had little to attract them to British Columbia other than that strong entrepreneurial characteristic, a spirit of adventure.

In the first wave of immigration (the prospectors and those who would support or fleece them) British Columbia drew heavily upon the population of California. Out of this came another important factor influencing this nascent society. This was the implanting of the American ideal - the belief that the entrepreneur was a national hero⁸ - in British Columbia and the creation of an Anglo-American society there. Victoria in particular identified strongly with San Francisco, not so much in

⁷S. W. Jackman, Portraits of the Premiers, Sidney, Gray's, 1969. Note: In stating why these men came to British Columbia, Jackman wrote in part:

J. F. McCreight and A. C. Elliott, "...to Vancouver Island as a result of gold fever." p. 43.

Amor de Cosmos, "News of gold mining...." p. 19.

Robert Beaven, "Enraptured by the prospect of rapid and easy riches...." p. 54.

William Smithe, "The gold rush and promise of a fortune...." p. 63.

John Robson, "... a greater fortune could be made in a day in British Columbia than in a whole lifetime in Bayfield." p. 78.

Theodore Davie, "...Cassiar...involved with all the activities of the gold rush." p. 91.

John Turner, "The news of riches to be gained in British Columbia caused him to sell his business, pack up and move west." p. 100.

C. A. Semlin, "The disease of gold fever....decided to leave Barrie and make his fortune out west." p. 111.

⁸Miller, Men in Business, p. 22.

a general pro-American sentiment, for Victoria prided itself in being British, but in its attitude towards business. Victoria's businessmen obviously admired and felt akin to the pace and spirit of life in the glittering seaport to the south. The language of Baker's journals makes this quite clear and in speaking to parliament on one occasion, he gave an excellent example of this western society's attitude towards money.⁹ Consciously or unconsciously and notwithstanding the fact that many of British Columbia's early immigrants were British (via the California gold fields, from Canada or elsewhere), the population embraced the American philosophy of the relationship of business to the national good.

This was a concept free of the negative attitudes toward business so often held by European societies. It approved of the economic rewards and social recognition that accompanied success in business. Further, the American ideal allowed the entrepreneur to identify

⁹Note: In the immigration debates in the Canadian House of Commons in March 1883, on page 326 of the Official Report of Debates, Baker is reported to have said: "We are led to believe that during the present Session of Parliament a large sum of money - large in the opinion of persons in this part of the country, but not considered large in the gold mining country from where I come - will be voted for the purpose of promoting immigration to our shores...."

himself as "a leader in the national epic",¹⁰ a man with a mission. It is the contention of this thesis that Baker and British Columbian society fit this description remarkably well.

¹⁰Miller, Men in Business, p. 22.

CHAPTER II

THE BACKGROUND YEARS

When Baker set out for Victoria in March, 1874, he was already 28 years of age and his character had been molded by a variety of experiences. He had been brought up in Victorian England, had spent his most impressionable years in the Royal Navy, had married into a Nova Scotian family, and had been introduced to Canadian life in Halifax.

In the mid-nineteenth century, Great Britain was still a land where opportunity was largely decided by birth. Reformers were only beginning to attack the gates of privilege, and class prejudice had a tendency to harden under attack. Popular education, the opening of the civil service and universities to free competition, and reform in the navy and army, particularly in the selection and promotion of officers, were all some twenty years in the future. The age saw a renewed interest in the Empire brought about as much by social conditions as nationalistic jingoism. To those who lived in depressed circumstances, the Empire offered an escape from misery and the chance of a better life. To a wide range of others, whose ambitions to a degree were thwarted by an accident of birth, the Empire was a land of opportunity, free from the restraints of class privilege. It was into this

society that Edgar Crow Baker was born on 16 September, 1845, at Lambeth, Surrey, England.¹

Like so many families of the Victoria period, the Baker family was a large one consisting of seven children. Edgar was the third son and child; he had one sister. His father, Edward William Whitley Baker, Esquire, Royal Navy, was a marine engineer in a navy that acquired its first steam driven ship in 1822, and would not build a ship-of-the-line with steam engines until 1852. His father completed his service in the Royal Navy as chief engineer of H.M.S. Donegal at Liverpool, early in the 1870's.

Edgar was never very close to his father, but had a deep affection for his mother, Elizabeth W. Baker. Her death on 30 September, 1866, while he was serving in H.M.S. Duncan at Halifax, was a great blow to him. He never fully forgave his father for the indifferent inscription on the headstone of her grave (a matter that he rectified on his return to England the following year). His alienation from his father was increased when he discovered that within a year of his mother's death his father was contemplating marriage again. There were three young children still at home, however, and they

¹Note: All of the biographical information in this chapter is taken from Baker's diaries, unless otherwise noted.

required attention that it was difficult for a sailor to give. On 3 December, 1867, his father married Maria Eliza Lumb Wheelwright.

For the last 25 years of his father's life, the family home was at Bedford Place, Rock Ferry, near Liverpool. Here on 7 October, 1889, E. W. Baker died at the age of 73.

During Edgar's pre-school years, the family lived in the vicinity of the Portsmouth and Chatham naval dockyards, where his father was serving. Shortly before his tenth birthday, Edgar was sent to the Royal Hospital Schools, Greenwich, to receive his formal education. With a large family and only the meagre resources that a naval career provided, the amount of assistance that his father could give each child was small. He gave them a home and the opportunity for a basic education. The rest was up to the individual's ability and determination. Young Baker had the will; the Royal Navy seemed to offer the opportunity. In maritime Britain the call of the sea was strong and three of the Baker brothers answered it.

Baker was a diligent student and demonstrated a facility with figures that was to be an important and useful characteristic in later life. Before his fifteenth birthday, he applied for entry to the Royal Navy from the Royal Hospital Schools. In the ensuing

competition, he won nomination and several prizes for his skill in mathematics and navigation. On 11 September, 1860, his name was entered on the books of H.M.S. Victory as a master's assistant, a position later to be known as navigating midshipman. A week later he was transferred to the ten gun sailing brig Rolla.

It was an exacting profession for a boy of fifteen, with no quarter asked and seldom any given. For two centuries prior to the 1850's there had been virtually no evolution in naval ships, guns, or the science of naval warfare.² The annihilation of the Turkish fleet by the Russians at Sinope in 1853, conclusively and abruptly brought the old order to a close. One demonstration of the changes in the offing (shellfire on wooden hulls) had given devastating proof of the revolution in naval warfare that technology was about to unleash. Technical change was thrust upon a reluctant Royal Navy, but, the Admiralty did not interpret it as a sign for reform in a way of life that had produced a breed of sailor without peer for several centuries. Until the close of the nineteenth century, "spit and polish" was the order of the day and sail drill ran a close second, for ships were judged by their smartness aloft.

²Arthur J. Marder, The Anatomy of British Sea Power: A History of British Naval Policy in the Pre-Dread Nought Era, 1880-1905, New York, Knopf, 1940, p. 3.

The first British "battleship" without sails was not completed until 1873. The discipline was harsh, often brutal, and flogging was common; peace time flogging not being abolished until 1871. There were no frills or comforts. Washing was principally confined to cold salt water on deck. In the 1870's, the First Sea Lord was scandalized at the introduction of bathrooms into the fleet. But his concern for the moral fibre of the navy suffered an even greater blow, when this was followed by the innovation of French polished, instead of holystoned, water closet seats.³ The drinking water was turgid, the food was frequently inadequate and often bad. Rum was the universal pain killer in the struggle to keep iron men in the disappearing wooden ships.

In the navy, comradeship was close, but marks of respect, privilege and social standing were clearly drawn, and were to be meticulously, if apparently casually, observed. Unlike so many officers who gained nomination to the navy through family connections, Baker achieved his nomination and subsequent commission primarily through his own efforts.

Life in a wardroom provided him with an equivalent

³ Arthur J. Marder, Fear God and Dread Nought: The Correspondence of Admiral of the Fleet Lord Fisher of Kilverstone, London, Cape, 1952, vol. 1, p. 20.

experience of membership in a gentlemen's club.⁴ As an ambitious subordinate officer with a tendency to over reach himself, however, Baker found naval life difficult. It brought forth a number of reprimands and ended in a departure mutually agreeable to himself and the navy. But he had gained an entree into one of the more exclusive circles of society through his service in the navy. It was to prove a valuable connection.

On 10 May, 1861, Baker joined H.M.S. Cygnets at Portsmouth. She was being readied for service on the North America and West Indies station. On 13 June, she sailed from Spithead bound for the New World. For the next forty months, he served in Cygnets while she carried out anti-slavery patrols in the West Indies and fisheries protection duties off the Atlantic colonies of British North America. On 18 October, 1864, Cygnets

⁴Note: In a small ship, all officers, other than the captain, messed together in the Wardroom (living, eating and perhaps sleeping). In a larger ship there might be as many as three messes for these officers: a Wardroom for the commissioned officers, a Gunroom for the non-commissioned (junior) officers and a mess for the warrant officers. The captain slept, took his meals and conducted his paper work quite apart from the other officers. It was as a guest that he was invited to visit the officers' messes.

was "paid off"⁵ in the Halifax Dockyard. The crew sailed for England and Baker shifted his sea chest across the harbour to Duncan.

H.M.S. Duncan was an eighty-one gun ship-of-the-line and the flagship of Vice Admiral Sir James Hope, Commander in Chief, North America and West Indies Station. Service in this ship took Baker to Jamaica, following its rebellion in 1865, and to St. Andrews and Quebec City to land troops in response to the Fenian invasion threats the following year. In September, 1865, he obtained a second class standing in his seamanship examination and on the 11th was promoted to acting second master.

H.M.S. Duncan spent most of 1865 in Halifax and Baker had an opportunity to meet and extend his circle of friends ashore. Nearly all of the married officers had their wives out from England and the evenings aboard ship were as quiet as those ashore were socially active. For the sailors in harbour, strolling on deck in the mild summer evenings provided a pleasant relief from the shipboard labours of the day. Many of the townspeople enjoyed the evening air from small row boats

⁵Note: The term "paying off" is used to denote a ship that is being taken out of service. Hence the crew are given their last money - "paid off" - before being struck from the ship's books and moving on to their next ship.

which they guided through the ships at anchor and the singing of the girls in them floated softly across the water. With the siren call sounding so clearly in his ears, it was not surprising that Baker fell rapidly in love with Miss Frances Mary Jones after their first meeting towards the end of August. He found her younger sister Agnes very attractive too, an attraction that did not fade as the years passed.

But the affair with Fanny grew, and on the evening of 1 October, he received his first kiss from her, an occasion that coincided with the first evening service in Saint George's Church, made possible by the installation of gas lighting. It was a week later, when the brig Frank returned to Halifax from Demerara, that Captain Richard Jones was introduced to the young officer who was interested in his eldest daughter.

H.M.S. Duncan was absent from Halifax for much of 1866, but it did not dampen Baker's romance with Fanny. By the spring of 1867, when Baker sailed for England in the Duncan, Edgar and Frances had decided to marry.

H.M.S. Duncan was relieved by the Royal Alfred in May, 1867, and sailed for England to "pay off". Baker spent the summer in Portsmouth and London studying and writing his navigating lieutenant's and Trinity House examinations. He was successful in both and received his

commission as a navigating sub-lieutenant and his Ordinary Master's Certificate before joining H.M.S. Fox the end of September. Baker arrived onboard Fox at a somewhat inauspicious time: one officer was under arrest and a seaman had just committed suicide by jumping overboard with a 32 pound shot fastened to his neck. Fox was employed in transporting heavy machinery and materials between the dockyard ports and shipyards with naval contracts. Baker remained in her for just under three years.

It was while he was serving in Fox and some eighteen months after his departure from Halifax that Baker sent for Fanny and she rejoined him in England. Frances arrived at Liverpool in January, 1869 and went to Baker's father's home at Rock Ferry, where she stayed while plans were being made for their wedding. On 17 March, Frances Mary Jones and Navigating Sub-Lieutenant Edgar Crow Baker were married at St. Andrew's Church, in the parish of Bebington. It was a small wedding with no naval friends and only two guests outside of the family present. After a short honeymoon, the young couple set up house in a flat in London and Baker rejoined his ship, H.M.S. Fox, at Woolwich.

The following year, Baker was appointed to the gun-boat Cockatrice serving on the Danube River under the

Danube European Commission. In June, 1870, the Baker's left for Rock Ferry, where Fanny was again to stay at her father-in-law's home while her husband was on the Danube. This appointment out of England and particularly the separation that it entailed, did not suit the Bakers. Nevertheless, Baker left for the Danube and his new ship via the Mediterranean. On 9 August, shortly after joining Cockatrice, he was promoted to navigating lieutenant. But, Baker had apparently applied to be placed on half pay and his appointment to Cockatrice was terminated the end of September. Two weeks later, after a train ride that took him through Germany where the railway sidings were jammed with cars filled with wounded soldiers from the bloody battles of the Franco Prussian War, he was in England.

Thus, in October, 1870, Baker was on half-pay and looking for a job in Portsmouth. The prospects for wine sales in the area caught his attention. In this capacity, he was hired by the wine merchants, Stokes and Company, at a ten per cent commission. He hoped to use his friends in the navy as contacts to obtain orders for wines for the various wardrooms in the fleet. His career as a wine salesman was not a success, however. The following summer, 1871, he and Fanny agreed that she should return to Halifax and that he would join her there. His total

income for that year, half-pay and commissions, was the equivalent of some \$820.⁶ It was much better than many people could expect, but not enough to satisfy Baker.

The decision regarding Fanny's return to Halifax was brought about by an examination of the young couple's situation in England. Baker had to face up to the reality of two facts. In the first place, an officer in his branch and with his background could not expect any great success in the navy. His branch was limited as to the scope of its activities and the normal range of promotion. Also, promotion was more often than not the result of knowing the right people, something he could not muster on his behalf. If a satisfactory career in the navy seemed out of reach, so did a civilian one. Baker did not have the training nor the social connections to ensure a successful business career. On the other hand, Fanny's family offered an entree into a new society in a country that, in comparison to the limited opportunities that he was faced with, appeared to offer almost unlimited opportunity.

Baker had little trouble in arranging a passage for his wife. This was an era when Great Britain was

⁶Baker, 16 November, 1871.

disengaging herself from North American affairs. British troops were being withdrawn from most of Canada and there was considerable activity in the movement of troopships. In October, 1871, the troopship H.M.S. Orontes sailed from Portsmouth bound for Halifax with Fanny as a passenger. Baker had organized an inexpensive passage for his wife. He had now to arrange for his own transportation.

Baker's attitude toward the navy in the months ahead suggest that he was more concerned with looking after his own interests than in seriously resuming active service. The Orontes had only just arrived in Halifax, after nearly being lost in a hurricane in mid-Atlantic, when Baker wrote to the Admiralty asking for employment on the North America and West Indies Station. In January, 1872, while still on half-pay, he commenced a surveying course. Two months later, he was appointed to the Royal Alfred on the North America and West Indies Station. On arrival in Halifax, he succeeded in a somewhat brash request for leave, which resulted in his joining the Royal Alfred in Bermuda a month late.

On his arrival in Bermuda and at his request, this appointment was almost immediately changed to the Niobe, which was shortly to leave Bermuda and spend the summer working out of Halifax and adjacent ports on fisheries protection duties. Here, his relations with his captain

rapidly deteriorated. The discipline of shipboard life grated on his nerves. Before the summer was out, he had lost the confidence of his new captain and he was informed "not to promenade Bridge when Captain was on it."⁷

Baker made little or no effort to improve the situation. He was removed from his duties as navigating officer.⁸ Under the circumstances, he applied to be placed on half-pay; his captain was glad to recommend his request. Baker noted sourly "...last time I shall follow in the Grand Rounds of Sir Lambton Loraine Bart."⁹ On 25 September, 1872, Baker again was on half pay and his active service in the Royal Navy was at an end. The next morning, he left his ship at anchor in a small cove on the coast of Nova Scotia, took the mail coach to Halifax and commenced his life as a civilian. If his diaries can be trusted, he never again seriously contemplated going on active service in the Navy.

As Baker stepped down from the mail coach in Halifax and proceeded through the dusty streets to the Jones family's home, he entered a new Maritime society. Despite her small size, Nova Scotia was at the end of an era when

⁷Baker, 20 July, 1872.

⁸Baker, 30 July, 1872.

⁹Baker, 22 September, 1872.

she had been one of the foremost seafaring lands in the world. It was a position she had attained partly through her involvement in maritime trade, but principally because of her leadership in the building and sailing of ships. Baker had married into a family that were typical members of this seafaring society, but by the time he came ashore, the cohesion of the family had been sadly disrupted.

Baker's father-in-law, Captain Richard Jones, had married Cecelia Isabel Raymur of Halifax. Her sister, Kate Raymur, had married Captain Marshall Wallace, who was associated with Captain Jones in his maritime enterprises. Cecelia also had a brother, Captain James Arnold Raymur, who, like Captain Jones, had been in the West Indies trade. Later, Captain Raymur entered the service of the London firm of Anderson, Anderson and Company. As an employee of this firm, he commanded the first China tea clipper to enter Halifax.¹⁰ In 1864, Anderson and Anderson sent Captain Raymur to Vancouver Island to look after their timber interests on the Alberni Inlet.

In the summer of 1868, Captain Jones and Captain Wallace were lost at sea, apparently in the same marine disaster. Mrs. Jones was left with one son, Richard,

¹⁰Daily British Colonist, 4 January, 1869, p. 2.

age 17, and three daughters, Frances Mary, age 21, Agnes Seawell, age 19, and Kate Wallace, age 11. Mrs. Wallace had two daughters, Ella and Cecelia. The two fatherless families in Halifax had a difficult time in the following months. In April, 1869, Captain Raymur, who was now the manager of the Hastings Saw Mill Company in Burrard Inlet, sent for his sister Kate. The Wallace family departed for Victoria where Captain Raymur made his home.

Thus it was that in September, 1872, when Baker arrived in Halifax seeking employment, the Jones family was less influential than it had been when Captain Jones was alive and when his brother-in-law, Captain Raymur, was in Halifax. During his month's leave that spring, Baker had renewed many old friendships in Halifax, particularly with Frederick W. Blaiklock, who was engaged to Fanny's sister Agnes. In June, Fred and Agnes were married and it was to Fred that Baker turned for assistance in finding employment in October. Fred worked for his father, who was a well known Halifax contractor. They had good business connections in the city. Baker hoped with his naval experience to secure a secretarial position with the Halifax Pilotage Commission. Fred and his family helped with an introduction to Senator Jeremiah

Northup and a private letter to the Minister of Marine and Fisheries, Dr. Charles Tupper.¹¹ But, Baker was unable to outmanoeuvre a local political appointee.

In December, some other friends, the Fishwicks, arranged an opening for him as purser on a merchant ship at \$50 per month, but Fanny was against his going to sea. And, whatever Mrs. Jones' feelings about the sea before her husband and brother-in-law were lost, she had a deep aversion to it thereafter. He was next offered the position of bookkeeper to a merchant in Dartmouth, but this was not in keeping with his ambitions. It might have been a lean Christmas for the Joneses and their boarders, the Bakers, had not a cheque for \$100 arrived from Uncle Jim in Victoria.¹²

Not until the end of January did Baker accept the fact that he had insufficient influence to break into the organized business society of Halifax, except in a junior position. Finally, on the 30th, he went to work for the Intercolonial Railway as an accountant in their stores department at a salary of \$400 per annum. His naval half-pay at this time was some \$39 per month.

¹¹Baker, 14 October, 1872.

¹²Baker, 19 December, 1872.

Money was scarce, but in April, the Bakers rented a home of their own on North Street, just a few houses away from Mrs. Jones, for \$36 per month.

The lack of money did not dampen Baker's enthusiasm for life, but the absence of opportunity did. He remained frustrated and restless in his new life. His situation in Halifax was little improved over his struggle in Portsmouth. Although, Halifax was not an old city, its society had taken on quite definite forms and it had lost much of the social mobility that might be expected in a young society. This can be seen partly in the lack of any record of the Jones, Wallace, or Raymur families in the Provincial Archives of Nova Scotia. Captains Jones and Wallace may have been just two more captains in a land crowded with such men, but Captain Raymur appears to have been a more prominent seafaring figure. Still, the records of this relatively closed society contain no mention of him or of his relatives. In contrast to this situation, Raymur, as the manager of a sawmill on the West Coast, was one of that community's more prominent men. As Baker pondered how to free himself from the restraints that seemed to thwart his ambition, his thoughts kept turning to the more open society of the West and the opportunities offered in the Gold Colony.

During 1873, a steady correspondence was kept up between the Raymur family in Victoria and the Jones and Baker families in Halifax. The attraction of the West Coast even affected Fred and Agnes Blaiklock. On 1 September, Dick Jones received a letter from his uncle offering him employment at \$75 per month. It was an exciting prospect for a young man, 22 years of age; a chance to go west and work at a wage considerably in excess of what a trained and experienced man could expect "Down East". The high wages in the West were in keeping with what the Easterners expected of life on the frontier. All three of the Halifax families were caught up in a feeling of excitement and adventure.

Young Jim Raymur's Halifax relatives were all gathered on Cunard's wharf to greet him when he arrived from Vancouver Island on a cool, clear November day. For the next ten days, prospects in the West were eagerly discussed by the hopeful emigrants and their British Columbia relative. Early on the morning of 24 November, as Jim and his cousin Dick were departing for Victoria, Fred Blaiklock ran across North Street to help load Dick's baggage into the wagon being driven by Jim. In his rush he unfortunately fell, hit his head on the cobblestones, fractured his skull and died the next day. The death of Agnes' husband again tragically dislocated

the Jones family. Mrs. Jones moved out of her house and with Kate went to live with Agnes. She gave all of her furniture, except a few personal items, to the Bakers. Fred had some \$2,000 in life insurance and this was shortly to prove a boon to Baker in helping him to re-establish himself.¹³

In November, the Intercolonial Railway increased Baker's salary to \$600 per annum, but his desire to try his luck in the West was not abated. The correspondence with Vancouver Island bore fruit in February, 1874. A telegram was received from Captain Raymur offering Baker a position as his agent in Victoria at a salary of \$100 per month (twice the amount of his newly achieved salary with the Intercolonial Railway).¹⁴ Captain Raymur had never met Baker, but his actions clearly demonstrate that he was a generous and considerate man, who was obviously very fond of his sisters. His decision to move his relatives west and to employ Baker, must have been influenced by the recent loss of Agnes' husband and his desire to have his sister and her family where he could see to their needs. The planned move to Victoria was to include all the remaining Jones family.

¹³Baker, 26 November, 1873.

¹⁴Baker, 11 February, 1874.

The news was received in the Baker and Jones households with great excitement. In the somewhat impecunious Baker family, \$3 was scraped together to send a telegram of acceptance. Plans were immediately put in motion for the transcontinental trek. Boxes were packed and Shand, the Halifax auctioneer, was engaged to sell the Baker furniture. The heavy baggage was sent to Boston from where it was to be shipped via Cape Horn to San Francisco. On 20 March, the Bakers' furniture was auctioned off for \$376 in a somewhat drawn out six hour affair! Baker complained of the low prices bid, which was not surprising considering the travelling expenses faced by the group and the money they would need to re-establish themselves in Victoria.

Early on the morning of 23 March, Navigation Lieutenant and Mrs. Baker, Mrs. Jones, Miss Kate Jones and Mrs. Agnes Blaiklock left Halifax by rail for San Francisco. The twelve day trip west wound its way from Halifax to Portland, north to Montreal, across Ontario to Sarnia, thence to Chicago and across the Great Plains. At last, on the evening of 4 April, a telegram was despatched to Dick: "All hands just arrived, tell your Uncle."¹⁵ And the grateful travellers relaxed in the

¹⁵Baker, 4 April, 1874.

luxury of their rooms at the Russell House in San Francisco.¹⁶

The next morning, the holiday atmosphere of San Francisco on a Sunday was a great revelation to the visitors from Halifax. Eastern Canadian Society held Sundays in great reverence at this time and churchgoing, up to three services on a Sunday, was almost the only form of activity tolerated. The tempo of affairs was convenient, however, allowing them to collect the family baggage and book their passage to Victoria for the following day. It was a beautiful spring morning as the Prince Alfred stood out to sea from San Francisco. The weather remained fair for the voyage and early Friday morning, she rounded Cape Flattery. By noon, the ship was secured alongside the Hudson's Bay Company wharf in Victoria harbour. It had been a safe passage, but it was something the Prince Alfred would enjoy for only another two months before being lost on a reef off San Francisco.

¹⁶Note: The trip was accomplished without incident, but the railway engaged in an unusual practice as the train neared the Coast. At Cape Horn, on the Pacific side of the Truckee Pass, the engine was uncoupled from the train, which was then allowed to proceed down the grade under the influence of gravity, the speed being controlled by a brakeman.

Captain James Raymur and Dick Jones were on the wharf to greet their relatives from Halifax and escort them back to the Raymur house. There a "grand family meeting"¹⁷ took place over lunch. Captain Raymur's business headquarters was at the Hastings Saw Mill on Burrard Inlet, but his wife, Mary, did not like the rough life of the Inlet and his family and home remained in Victoria. The three older families from Halifax and the Bakers were thus able to enjoy a close social relationship. Mrs. Jones and Kate stayed with the Raymurs and Agnes stayed with her aunt, Mrs. Wallace. The Bakers boarded with Mrs. Ella at her large home on Fort Street Hill. She was a friend of the Raymurs, who had been widowed the year before when her husband, Captain Henry Baily Ella of the Hudson's Bay Company, was drowned at Burrard Inlet.

Baker had reached his goal, but what was it that had attracted him to this frontier community? His background was not particularly appropriate for such a life. He was a city dweller and even his few years at sea had not been so onerous, or of such a nature, as to prepare him for life in a small frontier town. Yet,

¹⁷Baker, 10 April, 1874.

he not only purposely, but eagerly, set out to establish himself in this tiny community located on the edge of a vast wilderness and isolated from the rest of the world except by sea. Nor was it a case of chance, an unexpected offer of employment from an indulgent uncle by marriage. If anything, the latter can soon be seen to have been a stepping stone in Baker's efforts to move into a society and region that offered the opportunities he was seeking.

Undoubtedly, as the Prince Alfred rounded Race Rocks and Baker stood on her deck gazing at Victoria basking in the spring sunshine, he could not have known the extent to which he would find the region and its society compatible with his own aspirations. Still, Baker's trek to Victoria is a good example of the attraction that the frontier setting has for a certain type of person. Rightly or wrongly, he understood British Columbia to be a land where fortunes were to be made and where society openly accepted all those who wished to try their luck in the game of making money. The success and recognition that came with making money, not working for a salary, was what Baker was seeking. He would find that a great number of the businessmen and politicians who inhabited Victoria shared his views. It was a society that attracted entrepreneurs and in turn, drew many of its characteristics from them. Baker was in the setting he sought; he had now to transform his ambitions into reality.

CHAPTER III

ENTERING THE COMMUNITY

All of British Columbia was the field upon which the entrepreneurs that Baker was so eager to join exercised their business instincts. But, while their endeavours were province wide, as of 1874, one business centre dominated their activities, Victoria. This newly established town owed its place in the business life of the province to the position it had held in the fur trade and its geographical location.

Victoria had sprung from the Hudson's Bay Company fort built and occupied in the summer of 1843, some 31 years before Baker arrived. In 1842, Chief Factor Douglas had been sent from Fort Vancouver, Western Headquarters of the Hudson's Bay Company, to find a site for a new fort that would be suitable as a replacement for Fort Vancouver should that be necessary. Fort Vancouver's position on the Columbia River, well south in the Oregon Territory and in an area where American settlers were beginning to arrive in numbers, made its future as a British possession somewhat uncertain. Victoria's harbour, strategic location and mild climate had done much to convince Douglas that it should be the site of the new fort.

The question of the boundary between British North America and the United States in the Oregon Territory,

was settled in 1846, and Fort Vancouver, now in American territory, was closed out three years later. With the closing of Fort Vancouver, Victoria became Western Headquarters for the Hudson's Bay Company, her first step to a place of prominence in the area west of the Rockies. The same year, 1849, Vancouver Island became a Crown Colony and Victoria received a further advance in importance as capital of the colony.

Although the Hudson's Bay Company was responsible for the development and settling of the new colony, under its monopolistic rule little progress took place in the next nine years. By 1858, the white population of Vancouver Island totalled no more than 1000 persons: men, women and children. Of these, some 400 lived in the village of Victoria, whose minute population faithfully reflected the lack of business enterprise and the restraint on development that marked the Company era. All this was abruptly changed when the Fraser River gold rush swept over the colony. Victoria rapidly became a metropolitan centre and New Caledonia became the Crown Colony of British Columbia.

The news of gold discoveries on the Fraser River and its tributaries spread to the outside world in 1858. The resulting rush of miners to the Fraser River that summer - some 25,000 of them - brought wealth and a great increase in population to Victoria and a requirement for government on the mainland. In response to the need to assert

sovereignty over the gold rush area, and to save New Caledonia from an "Oregon type" takeover, the British Government organized the territory as a crown colony in the fall of 1858. Queen Victoria chose the name "British Columbia" for the new colony and the British Columbia Act brought government to the gold fields and a huge potential market to the rapidly expanding merchant community of Victoria. James Douglas was commissioned as Governor of British Columbia, in addition to Vancouver Island, and the capital of the Mainland Colony was established at New Westminster.¹

In exploiting the opportunities for gold rush business, Victoria had two distinct advantages which she owed to the Hudson's Bay Company. To begin with, though the town had little business diversity and was small in population, the Company storehouses made her a better equipped supply centre than many larger towns - apart from the fact that there were few towns north of San Francisco that were appreciably larger than Victoria. Also, as the Company's western headquarters, she had established lines of communication to the wilderness that

¹Note: Victoria lost her position as a centre of government when the two colonies were united in November, 1866. In May, 1868, however, the controversy between Victoria and New Westminster, as to which was to be the united colony's capital, was resolved in Victoria's favour.

was the scene of the gold rush. For the same reason, she had the finest developed harbour north of San Francisco and seaborne communications with the outside world.

Her second advantage was the colony's governor and senior Hudson's Bay Company official in the region, James Douglas. When the first wave of gold seekers struck the coast, Douglas acted to protect the Company's trading monopoly by prohibiting any traders other than the Company's from going into the gold fields to supply the miners. This restriction was short lived, but of necessity, it increased the trade carried on in Victoria and helped to make that city the gateway to the gold fields. This action also boosted Victoria from a modest position of prominence in the fur trade, to the forefront of a much wider sphere of business activity. A further advantage that Victoria had was her position as the only port of entry for the Fraser River. This, plus the strategic location of the harbour, caused an important commercial link to be forged between her and San Francisco.

Victoria was the communications focal point for the new colony, which was by a wide margin the largest of the British North American colonies. British Columbia was a colossal land mass containing an enormous wealth of natural resources, but it had no road, nor rail

communications with the rest of the continent. It was a colony whose economic life was totally dependent upon sea communications. Its premier port was the small village of Victoria.

Victoria was situated at the southern tip of Vancouver Island some sixty miles by sea from the mouth of the Fraser River. Its position was a strategic one, however, located at the inland end of the Straits of Juan de Fuca, the most convenient, as well as the largest and safest, sea route to the Mainland. As the gateway to the colony and later, province, Victoria ushered in the men and materials for new business ventures. In 1862, some 1160 ships entered the port of Victoria.² In New Westminster's best year, in the decade following the gold rush, only just over 330 ships entered that port.³ Nanaimo and Burrard Inlet in their best years during the same period had less than 40 ships each.⁴ Equally as important, Victoria assumed the role of clearing house for the financial transactions that controlled the business life of the province. As long as shipping remained the sole communications link to the outside world, Victoria remained the most important

²W. George Shelton, ed., British Columbia and Confederation, Victoria, Morriss, 1967, p. 64.

³Ibid.

⁴Ibid.

business centre in British Columbia. When overland lines of communication were established, Victoria's role went into decline.

In the years immediately following the 1858 gold rush, the scope and nature of Victoria's business life was drastically altered and expanded. Hitherto, imports into Vancouver Island and New Caledonia consisted principally of British goods brought in by the Hudson's Bay Company. In the fall of 1858, the Company's trading monopoly was modified by the British government, when they overruled Douglas' edict that all trade with the mainland must be through the Company. The disruption of the old trading pattern brought about by this decision and the introduction of a ready source of goods from the United States, did not mean a lessening of Victoria's business ties with Great Britain, however. The new diversity of demand for goods and in business opportunities resulted in a great increase in the volume and variety of business with that country.

For the first time, British business, other than the Hudson's Bay Company, took an active interest in Vancouver Island and British Columbia. But, interest in this frontier came direct rather than through the established business network with British North America. For some seventy five years, the main thrust of British

business enterprise in British North America had been channelled through Montreal. These regional business offices in turn played a leading role in directing the opening and the development of the frontier. As the frontier was pushed back, control over the newly organized areas was extended through an expanding circle of branch offices. This domination of the West by the older eastern business centres followed a different pattern in British Columbia - until the coming of the railroad.

With no overland communications to eastern British North America, Victoria was outside that area's sphere of business influence. She became an independent centre through which British capital and goods could be directed to another part of the British North American frontier. The frontier was now being opened from two directions at once: westward from the St. Lawrence region and eastward from the Fraser River. Victoria found herself being established as a direct business satellite of London, in addition to her growing commercial ties with San Francisco.

In 1859, The British Colonist advertised the opening of a branch of the Bank of British North America in Victoria.⁵ This large British bank already had offices

⁵The British Colonist, 1 July, 1859, p. 2.

in Montreal and other centres in the eastern colonies, but Victoria was the only branch west of London, Canada. The newly aroused British interest in the Gold Colony became apparent as agencies for British firms were established and a wide variety of British manufactured goods began to appear in many of the newly opened stores. Early in 1859, the successful firm of Robert C. Janion, commission merchant, whose business connections were in Honolulu and Liverpool, was advertising many items of English clothing, food and hardware for sale.⁶ Of the some 1386 ships that entered the port of Victoria in 1865, over 900 were ships of British registry.⁷ In 1862, London financiers, looking for new outlets for their capital, obtained a charter to establish the Bank of British Columbia. The bank's head office in North America was in Victoria. Other branches were opened in San Francisco and Portland, and later, in other parts of British Columbia and the United States.

The gold rush created a new bond with the United States as well as with Great Britain. San Francisco was the nearest major city to the Fraser River gold fields

⁶The British Colonist, 23 April, 1859, p. 3.

⁷Shelton, British Columbia and Confederation, p. 64.

and Victoria. She was the Pacific terminus for an established overland route to the eastern United States. Her harbour, which was the finest south of Victoria, was an important shipping centre. Victoria and San Francisco formed a natural communications line between the industry and people of eastern North America and the resources of British Columbia.

Not only were Victoria and San Francisco brought together as part of a natural communications system, but San Francisco and the country surrounding it held a population whose interests coincided with the opportunities being opened up in British Columbia. The boom years of the California gold rush were only some four years in the past when news of the gold strike on the Fraser filtered through to that state. The area still contained a vast horde of prospectors vainly searching for wealth. The Fraser rekindled their spirit. Great numbers of them left for the gold fields from San Francisco and with them came an almost equally large assortment of businessmen and speculators of every kind. Victoria quickly acquired a wide range of business enterprises that had their roots in San Francisco.

The old shipping route from Great Britain to Victoria via Cape Horn was still used by many ships. Goods and

people also found their way from the Atlantic to the Pacific via the Isthmus of Panama and its railway. But, San Francisco became an important centre in the movement of people, mail and light freight, in spite of the difficulties of the continental journey. In December, 1858, the overland mail was 23 days and 14 hours from St. Louis to San Francisco.⁸ This was rapid transportation, however, when compared to the some 103 days taken by the Overlanders to cross the unorganized Canadian West in 1862. Communications were greatly improved in 1861, with the completion of a telegraph line from the East to San Francisco. The city's importance to the transportation and communications system between British Columbia and Canada, the United States and Great Britain was consolidated in 1869, with the completion of the first trans-continental railway, which had its terminus in San Francisco.

The close business ties that were created between Victoria and San Francisco, in 1858, lasted as long as San Francisco remained the primary link between the West Coast and eastern North America. With the completion of the Central Pacific Railroad, San Francisco reached a peak in its importance to British Columbia. It became

⁸The British Colonist, 18 December, 1858, p. 3.

the focal point for British Columbia's contacts with the Atlantic oriented metropolitan centres. But, as this route lost its importance, the bond between the two cities dwindled.

It is important to point out, however, that Victoria's reliance on San Francisco for her communications did not indicate, nor mean, American domination of her business. It provided a highly convenient and relatively rapid means of travel and of conducting business with the major centres of finance, principally London. During the latter half of the nineteenth century, British Columbia and California both had strong and independent commercial ties with Great Britain.⁹ Victoria and San Francisco,

⁹Note: In his journals, Baker refers to businessmen going to and from London far more frequently than to any other city. Some of those mentioned are leading wholesale, shipping and commission merchants: R. C. Janion, J. H. Turner, T. L. Stahlschmidt and Robert Ward. Also, William Charles, Chief Factor in charge of the Hudson's Bay Company's Western Department; Henry Rhodes, G. M. Sproat and Henry Saunders, merchants; and Joseph Boscowitz, fur dealer. The banking in British Columbia was dominated by the two large British banks, Bank of British North America and Bank of British Columbia, until the first Canadian banks made their appearance on the Pacific in the 1890's. Apart from business trips, the majority of Victorians in a position to take an extended holiday trip seemed to prefer to go to London. It is interesting to note, that generally speaking this same group showed little or no interest in Canada (the old colony of Canada). Many of them appear never to have been there.

as the metropolitan centres of these two frontiers, had their own set of business connections.¹⁰

The business connection between these two cities was important. But, the speed with which much of the business in the province was reoriented from North-South to East-West after the completion of the Canadian Pacific Railway in 1885, suggests that it was not too deeply rooted.

Through these business connections, Victoria was rapidly given the banks, general merchants, insurance firms, light industry, investment outlets, real estate companies and transportation lines that equipped her to control her own developing hinterland. The economic power she thus gained gave her a considerable business advantage in directing the development of resources, communications, townsites, utilities and industry wherever a business opportunity appeared in the province.

Business opportunities in the province varied considerably over the years, however, and in 1874, world economic conditions were depressed. In British Columbia, the slow pace of business reflected this condition and was compounded by the fact that the province was between

¹⁰Keith Ralston, "Patterns of Trade and Investment on the Pacific Coast, 1867-1892: The Case of the British Columbia Salmon Canning Industry," B. C. Studies, no. 1 (Winter 1968-69), p. 40.

booms. The Cariboo gold rush was over, and the railway that had been promised in the Terms of Union and was to have been started by 1873, was the victim of a change in federal government policy and the general economic depression. Victoria was similarly affected by the slow down in business. Her population, which had fluctuated as wildly as her fortunes over the past 16 years, numbered probably no more than 5000.¹¹ As the capital and principal city in the province, life in the streets of Victoria was a barometer of the business tempo in the province. When business activity in the province quickened, Victoria boomed. When the frontier fell quiet, the city lost much of its metropolitan atmosphere. But, the rather insignificant size of Victoria's population is misleading when assessing her role in the life of the province. Victoria was firmly established as the financial and business centre of British Columbia by 1874.

Gold had brought the first real immigration to British Columbia, and by 1874, about half of those who remained were in Victoria, albeit in some occupation other than prospecting for gold. These were the people

¹¹R. E. Gosnell, The Year Book of British Columbia, 1897, Victoria, n.n., 1897, p. 424.

who came in direct response to one of the several gold rushes, or simply because of the reputation they gave the province as a place where fortunes could be made. Some were men prospecting for gold, others were men looking for their fortunes in satisfying the needs of the prospectors, and still others were men who involved themselves in the hunt for gold by administering the colony created by the prospectors. From its birth until at least the turn of the century, British Columbia's business pulse was frequently quickened by reports of rich mineral discoveries. A great number of people were in the province because they believed "there was more to come." The belief in this expectation kept a gold rush atmosphere lingering in the province for many decades. It was one of the more striking characteristics of business life in Victoria.

A surprisingly large number of the people directing the affairs of British Columbia fitted the general description of the entrepreneur.¹² They were highly individualistic and did not like constraints on their business affairs. They were energetic, ambitious and, as their trek to the West Coast illustrated, men with the

¹²Miller, Men in Business, p. 5.

will to act. They were materialistic and their society was quick to recognize business success. Breeding played its part in the social structure, but money assured social mobility. Gambling appealed to their nature, but, as the more successful members of this society, they were shrewd gamblers. Their entrepreneurial instincts were dominant and they were quick to exploit a business opportunity. Companies were formed rapidly, in great numbers and over a wide range of business endeavours.

It was one thing for Baker to have recognized British Columbia as a land for the entrepreneur and Victoria as its business centre. But, it was quite another thing for him to break into the upper levels of the business community in the province. The businessmen he would meet were highly independent men, whose success or failure was largely of their own making. Introductions and business tips might be the result of social relationships, but the conduct of business was not. Whatever his social connections, Baker had to use his own business instincts to become a member of this group.

When he arrived in Victoria, Baker found that he had a strong kinship with many of the businessmen and government officials present in the city. He was an Englishman, new to Canada - having worked in the country for only some eighteen months - and had never been west of Quebec

city before. He was 28 years of age, had tried his hand at a number of other jobs, but found them neither particularly suited to his nature, nor to his ambition. A good number of young men in this era were attracted by the reputation of wealth that surrounded the frontier in British Columbia; Baker was one of them. His background and ambitions gave him much in common with many of the young men there. Unlike many newcomers to the area, however, he had an excellent business connection in his wife's uncle, Captain J. A. Raymur, who had to a large measure made his move from Halifax possible.

In Baker, Captain Raymur had selected a complex and somewhat eccentric young man to represent him. He was small, compact, had a haughty bearing and a rather arrogant manner. His unimpressive stature was offset by the strength of his face, with its deep set piercing blue eyes, firm mouth and prominent aquiline nose. He was meticulous in his dress and fastidious about his personal habits. He had a quick and violent temper, which frequently got him into trouble and caused him a great deal of inner suffering. This characteristic was aggravated by a lack of tolerance and an extreme sensitivity to any suspected slight. He enjoyed a good party and entertaining, but had a strong puritanical streak

which occasionally forced him into a sanctimonious attitude for weeks on end. He understood the value of social contacts, however, and was careful not to miss a useful dinner party or a good poker game! When in a lighter mood, he was fond of billiards, good cigars, oysters, champagne and the theatre. But most of all, he was motivated by the desire to make money.

Churchgoing was a ritual with Baker that occasionally amounted to three or four services a Sunday. But, as his business interests increased and came to be a seven day a week affair, church suffered accordingly. Christmas Day nearly always saw him at his office, sometimes for as much as an hour or two before church and several hours before dinner. It was business as usual, as when his Chinese cook offended him as he was preparing to leave for the Christmas service at the Cathedral. He fired him on the spot and put him out of the house!¹³ For all his concern with religion, his Christianity seemed to be something to be practised inside of Church, but not outside of it.

He was as demanding in his home as he was in his office, a characteristic that made him anything but easy to live with. He tried to dominate his wife and her family and in the process caused an almost endless

¹³Baker, 25 December, 1880.

succession of domestic rows and upheavals. He helped his widowed in-laws financially, but his manner of doing so often detracted from his good intentions. Yet, underneath a hard exterior he had a genuine concern for the less fortunate. After a long and busy day, he often visited sick friends and on occasion went to the Royal Hospital to cheer up the patients.

His wife, Frances Mary Baker, and her sisters soon became popular members of Victoria's society. Frances was a somewhat plump, motherly young lady with a pretty face and a considerate manner. She made friends easily and with her light hearted and kind nature led a busy social life. Guests regarded her as a charming hostess and invitations to the Baker house were gladly accepted. Frances, it seems, was a decided asset to an aspiring young businessman. Baker's marriage to her was much more of a help to his career in the West than it had been in the East. It was Frances' family connections that had given him a responsible position in an important company and an entree into society's leading element.

The Hastings Sawmill was one of the largest business operations in British Columbia and as its manager, Captain J. A. Raymur was an influential member of the business community. Although his business headquarters was at the mill on Burrard Inlet, his wife preferred to live in

Victoria. The Captain built a beautiful home for his family in Victoria and named it Point Pleasant, after the large park in his native city of Halifax. With the arrival of Captain Raymur's sister, Mrs. Cecelia Isabel Jones, and her family there was an increase in the number of social events at Point Pleasant. Within a few months of their arrival, the Bakers met most of the leading members of the small community either at the Raymurs' house, or at one of the many parties given by the Raymurs' friends to welcome their relatives to the city. For example, shortly after their arrival the Bakers were invited to a dinner party at the home of Judge J. Hamilton Gray. As spring gave way to summer, William Charles, chief factor of the Western Department of the Hudson's Bay Company, and his wife gave a croquet party in honour of the newcomers. A garden party, which Baker referred to as a strawberry feast, was held at the home of J. H. Turner, a successful wholesale, shipping and commission merchant. The Bakers also attended the Trutches' At Home at Government House.¹⁴

The Bakers had an immediate entree into Victoria's more exclusive social group through the Raymurs. But, in addition, Baker had other connections that he could

¹⁴Baker, 10 July, 1874.

draw upon to widen his circle of friends and associates. His naval training had taught him the value of making social calls and to do them carefully and promptly. Service in the navy also gave him an introduction into the social life of the Esquimalt naval base. Further, a number of important people were either involved with, or interested in, organizations with a military connection, such as the City of Victoria Rifle Association and the British Columbia Provincial Rifle Association. In 1874, the latter association included in its council such people as Judge Hamilton Gray, Senator Hugh Nelson, C. F. Houghton, James Roscoe, M.P., J. Roland Hett and C. E. Pooley.¹⁵ Baker's naval experience gave him something in common with these people. Some years later, in the spring of 1887, he was elected president of the British Columbia Provincial Rifle Association. Baker played cricket and although his ability was not great, this was another useful social attribute. He was a Mason as were many leading members of the community. The

¹⁵Note: Houghton was an energetic young businessman and soldier, who had been the M.P. for Yale from 1871-72. Hett and Pooley were both lawyers with a yearning for politics. Hett was the provincial Attorney General in 1882 and Pooley was an M.L.A. in 1882 and President of the Council in 1889.

Masonic Order was a powerful association in the province. Finally, Baker's business position not only brought him into contact with all segments of the business community, but on terms where he represented a large firm with whom many of them wished to do business.

Baker began his round of calls on members of the government, judiciary, church and military within four days of his arrival, when he signed the guest book at Government House. Shortly after, he met Bishop Hills and by early summer, he was seeing a good deal of Judge Gray socially. In July, the Bakers were invited to a dinner party at Government House. It was a lively affair at which the dancing went on until three in the morning. By August, Baker knew Lieutenant Governor Trutch well enough to stop and have a talk with him when they met on the street.

The bond between Victoria and England was unusually strong for a Canadian city. This was the result of a number of factors chief of which were, the large number of people present in the city who had been born in the British Isles, the direct economic ties with Great Britain and the presence of the naval squadron in Esquimalt. This latter factor gave the inhabitants a strong sense of Empire and exercised a considerable influence over the social life of the community.

The ships in Esquimalt were a visible barometer of the climate of Empire. Through the actions of these "grey diplomats" Victoria was immediately aware of international events. Unrest in South America meant the dispatch of a ship or two for the South Pacific. Trouble in the Orient could result in the recall of officers and men and the departure of a ship for Asian waters. A Russian scare brought ships to the alert and altered their dispositions. Empire events for the interior cities in Canada were more remote and usually did not transmit the same sense of immediacy. In Victoria, the sight of warships raising steam in response to the affairs of Empire gave the city a strong sense of kinship with Great Britain.

This strong sense of kinship was reflected in the place accorded the officers of the Royal Navy in the social life of Victoria. Connections with the navy could be a useful social asset and Baker had cultivated his connection with the navy from the time of his arrival on the West Coast. When the Prince Alfred sailed from San Francisco carrying the Bakers on the last leg of their journey to Victoria, Baker found that Rear Admiral Vansittart was also a passenger. The trip afforded Baker an opportunity to meet and become acquainted with the admiral. After attending the morning service at Christ

Church, two days after his arrival in Victoria, Baker was off to visit Admiral Vansittart in Esquimalt, who was himself visiting friends there. Over the next two decades, old naval friends occasionally turned up in the ships stationed in Esquimalt, and these kept the bond between Baker and the navy alive.

Baker soon was invited to join the Navy Club in Esquimalt. Many prominent Victorians, among them Chief Justice Begbie, were honorary members of this club. Baker often joined Judge Gray at the club for an evening of billiards and yarning. He went there frequently and found it a useful place to meet people and to discuss local events. The Union Club was still some five years in the future and this was the only thing Victoria had in the way of a gentlemen's club.

There was an active social life between the larger homes ashore and the ships in Esquimalt. In gaining a place on the navy invitation list, Baker found himself included in many of these affairs. The naval social events included a variety of shipboard parties. On one occasion, Baker and Judge Gray joined the gun vessel HMS Rocket as the guests of the captain for a week of duck shooting in local waters.

Before long, Baker's naval and dockyard friends provided him with a number of interesting business

opportunities. A few officers gave him leads or access to second hand navigational instruments. The sale of these chronometers and sextants was the beginning of a highly varied sideline that might best be placed under the heading of what was soon to become his commission merchant activities. There were other occasions when, through his naval friends, sizeable boxes of tobacco and cigars were delivered to him from the dockyard, apparently without reference to the customs.

One of these dockyard friends was James Henry Innes, employee of the Civil Department of the Royal Navy and accountant in charge of the Esquimalt Naval Yard. Innes called for tenders on a wide variety of supplies for the naval squadron and awarded the contracts. He controlled the expenditure of large sums of money and as such, was a man in a position to render a favour.

Baker's naval connections were a valuable asset, but an even wider group of influential men were involved in the Masonic Order. Baker had become a Mason while serving in the Royal Navy. H.M.S. Fox had been a frequent visitor to the Clydeside during the years that Baker had served in her. He had made many friends in the Port Glasgow area and there, on Boxing Day, 1868, he had been introduced into the mysteries of Freemasonry at the

Cumberland Kilwinning Lodge Number 217. Baker was a diligent student of Freemasonry and spent a good deal of his spare time in studying its orders. In Victoria, he quickly established contact with his fellow Masons and on 7 January, 1875, he was installed in Victoria Lodge.

Freemasonry in British Columbia had its origin in the gold rush. On 10 July, 1858, the Victoria Gazette carried an advertisement inviting all Freemasons interested in forming a Lodge to meet in Southgate and Mitchell's new store. Efforts to form a local Lodge took some time to complete and it was not until some two years later that the charter arrived from the Grand Lodge of England. Victoria Lodge Number 1085, British Columbia's first Masonic Lodge, was formed at the end of August, 1860. Some two years later, a Lodge was formed in New Westminster and, in 1867, a Lodge was formed at Nanaimo.

As the 1860's drew to a close and the question of British Columbia's entry into Confederation became a matter of heated political discussion, a number of Victoria Masons proposed forming a Lodge under an American charter. This move was strongly opposed by the members of Victoria Lodge. In addition, many Masons signed the Annexation Petition presented to President Grant on 11 January, 1870. The supplementary list, sent to the

President in September of the same year, was forwarded under a covering letter written by H. F. Heisterman, a leading Mason. The controversy over the formation of a second Lodge was resolved in January, 1871, when Quadra Lodge was formed under a Scottish charter.¹⁶ In an effort to reduce the danger of friction between the English and Scottish Lodges, the Grand Lodge of British Columbia was formed the same year under Grand Master I. W. Powell; H. F. Heisterman was the Grand Secretary.

Membership in the Masonic Order grew rapidly and by the end of the 1870's and throughout the 1880's its nominal roll was virtually a Who's Who in British Columbia. Four of the premiers during this period were Masons as well as such men as J. H. Turner, E. G. Prior, D. W. Higgins, F. S. Barnard, J. A. Mara, R. H. Alexander and the Oppenheimer brothers: David, Isaac and Godfrey.¹⁷

¹⁶Note: One aspect of the Anglo-American nature of Victoria's society can be seen in this Masonic conflict. It also illustrates how as a colony British Columbia's political future was open to speculation, something that, inspite of the railway dispute, disappeared after union with Canada.

¹⁷Note: Some other important Masons were:

M.W.T. Drake
Henry Croft
Simeon Duck
A. R. Robertson

C. F. Houghton
Henry Rhodes
Mark Bate

Joseph Spratt
John Irving
H. J. Cambie

The close knit character of the Order in early British Columbia is illustrated by the response of Baker and other Masons to a request for help by one of their Masonic brothers. In the fall of 1879, R. B. McMicking, a Mason and General Superintendent Dominion Government Telegraphs in British Columbia, was in financial trouble with the government. McMicking came to Baker for assistance. The next day, Baker "went round the Masonic Circle on McMicking business all the forenoon...."¹⁸ R. P. Rithet, F. J. Barnard and A. W. Vowell were, with McMicking, some of the founding members of the Quadra Lodge.

McMicking's liabilities were just over \$4,540. Twenty four hours later, Baker met F. N. Gisbourne, Superintendent of the Dominion Government Telegraph and Signals Service, and B. W. Pearse, public works engineer in British Columbia for the Dominion Government, at John Wilson's Garrick's Head for lunch. Here, he gave them a cheque to cover part of the advances made to McMicking. Premier G. A. Walkem was a good Mason, but Minister of Finance Robert Beaven was a less sympathetic one. Beaven's failure to help McMicking angered Baker and he nicknamed the minister "a halo Mason".

¹⁸Baker, 15 October, 1879.

Baker recognized the importance of the associations made through the Masonic Order and devoted a great deal of time and energy to its study. In February, 1876, the first reunion of the Grand Lodges of Oregon, Idaho and Washington Territory was held at Olympia. British Columbia was invited to attend and Baker was among the Canadian Masons who went to Olympia for the reunion. The fraternal aspect of the gathering was given an additional boost when the Canadians invited the Americans to conclude their reunion with a visit to Victoria. The invitation was accepted and resulted in a fresh round of festivities and introductions in Victoria in which Baker participated fully.

The cornerstone of the Temple for the Victoria Masons was laid on 22 April, 1878, and that December, four years after his arrival on the coast, Baker was elected Master of the Victoria Lodge. His new position required him to visit a number of other Lodges in British Columbia. On these visits, he met many of the local businessmen and saw at first hand some of the economic developments taking place in the province. In June of the following year, he was elected Grand Secretary and appointed Warden of the newly completed Temple. This was a paid position, at a salary of \$150 per year, that involved a considerable amount of correspondence with

other Lodges in Canada and the United States and gave him new contacts in many parts of these two countries.

After holding the position of Grand Secretary for four years, Baker was elected Grand Master for the province in June, 1883. Both as Grand Secretary and as Grand Master, (he held the latter position for two years), Baker travelled considerably and made many new contacts in the province. Baker was reaching a peak of business activity, if not prosperity, toward the end of the 1880's, however, and while he remained an active Mason, he assumed no more offices in the Order after he was succeeded as Grand Master.

Less close knit than the Masonic Order, but still influential in the life of the city, was the Victoria Cricket Club, which Baker joined shortly after his arrival. Sports were a popular form of entertainment in Victoria and Beacon Hill Park was the scene of many a cricket match between such teams as The Married Men versus The Single Men, The Professionals versus The Duffers, or Victoria versus The Fleet.

Lieutenant Governor J. W. Trutch was the president of the Victoria Cricket Club from 1871 to 1876. The Chief Justice of the province, Sir Matthew Baillie Begbie, was the vice president during the same period and followed Trutch as president. J. E. Curtis, who had married

Frances Baker's cousin, Ella Wallace, was the secretary of the club. He was a young Englishman of good family, who had come to the colony in search of wealth and adventure. Later, when he inherited the family title, he returned to England. Curtis quickly involved Baker in the activities of the Cricket Club. A month after his arrival, Baker found himself alongside Sir James Douglas' son-in-law, Charles Good, M.T.W. Drake and others, facing a formidable single men's team composed in part of Chief Justice Begbie, C. F. Houghton, Henry Rhodes and F. G. Vernon.¹⁹

Membership in the Cricket Club required a letter of nomination from a member of the club and the approval of the club committee. In 1876, Premier A. C. Elliot was nominated for membership in the cricket club and Baker was elected a member of the club's five man committee.²⁰

Baker involved himself in a number of other social activities that increased his standing in the local community. In October, 1875, Victoria planned a ball in honour of the naval squadron. Baker was anxious to be a member of the organizing committee. With his background

¹⁹Daily British Colonist, 22 May, 1874, p. 3.

²⁰Baker, 10 May, 1876.

and connections in Esquimalt, he had no trouble in gaining the desired position. Another opportunity presented itself in the regatta that normally took place in May and was one of the most popular and colourful affairs in Victoria's annual round of social events. There was a certain amount of prestige attached to membership on the Regatta Committee and in the spring of 1876, Baker let it be known that he would like to be on the committee. His efforts were successful and in June, his name appeared in the paper as a member of the committee.²¹ Baker was fully aware of the value of the connections that these activities opened to him and a few weeks after the regatta came to a successful conclusion, he approached G. M. Sproat about a place on the Dufferin Reception Committee.

In 1876, British Columbia was in a secessionist mood because of the failure of the federal government to commence construction of the Canadian Pacific Railway in accordance with the Terms of Union. Lord Dufferin, Governor General of Canada, planned to visit Victoria late that summer to find out the exact nature of the province's discontent. The Governor General seemed to feel that it was his duty to act as a mediator between the two governments, although the federal government was

²¹Baker, 13 June, 1876.

adamant that he should understand that he had no constitutional right to intervene in what they considered to be a purely domestic dispute.

A committee to plan the details of the Governor General's visit was organized under the chairmanship of Sir Matthew Begbie. G. M. Sproat, a successful commission merchant who had only recently returned from an appointment in London as British Columbia's first agent general in that city, was a member of the committee and spoke to Sir Matthew on behalf of Baker. Chief Justice Begbie gave his approval and Baker was once again in a position of prominence.

On the 17 July, Begbie gave a dinner for the committee, which was followed by a business session. H.M.S. Amethyst had been selected to transport the Governor General and his party from San Francisco to Victoria and to return them to the same city after their British Columbia visit. Three days after the Chief Justice's dinner party, he, Baker and Dr. I. W. Powell, superintendent of the Indian Department in British Columbia, dined onboard the Amethyst in the dockyard to discuss their part in the Governor General's visit. Other planning sessions brought meetings with G. A. Walkam and at Government House, where Baker met the newly installed Lieutenant Governor, A. N. Richards.

There were no means of communicating with ships at sea and at 2100 on 15 August, the Amethyst unexpectedly

arrived with the Governor General and his party; the committee met hurriedly and remained in conference until three the next morning. Victoria was in a festive mood and in the morning, the Governor General drove through streets lined with enthusiastic people and decorated with a profusion of flags, flowers and slogans. Lord Dufferin was well aware of the politically sensitive nature of his visit and an arch, advocating the "Carnarvon Terms or Separation", caused some embarrassment. Sproat, Drake and Baker were despatched to Fort Street to deal with the offending motto.

The Governor General's visit quickened the pace of Victoria's social life and Baker used his position as a member of the committee to good advantage. He and John Goodfellow, manager of the Bank of British North America, called on Lord and Lady Dufferin at Government House. A few days later, he went to the reception for the Governor General with a group of his naval friends. This was followed by an invitation for the Bakers to attend Lady Dufferin's At Home. When the Governor General returned to Victoria in the middle of September, after his tour of the province, Baker went to the rifle range with Premier and Mrs. A. C. Elliott and Miss Marion Dunsmuir to attend the Governor General's inspection of the local

rifle association. This was followed by a ball at Government House to which the Bakers were invited. Frances Baker drove to Esquimalt with Premier and Mrs. Elliott, on 19 September, to witness the driving of the first pile for the coffer dam of the dry-dock by His Excellency.

Baker concluded his part in the first vice-regal visit to British Columbia by joining H.M.S. Amethyst on the morning of the 21st for her trip to San Francisco with the Governor General and his party. At noon that day, the Amethyst let go her lines and moved slowly out of harbour into the sundance covered waters of the straits. Accommodation was somewhat scarce, but the weather remained fair and Baker was comfortable in his hammock slung outside of the gunroom. On Sunday 24, Amethyst sailed into San Francisco Harbour and at 1130, the Governor General and his party disembarked to begin a three day round of official calls and receptions with American dignitaries. Baker and the ship's officers were included in a number of these affairs, at one of which, Baker met General Sherman and Mr. Secretary Cameron.

At 1700, on 30 September, Amethyst weighed anchor, proceeded out of San Francisco harbour and headed north under steam. Five days later, she anchored in Esquimalt harbour. Baker bid his naval friends goodbye and returned

to his home in Victoria. The Governor General's visit was over, but it had been a very worthwhile two months for Baker. Membership on the Dufferin Reception Committee had given him additional social contacts and a certain amount of local prestige. Also, his ability to sail with the Governor General's party in the Amethyst had added a certain extra dash to his reputation.

Family, clubs and fraternal organizations were an excellent source of introductions, but it was business that turned an informal friendship into an important relationship. The Hastings Saw Mill Company was one of the largest industries in the province and as such was important not only for its export trade, but as a customer for a wide variety of supplies and equipment from local businesses. Nearly all of the major business firms in Victoria had dealings with the company and as its agent in Victoria, Baker conducted this business.

Baker took up his position as Raymur's agent in Victoria a few days after his arrival in the city. Victoria and the mainland were connected by telegraph and this was the principal means by which business was conducted between the mill's headquarters on Burrard Inlet and Baker's office in Victoria. He received and sent information regarding supplies, spare parts, the arrival

and departure of ships, their cargoes and other company business. The many functions that the Victoria office had to perform placed Baker in the middle of the business life of the city. He placed orders locally for food and equipment for the mill and its small settlement. It was only a matter of days before he met such merchants and wholesalers as R. P. Rithet, Robert Ward, J. H. Turner, T. L. Stahlschmidt, R. C. Janion, Henry Rhodes and the Oppenheimer brothers. A local requirement for pilings brought him into contact with W. P. Sayward of the Rock Bay Saw Mill Company and the need for heavy bolts to secure the piles, took him to see Joseph Spratt of the Albion Iron Works.²²

Meeting ships and attending to their various requirements was another important aspect of Baker's job. Victoria was by a wide margin the most active shipping centre in the province. A south east gale early in November, 1874, held 60 ships weather bound in the straits off the city. Many of the ships entering Victoria were destined for the Hastings sawmill, or the Moodyville sawmill, which was also on Burrard Inlet. Baker carried out the shipping duties for both of these mills. He met this shipping on arrival in port, cleared inward and outward bound ships with the customs and arranged for tugs and pilots if they

²²Baker, 26 June, 1874.

were required. He was also in charge of the company's bonded warehouse which was used by a number of other firms.

Baker worked long hours at this job and in so doing, he met most of the captains entering the port and almost all of the members of the local shipping companies. Captain Rudlin, who managed the East Coast Line of Steamers for Joseph Spratt, was an early acquaintance of Baker's. The two men met frequently to discuss the subject of the tow boat business. Henry Saunders was also interested in this subject and often joined them for these discussions. Baker was a seaman in a seaman's town. He knew and understood the problems of shipping and got on well with these men.

Such business introductions also led into social activities. Before the summer was out, Baker was spending a number of evenings a week playing whist with such companions as R. P. Rithet, Robert Ward, Charles Good, C. F. Houghton, John Goodfellow and A. W. Vowell. The "Batchelors Hall" was a favourite place to hold these evening games. Leopold Lowenberg was also fond of giving whist parties for his business friends. Besides Baker, other guests at these parties often included W. C. Ward,

D. M. Eberts, C. T. Dupont, D. W. Higgins and Barry Moody. Poker was another popular evening pastime and a game could be found at some friend's house almost any night of the week. The stakes were not high, but the players were enthusiastic. Baker seldom passed up an opportunity for a good poker game, which could be expected to last from eight in the evening until three in the morning. On one occasion, he had to excuse himself from the poker table, dash to the harbour and pull out in his dinghy to meet a ship entering the harbour at daybreak.

Lunch at John Wilson's Garrick's Head was popular with many members of the business community. Here on occasion Baker would lunch with such business friends as Charles Hayward, A. J. Langley, F. J. Roscoe, Henry Nathan, Roderick Finlayson, Joshua Davies, James Fell and B. W. Pearse. R. H. Alexander, a fellow employee of the Hastings Saw Mill Company in Burrard Inlet, was a close friend. He introduced Baker to H. J. Cambie of the Canadian Pacific Railway project, an introduction that was to prove very useful in later years. Business matters brought Baker into contact with most of the local lawyers of whom men like M.W.T. Drake, R. E. Jackson, A.E.B. Davie, J. R. Hett and C. E. Pooley soon became good friends of his.

In a short time, business affairs had resulted in Baker's meeting virtually all of the leading members of the business community. In most cases, these business meetings led to social activities, which helped to strengthen the relationship. An important part of Baker's social life was having adequate accommodation to reciprocate in the round of invitations.

A month after his sister's arrival, Captain Raymur approached R. P. Rithet about the sale of his cottage on Bird Cage Walk as a home for her and her family. A price of \$2500 was agreed upon and Mrs. Jones moved into her new home. On 4 May, the Bakers dined at Mrs. Ella's for the last time, paid her \$15 for their board and lodging and moved into Mrs. Jones' newly acquired cottage. In July, Baker saw Leopold Lowenberg about renting a cottage for six months at \$15 per month. Three weeks later, the Bakers moved into their own house.

Captain Tom Pamphlet was a close friend of Baker's and the owner of a small, but pleasant house on the harbour waterfront at Laurel Point. Early in December, Baker and Captain Raymur inspected Tom's house with the object of buying it. In February, 1875, Baker met Pamphlet at Peter McQuades ship chandlery store and bought his house for \$2250. A \$1500 down payment was agreed upon and of

this amount, Baker drew \$1000 from the bank and borrowed \$500 from Peter McQuade. Baker gave Pamphlet a note, which was backed by Joseph Boscowitz, for the remaining \$750 at 9% interest.²³ Jack Curtis came down from the law firm of Drake and Jackson to draw up the papers. With the purchase of a house, Baker was moving ahead. He consolidated his feeling of accomplishment by hiring his first Chinese servant and gave the entire affair a seagoing twist by naming his residence the "Crowsnest".

Baker had been able to enter the social life of Victoria quickly and with relative ease. Undoubtedly, his greatest asset in this regard was his marriage. This not only gave him employment, but made it possible for him to meet the city's business leaders. His connection with the Raymur family also meant a more rapid acceptance by society than would normally have followed an introduction unsupported by a prominent citizen, or without the benefit of a mutual friend. Baker's naval connection was useful, particularly in establishing his background as being acceptable; an important feature even in the materialistic society of Victoria. The Masonic Order

²³Baker, 3 February, 1875.

brought him into contact with many prominent citizens in a strong fraternal association. He also clearly recognized the value of committee work in gaining recognition by the community and as a means of obtaining a better understanding of the community through its affairs.

There was nothing haphazard about Baker's entry into this society. Apart from his understanding of ships and navigation, naval life had made him perfectly aware of the value of "knowing the right people". And, as a product of mid-nineteenth century English society, as were so many of the people he was dealing with, he had no doubts about the importance of this part of social behaviour. Baker exploited his social connections in a planned and methodical manner. Before two years were out, he was associating freely, socially and to a lesser extent in business, with the leading members of society. He had successfully entered the community.

CHAPTER IV

EARLY BUSINESS AFFAIRS

Edgar Crow Baker's early business years span the period from 1874 to 1882. In them, he passed from employee to employer and was launched on his career as an entrepreneur. His actions in these years show the latent entrepreneur's struggle to achieve independence in business and then, his instinct for business opportunities. Baker's relations with Captain J. A. Raymur illustrate the former point and also show the strength of his entrepreneurial spirit, which drove him on in spite of the financial hardship and possible social condemnation that he faced. Baker's instinct for business opportunities moved from the field of ideas to actual operations in the latter part of this period. His affairs in these years provide several examples of the type of entrepreneurial activity that he and his partners engaged in. The Victoria and Esquimalt Telephone Company is, perhaps, one of the best examples of this activity.

Baker was a well-established member of Victoria's society by the summer of 1876. His business success, however, was somewhat slower to develop. For the first almost two and one half years that he was in Victoria, he was an employee of the Hastings Saw Mill Company. But, working for someone other than himself produced

considerable frustration and little progress in his personal business plans. When he did break, in part, with this situation, he went through two very lean years before he regained some business momentum. Then followed four years in which he diversified and increased his business interests, all with success.

Baker's first business experience in British Columbia was as an employee in the lumber trade. On 14 April, 1874, the following notice appeared in the Daily British Colonist: "Notice: - From and after this date Mr. E. C. Baker has power to act for me during my absence from Victoria - J. A. Raymur".¹ Dickson, Campbell and Company had been the Hastings Saw Mill Company's agent in Victoria. Baker now filled this role and had the additional responsibility of attending to the requirements of ships heading for the Moodyville sawmill. This latter duty was the result of an agreement between Captain Raymur and the manager of the Moodyville sawmill, Sewell Moody (Moody's two local partners were Hugh Nelson, later a senator and Lieutenant Governor of British Columbia, and William Dietz, who had "struck it rich" in the Cariboo gold rush).

The forest industry in British Columbia had a relatively short history when Baker entered the business.

¹Daily British Colonist, 14 April, 1874, p. 2.

It had not been the province's first industry, nor its most important, but it had great potential. Primarily, it had been slow to develop for want of reliable markets. Several of the industry's pioneers were men who would become business associates of Baker's. As the industry developed, many of them used the wealth they had created through lumbering to promote other business ventures. Baker, himself, eventually became involved in the lumber industry as an employer rather than an employee.

The first change in the tempo of lumbering operations came with the Fraser River gold rush, an event that brought about considerable development in the lumber industry. In 1858, W. P. Sayward, a lumberman from Maine, came north from the California gold fields to try his luck on the Fraser River. When he saw the vast tent city surrounding Victoria, he realized that the need for lumber offered an opportunity as great as the gold fields. He established a sawmill a few miles north of Victoria and a lumber yard in the city. By the time Baker arrived in Victoria, Sayward was a prosperous businessman whose Rock Bay sawmill could cut some 30,000 board feet of lumber in an 11 hour working day.²

²British Columbia Directory, 1882-83, Victoria, Williams, 1882, p. 20.

A year before Sayward established his mill, the looming threat of an American civil war directed the attention of the London timber merchants, Anderson, Anderson and Company, toward the need for the establishment of an alternative source to their American timber supplies. Accordingly, they instructed their employee, Captain Edward Stamp, who was proceeding to the Puget Sound area for a cargo of lumber, to report on the timber potential in the British colony to the north. Stamp inspected the Alberni Inlet region and on his return, rendered a favourable report on the forest resources of the area.³

In 1860, as civil war broke out in the United States, the company decided to establish a sawmill on the inlet. Captain Stamp was engaged to head the enterprise and that summer, Captain Tom Pamphlet arrived in the Inlet in the schooner Meg Merrilies with the advance party. The bark Woodpecker arrived later with the machinery and another senior representative of the company, Gilbert M. Sproat. The mill had been operating only some eighteen months when Captain Stamp had a falling out with Anderson and

³J. C. Lawrence, "Markets and Capital: A History of the Lumber Industry of British Columbia, (1778-1952)", Vancouver, B. C., University of British Columbia, unpublished M. A. Thesis, 1957, p. 20.

Anderson, and left the Alberni mill. In 1864, Anderson and Anderson sent Captain Raymur from Halifax to their mill on Alberni Inlet.

The mill did little business after 1865. Sproat, who was in charge of the mill after Stamp left, considered there were insufficient logs in the area and in addition, the end of the American Civil War brought about a loss of markets.⁴ In 1869, the mill was destroyed by fire. Some time before that date, Captain Raymur was transferred to a new sawmill on Burrard Inlet that Anderson and Anderson were associated with. Gilbert M. Sproat went to Victoria, formed a company and became the agent for Anderson and Anderson in that city.

When Captain Stamp left Alberni Inlet, he went to Burrard Inlet and, with money supplied principally by two London firms, established the British Columbia and Vancouver Island, Spar, Lumber and Saw Mill Company on the south side of the inlet opposite Moody's mill.⁵ Lumbering on Burrard Inlet had been opened by the Pioneer Mill in 1863, shortly before Captain Stamp arrived. This

⁴Lawrence, "Lumber Industry of British Columbia", p. 23.

⁵Ibid., p. 25.

mill passed through a number of hands in the next eighteen months until it came under the successful management of Sewell Prescott Moody, after whom it was now named. Moody, like Sayward (in Victoria), was a lumberman from Maine.

In contrast to the Alberni mill's misfortunes, ships loaded cargoes from the two mills on Burrard Inlet for a number of countries bordering on the Pacific Ocean as well as Great Britain. The success of the B. C. and V. I., Spar, Lumber and Saw Mill Company attracted the attention of Anderson and Anderson and, as the Alberni mill was running down, they bought an interest in Stamp's mill. At about the same time, they transferred Captain Raymur from their Alberni mill to the B. C. and V. I., Spar, Lumber and Saw Mill Company as assistant manager to Captain Stamp.

In 1868, Captain Stamp broke up the syndicate he had formed and the mill was sold to Dickson, De Wolf and Company of San Francisco. Andrew Welch, Moody's agent in San Francisco, had invested \$100,000⁶ in Moody's mill with excellent results and his success had directed the attention of Dickson, De Wolf and Company to Burrard

⁶Lawrence, "Lumber Industry of British Columbia", p. 26.

Inlet. Early in January, 1869, Captain Stamp retired as the manager of the B. C. and V. I., Spar, Lumber and Saw Mill Company and Captain Raymur succeeded him. Later in the month, the name of the company was changed to the Hastings Saw Mill Company.⁷

As agent for the Hastings Saw Mill Company, Baker sold the company's products locally. Contractors, such as Charles Hayward and the firm of Smith and Clark, consulted him on lumber prices, as did Jacob Sehl, who owned a furniture manufacturing company. Individuals were also interested in the availability and price of lumber. Dr. W. F. Tolmie, an early Hudson's Bay Company employee and M.P. for Victoria District, called at Baker's office to order lumber for his farm. Baker's naval contacts with such men as J. H. Innes, accountant in charge of the Royal Naval Dockyard, were useful in gaining contracts to supply the many needs for masts, spars, lumber and pilings required by the naval squadron and its dockyard facilities. The larger wholesale and shipping merchants were given orders for supplies and equipment for the mill and its small community. They in turn were canvassed for their timber requirements.

⁷Lawrence, "Lumber Industry of British Columbia", p. 29.

Selling timber and ordering supplies and spare parts for the mill were important aspects of Baker's job, but his shipping duties formed the greatest part of his work. A large number of ships were involved in the timber trade and virtually all of them entered and cleared British Columbia waters through Victoria. Baker met them all and took care of their requirements for customs, towage, pilots and frequently, items of supply and repair. His work involved him with most of the local shipping companies and captains.

Apart from the marine duties required by his job, Baker had a Master's certificate and the seagoing experience to meet both local and visiting captains on common ground. Locally, he was on close terms with men like Captain Nat Child of the Grappler and Captain Palmer of the Enterprise. Captain Tom Pamphlet, of the old Alberni mill, was a great friend who liked to stop for a yarn, as did Captain Brown of the Beaver and Captain Morrison of the lighthouse tender Sir James Douglas.⁸ The Rover

⁸Note: Henry Saunders was the agent for the Grappler and Beaver, which were two of some half dozen steamships used both in carrying coastal freight and in towing sailing ships. The majority of this towage work originated and ended in the Straits off Victoria. The Enterprise was one of the Hudson's Bay Company's ships used on a regular run for freight and passengers between Victoria and New Westminster.

of the Seas had forty tons of gunpowder in her hold when she arrived in Victoria, but this did not deter Baker from having lunch aboard with another good friend, Captain Gandin.⁹ The shipping activity in the harbour was brisk. Baker was supervising the loading of a large cargo of provisions for the Hastings sawmill, when the Camelot arrived at Sproat's wharf, 200 days out from England, with a cargo of 536 tons of water pipe for the Victoria Waterworks Company.¹⁰

Goods required by the Hastings Saw Mill Company that were not available locally were shipped to Victoria by way of the Puget Sound steamers or the regular mail ships from San Francisco. The Company's bonded warehouse was often required in these business transactions. The mail ships Los Angeles and California connected the principal ports from San Francisco to Victoria and their arrival and departure invariably involved a trip to the quayside for Baker. The North Pacific and Favourite provided communication with the Puget Sound ports and had to be similarly waited upon.

On occasion, Baker assisted a ship's captain to obtain supplies or repairs and this unofficial service

⁹ Baker, 4 March, 1879.

¹⁰ Baker, 22 January, 1875.

rendered by him, opened up a profitable sideline to his job. Through naval friends, Baker heard of navigational instruments no longer serviceable, or declared surplus by the Navy. He had little trouble in acquiring these sextants, chronometers and other instruments at a very reasonable price. He cleaned and polished them until they had much of their original finish. If they were damaged, C. E. Redfern, a jeweller and friend of his, usually made the repairs necessary to make them serviceable again. The finished products were then displayed in Baker's office, where so many of the shipping fraternity appeared at one time or another. The trade in navigational instruments was brisk and Baker sold what he had easily and usually at a good profit. In addition, the sight of these instruments for sale prompted some captains to offer slightly damaged, or what they considered to be worn instruments, to Baker. Often these were given in the form of a gift in return for some local arrangement made by Baker.¹¹

Another aspect of the maritime life of Victoria was the marine towing business. Steam tugs, such as the

¹¹Baker, 28 July, 1875.

Grappler and Beaver, and pilots were available at Victoria to tow the large sailing ships from the Straits of Juan de Fuca through the tide-swept waters of the Gulf Islands to their destinations at Nanaimo, Burrard Inlet, or New Westminster. When they had loaded their coal, timber, or canned salmon (salmon canning was introduced to the Pacific Coast in 1864),¹² they were even more in need of a tug to assist them to the open sea. The towage charges from Victoria to Burrard Inlet and return were some \$400 and the demand for tugs far exceeded the number available.¹³

The business potential in the tug towage trade was almost immediately apparent to Baker. Within a month of his arrival, he was trying to interest Captain Raymur in this business. Raymur did not have the entrepreneurial instincts of his clerk, however, and refused to consider the proposal. He was a conservative Nova Scotian sea captain, not a venturer. He squashed his eager employee's suggestion. Baker could do without any handicaps in establishing himself in his new surroundings, but his temper got the best of him. In June,

¹²H. K. Ralston, "British Columbian Salmon Canning Industry," B. C. Studies, no. 1 (Winter 1968-69), p. 45.

¹³J. H. Hamilton, Western Shores, Vancouver, Progress, 1932, p. 187.

he complained that, "Raymur arrived in a typhoon... and humbugged me like the devil."¹⁴ A little later he "exchanged strongly worded notes with J A R"¹⁵ and by the end of July, it was "...another row with J A R (the old blackguard)."¹⁶

Baker squirmed under the Captain's exasperating lack of interest, but this did not prevent him from looking elsewhere for a way to implement his idea. The East Coast Line of steamers, which handled passengers, mail and freight in the Straits of Georgia area, was owned and operated by the enterprising Joe Spratt of the Albion Iron Works in Victoria. Captain George Rudlin managed the line for him. Baker found a sympathetic ear to his towboat proposition in Rudlin. Throughout the summer, they met periodically to discuss the matter. By August, Henry Saunders had joined them in their discussions and the partners were considering buying the old Beaver, the first steamship on the West Coast.¹⁷ Various plans were discussed, but the would be partners never came to any agreement. Baker's plans at this stage were severely limited by his lack of capital.

¹⁴Baker, 3 June, 1874.

¹⁵Baker, 15 June, 1874.

¹⁶Baker, 31 July, 1874.

¹⁷Baker, 20 August, 1874.

Despite Baker's strained relations with the Raymurs (he appears to have offended Mrs. Raymur within a few months of his arrival),¹⁸ he managed to finish his first year without any further problems at the office. During the following year, however, he seems to have made up his mind that he would have to leave the Hastings Saw Mill Company as soon as he could find another job. But, if Baker struggled in the employment of the Hastings Saw Mill Company, Captain Raymur was not entirely satisfied with his Victoria agent either. In the latter's case, however, the issue was complicated by a sense of family responsibility. The disagreement between the two men had nothing to do with Baker's ability at his job, but rather stemmed from their different temperaments. Baker wanted to diversify the company's operations and thereby advance himself. The Captain wanted an obedient agent who would not upset the status quo.¹⁹ Baker's

¹⁸Note: Baker noted the beginning of a disagreement with Mrs. Raymur on 2 August, 1874. Exactly a year later, in reference to her, he remarked, "Whist at Dupont's - 'had it out with the old man about his beautiful wife'."

¹⁹Note: By the spring of 1876, Baker had taken on commitments outside his duties as Raymur's agent. He was secretary to the Pilotage Commission and had embarked on a tug towing scheme with Henry Saunders and R. C. Janion as partners. The latter move had followed a meeting on 14 August, 1875, with Raymur, at which the Captain again refused to become involved in any towing business: "Talked over towing business with J A R - no go." On the same subject, two days later, Baker remarked, "...probability of going on my own hook!" It was not until 3 March, 1876, however, that he drew up the charter agreement between Janion, Saunders and himself.

ideas and organizing ability were largely blocked; it was obvious to him that he would not be able to satisfy his ambitions under the Captain's sober leadership. He preferred the livelier group that gathered at the Garrick's Head and cut cards to see who would pay for the drinks and lunch.²⁰

The problem came to a head in July, 1876, and on the 1 August, Baker received a month's notice of dismissal from the Hastings Saw Mill Company. Later that month, R. H. Alexander came over from the mill to inform him that his brother, J. J. Alexander, would take over from Baker in September.²¹ Baker had made many useful friends,

²⁰Note: Baker frequently mentions lunch at the Garrick's Head and indicates that some form of gambling was often used to decide who would pay for the drinks and, or, lunch: On 18 March, 1875, he won the draw over William Ward (Manager of the Bank of British Columbia); in November, it was the latter's brother, Bob Ward (a successful commission merchant and insurance agent), who lost the toss; in January, 1876, after lunch with William Ward and J. Brodie (another successful shipping and commission merchant), he joined A. C. Elliott (who became premier on 1 February) and fur dealer Joseph Boscowitz, as they were leaving the Garrick's Head.

²¹Note: R. H. Alexander had immigrated to (Upper) Canada from Scotland as a young boy. He and his brother were members of the 1862 overland trek from the Canadas to the Cariboo gold fields. Later, he was employed by the Hastings Saw Mill Company, where he became the manager on Raymur's death in 1882. He was a close friend of Baker's from the time of their first meeting. The two families exchanged many visits and the singing that seems usually to have followed their dinner parties, resulted in Baker referring to Alexander as the "Bellocking Bull"!

but, in Captain Raymur, he had made a powerful adversary.²² After his dismissal from the Hastings Saw Mill Company, he broke completely with the Raymur family. His wife continued to see her uncle and aunt, but he had nothing further to do with the Captain and did not speak to Mrs. Raymur for many years.

Notwithstanding his business and fraternal connections, in September, 1876, Baker began what was to be the most trying period of his business life. Not only was he short of money, but the employment he obtained was either temporary and poorly paid, or beset by problems. It was a period that he would not break clear of until the spring of 1878.

²²Note: Baker was not ostracized in any way, however. On 1 September, 1876, Judge H.P.P. Crease of the Supreme Court of British Columbia, gave him a brace of grouse. On the 7th, he attended C. T. Dupont's party; on the 8th, he dined with Judge J. H. Gray; and on the 9th, he spent the evening at T. L. Stahlschmidt's home.

This was also a time when he became close friends with James and Alex Dunsmuir, W. N. Diggle and E. G. Prior. The reason for this is not clear, other than a certain common interest in partying. Baker had met these people at least a year earlier, but on 12 September, 1876, after having Alex Dunsmuir to dinner, he went to Nanaimo with him. Here, Baker, Prior, Diggle and the two Dunsmuirs did a considerable amount of socializing in the three days before Baker, Prior and Diggle brought Mrs. James Dunsmuir and Miss Marion Dunsmuir down to Victoria on the Cariboo-Fly. More partying between these friends followed their arrival in Victoria.

His financial situation during most of this time was precarious. His sister-in-law, Agnes, had received \$1,185 of her late husband's insurance money in January, 1874, and another \$500 a year later.²³ She gave all but a small amount of this money to her brother-in-law to manage for her (which gave Baker a modest amount of capital). In addition to this, he had his naval half pay of \$132 per quarter, a small amount of money from various part time jobs and later, a modest salary from two full time positions.

In the summer of 1876, just before Baker was dismissed from the Hastings Saw Mill Company, A. N. Richards was appointed Lieutenant Governor of British Columbia to succeed J. W. Trutch. Through his work on the Dufferin Reception Committee, Baker met the new Lieutenant Governor just after he took office. Baker's first effort to regain employment was to follow up this introduction with an endeavour to obtain the position of secretary to Lieutenant Governor Richards. During the early fall, Baker spoke to Premier A. C. Elliott about the position on a number of occasions.²⁴ His efforts failed, however, in spite of the help and encouragement of Premier Elliott and an apparently satisfactory interview with the Lieutenant Governor.

²³Baker, 7 January, 1875.

²⁴Baker, 28 August, 1876.

Baker continued to badger his government friends in his quest for work. Judson Young was the Provincial Treasurer and a friend of Baker's. After a number of meetings, Young managed to secure a temporary billet for Baker in the audit department, as assistant auditor. Baker commenced these duties the end of November at a salary of \$4 per day. A few weeks later, he took on the job of keeping Pilotage Commissioner W. R. Clarke's coal accounts. This chore netted him \$1 per day: "flunky's" work as Baker described it.²⁵ In January, H.B.W. Aikman, a Mason and the Registrar General, gave Baker a number of days temporary work in his office, again at \$4 per day. It was not until May, that, through the help of Premier Elliott and with the concurrence of Finance Minister William Smithe, Baker was given a permanent position in the Treasury Department.²⁶ He held this job until June of the following year. A more promising break for Baker came with the ratification of the British Columbia Pilotage By-Laws by Ottawa in March, 1877.

The British Columbia Pilot Board had been established on 2 April, 1867, to regulate and insure the safe passage

²⁵Baker, 2 November, 1876.

²⁶Baker, 1 May, 1877.

of marine traffic in and out of the province's ports and coastal waters. After British Columbia joined Confederation, Ottawa amended the original ordinance setting up the Board to include additional duties. The Pilot Board objected to the form of these responsibilities and the lack of federal financial assistance to carry them out. On 21 December, 1874, the Board, under the chairmanship of Captain Raymur, resigned.²⁷

Baker had earlier been interested in reviving the Board and had discussed the matter on a number of occasions with Captain Raymur. Raymur had no objection to Baker's plan to revise the by-laws. T. L. Stahl Schmidt was the acting chairman of the Pilot Board and he and Baker met frequently during 1875 to consider the changes that might be made in the by-laws. That September, Baker applied for and was appointed secretary treasurer to the Victoria Pilotage Commission. There was little business to conduct, as the pilotage system was in abeyance, and Baker began the revision of the by-laws in earnest. As Baker's revised by-laws began to take form so the opposition against them took shape. By the following summer, Baker's employer, Captain Raymur, had made his objections to the proposed by-laws known. He was joined by Hugh Nelson,

²⁷ British Columbia, Legislative Assembly, Gazette (hereafter cited as BCG), 26 December, 1874, p. 301.

a partner in the Moodyville sawmill, and R. P. Rithet, who had considerable shipping interests in the province and had been a pilotage commissioner on the recently disbanded Board.²⁸ Baker countered by enlisting the help of Senator W. J. Macdonald to promote the case for the revised by-laws in Ottawa.²⁹

In spite of the disfavour with the proposed by-laws by those local businessmen who knew of them, the news from Ottawa was encouraging. The firm of Drake and Jackson were the solicitors to the Pilotage Commission and in January, 1877, Baker arranged with M.T.W. Drake to have Theodore Davie's³⁰ old room in their office for his pilotage papers. The new Pilot Commissioners were to be W. R. Clarke, C. M. Chambers, J. M. Devereux and T. L. Stahlschmidt, chairman. Baker hung the Pilot Board's shingle outside his small, one room office in anticipation of permission to commence business. The ratified by-laws arrived from Ottawa the middle of March and Baker set

²⁸Baker, 14 January, 1876.

²⁹Baker, 31 May, 1876.

³⁰Note: Theodore Davie was a young lawyer with a strong political sense. His lawyer brother, A.E.B. Davie, was attorney general and later, from 1887 to 1889, premier of the province. Theo Davie followed in his brother's footsteps as attorney general and, from 1892 to 1895, as premier. Baker was a close friend of both of these men.

about organizing the administration of the Pilot Office, which opened a week later. On the 24th of that month, Baker collected the first pilotage dues, \$40 from Welch, Rithet and Company. The money was deposited with the Dominion Savings Bank (where C. M. Chambers was the accountant).³¹ Shortly after, the Pilot Board met to "divide plunder".³²

Baker's salary as full time secretary to the Pilot Board was set at \$100 per month, while the pilotage commissioners received \$75 per month. Still not fully satisfied with his success to this point, he approached Clarke and Devereux on the subject of payment, at \$12 per month, for the months he had worked as secretary while the pilotage system was in abeyance. The Board gave its approval and awarded themselves \$20 per month for the same period.³³

Stahlschmidt returned to London in May and, as Roderick Finlayson succeeded him as chairman of the Pilot Board, the storm clouds that had been on the horizon the year before began to gather. The province's principal shipping men were unhappy with what they considered to

³¹Baker, 29 March, 1877.

³²Baker, 14 April, 1877.

³³Baker, 16 April, 1877.

be the high pilotage rates under the new by-laws. Two of the more powerful businessmen in the province, Captain Raymur³⁴ and R. P. Rithet,³⁵ led the attack. By August, most of the merchants and coal dealers had joined the fight because of the additional costs the pilotage rates added to their products. Steamship agent and coal dealer J. Engelhardt was joined by ship chandler Peter McQuade as he stopped Baker on the street to complain of the effect on business caused by the new pilotage rates.³⁶ In the same month, the Daily Colonist and Standard joined the fray in a series of articles: "A newspaper war commenced re Pilotage Affairs," Baker noted.³⁷

In November, the same newspapers published a number of anonymous letters, some of which were written by Raymur,³⁸ criticizing the new pilotage system. Baker stuck it out, however, and fought back as best he could. M.T.W. Drake, as Mayor of Victoria and solicitor to the

³⁴Baker, 2 April, 1877.

³⁵Baker, 22 June and 11 August, 1877.

³⁶Baker, 22 August, 1877.

³⁷Baker, 20 August, 1877.

³⁸Baker, 16 November, 1877.

Pilot Board, exercised what influence he could in favour of the Board. Dr. W. F. Tolmie, M.P.P. for Victoria District (and a brother-in-law and old Hudson's Bay Company crony of Pilot Board Chairman Finlayson), came to the office to discuss the problem; so did the young lawyer Theodore Davie and others. But, the discussions did nothing to lessen the opposition.

By August, Baker had hit the low point in his eighteen months ordeal. Many of his business friends seemed to have deserted him and he had domestic problems.³⁹ A threat to profits had turned former friends into opponents. Considering the generally depressed state of business in the middle 1870's, and Victoria's bitter disappointment over the delay in the building of the Canadian Pacific Railway,

³⁹Note: A year earlier, J. Engelhardt had offered Baker a partnership in his business. Now, he complained that Baker's pilotage system was ruining his business. Six months before the pilotage trouble began, Baker had danced until three in the morning at Rithet's wedding. Now each time he saw Rithet, he was insulted by him. And, apart from his strained relations with many of his business friends, Baker allowed himself to become involved in a number of more personal affairs. He got caught up in a squabble surrounding C. F. Houghton and Jack and Ella Curtis, to his detriment. I. W. Powell was interested in his sister-in-law, Agnes Blaiklock. Baker was also very fond of Agnes (throwing pebbles at her window at night) and interfered in this relationship. His youngest sister-in-law, Kate Jones, was seeing a great deal of Andrew Rome and in the fall, became engaged to him. Baker was miffed at not being accorded the role of head of the family in giving his consent and created considerable unpleasantness by his attitude ("revenge is sweet and I'll have it").

it was a bad time to upset the business community. Whatever the reasons, Baker was disgusted with the situation he found himself in. He resolved to return to England and placed an advertisement in the Daily Colonist⁴⁰ announcing that his furniture was to be auctioned by Captain W. R. Clarke, who was an auctioneer as well as a coal merchant and pilotage commissioner, at some date in the future.

The auction never took place. In spite of the clamour on the Coast, Ottawa was in no mood to change the pilotage by-laws so recently approved. Further, the Mackenzie government had little reason to show any sympathy towards British Columbia's leaders, political or business. And so, the pilotage business thrived despite the mounting opposition. When the British Columbia pilots presented Baker with a gold watch on 31 December, 1877, the corner had been turned.

The pilotage receipts for 1878 totalled \$28,457.44 and the average annual earnings of the pilots was \$1899.98.⁴¹ But, the pilotage system was not as sound as its receipts suggested. Roderick Finlayson had followed Drake as mayor of Victoria and was in a position to help the Board. But, the battle against the pilotage system had been carried to

⁴⁰Daily Colonist, 23 August, 1877, p. 2.

⁴¹Daily Standard, 6 March, 1879, p. 3.

Ottawa, in 1878, by Captain Raymur. Here, a change in political attitudes was underway. A new Conservative government under Sir John A. Macdonald, who had been elected by acclamation in Victoria, took office in the fall. As the year drew to a close, unpleasant letters from Ottawa were being received by the Pilot Board. Senator Macdonald called on Baker to discuss pilotage matters.⁴² In February, the newspapers rejoined the attack.

The matter came to a head in March when the San Francisco steamship Baring Brothers, for which Welch, Rithet and Company were agents, contravened a pilotage regulation. After a great deal of discussion, the Pilot Board ordered their solicitors, Drake and Jackson, to issue a summons to the master of the ship. R. P. Rithet increased his efforts in opposition to the Board. The Pilot Board did what it could to counter the attack, but its arguments were swept aside. In May, Senator Macdonald wrote from Ottawa to inform the Board that the future of the pilotage system was in jeopardy.⁴³ Two weeks later, Ottawa curtailed its authority to the point where it was

⁴²Baker, 16 January, 1879.

⁴³Baker, 1 May, 1879.

no longer effective.⁴⁴ The Board concluded its affairs on 31 May, 1879. After that date, each pilot was free to tender his services independently to ships in the district. Baker was given until the end of June to complete the pilotage reports and accounts.

Despite their pilotage differences, Rithet and Baker had been friends since Baker's arrival in Victoria. In addition, Rithet recognized Baker's experience in maritime affairs and respected his knowledge as a seaman. In March, 1880, he informed Baker that a new Pilot Board was being formed and invited him to be the secretary. Baker accepted and began to revise the by-laws. His salary under the new by-laws was set at \$600 per annum, but the principal change in the new by-laws would appear to have been the pilotage rates. The by-laws were confirmed by Ottawa early in June and the Pilot Board, under the chairmanship of Finlayson and containing Rithet as a member, was again in operation.

Baker's association with the British Columbia Pilotage Commission spanned not only his early years in business, but went well into his mature years, when he was a highly successful member of the business community. For almost thirty years, he was a prominent figure in the pilotage

⁴⁴Baker, 14 May, 1879.

system and then, strangely, when he was a relatively wealthy man, he was dismissed from the Board under the suspicion of financial wrong doing. In the interests of continuity, therefore, an examination of Baker's association with the Pilotage Commission will continue at this point.

In April, 1892, Baker was made a commissioner of the Pilot Board in addition to his position as secretary to the Board.⁴⁵ This dual role led to his undoing. In 1893 and 1894, there was a surplus of receipts over expenditures totalling \$1016.50.⁴⁶ In accordance with the by-laws (clause 26), this surplus (or Puget Sound money) was to be divided among the pilots. Baker considered his secretary's salary of \$50 per month to be inadequate and so informed the chief pilot, adding, that he thought the surplus should be given to him.⁴⁷ Chief Pilot John Thompson discussed the matter with the other pilots and told them that in view of Baker's powerful position in the organization, they had little choice but to agree to his demand.⁴⁸ The pilots reluctantly agreed with him and

⁴⁵Baker, 16 April, 1892.

⁴⁶Victoria Daily Times, 20 February, 1905, p. 1.

⁴⁷Loc. cit.

⁴⁸Loc. cit.

Baker prepared a document for the pilots to sign, in which they would formally state that it was their wish that the surplus be given to him as a bonus to his salary. With this part of his plan organized, Baker went to the Board as a commissioner and proposed that the Board give its approval for disposing of the surplus fund. This the Board did at a meeting on 5 November, 1895, in a resolution which stated:

"The commissioners decided, at the insistence of the secretary, to divide the surplus (or Puget Sound money) at credit of pilotage authority to 31st December, 1894, amounting to \$1016.50, under clause 26 of the by-laws, and the secretary was authorized and directed to make the customary division."⁴⁹

Having coerced the pilots into letting him have the money, Baker ignored by-law 26 and pocketed the \$1016.50.

Baker had set the stage for an operation that he carried out with slight variations up to and including 1899. He considered that the pilots had given him power of attorney in the matter of their Puget Sound money and that the procedure was therefore legal, if unofficially done.⁵⁰ In August, 1900, in anticipation of an audit of his accounts, Baker had all four pilots give him

⁴⁹Victoria Daily Times, 20 February, 1905, p. 1.

⁵⁰Ibid., pp. 1 and 8.

receipts covering all the Puget Sound money to which they would have been entitled in the years 1893 to 1899.⁵¹ Not all the pilots were prepared to accept this high-handed treatment, however. Pilot Samuel W. Buckman made out an affidavit charging Baker with misusing pilotage funds.

In November, 1900, W. W. Stumbles, of the Federal Department of Marine and Fisheries, arrived in Victoria and carried out the expected audit of the Pilotage Commission's books. A further audit was to follow as a result. Baker had not seen a copy of Stumbles' report, nor Buckman's affidavit. He needed to know the contents of both to prepare his defence for the forthcoming audit and whatever might arise from it. Baker had several influential friends in Ottawa, dating from the 1880's when he was a member of parliament. One of them, Sir Joseph Pope, who had been Sir John A. MacDonald's secretary, was well placed to answer Baker's call for help. Pope's reply to Baker's letter for assistance was: "nothing to it".⁵² And copies of the report and affidavit were enclosed.

In September, 1904, a commissioner was appointed by Ottawa to investigate and report on the state and management

⁵¹Victoria Daily Times, 20 February, 1905, p. 8.

⁵²Baker, 20 October, 1904.

of the Victoria and Esquimalt Pilotage District. Commissioner R. T. Elliott declared that Baker's assumed power of attorney over the pilot's Puget Sound money could only be lawful if it was in accordance with the pilotage by-laws. As it was not, Baker was clearly in the wrong. On 1 May, 1905, Baker's appointment as a member of the Pilot Board was cancelled and his long term as secretary to the Board came to an end. Baker blamed Liberal animosity to his work as a Conservative as the cause of his trouble. But, by this date he was a wealthy and successful businessman and apart from the unwelcome publicity that he received, nothing more was hurt than his pride.

The reasons for Baker's indiscretion and the relatively mild reaction to it from the community are difficult to isolate, but in general, they are in keeping with the frontier idea of the entrepreneur. One aspect of this seems to have been an acceptance of a kind of survival of the fittest, in a business sense. If others bowed to the initiative and energy of a businessman, it was because he was better fitted to lead. This philosophy did not condone dishonesty, but it was apparently quite tolerant of what might be described as "sharp" business practice,

a corruption or expansion of the legal concept of caveat emptor.⁵³ The nature of business and politics in this era makes it fairly clear that the leaders in both of these fields held to this view.

Baker's full time employment with the Pilotage Commission had commenced in the spring of 1877, but the previous winter, which had followed his dismissal from the Hastings Saw Mill Company, had been a financially troubled one. As the year 1877 progressed, he resolved to do something to strengthen his financial position. By the fall, he had full time employment with the provincial Treasury Department, as well as the Pilot Board. His pilotage position was insecure, however, because of the business community's opposition to the pilotage system.

Baker spoke to a number of his legal friends on the subject of the commutation of his naval half pay. Doctor J. B. Matthews was his doctor, as well as being a personal friend and Baker questioned him on the possibility of obtaining medical certificates to substantiate the presence of a physical disability that would prevent him

⁵³ Note: Caveat emptor, "Let the buyer beware" (i.e. one buys at his own risk).

from performing any further active service.⁵⁴ Baker's object was to commute his half pay to a lump sum settlement. Doctor Matthews readily agreed to supply him with medical documents stating that the condition of his heart and lungs rendered him unfit for further active service.

Baker's plans with regard to the commutation of his naval half pay did not involve any false representation. It was simply the only solution to his quest for business capital that he could think of and he intended to give it a try. Besides which, the Admiralty had the responsibility of verifying the accuracy of his claim of being medically unfit for further naval service.

By Christmas Baker's plans were formulated and on 10 January, 1878, he left for England via San Francisco and New York. In New York, he changed his \$20 gold pieces for sovereigns (at a rate of \$4.87 to the sovereign) before boarding the Germania for the Atlantic crossing. The Germania steamed out of New York harbour and then "made all sail". She crossed the Atlantic under steam and sail in nine days and anchored off Liverpool.

⁵⁴Baker, 8 January, 1878.

After a short visit with his father, Baker left Liverpool for London. On his arrival in London, he made his official application to the Admiralty to appear before a Board of Commutation. On 26 February, he was given a medical examination required by the Board, which handed down its decision four days later. His request to have his half pay commuted was approved: the Board awarded him £ 1495-16-6 (some \$7,285).⁵⁵ Baker, according to his plan, had gained a sizeable block of capital.

While he was in London waiting for his Board, Baker exchanged visits with many of the large number of Victorians in the city. He had travelled from Victoria to San Francisco with shipping and commission merchant R. C. Janion and his wife, who were also on their way to England. In London, he saw Stahl Schmidt frequently, as well as Durham and Brodie of the Victoria firm, Findlay, Durham and Brodie. He also dined with Joseph Boscowitz, a Victoria fur dealer, who had been in London since the fall. Jack and Ella Curtis came up to London to see him. He met J. W. Trutch and went out on a number of occasions with A. W. Vowell and Henry Nathan.

⁵⁵Baker, 2 March, 1878.

While Baker does not specifically say so in his journals, business in Victoria must have been the subject of many of these conversations, particularly after he had received his commuted half pay from the Admiralty. For instance, Stahlschmidt was interested in the Howe Mine and on his return to Victoria, Baker invested in this mine. Later, as the secretary of this mine, he arranged for Stahlschmidt to be the company's agent in London in a bid to sell it there. Baker also saw a great deal of A. W. Vowell, the gold commissioner for the Cassiar region and it was speculation in mining that filled Baker's mind when he returned to Victoria.

Almost immediately after acquiring his new wealth, Baker outfitted himself with a complete set of Masonic regalia. He then set off for a Masonic meeting, but was stopped at the door. No less a person than the Earl of Carnarvon gave permission for him to be admitted.⁵⁶

As March drew to a close, Baker completed his shopping and fraternizing. His purchases were taken to the Hudson's Bay Company offices on Lime Street for shipment to Victoria via Cape Horn. On 21 March, he booked his passage from Liverpool to San Francisco (for £ 46-10-0) and sailed.

⁵⁶Baker, 5 March, 1878.

On 8 April, as Baker's train rattled down the mountains into California, he exclaimed in his diary, "in the land of cheap meals and drinks again!"⁵⁷ He relaxed in San Francisco for two days with his friends Alex Dunsmuir and W. N. Diggle before leaving for Victoria. On 14 April, the mailship, City of Panama, berthed in Esquimalt and Baker returned to his family. The next day, he enjoyed the company of many of his business associates over a long lunch at the Garrick's Head.

A few months earlier, Baker had had to sit on the sidelines as he ruefully commented, "everyone gone mad about Cariboo Quartz reports".⁵⁸ But, now he was in a position to partake in the speculating; he went on a buying spree in mining stocks. Prospects of striking it rich so filled his mind that within three days of his return to Victoria, he and W. R. Clarke took out Free Miner's Certificates. This certificate not only permitted the holder to prospect for vein, or lode mining and placer mining, but was obligatory for those intending to be owners, or hold an interest in a mine, other than as a shareholder.

Towards the end of April, A. J. Smith, a director of the newly formed Howe Copper Mining Company, sold him

⁵⁷ Baker, 8 April, 1878.

⁵⁸ Baker, 22 December, 1877.

a quarter interest in the Company for \$500.⁵⁹ Some of the other directors were W. P. Sayward, B. W. Pearse, Charles Hayward, H. L. Jones, A. B. Gray and the prospector, Josiah Jaques. He bought 100 shares in the British Columbia Milling and Mining Company, which had been incorporated in January, 1878.⁶⁰ In July, C. F. Houghton bought him an additional 200 shares. Some of its directors were Judge J. Hamilton Gray, J. H. Turner, C. T. Dupont, F. S. Barnard, C. E. Redfern and J. H. Todd, all prominent Victoria businessmen. He gave Thomas Shotbolt \$50 for a one fortieth interest in a prospecting party headed for the Big Bend region of the Columbia River and a claim called the "Big Bend."⁶¹ R. E. Green sold him forty shares in the Hope Mine for \$75,⁶² and he purchased 500 shares in the Cinnabar Mine from C. M. Chambers.⁶³ J. W. McKay, C. F. Houghton and C. P. Dupont talked him into an undisclosed share in the Hebrew Mining Company.⁶⁴ The Hebrew claim was abandoned in June and its equipment auctioned off in July. But,

⁵⁹Baker, 29 April, 1878.

⁶⁰Baker, 4 May, 1878.

⁶¹Baker, 8 May, 1878.

⁶²Baker, 13 May, 1878.

⁶³Baker, 20 May, 1878.

⁶⁴Baker, 7 May, 1878.

interest in the mine continued. In the fall, the original partners, now with the Oppenheimer brothers, A. R. Green, H. E. Croasdaile and Judson Young, were trying to breathe some life back into the operation. The mine fizzled. But four years later, McKay applied for a Crown grant to regain the claim.

During the summer, the pilotage system was under attack, but Baker's mind was chiefly occupied with mining rumours, reports and arranging assays. Business was so brisk, that in June, he left his small room in Drake and Jackson's office complex for a new office on Langley Street. Bags of ore were shipped to his office. Meetings were held where eager partners examined the "rocks" and privileged prospective partners were allowed to view the goods. Other bags of ore were shipped to San Francisco for inspection. In May, Baker supervised the loading of seven sacks of ore samples from the Hebrew claim onto the City of Panama bound for San Francisco and the Nevada Metallurgical Works.⁶⁵

E. G. Prior and F. J. Roscoe urged Baker to buy another quarter share in the Howe Mine in August. However, the Enterprise Gold and Silver Mining Company had caught his eye. Its directors included R. P. Rithet, James

⁶⁵Baker, 29 May, 1878.

Burns and Theodore Lubbe. He bought a number of shares in it.⁶⁶ The mining business was hectic and for some it proved too heady an occupation. In December, F. J. Roscoe, an associate of Baker's in a number of mining ventures and until the August general election, M. P. for Victoria, shot and killed himself.⁶⁷ Two months later another business friend and fellow Mason, Felix Neufelder, also committed suicide for business reasons.⁶⁸ Masons J. H. Todd, A. R. Robertson, A. A. Green, C. F. Houghton, A.E.B. Davie, R. P. Rithet, C. E. Dawson and E. C. Baker were the pallbearers at his funeral.

In March, 1879, Baker was offered and accepted the secretaryship of the Howe Copper Mining Company. This mine was a steady if modest source of revenue for its shareholders. Most of the money it earned came from leasing the property to other syndicates who wished to work the claim. Local interest in the mine continued over the years and others who became shareholders included A. A. Green, James Burns, Peter O'Reilly, B. W. Pearse, A. J. Langley, C. E. Pooley, I. W. Powell and Joseph Spratt. Efforts, such as the February, 1881, endeavour

⁶⁶Baker, 25 October, 1878.

⁶⁷Baker, 20 December, 1878.

⁶⁸Baker, 22 February, 1879.

to sell the mine in London through Stahlschmidt for an asking price of \$135,000, produced moments of excitement. When that failed, a move was made to interest the "Canadians" in Ottawa. Baker forwarded specimens of ore to Sir Charles Tupper. F. N. Gisborne, Superintendent of the Canadian Government Telegraph and Signal Service, made frequent business trips to Victoria. He often called on Baker to enquire for himself and others in Ottawa, on the prospects of the Howe Mine and other mining claims.

All of this mining activity was directed from Victoria, where these companies had their head offices. World economic conditions had improved by the end of the 1870's and there was a general upswing in business activity in the province. The commencement of construction of the Canadian Pacific Railway in British Columbia was imminent and this also created an air of business optimism in the province. But, the excitement was in British Columbia's first love, mining, which still exercised a somewhat magic force over the imagination of all ranks of the community.

Baker's interest in mining continued throughout his business career. But never again did he enter into a period of such intense speculation in mining stocks as in 1878. How he fared, as far as profits were concerned that year, is difficult to ascertain. He seemed reasonably

satisfied with his success, however. More importantly, he was out of the 1876-77 doldrums and his business relationships had moved from that of customer to the more intimate category of partner. His progress in the business community now became swifter. He had gained that essential prerequisite of being on the inside, the favoured position from which to hear of opportunities and act on them.

Another activity that brought Baker into closer touch with the business life of the province in these early years, was his association with the British Columbia Board of Trade. The British Columbia Board of Trade was incorporated on 28 October, 1878, largely through the efforts of R. P. Rithet.⁶⁹ In a matter of a few years, it included virtually all the businessmen of note in the province. In June, 1879, M.W.T. Drake, a prominent lawyer, suggested to Baker that he should apply for the position of secretary and offered his support. At that moment, however, relations between the Board's president, R. P. Rithet, and Baker were somewhat strained over the

⁶⁹"Robert Patterson Rithet, Esq.," The Resources of British Columbia, vol. 1, no. 5 (July 1883), p. 11.

pilotage dispute. Finlayson tried unsuccessfully to intercede on Baker's behalf with Rithet, as did one of his fellow Masons, McMicking.⁷⁰ Rithet would not support Baker's nomination for secretary, but, inspite of his stand, Baker was voted in.⁷¹ Rithet relented after Baker's election, shook hands and the two renewed their friendship. Baker held the paid office of secretary until 1885, when he was elected Vice-President for the following year.

His experience with the Board of Trade increased his awareness of the business activities in the province and the aspirations of the business community. The Board of Trade Fourth Annual Report, 1882-83, prepared by Baker, was virtually a blueprint of the business interests he supported in Ottawa, while he was a member of the House of Commons.

The most prosperous business venture that Baker became involved in during this early period was the Victoria and Esquimalt Telephone Company. In 1879,

⁷⁰Baker, 27 June, 1879.

⁷¹Baker, 2 July, 1879.

his friend and fellow Mason, R. B. McMicking,⁷² was the General Superintendent Dominion Government Telegraphs in British Columbia. McMicking was interested

⁷²Note: R. B. McMicking was a native of (Upper) Canada who came west with the Overlanders in 1862; he had been employed by the Montreal Telegraph Company at Queenstown. After a short fling at mining in the Cariboo, he secured employment with the Collins Overland Telegraph Extension Company at its New Westminster office in 1865.

This company had emerged as the result of the failure of the attempt to lay a trans-Atlantic cable in 1858. The object of the company was to link New York to Paris by telegraph by way of the western United States, British Columbia, Alaska, the Bering Straits, Russia and thence through Europe to France. Construction commenced in 1862, and two years later, the telegraph line entered British Columbia, passed through New Westminster and proceeded north following the Fraser River and the Cariboo Wagon Road. In 1865, the main line reached Quesnel. In the same year, a branch line was constructed from Victoria to the San Juan Islands and thence to the main line at Swinomish, Washington. The main line had reached the Nass River (Fort Stager on the Skeena River was the last station) when, on 28 July, 1866, the second attempt to lay a trans-Atlantic cable was successfully completed. The success of the trans-Atlantic cable removed the purpose behind the Collins Overland Telegraph Extension Company and its construction programme came to an abrupt stop. At the time, McMicking was the company's operator at Yale and he sent through the news that halted construction of the gigantic enterprise in British Columbia.

The Collins Company subsequently became part of the Western Union Telegraph Company, which maintained its lines in British Columbia north to Quesnel until they were purchased by the British Columbia Government in 1870. McMicking, who was in charge of the Western Union Telegraph office in Yale, was transferred to Victoria. A year later, on entering confederation, British Columbia transferred the telegraph system to the Dominion Government. In 1878, McMicking was General Superintendent Dominion Government Telegraphs in British Columbia.

in introducing the telephone to British Columbia. In 1878 and 1879, he apparently made a number of purchases of telephone equipment for the purpose of experimentation and study. The method he used to finance these purchases, however, was not approved of by his seniors.

F. N. Gisborne, Superintendent of the Canadian Government Telegraph and Signal Service, had called on Baker on Howe Copper Mine matters in September, but, in October, he and B. W. Pearse, Dominion Government Engineer of Public Works in British Columbia, were back to see him with a request to audit the telegraph accounts. At the same time, McMicking came to Baker seeking assistance for his financial troubles. As Master of the Victoria Columbia Masonic Lodge, Baker canvassed the city's Masons on behalf of McMicking. The Masonic bond was strong and McMicking was successfully "bailed out", although his job was in jeopardy. C. M. Chambers and Baker carried out the requested audit.

Despite the pleas entered on McMicking's behalf, the Minister of Public Works insisted on his dismissal. In February, 1880, he received notice that his employment would be terminated effective 31 March. Baker was fully conversant with McMicking's plans and ideas regarding the telephone and he quickly recognized the business opportunity it presented. Even before notice of McMicking's

dismissal from the telegraph service had been received, plans for a local telephone company, with McMicking as its manager, had been drawn up. Baker played what was now becoming his usual and highly effective role of organizer for the project: co-ordinating the development schedule, bringing the partners together and drawing up the terms of their agreement.

In 1880, the mayor of Victoria was J. H. Turner, a Mason and close friend of Baker's. Two of the city's councillors were A. J. Smith, a mining associate of Baker's and Andrew Rome, his brother-in-law. Baker needed their assistance in overcoming objections to the right of way and unsightliness of the proposed telephone poles. On 10 March, he explained the situation to Rome.⁷³ The council's approval was obtained with no apparent difficulty, and in April, a contract to supply and erect the telephone poles (at a cost of \$2.05 per pole) was awarded to Gray Brothers Contractors.

In March, Baker and McMicking prepared a list of the equipment needed for the telephone system and, on the 30th, Baker ordered it from the California Electrical Works in San Francisco. A. A. Green was a partner in the proposed

⁷³ Baker, 10 March, 1880.

telephone company and his firm, Garesche, Green and Company, were the local agents for Wells, Fargo and Company's Express. Baker arranged with Green to rent the old Western Union Telegraph Office, which was in the Wells Fargo Office, for the telephone company at \$15 per month commencing 1 May.

The Victoria and Esquimalt Telephone Company Bill received first reading in the legislature on 12 April; the Company was incorporated on 3 May, 1880.⁷⁴ On 6 May, the telephone lines between Victoria and Esquimalt were in working order. In addition to providing telephone service to Victoria and Esquimalt, the company had obtained a special license from the Bell Telephone Company of Canada establishing it as the sole agent for Bell Telephone and Blake Transmitters in British Columbia.

At the beginning of the year, there had been two syndicates working towards the setting up of a telephone company.⁷⁵ The two groups met for a discussion of their plans. They agreed to amalgamate,⁷⁶ and at a later

⁷⁴British Columbia Directory, 1882-83, Victoria, Williams, 1882, p. 102.

⁷⁵BCG, 21 February, 1880, p. 116.

⁷⁶Baker, 4 May, 1880.

meeting, they organized the company with James H. Innes, accountant in charge of the Royal Naval Yard, as president, McMicking as manager, Baker as secretary and R. P. Rithet, A. A. Green, James D. Warren, Edward A. McQuade and James H. Innes as directors.⁷⁷ The company's bankers were Garesche and Green and Company.

The local entrepreneurs may have thought that Victoria was ready for a telephone system, but the community still had to be convinced of the practicality of the new device. The naval dockyard, various government agencies and local businessmen were all approached. By July, there was a brisk demand for telephones and the Bakers enjoyed the luxury of shopping by telephone. Out of town businessmen were interested as well. Early in July, Baker visited Yale to see the railway construction that had been started there in May, and to talk to the engineers and businessmen assembled at the town. Several of these men, such as H. J. Cambie, engineer in charge of construction from Emory Bar to Boston Bar, the Oppenheimer Brothers, commission merchants in Victoria and Yale, and J. A. Mara, M.P.P. for Yale, were Masons and personal friends of Baker's. Baker drew their attention to the value of the

⁷⁷British Columbia Directory, 1882-83, Victoria, Williams, 1882, p. 102.

telephone to them in their work. A month later, McMicking was at Yale putting in a telephone service for Andrew Onderdonk. By September, Mrs. Cambie had been so impressed by the telephone that she bought \$200 worth of shares from Baker.⁷⁸

In January, 1881, some nine months after its incorporation, the telephone company declared a ten percent dividend. A year later, the telephone profits were \$1,018.22.⁷⁹ It was a modest beginning, but the business was growing. Baker held 26 out of 55 telephone company shares at the shareholders annual meeting in December, 1883. Only 51 shares were represented at the meeting and Baker was able to dictate company policy, over which there was a difference of opinion. Baker compelled the company to sell stock against the wishes of R. P. Rithet, A. A. Green and J. H. Innes, who, under the circumstances, declined to continue as directors.⁸⁰ J. D. Warren, E. A. McQuade, J. Davies, H. L. Jones and W. T. Livock formed the new directorate.

Baker had become a principal shareholder in the telephone company by the end of his early business years.

⁷⁸ Baker, 6 September, 1880.

⁷⁹ Baker, 30 January, 1882.

⁸⁰ Baker, 21 December, 1883.

It was a position that he continued to hold throughout his active years in federal politics and well into the era of his mature business operations. Interest in the telephone company and demand for its shares remained at a high level until the company was sold in 1899. Baker increased his percentage of shares and eventually held some seventy per cent of the company's stock. J. W. Trutch and H. D. Harris bought large blocks of shares in 1888. Peter O'Reilly and A. C. Flumerfelt were also shareholders.⁸¹

In 1892, the telephone company was re-organized and expanded. In a petition to the legislature, signed by J. W. Trutch as president and E. C. Baker as secretary, the company sought permission to extend its service to the districts of Victoria and Esquimalt, have its power and privileges extended for a period of fifty years, and

⁸¹Note: Flumerfelt was one of British Columbia's more energetic and successful entrepreneurs. He was associated with Baker in a number of business ventures and became a millionaire largely through his work in mining.

Peter O'Reilly came to British Columbia at the time of the Fraser River gold rush (1858). He was a gold commissioner and stipendiary magistrate. In 1864, he was appointed chief gold commissioner and later, Indian reserve commissioner. He was one of Victoria's better known and more colourful figures.

authority to increase their capital stock.⁸² The petition was immediately attacked through a counter petition put forward by Robert Beaven, mayor of the city of Victoria. The mayor contended that the regulation of the streets was a city matter and therefore, that any additional telephone poles erected in the city of Victoria should be subject to the approval of council. More disastrously, the mayor also asked that the government include a proviso in the Bill of Incorporation enabling the city to acquire the property of the company whenever it was deemed in the public interest to do so.⁸³

The government, in amending the Victoria and Esquimalt Telephone Company Act, ignored this last request by the city, but made the erection of telephone poles subject to council's approval and limited the time extension of the company's privileges to twenty five years.⁸⁴

All looked well for the expansion of the company's operations, when, in October, 1892, Amor de Cosmos applied

⁸²British Columbia, Legislative Assembly, Journals (hereafter cited as BCJ), Victoria, Government Printing Office, 1892, p. xxxiii.

⁸³BCJ, p. xxxv.

⁸⁴British Columbia, Legislative Assembly, Statutes, (hereafter cited as BCS), Victoria, Government Printing Office, 1892, pp. 427-429.

for an injunction to stop the erection of telephone poles. de Cosmos objected to the physical, or visual, intrusion of telephone poles and their wires near his property. The case went before Judge M.W.T. Drake of the Supreme Court of British Columbia. Baker and Drake had been close personal friends for many years, but in this case friendship was of little use. Amor de Cosmos was a "hard nut" to crack. The case dragged on until April, 1895, when E. M. Bodwell, Baker's lawyer, managed to bring the case to a successful conclusion for his client. The long delayed telephone construction was at last resumed.

On 22 June, 1899, William Farrell, the manager of the Bank of Hamilton in Vancouver, made an offer for the Victoria and Esquimalt Telephone Company. Negotiations went on into August, when Flumerfelt returned to Victoria with a firm offer of \$100,000, plus a \$5,500 refund (of some unspecified money) and a \$5,000 bonus for Baker. The deal was closed and Baker reckoned his share of the "plunder" at \$70,000.⁸⁵ On 1 October, 1899, William Farrell became president of the Victoria and Esquimalt Telephone Company and McMicking was retained as its manager.

⁸⁵ Baker, 15 September, 1899. (The word "plunder" seems to have been Baker's favourite synonym for the word "profit".)

The sale of the telephone company to Eastern interests at this time points to the arrival of large corporations from outside the province. These organizations with their larger amounts of capital were moving into British Columbia and the small locally or provincially established companies were in the process of being bought out to form part of much larger corporations.⁸⁶

Another business enterprise that Baker was associated with shortly after the founding of the telephone company, provides the same example of local entrepreneurship and its eventual absorption by a much larger corporation. In 1878, the Victoria city council and the Victoria Gas Company, which provided street lighting for the city, clashed on the question of gas rates. Victorians had seen a demonstration of electric light in H.M.S. Triumph that spring, and the newspapers supported a change to electric street lighting.⁸⁷ After some 3 years of indecision, the problem of providing economic street lighting was referred to the citizens of Victoria. In November, 1881, the city's ratepayers voted to allow the city to introduce electric street lighting.⁸⁸

⁸⁶Colonist, 30 September, 1899, p. 2.

⁸⁷British Colonist, 1 June, 1878, p. 3.

⁸⁸Baker, 2 November, 1881.

Baker and McMicking had been preparing a tender for the city council on the provision of electric street lighting since August. They hoped to incorporate it with their existing telephone system. There were two bids to provide the street lighting, one from Reginald Nuttall, representing the Brush Light Company, and the other from McMicking and Baker. Nuttall was successful with a bid of \$12,500,⁸⁹ but he was unable to implement his plan. Baker and McMicking persisted.

In 1883, McMicking approached the city council with an offer to build three huge lighting towers at his own expense. If the city was satisfied with the efficiency of the system, they could have the option of buying it. The ratepayers and city council approved the proposal in July.⁹⁰

Baker was again the organizer behind the scheme.⁹¹ He originally arranged for \$5,000 in financing from A. A. Green.⁹² Green, however, decided not to participate in the venture and Baker had to look elsewhere for financing.

⁸⁹Baker, 10 November, 1881.

⁹⁰Baker, 25 July, 1883.

⁹¹Baker, 14 July, 1883.

⁹²Baker, 21 August, 1883.

W. P. Sayward agreed to provide the financing required to carry out the contract.⁹³ In September, Baker made arrangements with R. H. Alexander of the Hastings Saw Mill Company to supply a number of prime logs, suitable to be part of the 150 foot lighting towers. Joseph Spratt's steamer Maude made two trips in October to bring the spars to Victoria and Baker contacted his friends in the naval dockyard for assistance in raising the towers. The masts were raised without incident. The electric light plant was installed in the city pound and Baker insured it for \$6000. On 8 December, 1883, after waiting for the moon to go down, the electric light was displayed. Mayor C. E. Redfern and the council unanimously agreed to sign an agreement with McMicking. Two years later, the city bought out McMicking (and his partners) and the following year, they decided to extend the electric light system.

In response to this proposal, the Sperry Company demonstrated the use of incandescent light. The demonstration prompted interest in its use for indoor lighting and in the fall of 1886, a private company, the Victoria

⁹³Baker, 24 October, 1883.

Electric Illuminating Company, was formed. Rithet and McMicking were two of its principal shareholders.⁹⁴ The company installed an electrical generating plant with a capacity of four hundred "lights". On 29 January, 1887, the lights were turned on: the first incandescent electric light station in Canada.⁹⁵

Baker had been in the background of these negotiations and in the spring of 1887, he interviewed Rithet with regard to the secretaryship of the electric light company. Rithet was agreeable and Baker assumed this office in the summer after his return from Parliament. In July, he bought 30 shares of electric light stock for \$750.⁹⁶

Competition for the newly formed electric light company came from an unexpected quarter. In September, 1888, the National Electric Tramway and Lighting Company was formed by J. D. Warren, Andrew Gray, D. W. Higgins, Joseph Hunter and Thomas Shotbolt.⁹⁷ It began regular street railway service in February, 1890. In the fall,

⁹⁴Patricia E. Roy, "The British Columbia Electric Railway Company, 1897-1928: A British Company in British Columbia", Vancouver, B. C., University of British Columbia, unpublished Ph.D. Thesis, 1970, p. 9.

⁹⁵Colonist, 30 January, 1887, p. 4.

⁹⁶Baker, 25 July, 1887.

⁹⁷Colonist, 1 November, 1888, p. 4.

the company announced plans to enter the commercial and residential incandescent lighting market. To meet this competition, the Victoria Electric Illuminating Company was re-organized the same year. Louis Redon, the owner of the Driard Hotel, in whose basement the electric plant was located, was made president. Baker became the managing director. The company's organization was changed again a few years later. Rithet became president at Baker's request and Baker resumed the title of secretary-treasurer.⁹⁸

William Farrell made an offer for the electric company shortly after he bought the telephone company, but nothing came of it. In the fall of 1905, J. A. Sayward offered to buy the company's franchise, but was unsuccessful. In 1907, A. T. Goward, on behalf of the British Columbia Electric Railway Company, commenced negotiations with Baker for the sale of the electric company.⁹⁹ On 6 August, Baker was in Vancouver to complete the details of the sale with another of the company's representatives, Francis Hope. Hope joined Goward in Victoria on the 16th, a cheque for \$19,607 was passed to Baker and the Victoria Electric Illuminating Company became the property of the

⁹⁸Baker, 17 March, 1894.

⁹⁹Baker, 27 March, 1907.

London based British Columbia Electric Railway Company.¹⁰⁰ Another enterprise founded and developed by individual entrepreneurs passed into the hands of a large corporation from outside the province.

There were other aspects of Baker's entrepreneurial ambitions that were beginning to show in his early business years. One of these was real estate, an activity that had fluctuated wildly in Victoria's past, but held great promise as construction of the Canadian Pacific Railway came ever closer to becoming a reality. In 1878, with the return of a Conservative government in Ottawa under Sir John A. Macdonald (member of parliament for Victoria), British Columbia expected full scale construction of the Canadian Pacific Railway to begin without delay and Victoria still clung to the hope that Esquimalt would be the railway's terminus. Railway construction and land speculation seemed to go hand in hand and in addition, the added business activity that this work would generate in Victoria was expected to produce a strong demand for real estate there.

To facilitate his work in real estate, Baker applied to the provincial government to be a notary public in the

¹⁰⁰Baker, 16 August, 1907.

summer of 1879. Early in September, he and A. C. Elliott were gazetted to be notaries public in the province of British Columbia.¹⁰¹ Baker had shown an interest in real estate since the beginning of the year. It was the next quick-moving business enterprise that caught his attention after his 1878 spree in mining stocks.

In May, 1879, Baker joined with T. H. Williams in what he termed his "first real estate venture."¹⁰² This concerned speculation in Salt Spring Island property. In July, Baker attended a land sale at which he and H. L. Jones jointly bought a lot for \$550.¹⁰³ The tempo of Baker's interest in real estate increased in the new year. He and H. F. Heisterman discussed the sale of city lots.¹⁰⁴ M.W.T. Drake saw Baker on the subject of a five year lease of Sidney Island at \$10 per month.¹⁰⁵ The same day, T. H. Williams called, this time with plans of the property on James Island and North Pender Island. A few days later, the McKenzie brothers approached him "re Swan Lake purchase scheme".¹⁰⁶ Then came Joshua Davies, a local businessman

¹⁰¹BCG, 6 September, 1879, p. 305.

¹⁰²Baker, 19 May, 1879.

¹⁰³Baker, 31 July, 1879.

¹⁰⁴Baker, 14 January, 1880.

¹⁰⁵Baker, 30 January, 1880.

¹⁰⁶Baker, 2 February, 1880.

whose entrepreneurial instincts were as highly honed as Baker's and who was destined to become Baker's principal partner in real estate activities. He left a property plan of Emory's Bar and returned the next day to discuss speculating in these lots.¹⁰⁷

But, the most promising suggestion was the purchase of Kenneth McKenzie's Lake Hill Farm on the edge of Victoria. Baker organized a group of interested speculators and in February, the syndicate signed an agreement to purchase the farm;¹⁰⁸ the actual members are not revealed in Baker's journals at this point. The syndicate was slow in executing their agreement, however, and it was not until December, 1883, that the Lake Hill Farm was bought by the company of that name for \$18,330.87.¹⁰⁹ At this time, the syndicate was composed of Leopold Lowenberg, J. R. Hett, R. E. Jackson, Joshua Davies, C. E. Pooley, E. C. Baker and Robert and Kenneth McKenzie.

Baker and his associates had little interest in buying and selling developed real estate. Their interest was in undeveloped land that would show the maximum profit

¹⁰⁷Baker, 4 February, 1880.

¹⁰⁸Baker, 13 February, 1880.

¹⁰⁹Baker, 22 December, 1883.

in the shortest time. Railway construction, mineral discoveries or some other type of development could usually be counted on to bring this about. To be successful in this enterprise required inside information. Well placed friends were the best answer to that problem, and these Baker had acquired assiduously.

In November, 1880, lots at Port Moody, the designated Pacific terminus of the Canadian Pacific Railway, were selling for from \$40 to \$50. Baker purchased several lots. A few months later, when he was in New Westminster, he instructed Reginald Nuttall to sell his Port Moody lots for \$100 each.¹¹⁰ It was a strange thing to do in view of the increase in value that could be expected with the arrival of the Canadian Pacific Railway, unless, even at this early date, some of his railway friends had informed him that the railway would never stop there.¹¹¹

In April, 1882, Joshua Davies called on Baker to inform him of a possible gold strike in the Barclay District and that a "land grab" was on.¹¹² Baker left his

¹¹⁰Baker, 17 February, 1881.

¹¹¹Note: Baker and H. J. Cambie had been close personal friends since the two of them arrived in Victoria in 1874.

¹¹²Baker, 29 April, 1882.

office immediately with Davies and made his application to pre-empt a quarter section of land in the Bamfield and Grappler Creeks area of Barclay Sound. "Great excitement about Bamfield HBr", he noted in his journal;¹¹³ he was in good company.¹¹⁴

Baker also bought land in Sooke and in Saanich. Later, Joshua Davies told him of "another land grabbing business" at Shawnigan Lake and Baker bought land there.¹¹⁵ On the same day that Josh Davies directed his attention to Shawnigan Lake, H.B.W. Aikman phoned him about 143 choice acres in Saanich that were to be sold for taxes.¹¹⁶ But, the real estate business was proving to be exhausting as well as exciting. By November, Baker was complaining, "Josh Davies with [another of] his infernal land grabbing schemes."¹¹⁷

¹¹⁴BCG, 21 October, 1882, p. 394 and BCG, 22 March, 1883, p. 94. (Some of the applicants for pre-emption of this land were: J. C. Prevost, A. A. Green, Joshua Davies, Charles Todd, D. W. Higgins, H.B.W. Aikman, H. S. Roebuck, John Kurtz, Isaac and David Oppenheimer, James Dunsmuir, E. V. Bodwell, W. P. Sayward, W. J. Macdonald, E. G. Prior, Roderick Finlayson, C. T. Dupont and C. M. Chambers.)

¹¹⁵Baker, 16 October, 1883.

¹¹⁶Baker, 16 October, 1883. (H.B.W. Aikman was the registrar general of titles in the Land Registry Office.)

¹¹⁷Baker, 28 November, 1883.

Although, Baker's business sense proved to be as sound in real estate as in other matters, it was good training for the big opportunities that would present themselves before the decade was out.

Another facet of Baker's diverse business activity, in these same early years, was his work as a marine surveyor and as a commission merchant. These two activities were often quite complementary and demonstrate further, his alertness to every type of business opportunity.

Baker first became involved in the commission merchant business because of his connection with the shipping trade and the buying and selling of navigational instruments. He also sold a multitude of miscellaneous commodities, usually acquired at bargain prices, ranging from tobacco, obtained in 40 pound boxes from his naval friends, to oil that had been consigned, but was unwanted. In April, 1875, he took out a liquor license and imported ale and porter from Dickson, DeWolf and Company of San Francisco.¹¹⁸

Captain Raymur authorized him to survey damaged cargoes and this was often an excellent source of material for resale. In June, 1876, he surveyed part of a cargo

¹¹⁸Baker, 10 April, 1875.

of sugar that had been spoiled in transit. He condemned 16 casks and having set a value on them, bought them himself for resale.¹¹⁹ In December, 1879, he and William Spofford bought 8 tons 900 pounds of damaged wheat from the sloop Letitia. They stored it in the Masonic Temple (Baker was Grand Secretary and Warden) and disposed of it over the next few months at a good profit. The following February, Captain R. C. Tatlow, a young army officer Baker had met the previous fall, spoke to him about the purchase and resale of a quantity of powder and rifles that Tatlow had access to.¹²⁰ The two entered into an agreement and Baker did the rounds of Store Street looking for customers for rifles and powder.

In the spring of 1879, Baker approached the Pilotage Commissioners with a request that he be appointed an official marine surveyor; they agreed. It was a profession that, quite apart from its direct benefits, provided considerable indirect benefits in the form of useful information and business contacts in the shipping world.

In August, William Charles, Inspecting Chief Factor of the Hudson's Bay Company, engaged Baker to survey the

¹¹⁹Baker, 2 June, 1876.

¹²⁰Baker, 26 February, 1880.

sloop Mystery that the company was contemplating buying.¹²¹ In October, Charles asked Baker to complete a section of the plans of a paddle wheel steamer that the company was going to have built.

Baker also continued to survey damaged cargoes. Just before Christmas, 1880, a ship arrived with a cargo of canned salmon, damaged in a winter storm while in transit to Victoria from one of H. E. Croasdaile's up-coast canneries. He also surveyed a shipment of hardware goods bound for the firm of Fellows and Prior. The sloop Atlanta was surveyed in January and arrangements made to repair her. In June, 1881, Baker was called as a nautical expert to attend the supreme court case concerning the grounding of the Thrasher. He continued actively as a marine surveyor for many years.

As he entered the year 1882, Baker reached a turning point in his career that marked the end of his early business years. He could look back on almost eight years of life in Victoria in which he had become known in the community and had established himself in business. They had been perhaps the most gruelling years in his life and at the same time, the most successful. He had achieved a modest, but noteworthy, place of prominence in the

¹²¹Baker, 6 August, 1879.

community and his business progress was equally satisfactory.

Throughout these years, Baker was driven by an imaginative and restless business spirit. He was never happy in the restrictive role as Raymur's agent. The conflict that arose between the two men within a few months of Baker's arrival was, predictably, the outcome of a difference in character that made it impossible for them to work together in business.

The loss of his job with the Hastings Saw Mill Company was a severe blow to Baker, but in overcoming this loss, he showed the versatility and determination with which he pursued his business interests. From this point on, his entrepreneurial drive was the most obvious feature of his business life. And, no less striking was the extent to which his associates were all urged on by the same spirit.

The essentials of this entrepreneurial spirit were an imaginative business mind and the will to act. Baker and his partners recognized the business potentials being opened by telephonic and electrical technology. They were also quick to transform these ideas into reality. Both of these qualities can be seen in the formation of the Victoria and Esquimalt Telephone Company and in Baker and

McMicking's attempts to form an electrical company in 1881. Further proof of Baker's energy and business initiative can be seen in the number of other activities he was involved in at this time: responsible positions with the Board of Trade, Pilotage Commission and Masonic Order, as well as being active in mining work, the formation of a major real estate syndicate, and work as a marine surveyor and commission merchant.

These were all small enterprises, but this was another characteristic of the era. The corporate entrepreneur had not yet arrived in British Columbia. This left the individual local entrepreneur, with his relatively small amount of capital, free to develop his business interests without being overwhelmed by larger blocks of capital. It was a situation that showed little change until the completion of the Canadian Pacific Railway and the direct linking of the West to the centres of business in the East. By 1900, the transfer of business control from local hands to business headquarters outside of the province was rapidly taking place. The telephone company and the electric company were two good examples of business ventures established by local entrepreneurs that passed into the control of large corporations from outside the province.

In 1882, this latter step was still sometime in the future and not necessarily foreseen by the confident businessmen of Victoria. Baker had established himself as a member of this group. It was an opportune time, for the city was in her prime years as the business centre of the province.

CHAPTER V

POLITICS

The beginning of a new period in Baker's life came quite naturally at the opening of 1882, as he stood for election, first as a city councillor and then as a member of parliament. He had gained acceptance by a select section of the community. He was now ready to put his influence and reputation to the test in the community at large.

Baker was a member of parliament from 1882 until his resignation from the House in 1889. It is these years in federal politics that form the major part of this chapter, with only a minor concluding reference to Baker's involvement in provincial politics. In these affairs can be seen his interest in forwarding his own business ambitions, followed by those of his business friends and lastly, the welfare of his constituents. The interest of the entrepreneur in politics as a means of creating and expediting business opportunities is apparent. Another characteristic that the political affairs of the era show is the close relationship of business and politics in the province. The government is as favourably disposed towards entrepreneurial activity as the business community itself, which is hardly

surprising, as the government throughout this era can be seen to have been formed almost entirely of members of the business community.

Politics were a normal complement to entrepreneurial activities and an obvious next step for Baker. He seldom did anything without a reason and here, the opportunities that presented themselves were well worth the effort required to exploit them. Baker had come to Victoria with a clear understanding of the value of well placed connections. English society and life in the Royal Navy had taught him that at an early age. Achieving important connections had been a notable characteristic of his early years in the community. Politics would place him alongside the people directing the nation's business at a critical time in Canada's history. The building of the Canadian Pacific Railway was a national undertaking of tremendous proportions and for British Columbia, it was the newest and greatest "gold rush" since 1858.

Baker's place in the community at this time was well illustrated in the funeral that followed the sudden and tragic death of the Honourable Mr. Justice A. R. Robertson in December, 1881. He, in company with Chief Justice Begbie, the Honourable Mr. Justice Crease, the Honourable J. W. Trutch, the Honourable Peter O'Reilly, the Honourable Roderick Finlayson, the Honourable Robert

Beaven and W. C. Ward, was one of the pall bearers.¹
The people, who were prepared to support Baker in politics, were from the same leading section of society.

Later that month, Baker held a meeting in his office to plan his election strategy in the forthcoming city elections. On several occasions in the past, he had called on friends on the city council for help in business matters. Now, he planned to play a more direct role in municipal government. On nomination day, 9 January, his name was proposed for election as a councillor by J. H. Turner, Mayor of Victoria for the preceding three years, and seconded by A. A. Green. On the 12th, Baker was elected as a councillor for the Yates Street Ward, while J. D. Warren, a director in the Victoria and Esquimalt Telephone Company, was elected as a councillor for the Johnson Street Ward. Immediately, an objection was raised at the election of two members of the telephone company to the city council on the grounds of a conflict of interest.² On 17 January, the case went before Chief Justice Begbie: M.W.T. Drake was Baker's counsel. Baker and Warren transferred their

¹Colonist, 6 December, 1881, p. 3.

²Baker, 12 January, 1882.

telephone shares to their wives; the Chief Justice thought on the matter for the weekend. On Monday the 23rd, he confirmed the election of Baker and Warren and they were sworn in by him.

After his election, Baker was made a member of the city's Water Works Committee. This work quickly gave rise to ideas on the possibilities for a private business venture in this field. Here again, Baker's alertness to any possible business opportunity can be seen. He not only familiarized himself with the organization and operating expenses of the Victoria Water Works, but quietly sized up the situation for further exploitation. Three years later, he transferred his idea into reality.

Baker's municipal government work was conducted on a relatively low key, but this was not the case in his discussions of provincial and federal matters. Throughout the spring, he met frequently with a number of important political and business figures to discuss dominion-provincial relations; Walkem, Trutch, Rithet, Pooley, Drake, Higgins, T. Davie and others were involved in these discussions. On 25 February, he and Trutch talked about Walkem and the problems of the drydock. A month later, he noted that the Walkem government was "all but

bust", because of the Drydock Committee's report.³

Politics was in the air. Walkem's government was saved from almost certain defeat by his resignation to fill an unexpected appointment to the Bench of the Supreme Court of British Columbia, arranged by Prime Minister Macdonald.⁴ A provincial election was called which put Bob Beaven in as the new premier. In Ottawa, parliament was dissolved by Proclamation 18 May, 1882.

Nevertheless, it was a pleasant spring in Victoria. Railway construction was proceeding briskly and prosperity had returned to the city. Baker had been on the fringe of the railway construction business for some years. He had known H. J. Cambie,⁵ a Mason and one of the senior Canadian

³Baker, 28 March, 1882. Note: The financing of the drydock had been so inept and its progress so slow that a select Committee had been established to look into the matter. In March, 1882, they confirmed the extent of the drydock's mismanagement when they reported that the government estimates had made no provision for cement, an item costing some \$250,000. (Margaret A. Ormsby, British Columbia: a History, Vancouver, Macmillan, 1958, p. 284.)

⁴Margaret A. Ormsby, British Columbia: a History, Vancouver, Macmillan, 1958, pp. 284-285.

⁵Note: Henry J. Cambie left his home in Ireland and came to Canada at the age of fifteen. He worked in Canada West on the Grand Trunk Railway for a number of years before qualifying as a land surveyor in July, 1861. In 1863, he was hired to survey and explore the route of the Intercolonial Railway and, from 1870-73, he was actively engaged in its construction. By 1874, when Prime Minister Mackenzie selected him to supervise construction of the proposed Esquimalt and Nanaimo railway, he was an experienced railway engineer with an excellent reputation. Cambie was convinced that the railway to Nanaimo would eventually proceed via Bute Inlet to become part of the transcontinental railway using the Yellow head Pass. (Daily Colonist, 12 October, 1914, p. 10.)

Pacific Railway engineers in British Columbia, since May, 1874. At that time, R. H. Alexander had brought Cambie over from Burrard Inlet and had introduced him to Baker. Cambie had arrived in Victoria earlier that spring with James Edgar and was expecting to start construction of the Esquimalt to Nanaimo railway.

James Edgar had been sent to Victoria by Prime Minister Mackenzie to negotiate a settlement of the railway dispute. Part of the solution to the problem was to be the immediate construction of the Esquimalt to Nanaimo railway. So sure was Mackenzie that Walkem would accept his proposal that he had sent Cambie with Edgar so that work on the railway could begin without delay. Premier Walkem, however, after a number of preliminary discussions, refused to negotiate further with Edgar, who returned to Ottawa. Cambie was instructed by the federal government to explore and survey possible railway routes in the province.

In 1876, Marcus Smith, the senior Canadian Pacific Railway engineer in British Columbia, replaced Sandford Fleming, who went on leave of absence, as chief engineer of the Canadian Pacific Railway project. Cambie in turn took over Smith's position and remained in charge of railway work in the province until 1880. Before and

during the construction of the Canadian Pacific Railway, Cambie was a frequent visitor to Victoria. On his visits, he and Baker were often together. Baker was kept fully informed of the plans of the railway and the opportunities these presented.

Another local figure involved in the inner workings of the railway project was J. W. Trutch, who, in 1879, was appointed the Dominion Government's Agent for the province. In this capacity, he supervised the construction of the Esquimalt Drydock, the Onderdonk sections of the Canadian Pacific Railway and the Esquimalt and Nanaimo Railway.

On 2 April, 1880, Trutch, Cambie and the young Victoria lawyer, D. M. Eberts, arrived in Esquimalt from San Francisco onboard the mail ship Dakota. David Oppenheimer and Baker drove out to meet them and brought them back to town, where Trutch set up his office in B. W. Pearse's Dominion Public Works Department. At the same time, Pearse informed Baker that he had been appointed as accountant to the Public Works Department, a result of Baker's auditing of McMicking's telegraph accounts. In July, the drydock contractors arrived in Victoria and Trutch's office became more active. Baker, who was working in the same department, suggested to

Trutch that he assume the task of keeping his records. Trutch agreed and in September, Baker began working two hours a day on Trutch's books. Baker had tapped another source of useful information.

Baker remained in this dual position until the newly appointed official accountant to the Dominion Government Agency in British Columbia, E. V. Bodwell, arrived the following spring. On 5 May, 1881, he transferred Trutch's books to Bodwell.

By the spring of 1882, Baker had become a well-informed businessman, who was familiar with most of the principal matters affecting British Columbia. He was in a good position to take advantage of the political opportunity presented by the calling of a federal election for that summer. Following parliament's dissolution in the middle of May, Baker held a number of meetings with close and influential friends. Trutch, Drake, Pooley and Joshua Davies pledged him financial support. D. W. Higgins, the owner of the Daily Colonist, gave his blessing to Baker's plans. Senator Macdonald, A.E.B. Davie, R. E. Jackson and D. M. Eberts also assisted and advised him. William Charles lent his support by signing Baker's nomination papers.

On 7 June, Baker placed an advertisement in all three local papers announcing that he was running for one of

the two federal seats for Victoria. Sir John A. Macdonald did not intend to stand for election in Victoria in July and on hearing this, Noah Shakespeare, the recently elected Mayor of Victoria, also announced his candidacy. By the end of June Baker was campaigning actively.

On 24 June, the Daily Colonist⁶ reported an address by Baker in which he outlined what he considered to be the key issues in the election. He was against Chinese immigration and wished government help in promoting white immigration. He favoured the immediate construction of a railway from Esquimalt to Nanaimo and the completion of the drydock as a federal, or imperial, project. He also wanted the maximum compensation from the federal government for the delay in railway construction. The mail and cable service, he contended, should be improved and a better ferry service provided.

In July, the Daily Colonist covered what was described as "A Great Public Meeting."⁷ The candidates all addressed the crowd, including Baker's opponent, Amor de Cosmos. Shakespeare delivered a violently anti-Chinese address, which was greeted with loud cheers by the crowd. Baker

⁶Daily Colonist, 24 June, 1882, p. 2.

⁷Daily Colonist, 1 July, 1882, p. 3.

joined him stating they should be expelled from the province. He wanted reciprocity in trade with the Sandwich Islands and again spoke of increased communications services for the Island. Baker then assailed de Cosmos for his alleged stand on Canadian independence, which was made out to be an attack on Empire solidarity. de Cosmos defended himself by saying that he had not voted for independence, but for a resolution put forward in parliament by Blake asserting that Canada should have the right to make her own treaties. But, Baker sensed the mood of the crowd and to "uproarious cheers" and "tumultuous applause," he cried that he had been "born under the British flag," "bled under it" (somewhat falsely) and "expected to die under it"!

Other meetings followed and Baker continued with his well-received theme. de Cosmos spent his time trying to rid himself of the anti-British label his independence vote had given him. His efforts were in vain. The Daily Colonist, in its "Our Ottawa Letter" column, reported de Cosmos as being strongly in favour of independence from Great Britain.⁸ On 21 July, Baker was elected at the head of the poll with 441 votes. Shakespeare was elected as the other member of parliament

⁸Daily Colonist, 15 July, 1882, p. 2.

for Victoria District and de Cosmos, with 308 votes, was defeated.⁹

After his election, Baker wasted no time in plunging into his new political role. At the end of the month, he was in Yale, the head of navigation on the Fraser River and the site of the general offices, repair and construction shops, hospital and an explosives factory for the Onderdonk section of the Canadian Pacific Railway. Andrew Onderdonk held the contract to build the rail link connecting Savona's Ferry with Port Moody, some 212.5 miles, at an estimated cost of \$9,578,000.00.¹⁰ Baker discussed the progress of railway construction with Cambie and others, and was given a train ride over part of the some 30 miles of finished line; the first locomotive had arrived at Yale in May, 1881. In August, he accompanied Trutch, Rithet, Thomas Earle and Doctors J. S. Helmcken and J. B. Matthews to view the site for a Quarantine Hospital.

At the beginning of September, he was busy with arrangements for the visit of the Governor General, the Marquess of Lorne, and Her Royal Highness Princess Louise. On 19 September, H.M.S. Comus arrived in Esquimalt with

⁹Daily Colonist, 22 July, 1882, p. 3.

¹⁰British Columbia Directory, 1882-83, p. 373.

the Governor General and his party. Baker was introduced to the Governor General at a civic reception the following day and later, in company with Roderick Finlayson and Leopold Lowenberg, he called on the Marquess of Lorne. The Governor General and his party toured British Columbia for a month and then returned to Victoria. Baker was included with the guests dining with His Excellency at Government House after his return. The following day, Premier Robert Beaven, Shakespeare and Baker had a long interview with the Governor General on the subject of Chinese immigration and railway construction.¹¹ The three British Columbians urged that Chinese immigration be restricted. The Governor General stressed the need for Canadian actions not to embarrass the British Government in their relations with China.

In January, 1883, Baker attended his last meeting of the city council and prepared to leave Victoria for Ottawa, where the First Session of the Fifth Parliament was due to open 8 February. It was a busy time as a swarm of business friends descended on him to make their needs known. Issac Oppenheimer wanted the contract to remove Beaver Rock from Victoria harbour.¹² Wymond

¹¹British Columbia Directory, 1882-83, p. 373.

¹²Baker, 6 January, 1883.

Hamley, collector of customs, had staffing problems.¹³ Richard Wolfenden and C. T. Dupont had requests with regard to their service in the militia.¹⁴ J. A. Mara, R. E. Jackson and Robert Beaven wanted information from Ottawa regarding railways and land that they were interested in.¹⁵ R. P. Rithet offered him the secretaryship of the Albion Iron Works and more importantly, discussed the formation of a steamship company to operate between Victoria and New Westminster.¹⁶ Donald Urquhart was also a promoter of the latter idea, which seemed to hinge on Baker's ability to obtain a mail subsidy for the prospective company from Ottawa.¹⁷ Chief Justice Begbie and Senator Hugh Nelson also stopped at Baker's office. Judge Gray, on a more useful mission, called and gave him a letter of introduction to Sir John A. Macdonald.¹⁸

On 24 January, Baker crossed to Port Townsend and proceeded to San Francisco via Tacoma and Portland. In Portland, he had an interview with C. H. Prescott,

¹³Baker, 13 January, 1883.

¹⁴Baker, 16 and 22 January, 1883.

¹⁵Baker, 16, 17 and 20 January, 1883.

¹⁶Baker, 6 January, 1883.

¹⁷Baker, 16 January, 1883.

¹⁸Baker, 14 January, 1883.

of the Northern Pacific Railway Company, on the subject of an improved mail service for Victoria by way of Puget Sound. The company's railway line from the East was to be completed in September, 1883, and it was actively planning to include Victoria in its railway and steamship network. A subsidy of \$15,000 for a Puget Sound daily mail service was discussed by the two men.¹⁹

With his Portland business concluded, Baker went on to San Francisco by ship. Here, before he left for Ottawa, he met with another of the Oppenheimer brothers, David, who also spoke to him about the contract for removing Beaver Rock.

After almost twelve years of Confederation, British Columbia was becoming more Ottawa oriented. The province had been somewhat of a reluctant bride at the Union, but civil service jobs and the expenditure of federal funds were powerful levers in convincing the local business and political leaders that success lay in cultivating the politicians in Ottawa.

M. A. Ormsby in writing on Canadian influence on British Columbia stated: "By that time [1878], the same standard of political ethics prevailed at Ottawa and

¹⁹Baker, 26 January, 1883.

Victoria. Patronage was expected to be the reward for loyalty...."²⁰ But, to suggest that this similarity in political ethics was an indication of the Canadianization of British Columbia does not appear to be correct. The province's leaders had simply learned that it was more profitable to be a party to federal policy than to fight it. The assertion, "By the time of the completion of the trans-continental railroad, British Columbia was manifestly Canadian in spirit and custom",²¹ also is open to question. At this time, Canadians (from east of the Rockies) formed a minority of the political and business leaders in the province. The majority were British with a strong dash of western American spirit. As J.M.S. Careless has argued, "The commercial community that took shape in Victoria was more Anglo-American in its upper ranks...."²² This majority ignored central Canada as much as possible (which was difficult), or held it somewhat in contempt. In his journals, when Baker

²⁰M. A. Ormsby, "Canada and the New British Columbia", Canadian Historical Association Annual Report, 1948, Toronto, University of Toronto Press, 1948, p. 83.

²¹Ibid., p. 85.

²²J.M.S. Careless, "The Business Community in the Early Development of Victoria, British Columbia", Canadian Business History: Selected Studies, 1497-1971, David S. Macmillan, Toronto, McClelland and Stewart, 1972, p. 108.

referred to an individual by the term Canadian, rather than by his name, the inference was derogatory. He continued to use this term off and on until perhaps 1900. The discontinuation of this type of comment after that time, however, did not necessarily indicate a change in attitude, but more likely a capitulation to the dominance of the East: "...well into the 1880's, and perhaps even to the nineties, the patterns of Victorian commercial society set between 1858 and 1864 continued...."²³

According to M. A. Ormsby, another aspect of the Canadianization of the province could be seen in the field of religion: "...a strong Methodist thread ran through the fabric of early British Columbia history. Methodism, with its emphasis on temperance and honesty in business, was a reforming influence on the frontier...."²⁴ It is difficult to fit the spirit and materialism of nineteenth century Victoria's society into this description, however. And, apart from Victoria, it appears that the British Columbia frontier was anything but

²³Careless, "The Business Community of Victoria", p. 112.

²⁴Ormsby, "New British Columbia", p. 84.

temperate. During a tour of the Kootenay towns in the summer of 1893, Baker described Kaslo as a "typical Yankee boom town or gambling hell."²⁵

Like a number of British Columbians of the era, Baker did not share many of central Canada's views on national affairs. But, unlike many British Columbians, he had no intention of fighting Ottawa. He had no difficulty in subordinating his provincial feelings to his real interest in politics, which was to achieve the greatest success possible in his personal ambitions. He arrived in the capital dedicated to this purpose.

Baker moved into Ottawa's political and non-political society with the same determination and energy that he had shown on his arrival in Victoria. But there was one important difference, he was now a man of some stature in the community and consequently more confident and polished in his approach. Within a few weeks, he was well on his way toward meeting all the "right" people.

Shortly after his arrival in Ottawa, Baker called on Alex. J. Cambie, brother of H. J. Cambie and a senior civil servant. From this first meeting a close friendship developed rapidly, similar to the intimate

²⁵Baker, 29 July, 1893.

relationship Baker enjoyed with Cambie's brother. The Cambies were active members of Ottawa society and through them, Baker expanded his social contacts in the capital. He joined Sandford Fleming, G. M. Dawson²⁶ and others at a dinner party given by the Cambies. Sir Charles Tupper introduced Baker to his son, C. H. Tupper and later, invited him to dinner in company with Edgar Dewdney, Lieutenant Governor of the North West Territories, and F. J. Barnard. The latter had taken Dewdney's seat in the constituency of Yale, when Dewdney resigned to become Indian Commissioner in June, 1879. On another occasion, Baker dined with Sir John A. Macdonald and afterwards, he and fellow guest, Edgar Dewdney, retired to the latter's residence for a "nightcap" (which one wouldn't have thought was necessary').²⁷ Other early introductions included, the Honourable John Carling, Postmaster-General, and the Honourable John H. Pope, Minister of Agriculture.

²⁶Note: G. M. Dawson, a senior federal government geologist, had carried out a number of geological surveys in British Columbia. In 1876, while on one of these expeditions, H. J. Cambie had joined him and the party had surveyed Alexander Mackenzie's route through British Columbia to the Pacific. Immediately after their first meeting, Baker began referring to him as "geological" Dawson.

²⁷Baker, 3 March, 1883.

A few days after meeting "geological" Dawson at the Cambies, Baker called on him and requested copies of all the geological reports and maps of British Columbia that were available. It was the beginning of another close and, for Baker, practical relationship. Dawson delivered the materials requested and Baker mailed them to his mining partners in Victoria.²⁸

Baker was concerned with matters inside parliament as well as outside it. In March, the House of Commons was considering a Bill on immigration. Shakespeare spoke out strongly and at length, urging that restrictions be placed on Chinese immigration.²⁹ Baker made his maiden speech in seconding Shakespeare's resolution: "...I thoroughly endorse the major part of his speech, and think a restrictive Bill should be introduced, which will not only lessen the number of Chinese coming into Victoria, but prevent their coming into any part of British Columbia."³⁰

Baker questioned Shakespeare's contention that the Chinese male immigrants were "sold". Shakespeare replied, that as he had been Chinese tax collector for the

²⁸Baker, 2, 3 March, 1883.

²⁹Canada, Parliament, House of Commons, Official Report of Debates (hereafter cited as Commons Debates), 29 March, 1883, pp. 324, 325.

³⁰Ibid., p. 326.

government of British Columbia, he knew the procedure followed on the arrival of immigrants and their subsequent hiring. They were, he said, taken in hand by Chinese firms on their arrival, their names entered in a muster book and "provision made for them in every way." White employers then went to these firms and bid on the available labour. On payday, a member of the Chinese firm that "sold" the immigrant was there to collect his wages.³¹

Both members of parliament for Victoria District stressed that the Chinese were undesirable immigrants, Shakespeare completely so, Baker with the reservation that a few should be allowed into the province to the extent required by the market for domestic servants. As Baker put it, "I find them very useful in certain positions...it is somewhat disagreeable to have to get up early in the morning and light the fire and black one's own boots."³²

The chief concern of the two members from Victoria was that white settlement was held back by the presence of the Chinese. The Chinese were willing to work for

³¹Commons Debates, 29 March, 1883, p. 326.

³²Ibid.

wages unacceptable to white workers and as a result, left few jobs available to prospective white immigrants. This situation was not an example of Chinese diligence, in their opinion, but rather, was due in part to the lower standard of living that they would accept, and in part to the fact that they did not bring women with them and therefore had no families to care for. This latter fact greatly scandalized Baker who said, "There is no doubt that their morals are very loose. That may be inferred from the fact that out of 450 Chinamen who arrived [in one ship] ...there were only two or three females with them. I would leave the House to draw their own conclusions as to the consequences of so great a disparity between the sexes."³³

As far as Baker was concerned, the heart of the debate on immigration, which included the voting of money to encourage immigration, was Shakespeare's resolution to restrict Chinese immigration to British Columbia. The means of doing this, recommended by the two members from Victoria, was to adopt the Australian system of limiting the number of Chinese per ship to a proportion of one Chinese immigrant to every 100 tons of tonnage.³⁴

³³Commons Debates, 29 March, 1883, p. 326.

³⁴Ibid., p. 325.

The House had listened politely enough to Victoria's position, but had little intention of implementing the restriction asked for. A month later, Baker offered them an alternative to the proposed shipping restriction: "...these restrictive measures can be secured to the Province by having the Chinamen land at Halifax, Quebec and other ports, and filter through the other Provinces in order to get to British Columbia."³⁵

British Columbia's views on Chinese immigration were in direct conflict with the plans of the railway builders, however. And, as far as the Prime Minister was concerned, completion of the railway overrode all other considerations. One way to insure its success was to maintain an ample source of cheap labour.³⁶ Sir John A. Macdonald dismissed the question of competition between Chinese and white labourers for railway work, with the statement that the white labourers needed no protection.³⁷ Sir Hector Langevin, Minister of Public

³⁵ Commons Debates, 30 April, 1883, p. 906.

³⁶ Note: At this time, Andrew Onderdonk was advertising for labourers. The terms of employment were a 10 hour working day and a pay scale of from 15 cents to 17 1/2 cents per hour. (British Colonist, 8 January, 1883, p. 1.)

The work was hard and dangerous, although, working conditions were described as admirably safe; only 32 men having been killed in building 30 miles of railway! (British Columbia Directory, 1882-83, p. 376.)

³⁷ Commons Debates, 30 April, 1883, p. 906.

Works, moved the adjournment of the debate. Shakespeare's motion was not voted on. The railway men had succeeded: Baker and Shakespeare had failed.

Baker and Shakespeare's failure to have parliament legislate a restriction on Chinese immigration to British Columbia was a setback to an election promise. Judging from the reactions of the crowds, both men had drawn strength from their stand against Chinese immigration in their pre-election campaigning. As one member of parliament remarked: "The hon. mover of the resolution [Shakespeare] had stated that no candidate need present himself in a constituency in British Columbia who was not opposed to the free importation of Chinese."³⁸ Baker and Shakespeare had good political reasons to appear concerned about the issue.

There does not seem to be any reason to doubt the sincerity of Shakespeare's resolution on the matter. His language and attitude seem to confirm this. Further, he had no interest in Chinese labour; he was not a businessman, nor an entrepreneur. But, Baker's overall performance was somewhat less convincing.

³⁸Commons Debates, 29 March, 1883, p. 326.

To begin with, Baker had a different point of view. This was partly revealed in his statement that there was a place in the labour force for Chinese workers (albeit as domestic help). This was almost a fundamental break with Shakespeare's ironclad stand against the presence of Chinese in the province. Baker went no further than this in parliament, but considering his electorate's attitude on the subject, anything more would have been political suicide. Similarly, if he had made any less of an effort on behalf of restrictions, his political reputation would have been damaged.

Baker spoke out forcefully for restrictions in these debates and those that were to come. Yet, in all his energetic lobbying outside parliament, he never appears to have bothered about this subject. The pragmatic side of his nature seems to be revealed here: his and his associates interests versus the interests of his constituents at large. It was not good business to antagonize his political seniors in Ottawa when there were important personal concessions to be won.

There was also the question of his own interest in employing non-white workers. Baker does not mention whether or not any Chinese workers were employed in the businesses that he was connected with at this time. But, other than in his home, it is doubtful if any were,

because of the adverse business and political effect it would have caused. He was, however, on close terms with many men who did employ Chinese workers, particularly the railroad builders. As a businessman, he viewed the matter in a much more detached light than the white labourer. This attitude was more obvious in his later ventures; on one occasion he broke a white workers' strike with Japanese workers.

Baker continued his efforts in parliament on matters of general interest to his constituents. This work was important and provided public recognition of his presence in Ottawa, but his activities outside of parliament demanded at least as much of his time and attention. It was this behind the scenes work that was so essential to the plans of him and his friends. Baker was quite effective in these personal negotiations for information and favours. As an aid to this work, he joined the Rideau Club. It was the scene of many introductions and informal business discussions.

Trutch was in Ottawa along with a number of other British Columbians that spring. Baker joined Trutch and the Minister of Public Works in discussions concerning the Beaver Rock contract, the quarantine hospital and other matters. Baker supported the Oppenheimers'

interest in obtaining the Beaver Rock contract.³⁹

John Irving arrived with the plans for his stern wheel steamer, which was to provide a fast ferry service between Victoria and the mainland. He needed government approval for his scheme. Baker and Senators W. J. Macdonald and Hugh Nelson met to draft a memorandum in support of Irving's stern wheeler.⁴⁰ A few days later, Baker, Nelson and Irving were joined by Dewdney and Barnard for lunch at the Rideau Club and a discussion of the steamer plans. In March, the British Colonist reported that Captain John Irving, Manager of the Canadian Pacific Navigation Company, had returned from Ottawa after successfully having the absurd restriction on stern wheel steamers removed.⁴¹

Baker used every opportunity to forward his business interests. Lieutenant Colonel C. F. Houghton, Yale's first member of parliament, and his wife Marion (nee Dunsmuir) were enjoying the Ottawa social season. Baker attended the Militia Ball with the Houghton's and used the occasion to discuss Captain Richard Wolfenden's and Captain C. T. Dupont's requests with

³⁹Baker, 15 May, 1883.

⁴⁰Baker, 17 February, 1883.

⁴¹British Colonist, 14 March, 1883, p. 3.

regard to their militia service; later he went to the Militia Department on their behalf. In April, Baker was introduced to G. P. Lowrey of the Edison Light Company of New York. The following day, he again met Lowrey at a dinner party given by the Houghtons. Baker spent two hours talking to Lowrey about the operation of the Edison Light Company. He then apprised Lowrey of the progress that had been made in this field in British Columbia and of the opportunities that it offered. He suggested to Lowrey that he might consider making McMicking the Edison agent for the province.⁴² Lowrey was interested and Baker took him to lunch at the Rideau Club the next day.

Baker also spent considerable time with Nicol Kingsmill, a Toronto businessman, who was in Ottawa in connection with the Commercial Cable Bill. Kingsmill and his cable partners took Baker to lunch frequently and briefed him thoroughly on their project, which he supported in parliament. Baker also saw the Hawaiian Consul General for discussions on trade, Chinese immigration and possible, cable connections with the Sandwich Islands.

⁴²Baker, 10 April, 1883.

In April, Baker took a break from parliamentary affairs and went to Montreal on Victoria and Esquimalt Telephone Company business. The telephone company wanted the royalty rates it paid to the Bell system reduced. Baker met with C. F. Sise, vice-president of the Bell Telephone Company of Canada, explained his company's case and was successful in having the royalty rates reduced.

On his return, Baker spent considerable time in the Minister of the Interior's office trying to have an offer of \$60,000 for the Songhees Indian Reserve by P. C. Dunlevy accepted. Baker met with little success. He increased his efforts and spoke to Sir John A. Macdonald about the matter. The Prime Minister, however, was not particularly interested in helping Baker's land hungry friends. Baker's endeavours were eventually turned aside when he was informed that Dunlevy's offer of \$60,000 was "hopelessly low."⁴³ Baker appeared to be making better headway in his negotiations with Postmaster General Carling to have his brother-in-law, Dick Jones, appointed as postmaster in Victoria. He also had a favourable interview with the Minister of Justice

⁴³ Baker, 14 May, 1883.

regarding appointments for his Victoria lawyer friends Drake and Jackson. Nor did he neglect to call at the customs department to discuss Collector of Customs Wymond Hamley's staffing problems.

Another important item on Baker's Ottawa agenda was railway information for a number of his British Columbian business friends. Alex Cambie was well placed to provide the railway introductions that Baker needed, and Baker used this opportunity to good advantage. He saw Sandford Fleming on a number of occasions, sometimes at Cambie's and other times at the Rideau Club. Baker's business friend C. G. Major was present at several of these meetings.⁴⁴ Before he left Ottawa, Baker asked for and was given a detailed report on the Canadian Pacific Railway. He also discussed the question of the Island railway privately with the Prime Minister and apparently expressed misgivings about the contract being negotiated with Robert Dunsmuir.⁴⁵

⁴⁴Note: Charles George Major was a resident of New Westminster. He listed his occupation as merchant, but, as with so many of these businessmen, it was just the business base from which he engaged in a variety of entrepreneurial activities. Amongst other things, Major was interested in: the Fraser River Railway Company, the Nelson and Fort Sheppard Railway Company, and the Nakusp and Slocan Railway Company. He was also connected with several utility companies on which matters he frequently consulted with Baker.

⁴⁵Baker, 19 May, 1883.

Premier Smithe and C. T. Dupont⁴⁶ were both interested in Ottawa's attitude toward the Island railway. Smithe was concerned because his government had passed the necessary legislation for an Island railway to be built by Dunsmuir and were awaiting Ottawa's implementation of the project. Dupont wanted the information because he appears to have had some interest in involving himself with the Northern Pacific Railway in British Columbia. But, Smithe was in difficulty with Ottawa for attempting to link the Island railway with the Terms of Union and Macdonald refused to move on the matter. Baker saw Macdonald again privately and enlisted the help of Cambie, but to no avail. He telegraphed Smithe accordingly.⁴⁷ Dupont's request (the exact nature of which Baker did not record) was no more successful in winning government favour. Nevertheless, Baker was able to gather other railway information for Joshua Davies, Theodore Lubbe, J. A. Mara and C. T. Dupont before he left Ottawa.

It had been a busy opening session of parliament for Baker and the rest of the year promised to be just

⁴⁶ Note: Dupont was an inspector in the Inland Revenue Department, whose business interests far exceeded the bounds of his government job. He was involved in railroads (Nelson and Fort Sheppard), land speculation, mining and a variety of other enterprises.

⁴⁷ Baker, 22, 24 and 25 May, 1883.

as active for him. On 6 June, he returned to Victoria with a new air of confidence. His satisfaction with himself showed in a biographical sketch that appeared that summer in the magazine, The Resources of British Columbia, under the heading, "...Prominent Self-Made Men of British Columbia." The other prominent men reported on were: R. P. Rithet, J. A. Mara and C. E. Redfern.

The article gave the appearance of having been written and published by the magazine for the interest of its readers. There is little doubt, however, that the sketch, which claimed: "Being...in the prime and vigor of life, energetic and industrious, with large and varied experience of the world, a ready writer and fluent speaker, Mr. Baker's future career in British Columbia, can scarcely fail to be one of great usefulness and signal advancement,"⁴⁸ was written by him. The paragraphs on his naval career were somewhat inaccurately embellished as well.

In July, Baker enthusiastically mailed some 25 copies of the magazine to his friends in Ottawa and a lesser number to his friends in England. It was somewhat of an announcement that Baker had "struck it rich"

⁴⁸"Pointed Pen Pictures", The Resources of British Columbia, Vol. 1, No. 5 (July, 1883), pp. 9-10.

in British Columbia and the sort of advertisement that might help an entrepreneur to hear of new opportunities. Before the month was out, he had another set of initials to put after his name: he was appointed a Justice of the Peace.⁴⁹

Immediately on his return from Ottawa, Baker spoke to Dick Jones about the latter's possible appointment as postmaster. Following this, Baker entered into a long conversation with Joshua Davies and Theodore Lubbe on railway matters, in particular, the Northern Pacific Railway.⁵⁰ Later in the month, Dupont called at Baker's office for discussions on the same subject. Their work was in preparation for the arrival of the Vice-President of the United States, Senator George F. Edmunds, who was due in Victoria the following day and the vice-presidential party, which included several senior executives of the Northern Pacific Railway.

The Northern Pacific, specially chartered for the Vice-President's trip, secured alongside the Hudson's Bay Company wharf early on the morning of 16 June, after her voyage from Portland.⁵¹ It was a beautiful Saturday

⁴⁹BCG, Vol. XXIII, 1883, p. 225.

⁵⁰Baker, 6 June, 1883.

⁵¹British Colonist, 17 June, 1883, p. 3.

morning and Baker hurried down to the jetty to greet the guests. He was particularly anxious to see C. H. Prescott and Mr. Oakes, vice-president of the Northern Pacific Railway. While on his way to Ottawa in January, Baker had stopped in Portland to discuss with Prescott the details of a subsidy to provide a mail service for Victoria.

Baker accompanied the party to Government House and in the afternoon, took them to the Dockyard where they were received by Rear Admiral Lyons onboard his flagship, H.M.S. Swiftsure. The visitors remained in Victoria for only a day, but it was long enough for Baker to have some time with C. H. Prescott.

The day before Senator Edmunds' visit, the British Colonist published an article outlining the Northern Pacific Railway's objectives in the Puget Sound and British Columbia area as given by Mr. Oakes.⁵² The paper announced that the railway, running from St. Paul to Portland, was expected to be completed that September. Feeder lines to the Puget Sound area were operating and a steamship for a freight service between Victoria and the railhead in Seattle was at that moment under construction. A separate article on the same page noted

⁵²British Colonist, 16 June, 1883, p. 2.

that Customs House records indicated that nine tenths of British Columbia's trade was cleared through Victoria.⁵³ Oakes stated that the railway, through an efficient system of rail and ship feeder lines and by offering favourable rates, expected to move the freight passing through Victoria over its lines. The paper, with a somewhat indifferent reference to the Canadian Pacific Railway and Island railway, added that the coming of the Northern Pacific Railway held great promise for the development of Victoria and Vancouver Island.

Baker, Dupont, Lubbe, Davies and possibly others were working on a plan that concerned the Northern Pacific Railway. The precise details of their scheme are missing, but it appears that the plan was to organize a company that would form part of the Northern Pacific Railway feeder system. Baker continued to confer with these railway schemers, wrote and received letters from Sir John A. and had a number of meetings with Trutch. But their plans were not in accord with Ottawa's plans.

In August, Sir Alexander Campbell, the Minister of Justice, arrived in Victoria to complete the federal government's negotiations with Victoria on a settlement

⁵³British Colonist, 16 June, 1883, p. 2.

to the grievances between the two governments. Baker went to him immediately on the subject of the Island railway. Baker gained no concessions, but he had "tipped his hand."⁵⁴ A short time later, he was snubbed by Bob Dunsmuir,⁵⁴ who particularly feared an encroachment into the area of his proposed Island railway by the Northern Pacific Railway.⁵⁵

On 22 August, the British Colonist reported that Dunsmuir had deposited \$250,000 with the Dominion government as security for the fulfillment by him of the contract to build the Island railway.⁵⁶ The following day, the same paper reported that Sir Alexander Campbell had announced that all negotiations between the two governments were complete.⁵⁷ Only the consent of the local and Dominion parliaments remained to be obtained, which, he said, was a mere formality. The Dominion government would build the Island railway, take over the drydock, open the railway lands to settlement and build a quarantine hospital. It was the precursor of the Settlement Act.

⁵⁴Baker, 19 August, 1883.

⁵⁵Ormsby, British Columbia: a History, p. 289.

⁵⁶British Colonist, 22 August, 1883, p. 3.

⁵⁷Ibid., 23 August, 1883, p. 2.

Campbell and his party, accompanied by Robert Dunsmuir, sailed for San Francisco as the people of Victoria were reading about the success of his mission in the British Colonist. It had been a week of important announcements and it was brought to a close on Friday, 24 August, when Premier Smithe formally turned the drydock over to Trutch, who received it for the Dominion government.⁵⁸ On 4 September, Victorians received additional welcome news: Robert Dunsmuir reported from San Francisco that survey work on the Island railway would begin immediately.⁵⁹

Dunsmuir's success in the Island railway contract brought a temporary halt to the local railway schemes, but land deals, mining and company matters, as well as politics, kept Baker busy for the rest of the year. Nor was his falling out with Dunsmuir a serious matter. Before long, he was calling on Dunsmuir in his Victoria office and on Boxing Day, he was invited to a party given by Dunsmuir.

During October and November, Baker spent much of his time in meetings, principally with Premier Smithe

⁵⁸British Colonist, 26 August, 1883, p. 3.

⁵⁹Ibid., 4 September, 1883, p. 3.

and Trutch, on the subject of the Settlement Act. Construction of the Canadian Pacific Railway was still the biggest single business activity in the province and Baker watched it carefully for an opportunity to participate in its success. H. J. Cambie kept him informed of the latest developments and plans for the railway. In October, he was in Victoria to see Baker, who was buying him a house in the James Bay region of the city. Cambie briefed Baker on developments concerning Dunsmuir, Trutch and Van Horne.⁶⁰ In December, Cambie again discussed railway matters with Baker,⁶¹ who then called on the Onderdonks; they were staying at the Driard Hotel for Christmas.

The beginning of the new year brought a rush of business associates to Baker's office as he prepared to leave for Ottawa. With these meetings behind him, he left for Ottawa via San Francisco and arrived in the capital on 17 January, the opening day of parliament.

For British Columbia, the most important piece of legislation before parliament was the Settlement Act. It was, as the Prime Minister had stated the year before,

⁶⁰Baker, 22 October, 1883.

⁶¹Baker, 30 December, 1883.

to be "a settlement of all matters between British Columbia and Canada."⁶² The Act might have been passed in 1883, had not British Columbia upset the Dominion government by changing two of the agreed upon terms when it passed the legislation that fulfilled its part of the settlement. These were, making the construction of the Island railway a Dominion government responsibility, rather than a project under their supervision, and a clause stating that "all the lands which had been appropriated in aid of the building of the Island railway, except coal and mineral lands, should for the next four years be sold at the price of \$1 an acre."⁶³ Sir Alexander Campbell, in his mission of the previous summer, had persuaded the provincial government to reword their Act to remove these two offending clauses.

The Settlement Act proposed for British Columbia:

"...in regard to the injury which that Province had suffered from the delay in carrying out the terms of union, it was decided to offer that Province the sum of \$750,000 towards the construction of the railway from Nanaimo to Esquimalt, to take over the graving dock, paying the expenditure of \$250,000 that had been made by the Government of British Columbia, and receiving from that Province a grant of 3,500,000 acres of land lying in the Peace River District, on the eastern side of the Rocky Mountains."⁶⁴

⁶² Commons Debates, 25 May, 1883, p. 1392.

⁶³ Ibid., p. 1393.

⁶⁴ Ibid., 1884, Vol. 2, p. 1025.

In considering this resolution put before the House, Baker criticized it by examining it from a national rather than provincial point of view: "I think the principal matter that we have to consider, as a Dominion House of Commons, is whether we are making a good bargain with British Columbia or not."⁶⁵ He spoke first of the monetary compensation offered the province, \$750,000 as opposed to other figures that had been suggested. "Mr. de Cosmos estimated some three or four years ago, that the Dominion of Canada was indebted to British Columbia in a sum certainly not less than \$2,250,000, as compensation for the delays in railway construction. Now, in this Settlement Bill, we are getting rid of that amount, with accrued interest, and possibly an accumulation of testimony, as to whether that amount should be augmented or not."⁶⁶ As to the 3,500,000 acres of land in the Peace River country, when its value was considered, the government was getting far more than it was giving, he remarked.⁶⁷ He also injected a note of doubt about the location of this land, by

⁶⁵Commons Debates, 1884, Vol. 2, p. 1034.

⁶⁶Loc. cit.

⁶⁷Loc. cit.

asking the Minister of Railways and Canals, Sir Charles Tupper, where within the Peace River country this rectangular block of land would be situated: "There is a contention also, and, I believe, a very just one, that the eastern boundary of the Province is, or ought to be, the eastern base of the Rocky Mountains."⁶⁸

There was another matter that Baker was even more concerned about. This was the question of the Pacific terminus of the Canadian Pacific Railway. It was not a part of the Settlement Act, but the subject could be revived through questioning the relationship of the Island railway to the mainland railway. Victoria had never given up the hope that in some way it would be included as part of the transcontinental railway system. Its businessmen realized that this matter was paramount to the city's continuation as the business headquarters of the province. Victoria's interest in the Northern Pacific Railway was a manifestation of this ambition. In this latter case, the city hoped to substitute being the Canadian terminus of the Northern Pacific Railway for the dead, but not easily given up, hope of being the Pacific terminus of the Canadian Pacific Railway.

⁶⁸Commons Debates, 1884, Vol. 2, p. 1936.

Baker, like most of his counterparts in Victoria, was dedicated to maintaining and expanding Victoria's business role. His next remarks were related to this issue.

Baker spoke at length on the question of the Island railway, in an attempt to document the fact "...that the Island railway referred to is a portion (or should be) of the Canadian Pacific Railway, more generally spoken of as the Trans-Continental Railway."⁶⁹ He mentioned a March, 1875, House appropriation of

"\$6,250,000 for the Pacific Railway, part of which appropriation was expended in the purchase of steel rails for the railway between Esquimalt and Nanaimo, and the rails were accordingly purchased and conveyed to Esquimalt and Nanaimo, ready for use. I ask if anything could be plainer...money belonging to the Dominion... expended for the purchase of steel rails... landed at Esquimalt and Nanaimo, I believe, with every intention of constructing that section of the Canadian Pacific Railway between Esquimalt and Nanaimo."⁷⁰

Baker also referred to the construction surveys of the line between Esquimalt and Nanaimo that were made in the years 1874-75, as further proof of the Dominion government's intention to build the line.⁷¹

⁶⁹ Commons Debates, 1884, Vol. 2, p. 1035.

⁷⁰ Loc. cit.

⁷¹ Ibid., p. 1036.

Baker's efforts in parliament to make a legal case for the inclusion of the Island railway as part of the Canadian Pacific Railway, were a desperate last minute attempt to salvage Victoria's position. Without a change in railway policy, Victoria was doomed to be isolated from the new pattern of commerce that would develop about the transcontinental railway. But, his attempt to arouse some interest in the subject fell on deaf ears.

Baker's assessment of the Settlement Act was that the federal government had got the better of British Columbia on all the important issues. He concluded his remarks by answering the question he had posed in the opening of his address: "...unquestionably the Dominion government has (as it usually does) made a good bargain with British Columbia."⁷² The Settlement Act was passed.

The House also resumed the adjourned debate on Shakespeare's proposed motion, of the previous year's session, to enact a law prohibiting the immigration of Chinese to British Columbia. Baker was better prepared for the debate than he had been in the last session. He delivered a long and detailed account of Chinese immigration into British Columbia, their mode of life

⁷² Commons Debates, 1884, Vol. 2, p. 1034.

there and of restrictive legislation enacted by the State of California and the Australian colonies of Victoria and Queensland.⁷³ Referring to this address, Adam Shortt and Arthur G. Doughty in Canada and Its Provinces commented, "Students of this question will find in Baker's speech, reported in Hansard of the session of 1884, one of the best resumes of the case against oriental labour as far as the facts in relation thereto had at that time developed."⁷⁴

Little new ground was covered in the debate. Sir John A. was in a conciliatory mood and did not wish to disturb the good relations so recently established with British Columbia. He agreed that the Chinese would work for less wages than white workers, but he said, "...I do not think the Government could have made such satisfactory contracts if it had been supposed that they [the Canadian Pacific Railway] could not get Chinese labour."⁷⁵ Shakespeare's reply to this was "...that not one Chinaman has been employed on the road this side

⁷³ Commons Debates, 1884, Vol. 2, pp. 1282-1285.

⁷⁴ Adam Shortt and Arthur G. Doughty, eds., Canada and Its Provinces: A History of the Canadian People and Their Institutions By One Hundred Associates, Vol. 21, Toronto, Edinburgh University Press, 1914, p. 260.

⁷⁵ Commons Debates, 1884, Vol. 2, p. 1287.

of the Rocky Mountains, and the Chinese question only affects the road on the western side of the mountains."⁷⁶

In reply, Sir John pointed out that there was also the question of trade with the Orient, which depended in part on Canada's relations with China: "We are just finishing the Pacific Railway, and one of the objects of that enterprise is to enable Canada to compete with the United States for the Chinese and Japanese trade."⁷⁷

The government, however, agreed that some restriction, not prohibition, of Chinese immigration was desirable.

The method and degree of such a measure was to be decided by a commission. Sir John summed up the government's position with the words:

"Government will pledge themselves to issue a Commission to look into the whole subject during the present summer...and we will be prepared to come down with the conclusions thus arrived at, at the next Session. ...I am satisfied, also, that the legislation which will be the result of such Commission will be in the nature of a restrictive regulation of Chinese immigrants."⁷⁸

Out of parliament, Baker continued his behind the scenes work. He had a successful interview with the

⁷⁶ Commons Debates, 1884, Vol. 2, p. 1287.

⁷⁷ Loc. cit.

⁷⁸ Loc. cit.

Minister of Justice on the subject of a judgeship for A. C. Elliott and an appointment as a Queen's Counsellor for C. E. Pooley.⁷⁹ He also spoke to Sir Hector Langevin on a number of occasions with regard to the public works contracts pending for Victoria District.⁸⁰ He continued to be very intimate with Nicol Kingsmill and his Commercial Cable Company friends. The Commercial Cable Bill finally was passed by the Senate in March, but before Kingsmill left Ottawa, he introduced Baker to A. W. Ross, a member of parliament from Winnipeg. It proved to be a very significant introduction.

A. W. Ross had made and lost a fortune in the Canadian Pacific Railway inspired land boom in Winnipeg. He was out to remake his fortune and he was in an admirable position to do so. He was employed by the Canadian Pacific Railway Company as their real estate agent and advisor in the Burrard Inlet region,⁸¹ an area that was just about to have its own railway inspired land boom. Ross was "in on the ground floor."⁸² Baker and Ross moved from their introduction to an intimate business relationship in a few short months and soon, Baker was also in on the ground floor.

⁷⁹Baker, 22 January, 1884.

⁸⁰Baker, 13 February, 1884.

⁸¹Pierre Berton, The Last Spike, Toronto, McClelland and Stewart, 1971, p. 409.

⁸²Loc. cit.

Parliament prorogued on 19 April, and Baker was back in Victoria on 1 May. He had barely had time to attend to a few local business matters before A. W. Ross appeared at his office door. Cambie was also in Victoria and the same day, he brought Baker up to date on railway matters.⁸³ A few days later, the Bakers invited the Rosses and Cambies to dinner. It was the first of many social engagements between the Bakers and Rosses.

It was also the beginning of Baker and Ross' business association. Their business discussions concerned the buying of land in the vicinity of Coal Harbour, False Creek and English Bay. As far as Baker and Ross were concerned, the question of the location of the Pacific terminus of the Canadian Pacific Railway was already decided.

Baker appears to have had an inkling of the Canadian Pacific Railway Company's doubts about Port Moody as a terminus as early as 1881, when he sold his Port Moody lots. Considering the nature of Baker and Cambie's many railway talks, it would have been most unnatural for Cambie not to have informed Baker that the railway had sent John Ross to survey Burrard Inlet for a port site

⁸³ Baker, 8 May, 1884.

in 1881. Baker must also have been aware, through Cambie, that Ross' report, submitted in 1882, ruled out Port Moody as a suitable terminus.⁸⁴ Although no official statement on a terminus followed John Ross' report, a careful examination of the area in the vicinity of the western end of the railway could leave little doubt that the most suitable site for a terminus would be in the region of Coal Harbour and the Hastings sawmill. Here, the inlet was sheltered and had the depth of water and size to be a first class port; English Bay was too exposed; the Fraser River was too restricted. The area also had ample land that was suitable for railway facilities and a townsite; Port Moody did not.⁸⁵ And, as far as the north shore of the inlet was concerned, it presented more obstacles to railway construction than the south.

Although some two years had expired between John Ross' report on a site for the Pacific terminus and A. W. Ross' appearance in Victoria (1884), there had been no official rejection of Port Moody as the terminus by the Canadian Pacific Railway Company. Nor had there

⁸⁴Alan Morley, Vancouver: From Milltown to Metropolis, Vancouver, Mitchell Press, 1961, p. 64.

⁸⁵Berton, The Last Spike, p. 304.

been any official announcement of the Company's plans to extend the railway to the western end of Burrard Inlet. Van Horne would not arrive in Victoria to open negotiations with Premier Smithe on that matter until August. But, Ross was fully aware of the Canadian Pacific Railway Company's plans and he convinced Baker that there was a great opportunity for land speculation in the Inlet. The two men met frequently to discuss real estate matters and in July, Ross arrived at Baker's office with a concrete proposal: Was he interested in a one quarter share in an English Bay "land grab"?⁸⁶ Joshua Davies, Theodore Lubbe and Baker all bought in.⁸⁷ Almost immediately, Ross proposed a second land buying partnership. W. T. Livock was invited to join the same group in this second scheme.

The rush was on, but it was an inside rush. Those in the know were in a position to act on their information, others could only guess at what was going on. It was a case of who would be invited to join the "club." But, not all investors wanted to be; it was a finely

⁸⁶Baker, 5 July, 1884.

⁸⁷Note: Baker does not specify how much money was involved, but it would appear that it was \$6,000. A. W. Ross bought his shares on account to the partnership for \$1,500.

balanced affair. The Canadian Pacific Railway Company had made no commitment to extend the railway to Coal Harbour. Therefore, there was no rush to buy land in the area that in turn would create a boom. The land was being bought and sold within a select group of insiders, all trying to get in on the ground floor, to buy at cost price. There was not much profit in that and there wouldn't be until the railway came through and the rush to buy land became general and frantic. It was a dangerous game for many of these men. They had limited capital and in their greed to get as much plunder as possible, some over-extended themselves. They gambled on the length of time they would have to carry their investments before the boom materialized and the profits rolled in. A few of them lost.

For the rest of the year, Baker was completely absorbed in Burrard Inlet land speculation. In his book, The Last Spike, Pierre Berton mentions David Oppenheimer, John Robson, Marcus Smith and A. W. Ross as being some of the early land speculators in the western end of Burrard Inlet.⁸⁸ He goes on to say:

⁸⁸ Berton, The Last Spike, p. 408.

"The Fraser Valley and New Westminster real estate interests saw what, in hindsight, seems obvious; but in Victoria, the land speculators continued to believe that Port Moody would be the terminus."⁸⁹ Berton is well off the mark in this last statement. Baker and a sizeable selection of the Victoria business community were involved in the first flurry of land deals in the Coal Harbour, English Bay and False Creek areas.⁹⁰ A. W. Ross and David Oppenheimer made their first investments in land in the area at the same time and in partnership with these men.

Baker's attention was momentarily diverted from Burrard Inlet, when in July, W. R. Clarke came to him looking for some help in financing a quick profit deal. Clarke had an option on a 20,000 acre timber lease, which could be secured for \$1 per acre. He also had a lead for disposing of it in England at one hundred per

⁸⁹Berton, The Last Spike, p. 409.

⁹⁰Note: From July to December, 1884, some of the Victoria businessmen that Baker and Ross dealt with in connection with Burrard Inlet lands were: C. T. Dupont, W. P. Sayward, I. W. Powell, Edwin Renouf, E. G. Prior, C. S. Jones, F. S. Barnard, J. R. Hett, E. V. Bodwell, H. E. Croasdaile, D. M. Eberts, J. J. Russell, J. C. Prevost, R. P. Rithet, R. E. Jackson, J. H. Innes, H. V. Edmunds and H. S. Mason (also: H. J. Cambie, David Oppenheimer and R. H. Alexander).

cent profit. Conveniently, W. S. Gore, surveyor general of the provincial Lands and Works Department, was in on the deal. It was an attractive proposition, but Baker was heavily involved in land speculation. He joined in for one twentieth of the profits; Gore got the same.⁹¹

It was a quick and easy bit of profit sandwiched in between meetings on Coal Harbour and False Creek lands with Rithet, Dupont, Joshua Davies, David Oppenheimer and Ross. These men knew that the tempo of affairs on Burrard Inlet would soon rise. The question of a Pacific terminus for the railway could not be ignored much longer and Van Horne planned to visit Victoria that summer to discuss the matter with Premier Smithe. Ross stimulated his business partners' interest by keeping them informed of Van Horne's movements.⁹² It was a time when the opportunities for investment in land seemed almost unlimited, the lure of which proved too great for Ross.

At the end of July, Ross came to Baker with a new and much grander scheme. He proposed that they form a syndicate to buy the Hastings Saw Mill Company site,

⁹¹Baker, 13 July, 1884.

⁹²Baker, 14 July, 1884.

which they could do for \$275,000.⁹³ It was a big deal, but it was tantalizing. To urge on the faint hearted, Ross initially intimated that Van Horne would be a member of the syndicate. A few days later, he was forced to admit that Van Horne would not be a party to the deal.⁹⁴ Baker, David Oppenheimer, Powell and Dupont all bought in with Ross. They apparently had a one fifth interest each, which they in turn split among other partners.

Ross had run aground financially, however, and the operation was hardly underway, when he was arrested by the sheriff.⁹⁵ It was the day Van Horne arrived in Victoria to begin negotiations with Premier Smithe on the location of the Pacific terminus. The syndicate could not afford to break up at such a time. David Oppenheimer, Dupont and Baker posted bail for Ross and he was released from custody. The syndicate needed shoring up, however, and more partners were brought in. Baker joined with R. H. Alexander to take an additional one twentieth interest. In spite of his

⁹³ Baker, 24 July, 1884.

⁹⁴ Berton, The Last Spike, p. 314.

⁹⁵ Baker, 4 August, 1884.

brush with the sheriff, Ross was still trying, unsuccessfully, to carry a one fifth interest in the syndicate. Powell, Dupont, David Oppenheimer and Baker backed a number of notes for Ross and eventually, Baker took part of Ross' one fifth interest to cover them.⁹⁶ Cambie was now a member of the syndicate and he gave Baker power of attorney to look after his share.

Sayward also had invested in this scheme to purchase the Hastings Saw Mill Company site and in September, he came to Baker to find out just where the operation stood.⁹⁷ Earlier in the summer, Dupont had been in a financial squeeze and he had talked Sayward into taking one half of his one fifth interest in the mill. In consideration of this favour to Sayward, he had also managed to persuade Sayward to lend him the money to keep making his own payments. The months went by and Dupont was unable to repay Sayward. In August, 1885, Sayward brought an action against Dupont to recover \$6000. Dupont lodged a counter claim for \$50,000 in damages, which he said he had lost because of Sayward breaking their agreement. The case was heard in the

⁹⁶ Baker, 4 September, 1884.

⁹⁷ Baker, 27 September, 1884.

Supreme Court before Chief Justice Begbie, who dismissed the claim for \$50,000 for damages and found the plaintiff at liberty to move for a \$3000 judgment.⁹⁸

The fortunes of the various partners rose and fell, but it did little to dampen their ardour for speculation in land. They continued to buy land, although a number of them were having problems keeping their finances in step with their ambitions. By November, there was "great pinching and scheming to meet mill payment of \$21,991" and David Oppenheimer, Ross, Dupont, D. E. Campbell and Baker spent much of one day organizing the necessary financing with W. C. Ward, the manager of the Bank of British Columbia.⁹⁹ Earlier, Ward had arranged a \$2,000 overdraft for Baker. It was a combination of the amount of land they tried to buy and the slow pace of land sales on the Inlet, that kept many of the early speculators on the brink of insolvency. The first step in the land boom would not come before the railway's decision to make the western end of Burrard Inlet the Pacific terminus was publicly announced. The second step would follow the completion of the railway to that point.

⁹⁸ British Colonist, 18 August, 1885, p. 3.

⁹⁹ Baker, 20 November, 1884.

Throughout the summer and fall of 1884, the Coal Harbour - English Bay land speculators operated on inside information only. Up to that time, there had been no official announcement that the railway terminus would be established there. In August, Van Horne arrived in Victoria and negotiations with the provincial government over what concessions the Canadian Pacific Railway could expect in return for extending the railway to English Bay or Coal Harbour, began. After discussing the question of the terminus with Premier Smithe, Van Horne returned to Montreal and reported the results of his meeting to the railway's Board of Directors. His method of negotiating when there were two parties to play off against each other, as he once told Cambie, was to be governed by the liberality of the different parties.¹⁰⁰

The Board directed Van Horne to inform Premier Smithe that the railway expected 11,000 acres of land adjoining Burrard Inlet. Specifically, it was to include a tract of land on Coal Harbour and English Bay that included the Granville townsite and the north half of the Hastings Reserve.¹⁰¹ The provincial government refused to meet the company's demands, even

¹⁰⁰ Berton, The Last Spike, p. 407.

¹⁰¹ British Colonist, 14 January, 1885, p. 1.

after several pressing telegrams from Van Horne. But, for all that, their offer constituted a remarkable "land grab" for the railway.

In a letter to the company, dated 6 October, 1884, Premier Smithe, as Commissioner of Crown Lands, countered the railway's demand with an offer of 6,000 acres of land that included all unalienated lots in the Granville townsite.¹⁰² To provide the railway right-of-way, the government had induced the Hastings Saw Mill Company to give up a one mile wide tract of land lying along the shore of False Creek and English Bay. In addition to this 4,000 acre tract of land, the sawmill was to return to the Crown 1,000 acres of its leased land annually. In return for these concessions, the Hastings Saw Mill Company had its lease, which had over two years to run, extended for five years. Smithe also requested that the railway company make public their decision with regard to the Pacific terminus of the railway: "In order that the vexed question of the Pacific terminus may be fully settled, and public confidence established...."¹⁰³

¹⁰²British Colonist, 14 January, 1885, p. 1.

¹⁰³Loc. cit.

On 25 November, 1884, the railway company sent a despatch to Premier Smithe accepting his government's offer.¹⁰⁴ Four days earlier, Baker had spent some time with Smithe trying to unravel the proposed deal. It was information that was vital to his speculation in Burrard Inlet land. His concern was put to rest on the 25th. He got the news and details of the terminus from Ross as fast as the premier got it from Montreal.¹⁰⁵ Major Rogers and Cambie began the survey of the railway right-of-way from Port Moody to Granville that fall.¹⁰⁶

Both Berton¹⁰⁷ and Morley,¹⁰⁸ in almost identical sentences, intimate that the Victoria British Colonist opposed the move of the terminus from Port Moody to a spot on the inlet to be known as Vancouver; the name selected for the terminus by Van Horne. Berton suggests that this was done to protect real estate holdings in Port Moody held by Victorians. A reporter from the Colonist was stationed in Port Moody, they both report, to convince newcomers that there was no such place as

¹⁰⁴ British Colonist, 14 January, 1885, p. 1.

¹⁰⁵ Baker, 25 November, 1884.

¹⁰⁶ Morley, Vancouver, pp. 68-69.

¹⁰⁷ Berton, The Last Spike, p. 409.

¹⁰⁸ Morley, Vancouver, p. 68.

Vancouver. Yet, in the opening paragraph of the newspaper's article in which the correspondence on the selection of a terminus was published, the newspaper gives the impression of being pleased that: "The effect of this grant will be to bring the terminus of the trans-continental railway 22 miles nearer Victoria...."¹⁰⁹

As to the name Vancouver, a mild note from the editor a week later suggested that the name was a poor choice because of possible confusion between the railway terminus and the Island.¹¹⁰

Victoria's chagrin at not being the terminus of the Canadian Pacific Railway was real. The contention that she was not aware of the developments on the mainland, or failed to partake in them, is a myth. With the completion of the Canadian Pacific Railway, her days as the business centre of the province were numbered, but she would continue to hold that position for at least another decade.

Baker had gambled on the site of the railway terminus and won. Before the year was out (1884), he had added to his Hastings Mill site acquisitions by buying land in District Lots 185 (the Brickmakers' Claim in

¹⁰⁹ British Colonist, 14 January, 1885, p. 1.

¹¹⁰ Ibid., 21 January, 1885, p. 2.

Coal Harbour), 182 (in the vicinity of "Gastown"), 264A (at the eastern end of False Creek), and 196 (in English Bay). These were all inside deals, most of which were brought to Baker by Ross, or mutual friends. One such deal, proposed to Baker by Ross in December, concerned forming a syndicate to buy the Brighthouse and Hailstone property in District Lot 185 for some \$100,000.¹¹¹ Another had occurred a few days earlier, when Baker joined David Oppenheimer and Dupont in the latter's office and the three of them spent the evening drawing lots for the lots in Sections A, H and K of District Lot 182.¹¹²

Land prices in the Vancouver area varied from perhaps a cost price of a few dollars per acre to a selling price of \$200 per acre. H. S. Mason offered Baker \$150 per acre for his 73 acres of mill property.¹¹³ No sale was made. Later, Baker informed E. V. Bodwell that he could have one half of the same property for \$8,000.¹¹⁴ Bodwell wasn't interested and Baker followed it up with an offer of 36 acres in District Lot 264A for \$200 per acre.

¹¹¹Baker, 1 December, 1884.

¹¹²Baker, 28 November, 1884.

¹¹³Baker, 26 November, 1884.

¹¹⁴Baker, 11 December, 1884.

In the financial over extending that was common, however, the selling price was often the cost price, or less when the speculators were forced to sell to remain solvent. Baker's journals reveal that he had to do some rather astute juggling between his business ventures from time to time: "Saw Dunsmuir re taking over elec. lt. for \$11,000 - to lighten my financial load."¹¹⁵ But, he avoided any major financial problems.

There was no let up in the tempo of buying in 1885. The original land speculators were joined by a fresh wave of eager buyers. Everyone was looking for an "inside" deal. Canadian Pacific Railway land maps were studied fervently and "secret" information passed from meeting to meeting. Confidential information, whether real or manufactured, was an important ingredient to the speculation in land and in this milieu, Baker was comfortably at home.

Apart from Cambie and Ross, Baker gained much of his inside information in Ottawa. Here, he had a number of talks with several senior executives of the Canadian Pacific Railway Company in the spring of 1885. Henry Beatty and Baker were discussing Coal Harbour business

¹¹⁵ Baker, 3 November, 1884.

in the latter's office in the House of Commons, when they were joined by Senator Hugh Nelson and D. W. Gordon, Member of Parliament for Burrard Inlet. Baker complained that their presence prevented the talk from being confidential.¹¹⁶ The next day, he had a "long chat" on Canadian Pacific Railway affairs when he and Alex Cambie met the railway company's president, George Stephen, and its secretary, C. Drinkwater, at the Rideau Club.¹¹⁷ The following month, he returned to Ottawa from Montreal with George Stephen, in the latter's private car, after attending the founding meeting of the Canadian branch of the Imperial Federation League. In June, Baker was again in Montreal, this time for an interview with Van Horne.

On his return from Ottawa in August, Baker resumed his buying and selling of Vancouver lots. In particular, his attention was on District Lot 200A and a plan to purchase part of this property. This large tract of choice land on the south side of False Creek, was also on the mind of a number of Baker's colleagues: Ross, Davies, Croasdaile, J. H. Smith and David Oppenheimer.

¹¹⁶Baker, 8 April, 1885.

¹¹⁷Baker, 9 April, 1885.

The deal was stalled, however, when Baker became annoyed with Oppenheimer for badgering him to turn over one third of his Coal Harbour (D.L. 185) lots to the Canadian Pacific Railway.

This was part of Van Horne's land grabbing plans, which simply involved intimidating landholders into giving the Canadian Pacific Railway one third of the privately owned lands that the railway wished to acquire.¹¹⁸ L. A. Hamilton, who had been sent to survey the townsite of Vancouver by Van Horne, was causing Baker some trouble over a property map of Coal Harbour and the ownership of certain lots there. But, Baker was not easily intimidated: With Hamilton "nearly 3 hours in debating" changes in the Coal Harbour map, "but stood my ground."¹¹⁹

In November, Baker had a more favourable opportunity to keep himself in touch with the railway's executives and their plans. The railway was officially completed with the driving of the last spike at Craigellachie on 7 November and the next day, Van Horne and his party relaxed at the Driard Hotel in Victoria. Baker, who had prepared the Board of Trade address for the visiting directors, went to the hotel with Cambie and

¹¹⁸Berton, The Last Spike, p. 408.

¹¹⁹Baker, 18 December, 1885.

spent the evening talking to Van Horne and Sandford Fleming. The following evening, Cambie called at Baker's house and elaborated on the previous night's talks: "All evening with Cambie discussing Coal Hbr and CPR matters."¹²⁰

The proposal to purchase land in D.L. 200A was revived in December, when Oppenheimer dropped the subject of Baker's giving land to the Canadian Pacific Railway and brought him a map of the area showing the division of the lots. Baker refused to agree to it, however. The partners then agreed to resolve their differences in a somewhat unique way, although it was familiar at least to Oppenheimer and Baker. A few days later, they met in Oppenheimer's office and drew lots for the lots in D.L. 200A.¹²¹

In January, they were ready to put their property on the market. What the partners paid for this land is not revealed, but that spring, the Victoria real estate firm of Croasdaile and Jones was advertising Vancouver property for sale in Portland,¹²² and H. E. Croasdaile offered Baker \$300 for one lot.

¹²⁰Baker, 10 November, 1885.

¹²¹Baker, 12 December, 1885.

¹²²British Colonist, 25 March, 1886, p. 3.

Baker continued to speculate in Vancouver property in 1886, but it was neither on the same scale, nor at the hectic pace that it had been in the previous eighteen months. By the end of that year, his activity in this field had definitely tapered off. He owned considerable property in the area by this time and other business interests were beginning to require more of his attention. The profit from his speculation was somewhat slow in developing, however. In November, 1886, he was endeavouring to sell some of his property in England through H. S. Mason, without much success. Finally, in 1890, Vancouver real estate boomed.

In January, he began negotiations that resulted in twenty-one of his Coal Harbour lots being sold for \$10,500. In February, he noted, "My property in Vancouver rapidly disappearing,"¹²³ and the next day, he increased the price of his remaining lots. In March, he sold some English Bay property for \$2,000 that had cost him \$66.¹²⁴ The following month, he gleefully remarked, "real estate still lively - better than politics."¹²⁵ The boom was still going strong in July,

¹²³Baker, 4 February, 1890.

¹²⁴Baker, 22 March, 1890.

¹²⁵Baker, 2 April, 1890.

when he sold some more English Bay property at a profit of \$800. Baker still had property to sell, but it had been quite an exciting episode since that day in July, 1884, when A. W. Ross started the "Vancouver land grab."

Baker had been attending the parliamentary sessions throughout the intense period of his Vancouver land deals. In January, 1885, his Ottawa duties required him to leave Victoria and the excitement of the Burrard Inlet land speculation, for the third session of parliament. It was a long session. On 23 March, "news of an Indian uprising in N.W." reached parliament. The Northwest Rebellion occupied much of parliament's time thereafter. The unfortunate struggle was over in July and between the 6th and 9th, parliament debated the matter. The House was finally prorogued on 20 July.

Baker, as usual, was more active out of the House than in it. As mentioned before, his interest in the railway's Pacific terminus prompted him to seek out a selection of Canadian Pacific Railway officials for a variety of talks, some confidential, others apparently of a more general nature. He also continued his patronage work and the collection of geological information, which he mailed to his Victoria mining associates.¹²⁶

¹²⁶Baker, 6 April, 1885.

The question of a new lieutenant governor for British Columbia was becoming a topic of discussion among the British Columbia members. Senator Macdonald from Victoria had helped Baker in a number of ways over the years, and Baker supported his candidacy. Hugh Nelson, the other candidate, was supported by the "mainland schemers."¹²⁷ Just before he left Ottawa, Baker saw Sir John A. on the subject and came away satisfied that the Prime Minister looked favourably on his candidate.¹²⁸

It was late summer when Baker returned to Victoria. He was immediately engulfed by his many business interests which more and more were supplanting his interest in politics. It was difficult for him to leave his winter's work, and he returned to Ottawa late for the opening of the fourth session of parliament in February, 1886.

Once there, he played an unusually minor role in affairs in and out of the House. His mind was pre-occupied with his own business matters. He did not overlook the social engagements that made and kept worthwhile business connections alive, however: Mara's poker party; champagne supper and whist at the Onderdonks'; an evening with fellow dinner guest Van Horne.

¹²⁷Baker, 18 July, 1885.

¹²⁸Baker, 18 July, 1885.

The question of a new lieutenant governor for British Columbia was not being actively discussed, but Baker's past efforts on behalf of Senator Macdonald earned him a "frigid" greeting from the Nelsons.¹²⁹

Baker's main political concern in Ottawa at this juncture was the seizure of Victoria based sealing schooners by the Americans, some of which were owned by his business associate Theodore Lubbe. Baker saw the Secretary of State in response to telegrams from Lubbe, but then business matters in Mexico took him away from Ottawa. He did not return until the following year and until after another federal election.

The summer of 1886, marked the climax of a momentous period in British Columbia's history. On 4 July, a large crowd left Victoria for Port Moody to welcome the first passenger train from Montreal. Later that month, the Prime Minister and a group of government officials arrived in Victoria. They were followed closely by Sir George Stephen and a number of Canadian Pacific Railway officials. Despite his inactivity in the House during the past session, Baker was probably at the peak of his

¹²⁹Baker, 10 April, 1886.

political career that summer as he entertained Sir John A. Macdonald and a party of 14 to dinner. Later, the Prime Minister and his entourage left Victoria to drive the last spike of the Esquimalt and Nanaimo Railway at Shawnigan Lake.

The last session of the Fifth Parliament had been prorogued on 2 June and parliament in turn was dissolved by Proclamation on 15 January, 1887. Robert Dunsmuir called Baker to his office that day and showed him a confidential letter from Sir John, stating that an election must be held at once.¹³⁰ Baker's interest in politics was waning, but the influence politics wielded over business was a powerful attraction. Perhaps even more attractive was the possibility that further service in the House would open the way to a more advantageous political position.

Baker was very interested in the prestige, salary and political power that a seat in the Senate would give him. It was also common knowledge that one of British Columbia's senators would shortly be appointed as the new lieutenant governor for the province, which would leave a vacancy in the Senate. A few weeks after Dunsmuir showed Baker Sir John's election letter, Trutch

¹³⁰ Baker, 15 January, 1887.

informed him that Hugh Nelson had been appointed as lieutenant governor. Baker had backed the wrong candidate for the appointment, but any political rift, if such there was, was not deep. Trutch successfully persuaded Baker to drop any feelings of animosity about Nelson's appointment. Trutch was pleased enough with events, that some weeks later, he gave Baker a new hat as a present.¹³¹

Shortly after parliament was dissolved, Baker conferred with Trutch and Premier Smithe about the forthcoming election. They supported his candidacy and that evening, Baker attended the Conservative convention where he was again nominated as a candidate.¹³² Harry D. Helmcken was Baker's agent for the election and Judge J. H. Gray, D. W. Higgins, William Charles, D. M. Eberts, Theodore Davie and others all lent their support. The Victoria District election took place 7 March and Baker was again elected at the head of the poll.

The first session of the new parliament opened in April and Baker lost little time on his arrival in Ottawa before sounding out his friends on the prospects of a

¹³¹Baker, 19 March, 1887.

¹³²Baker, 21 January, 1887.

seat in the Senate. Apparently, F. J. Barnard was being considered for the seat also. He was a Canadian, who had come to British Columbia in 1859 in response to the gold rush, and had been prominent in the fight for the province's entry into Confederation. The latter fact made him, like Hugh Nelson and other British Columbians who had done the same, somewhat of a favoured son in Ottawa. Barnard had been the member of parliament for Yale from 1879 until 1886. He did not stand for re-election in 1887 because of ill health. F. J. Barnard's son, F. S. Barnard, and his son-in-law, J. A. Mara, who succeeded him as the member of parliament for Yale in the 1887 election, supported the proposal that F. J. Barnard should be appointed to the Senate. Baker was aware of this, because F. S. Barnard had come to him, before Baker had left for Ottawa, to ask for his support in having his father appointed a senator.¹³³ F. J. Barnard and Baker had been associated in a number of business deals and socially, but they were not especially close friends. Baker did not feel obliged to set aside his plans in deference to Barnard and his friends.

Baker set about his own campaign to win the seat in the Senate. In May, he had a "long chat with

¹³³Baker, 10 March, 1887.

Mackenzie Bowell," Minister of Customs, "re senatorship and political prospects."¹³⁴ That evening, he had dinner with Sir John A. and afterwards drove home with Joseph Pope. Alex Cambie had died in April, and Baker began the same close relationship with Pope that he had had with Cambie. Baker went with Trutch to see the Prime Minister and a few days later, he was again in Sir John's office asking questions "re senatorship and political matters."¹³⁵

Baker continued his senate campaign on his return to Victoria. He spoke to Trutch about the matter and when Senator Shultz visited Victoria, he had a "long talk on plan of action re vacant senatorship" with him.¹³⁶ He also tried to enlist Robert Beaven's support. Dr. G. M. Dawson was a frequent visitor of Baker's when he was in Victoria. In October, Dawson was with Baker: "...to dinner long pow wow re senatorship."¹³⁷ He approached C. E. Pooley, who had been made a Queen's Counsellor that June partly as a result of Baker's efforts,¹³⁸ and Robert Dunsmuir for help in his efforts

¹³⁴Baker, 21 May, 1887.

¹³⁵Baker, 18 June, 1887.

¹³⁶Baker, 29 August, 1887.

¹³⁷Baker, 24 October, 1887.

¹³⁸Baker, 14 April, 1887.

to gain a seat in the senate.¹³⁹ The Minister of Militia and Defence, Adolphe Caron, arrived in Victoria in November to inspect the site for a barracks. In between talks on the barracks, Baker asked him for advice on forwarding his candidacy for the Senate.¹⁴⁰

In the second session of the Sixth Parliament (1888), Baker again devoted the majority of his time to his own interests. The business of the House concerned him even less than it had in the past. F. J. Barnard had been offered British Columbia's vacant seat in the Senate, but had declined the appointment because of ill health. Baker was as determined as ever to have this appointment to the Senate. Finally, after a long interview, Sir John A. promised, "ECB Senate."¹⁴¹ Baker left for Victoria.

His mood was as sunny as the June weather he found in Victoria on his return. But, before June was out, and after much political talk with Premier A.E.B. Davie, Robert Dunsmuir, Trutch, Macdonald, Beaven and others, storm clouds began to gather on Baker's political horizon. A new political alignment was being evolved;

¹³⁹ Baker, 15 and 18 November, 1887.

¹⁴⁰ Baker, 2 December, 1887.

¹⁴¹ Baker, 21 May, 1888.

Baker sensed "political treachery."¹⁴² The support he had been able to organize among the senior local politicians in the first part of June, apparently was being revised without his direct knowledge. Rithet, a business associate in so many of his activities, was suspected of being one of the persons behind this shift in alliance. Prior eventually came to him with the news that there had been a change in the support for his programme.¹⁴³ Baker responded with a flurry of letters to Ottawa in an attempt to save his candidacy for the Senate. Caron, Thompson, Joseph Pope, also Van Horne and others were all written to. Early in July came a letter from Sir John with "astonishing news."¹⁴⁴

¹⁴²Baker, 27 June, 1888. Note: An appointment to the Senate for Baker would have required the approval of those whom the Prime Minister considered to be his most influential supporters in Victoria. Initially, Baker thought he had this consent, particularly after his June talks with the local leaders in politics and business. But someone, or something, apparently put a doubt in their mind as to whether they wanted such a forceful and uncompromising businessman as Baker given the additional permanent advantage of a powerful political position. As their support faded so did Baker's acceptability in Ottawa.

¹⁴³Note: Baker's efforts to have his brother-in-law, Dick Jones, appointed as postmaster of Victoria had failed. Shakespeare had outmanoeuvred him and got the position for himself. Prior was elected by acclamation on 16 January, 1888, to succeed Shakespeare as one of Victoria District's two members of the House of Commons.

¹⁴⁴Baker, 9 July, 1888.

Baker's senatorial campaign lost momentum. For the rest of the year, visitors from Ottawa were questioned on matters concerning the Senate without much enthusiasm being generated. Baker clung to the hope that once back in Ottawa, he could rekindle the support for an appointment to the Senate that he apparently had the previous spring.

Parliament opened 21 January, 1889; Baker did not arrive until the 4 February. He immediately called on a number of cabinet ministers, but much as he wanted a seat in the Senate, his heart was not in his political work. His time was taken up with personal affairs; cable business in Ottawa and Montreal; and more geological information from Dawson. On 16 February, he left for Victoria. He never again returned to Ottawa as a politician.

By 1889, the magnitude of Baker's business ventures was growing and he had less time and apparently less interest in politics. Baker had been content with his position as a member of the House of Commons in his early political years, but once he had set his mind on becoming a senator all else seemed irrelevant. With the shattering of his hopes for a seat in the Senate, there was no real return of interest in the affairs of the House. He might note, as he did following some bad news concerning a

business matter, "...more worried than all about my political position."¹⁴⁵ But, if he was worried about his political future, he did little to try and improve the situation. In May, Prior called on Baker to discuss the local situation with regard to federal politics and presumably, the growing lack of support for Baker. As far as Baker's journal entry is concerned, the lack of comment suggests that Prior's visit was of little consequence. Baker seemed to have become resigned to his fading position in politics.

In September, a large meeting was held under the chairmanship of Prior to found the Liberal-Conservative Association. A constitution for the association was drawn up and adopted. It was a sign that the political scene was changing.¹⁴⁶ Edgar Dewdney, Minister of the Interior, arrived later the same month. He and Baker discussed Baker's future in politics. The details of their discussion are missing, but the outcome was that Baker should resign.¹⁴⁷ Baker and Prior met to make plans for the selection of a successor for Baker's seat in the House; Thomas Earle was decided upon.¹⁴⁸ On

¹⁴⁵ Baker, 2 March, 1889.

¹⁴⁶ British Colonist, 6 September, 1889.

¹⁴⁷ Baker, 14 September, 1889.

¹⁴⁸ Note: The political machine was still effective; Earle was elected by acclamation to succeed Baker in the House of Commons.

24 September, Baker drew up his resignation and forwarded it to the Speaker of the House.

Active politics were over for Baker, but he was not out of the political scene. In December, 1894, he was elected president of the Liberal-Conservative Association. He held this position for one year and then noted, "retired from politics."¹⁴⁹ But still it was not the end of his involvement in politics. In February, 1902, Premier James Dunsmuir, a business associate and friend of long standing, offered Baker, J. H. Turner's seat as Minister of Finance in his government.¹⁵⁰ Baker declined and supported E. V. Bodwell as a candidate for the seat, apparently with the approval of the other political figures involved. At the last moment, however, E. G. Prior, with the support of Martin and Dunsmuir, ran against Bodwell. Baker countered by calling and chairing a meeting to gain support for Bodwell. It was a close contest. Just over 3,000 votes were cast; Prior won by 54 votes. Baker was furious at what he considered to be the double dealing of his friends. His friendship with Prior, which dated

¹⁴⁹Baker, 31 December, 1895.

¹⁵⁰Baker, 21 February, 1902.

from his arrival in Victoria, was broken off. He put the "squeeze" on him to repay a personal loan of \$20,000.¹⁵¹

Baker had, for reasons of his own, not accepted Dunsmuir's offer of a cabinet post. It may have been that he had lost some of his liking for political work, but it was not for lack of interest in the prestige that went with politics. He still yearned to be a senator. In the years of the Laurier government, there was no hope. But, in September, 1911, he noted enthusiastically that the Conservatives were back in power. It was, however, two years before he wrote from London to Chief Justice Barker in Ottawa on the subject of an appointment to the Senate.

In the spring of 1914, he was again in London and wondering about his Senate prospects and whether he should settle in England or return to Victoria. Some encouragement on his prospects for the Senate would have settled the question for him, but the outbreak of war resolved the matter. He returned to Canada in August and shortly after, was in Ottawa searching out old friends to enlist their support for a Senate appointment. Sir Richard McBride, a close friend for many years,

¹⁵¹Baker, 12 March, 1902.

arrived in the capital. Baker approached him for assistance and Sir Richard promised to do what he could. Baker was out of the political arena, however, and this soon became clear to him. He left Ottawa for the last time and returned to Victoria. This time Baker did not say so, but he had retired from politics.

Baker's political career had been a success when judged by his political objectives. This is not to say, however, that he achieved all that he set out to do, but only that to a large measure, he got out of politics what he had hoped to. His actions indicate that his principal interest was in establishing useful political and business connections that would enhance and expedite his business affairs. Baker had no intention of making politics a career.

As a British Columbian, Baker could hardly have entered federal politics at a more auspicious time. It was a period when important negotiations were taking place between the province's government and the federal government, and when the Canadian Pacific Railway was being built. Through politics, he became well acquainted with the nation's political leaders and most of the senior civil servants in Ottawa. He also met many businessmen (railway, telephone and electric company

executives; cable company lawyers; mining and railway engineers; consuls and land developers) that he might not otherwise have met. All of this latter group stimulated his interest either in their field of business, or in new business ideas. Being at the centre of the Vancouver "land grab" was one of the more obvious successes Baker achieved through politics.

Baker's political success cannot be measured by considering his advancement along a political scale. He never had any ambition for such a career. This can be seen in his lack of interest in the affairs of the House of Commons after only a few years there. He made no effort to make a career out of the House that might have led to a cabinet post, or opened the door to a senior federal position in the province. Unlike Shakespeare or Hamley, Baker would never have been content with the position of postmaster or collector of customs. Even his efforts to be appointed a senator confirm this. Here, his interest was in the secure political connections and the power of political patronage that the position would give him. It was in the business lever that a senatorship offered, that the attraction lay, not in the prospect of a career as a senator. Baker was disappointed at not being able to secure this valuable asset to business affairs,

but it was his pride, not his career aspirations, that was hurt. And, while it is pure assumption, the opposition that developed to his appointment as a senator among his business friends in Victoria, may have stemmed from this very point. They were apprehensive, or unwilling, to see one of the more energetic members of their entrepreneurial group armed with this extra advantage in his work.

Perhaps even more conclusive evidence of Baker's lack of interest in a political career is apparent in his refusal to accept Dunsmuir's offer of a cabinet post. If Baker had wished for a career in politics, here was an ideal opportunity. But, Baker was not interested. Politics were to expedite business, not to absorb valuable time that was required to generate and conduct business.

There seems little doubt that Baker's main purpose in entering politics was to enhance his business position. Politics in British Columbia were tightly bound up with business, and success in business, if not in politics, required an intimate relationship between the two. Until about 1900, the majority of the members of the provincial parliament were important businessmen. They moved from their business offices to the legislature

and back to business again with hardly any change in the conduct of their affairs. They helped their business associates when they were in office and were in turn helped when they were out of office. Baker worked to get J. H. Turner's Shuswap and Okanagan Railway bill through the House of Commons and later, Premier Turner reduced Baker's timber assessment for taxes by 50 percent. The railway boom in British Columbia in the 1890's provides an even better example of businessmen in the legislature passing one railway act after another, in most cases complete with large land subsidies, for their business friends. Timber leases and land sales provide other examples of the extent of this working relationship between politics and business.

Business and politics working together may be a feature of politics in most places, most of the time. But, the extreme nature of it, in this early period in British Columbia, makes it an outstanding characteristic of the politics of the era. It is also a direct reflection of the intense spirit of entrepreneurism that filled the whole community. If it had not been for the latter condition, the close relationship between business and politics could not have existed for as long and in such

depth as it did. The government was the offspring of this entrepreneurism and as the nature of entrepreneurism in the province changed, so did the nature of government.

CHAPTER VI

THE MATURE ENTREPRENEUR

Baker's entry into federal politics in 1882, brought about a change in the momentum of his business affairs. Just prior to this time, his involvement in business had been increasing and his entrepreneurial ability was becoming more apparent. But immediately following his election to the House of Commons, he began a three year period in which he neither formed, nor joined a single company other than a number of Burrard Inlet land speculating syndicates. It was a break with the business trend that he had developed by the end of the 1870's and was the only period throughout his active business career when his entrepreneurship was seemingly so dormant. In the latter half of the decade, Baker resumed a more energetic entrepreneurial role.

Baker was a member of parliament for just over seven years and initially, he gave a great deal of his time and attention to politics. This appears to explain why he lost some of his earlier business initiative. During the last half of his time in parliament, he took a progressively less active part in the affairs of the House and a correspondingly greater interest in his business matters. This is not to say, however, that politics was

not compatible with his entrepreneurial ambitions; it was. Throughout his years in parliament, Baker was exceedingly busy meeting and talking with people having a wide variety of business interests and professional backgrounds. He was not forming companies for part of this time, but he was actively searching for new ideas and business opportunities. His entrepreneurship was only seemingly dormant. In many cases, the ideas that were suggested to him in conversation, or by the example of other businessmen, were taken to the House, where he was able to develop and analyze them further with information he called for in parliament. The Hawaiian Pacific Cable Company that he helped to organize during his parliamentary years was a good example of this.¹

Baker's mature years as an entrepreneur form two relatively distinct parts, the first of which corresponds to his years in the House of Commons (1882-1889). At the beginning of this period, he was an established member of the business community, even if still in a relatively

¹Note: Before forming this company, Baker had many conversations in Ottawa with Nicol Kingsmill and his Commercial Cable Company associates, Sandford Fleming and the Hawaiian Consul. In parliament, he asked for the complete details involved in the laying of the cable from Victoria to a point near Dungeness, W. T.: cost of materials and labour, time taken, materials used, method of laying the cable, etc. (Commons Debates, 1885, Vol. 2, p. 1443.)

small way. Then, as he progressed in politics, he expanded his business enterprises. Not all of these business endeavours were successful, but generally, the 1880's were good business years for him. Most important of all, these years closed leaving him with considerably more experience and capital with which to exploit the great business opportunities about to open in the Kootenay region. It was this latter occurrence that brought to an end the first period of Baker's mature business activities and ushered in an era of much more intense entrepreneurship. The opening section of this chapter is an examination of Baker's business career in the 1880's. These affairs illustrate the surprising range of interest, the sense of opportunity and the unhesitating initiative of Victoria's early entrepreneurs. They also show the close relationship between government and business.

One example of these business characteristics was made possible when, in 1882, he was elected to the Victoria City Council and subsequently appointed a member of the Water Works Committee. Through his work on this committee, he became thoroughly familiar with all that was required by way of equipment and organization in a water company. He was also aware of the opportunities left untapped by the operation of the Victoria Water Works.

Baker, Theodore Lubbe and J. H. Turner, who had been mayor of the city of Victoria during the years 1879 to 1882, apparently examined the prospects for another water works company in the years that followed. By September, 1884, their ideas were beginning to take shape.² At the beginning of the new year, Theodore Lubbe, W. P. Sayward, Joshua Davies, W. S. Chambers and E. C. Baker petitioned the provincial government for authority to incorporate the Esquimalt Water Works Company.

There was no objection raised by the city; R. P. Rithet had just been elected mayor. The government, under Premier Smithe and containing many business friends, put up no opposition to the petition.³ On 9 March, 1885, an Act to Incorporate the Esquimalt Water Works Company was passed by the Legislature.⁴ The company was authorized to have a capital stock of \$150,000. Its water distribution was limited to the

²Baker, 1 September, 1884.

³Note: Some business friends in the government were: Attorney General A.E.B. Davie, Robert Dunsmuir, C. E. Pooley, Theodore Davie, M.T.W. Drake, J. A. Mara and C. A. Semlin.

⁴BCJ, 1885, p. 157.

town of Esquimalt and the adjacent peninsula bounded by Victoria Harbour, the Straits of Juan de Fuca and Esquimalt Harbour.

Under the favourable circumstances of 1885, the entrepreneurs behind the Esquimalt Water Works Company had faced little opposition to their petition. This was not the case in 1892, when the company petitioned the government for permission to expand its operation. On this occasion, Mayor Robert Beaven submitted a counter petition claiming that the additional powers requested by the Esquimalt Water Works Company would infringe on the rights granted the city under the Corporation of Victoria Water Works Act, 1873.⁵

The shareholders of the Esquimalt Water Works still had many friends in the Legislature, and the Executive Council, with the exception of Premier Robson, all were business associates (J. H. Turner, F. G. Vernon, C. E. Pooley and Theodore Davie). But this time, inspite of the bond with the government, Beaven's arguments prevailed and the Esquimalt Water Works Company's petition was not granted. In the years that followed, "the two water dispensers waged continual war."⁶ Eventually, in

⁵BCJ, 1892, p. iii.

⁶Daily Colonist, 11 July, 1965, p. 14.

1925, Victoria purchased the Esquimalt Water Works.

The water company posed many new problems, technical and otherwise, for Baker and his partners, but at least it had some similarity with past business endeavours. Like the telephone company and the partially successful electrical company, it was a utility and it required negotiations with various levels of government and the public. Baker's next venture was in an entirely different field and called for more complex negotiations and business arrangements than in the past. This new business was shipping, but it was of such an unusual nature that it appears that it was the only operation of its kind to ever be conducted in British Columbia. The enterprise is of interest both because of this unique quality and also as a prime example of the diversity of interest and the spirit of these entrepreneurs.

In the same year that the Esquimalt Water Works Company was incorporated, Baker and Henry Saunders joined together in the first of Baker's marine enterprises. Earlier, Saunders, who was in the grocery importing and retailing business, as well as being the agent for a number of ships engaged in the coastal trade and towing, had discussed marine business prospects with Baker. He and Baker had tried to form a towing company, shortly

after the latter's arrival in Victoria. But, in those days, Baker had not advanced far enough in his business career to be able to take advantage of this opportunity.

One of the ships for which Henry Saunders was the agent, was the Sardonyx. She was a 178 foot propellor driven steamship that had been built in Greenock in 1869 and had arrived in Victoria, 80 days out of London, in May, 1882. A local syndicate under Captain J. D. Warren had purchased the ship and placed her in the Northern trade.

In November, 1885, while Baker was busy with Van Horne and his party at the Driard Hotel, Saunders approached him with a proposal that they buy the Sardonyx for \$70,000.⁷ She was a relatively new and powerful steamship and the opportunities for chartering appeared to be good.⁸ Baker was interested. Saunders was to hold 22 shares in the ship and Baker 10 shares. A month later, Baker called on J. D. Pemberton to discuss the

⁷Baker, 9 November, 1885.

⁸Note: Many companies obtain the marine services they require by chartering a ship. A chartered ship is hired or leased as a fully operational unit (complete with crew) ready to carry out the task specified in the charter for the fee agreed upon.

possibility of a loan to cover his share of the purchase price.⁹

There is no mention of a possible charter for the Sardonyx at this time in Baker's business journals, but the unfolding of future events makes it quite obvious that he and Saunders already had a strong lead as to what they believed would be a very lucrative charter. The papers completing the purchase and transfer of the ship to her new owners had hardly been completed, when Saunders telephoned Baker to tell him that they had a charter agreement with the Mexican government.¹⁰

In fact, Baker and Saunders had reached only a tentative agreement with the Mexicans, who were to charter the Sardonyx. Negotiations with them went on until almost the end of February before they were settled. During this time, the two partners anxiously awaited the arrival from Mexico of the instructions that would get the operation underway. Baker was late for the opening of parliament, but he would not leave Victoria until the important document arrived. At last, on 18 February,

⁹Note: Pemberton was an early inhabitant of Victoria where he served as a member of the Colonial Legislative Assembly and as Colonial surveyor. He offered Baker \$25,000 for 6 months at 1 1/4% interest per month.

¹⁰Baker, 24 January, 1886.

the long awaited instructions reached the partners. The same day, the mail steamer from San Francisco arrived, but without the expected key figure for the proposed charter, "...no 'Boss Chinaman'" was onboard.¹¹ Baker could not delay his departure for Ottawa any longer; Saunders would have to get the operation underway.

According to an advertisement that appeared in a local newspaper early in March, the owners of the Sardonix had a contract with the Mexican government under which the ship was chartered to "The Compania Mexicana de Navegacion del Pacifico."¹² Her ports of call were listed as Victoria, San Francisco, Todos Santos, Mazatlan, San Blas and Manzanillo, and her agents as J. Gutte in San Francisco, Jesus Escovar in Mazatlan and Van der Linden, Vogel and Company in Manzanillo. The ship would be carrying Wells, Fargo and Company's express as well as general freight and passengers.

There was more to this charter than the newspaper advertisement suggested, however. The contract that Baker and Saunders had so enthusiastically entered into, was in fact with a number of Mexican capitalists, apparently including President Diaz.¹³ These men had

¹¹Baker, 18 February, 1886.

¹²British Colonist, 6 March, 1886, p. 1.

¹³Ibid., 31 March, 1886, p. 4.

decided to bring in Chinese "coolies" from the United States and British Columbia to work in the Mexican mines and on the plantations.¹⁴ Their interest in this venture was to secure a source of cheap labour that outclassed the "lazy and undependable" local Indians and Peons.¹⁵ This was the real purpose of the charter.

The Sardonix was chartered to carry the Chinese from Victoria and San Francisco to Mexico. In spite of the advertised schedule of ports of call, Mazatlan was the key port because it had been selected as the principal point of disembarkation for the Chinese labourers. All other stated business was secondary to the transportation of Chinese workers. Baker had known this since the beginning of February, when he went to the dockyard to see his naval friends about charts for Mazatlan and general information regarding navigation in the area.¹⁶

Most of the outstanding matters regarding the charter were resolved by the end of February. In Ottawa, Baker was determined to go to Mexico to complete the details of the contract, while in Victoria, Saunders

¹⁴British Colonist, 31 March, 1886, p. 4.

¹⁵Loc. cit.

¹⁶Baker, 5 February, 1886.

prepared the Sardonix for her first voyage under the new charter. At the beginning of March, the Sardonix was in Nanaimo loading 200 tons of coal for the Mazatlan gas works. A few days later, she was secured alongside Janion's wharf in Victoria, where carpenters were busy making arrangements for her Chinese passengers and preparing the ship for sea. She sailed for San Francisco on the 13th, with 125 Chinese passengers on board.¹⁷ She was to embark another 100 Chinese passengers in San Francisco. On 1 April, the Sardonix entered the port of Mazatlan intending to land her Chinese passengers. An anti-Chinese riot ensued and the ship was prevented from carrying out her mission.¹⁸

At his Ottawa desk, Baker fretted over the news of the breakdown in his latest business enterprise. In May, the Sardonix made another trip, this time leaving Victoria with some 150 Chinese passengers.¹⁹ There was too much at stake in this venture for Baker to sit in Ottawa, while the Sardonix sailed off to meet possible further riots and the disruption of his and Saunders' carefully laid plans. He abandoned his parliamentary duties and

¹⁷British Colonist, 14 March, 1886, p. 3.

¹⁸Ibid., 7 April, 1886, p. 3. (The eventual fate of the Chinese passengers is not mentioned in Baker's Journal, nor the newspaper account. It appears, however, that they were landed in Mexico as they did not return to Victoria.)

¹⁹Ibid., 16 May, 1886, p. 3.

set off by train for Mexico City.²⁰

Baker was not a man to be easily deterred. After a week's travel his train finally rattled into Albuquerque, New Mexico, where he found that the Rio Grande was in flood and the railway bridge was washed out. Baker waited impatiently while efforts were made to get a temporary bridge over the river. On his third day in Alburquerque, he was, "up at 4:30 a.m. and went down to the Bridge (about 11 miles) on the Engine...three spans of Bridge gone, and crossed a roaring current on a single plank - very nearly came to grief but saved myself at the Expense of my clothes...no chance of getting on."²¹ He had to return to the town. The next day, the temporary bridge was completed, although it was a rickety affair. The female passengers got across with some difficulty and the heavy baggage had to be left behind. The train to El Paso had to be rerouted to avoid further washouts. Once in Mexico, Baker completed his trip in a train with few facilities: it stopped periodically to allow the passengers short rest periods, and for meals, the passengers left the

²⁰Baker, 21 May, 1886.

²¹Baker, 30 May, 1886.

train to eat in old railway coaches pulled off to the side of the line.

On 5 June, a somewhat dusty and tired Baker arrived in Mexico City, where he was met by E. G. Vogel of the Compania Mexicana de Navegacion del Pacifico, the company chartering the Sardonyx. Baker remained in Mexico City for a week. During this time, he held daily meetings with members of the company, at some of which, the British Consul and the United States Consul General were present. Baker's main purpose in these negotiations appears to have been to obtain a guaranteed charter fee for the voyages made by the Sardonyx, regardless of how successful they were to the main purpose of the contract. He left the city apparently pleased with the result of his work: "Offer from Malo - Larraza - Vogel raised them from \$50,000 Mexican to \$55,000 Gold and got the same in writing - 7:45 p.m. left Mexico City."²²

In making the arrangements to obtain the Chinese labourers that the Sardonyx was chartered to transport, the Mexicans had enlisted the help of influential Chinese merchants in Victoria and San Francisco. The Chinese Consulate in San Francisco was also aware of the project

²²Baker, 11 June, 1886.

and held it to be "altogether benevolent in its character and aims."²³ According to the Consulate, the wealthier Chinese of Victoria were "touched by the situation of their poverty-stricken countrymen."²⁴ These half starved unemployed Chinese numbered between 5000 and 6000. The affluent Chinese had been providing them with free soup houses for some months. The only wish of the well-to-do Chinese, said Colonel Bee of the Chinese Consulate, was to help their less fortunate countrymen go where they could find a means of making a living.²⁵ Hence these merchants were willing to advance \$12 to each coolie to pay for his passage to Mexico. This sum would be recovered in easy payments of \$1 per month from the coolie's wages of \$14 per month.²⁶ Colonel Bee made no mention of living conditions on the Sardonyx, where the Chinese were to be crowded aboard far in excess of the ship's normal passenger carrying capacity, nor of the working conditions the Chinese would find in the Mexican mines and plantations. No one suggested that the main interest in this venture of the wealthy Chinese in

²³British Colonist, 31 March, 1886, p. 4.

²⁴Loc. cit.

²⁵Loc. cit.

²⁶Loc. cit.

Victoria and San Francisco was to be rid of the burden of their less fortunate countrymen.

The shipping agents' main interest in the scheme was the money to be made in jamming the ship with passengers far in excess of her normal load. The man in the street was interested because public opinion favoured not only stopping Chinese immigration, but deporting those already in the country. As agent J. Gutte told a reporter, "The arrangement will result in diminishing the number of Chinese in California."²⁷ Baker and Saunders, as agents and owners and with the prospect of transporting thousands of coolies, expected to reap a handsome profit from the venture. Baker could also claim that he was doing something tangible about the number of Chinese in British Columbia besides making speeches in parliament on the subject.

This business scheme was also highly in accord with the provincial government's mood towards the Chinese in the province. Appearing on the same page of the British Colonist as one of Baker and Saunders' advertisements for the Sardonyx, was a report of legislation being prepared by the attorney general to prohibit companies

²⁷ British Colonist, 31 March, 1886, p. 4.

from employing Chinese,²⁸ a step that was designed to discourage Chinese immigration and force many of those present in the province to emigrate.

In June, 1886, Baker had returned from Mexico City with a feeling of confidence in his charter business, but the Sardonyx's problems were not over. In July, she ran aground on the Sleeper Rocks. The damage was not great, but she was out of action for several weeks. Two months later, she struck Gabriola Reef and when she was refloated, the partners paid her off until the beginning of October.

She was not the only ship to come to grief in the dangerous coastal waters of British Columbia, however. A few weeks before the Sardonyx's second grounding, the Rosenfeld struck a rock just north of East Point (which is now known by her name). The Sardonyx redeemed herself by partaking in salvaging the ship and her cargo. The shipping business was a risky trade and the partners were having their problems in keeping the venture solvent.

In between her marine mishaps, the Sardonyx transported more iron ore and coal than Chinese. The anti-Chinese riots in Mexico had been severe enough that the

²⁸British Colonist, 6 March, 1886, p. 3.

project to bring Chinese labourers to that country never seems to have amounted to much. In February, 1887, Baker noted, "last of the Chinese contract settled."²⁹ During the winter of 1886-87, the Sardonyx towed barges of iron ore at \$1.50 per ton from Texada to Port Townsend for the nearby Irondale smelter. When she wasn't moving iron ore for the Puget Sound Iron Company's somewhat unsuccessful blast furnace operation at Irondale, she was transporting coal at \$1.25 per ton from Nanaimo to Vancouver for Robert Dunsmuir. But, this was hardly what the eager partners had had in mind when they purchased the ship a year earlier.

In February, 1887, Baker spoke to Robert Dunsmuir on the subject of the possible purchase of the Sardonyx by the Canadian Pacific Navigation Company.³⁰ Dunsmuir was a director of this important shipping company that had been incorporated some four years earlier, when British Columbia had experienced a remarkable increase in shipping activity brought about by the approaching completion of the Canadian Pacific Railway.³¹ This company was basically an amalgamation of Captain John

²⁹Baker, 14 February, 1887.

³⁰Baker, 10 February, 1887.

³¹E. W. Wright, ed., Lewis and Dryden's Marine History of the Pacific Northwest, New York, Antiquarian Press, 1961, p. 303.

Irving's Pioneer Line and the Hudson's Bay Company Line and operated some ten steamships.

Baker wished to dispose of the matter of the sale of the Sardonyx before he left for Ottawa. He met with Dunsmuir and Captain John Irving towards the end of February and some three weeks later, the details of the sale were completed. The Canadian Pacific Navigation Company bought the Sardonyx for \$46,250.³² After Baker had settled up with Pemberton, he reckoned his share of the profit from the sale to be \$1,500.³³

Baker's profit hardly seemed worth the considerable effort and work that had gone into the Sardonyx undertaking. But, his disappointment in the Sardonyx affair did not lessen his interest in another field of marine business that came to his attention. He plunged into it as though nothing untoward had happened in his first venture. In this can be seen one of the more striking characteristics of these entrepreneurs; their highly developed sense of business opportunity and the speed and confidence with which they exploited these opportunities. Every business opportunity was a challenge.

³²Baker, 18 March, 1887.

³³Baker, 19 March, 1887. (The only purchase price quoted for the Sardonyx in Baker's Journal is Saunders' figure of \$70,000. This was obviously not the purchase price when the selling price is considered and Baker's remark regarding his profit.)

They planned to be successful in their work, but when they were not, this, short of bankruptcy, did nothing to dampen their spirit or interest in business.

Shortly after Baker and Saunders purchased the Sardonyx, Baker became involved in sealing matters and eventually in the business itself. In April, 1886, while attending the House of Commons, he received a letter from a business associate of his, Theodore Lubbe, requesting clarification of the rights of the British Columbia sealing fleet in view of the American claim that the eastern half of the Bering Sea formed part of American territorial waters.³⁴ Baker forwarded Lubbe's letter to the Secretary of State asking that the clarification sought be given without delay as Canadian sealing schooners planned to be in the Bering Sea about 20 May. The matter was referred to the Minister of Justice, who eventually, when the schooners were due in the Bering Sea, gave an opinion against the American contention.³⁵

The Canadian government communicated their position to the British government and urged their support in the dispute. In the summer of 1886, three sealing schooners

³⁴ Canadian Blue Book Fishery Question: 1885-87, Correspondence on the Seizure of British American Vessels Behrings Sea, pp. 15, 16.

³⁵ Commons Debates, 1888, p. 975.

from Victoria were seized by the Americans in the Bering Sea. The controversy over jurisdiction of the Bering Sea, and hence sealing in the area, was no longer a theoretical argument.

In the last quarter of the nineteenth century, Victoria was the centre for the north Pacific seal fishery. Every year about 100 small schooners set sail from Canadian and American ports to hunt seals. About eighty percent of them sailed from Victoria.³⁶ American efforts to control sealing in the Bering Sea, which involved claiming the eastern half of the Bering Sea as American territorial waters and, in 1870, the granting of a charter to the Alaska Commercial Company for the exclusive right to sealing on the islands of St. George and St. Paul, had greatly reduced the participation of San Francisco in the industry. Americans (and others) were warned through newspaper notices not to engage in sealing in the Bering Sea without the permission of the United States Treasury Department.³⁷ Still, some American money found its way north and was invested in conjunction with Victoria money in the sealing fishery.³⁸

³⁶ Lewis and Dryden's Marine History, p. 425.

³⁷ Canadian Blue Book Fishery Question: 1885-7, pp. 15-16.

³⁸ Baker, 27 February, 1889.

Many members of Victoria's business community had an interest in the sealing fleet. Captain J. D. Warren, a business associate of Baker's, operated the largest sealing fleet. Captain William Spring, the first man to engage successfully in the sealing business,³⁹ and Theodore Lubbe, a business associate of Baker's, had sizeable fleets. The greater number of businessmen bought shares in one or two schooners, however. As with so many of these early business ventures, the risks were great, but if the schooner returned safe from navigational, weather and personnel problems, the returns were also great. The value of the Victoria sealing fleet's catch in 1889 was \$247,170.⁴⁰

Baker was obviously aware of the seal fishery before 1886, but his work in the House of Commons on behalf of the businessmen behind it, gave him a new insight into the business and its financial structure: investment in ships and equipment; wages; catch potential and market conditions. Some time later, he gave parliament a detailed account of the operation of a sealing schooner and the financing involved.⁴¹

³⁹Lewis and Dryden's Marine History, p. 426.

⁴⁰Victoria Daily Colonist, 1 January, 1890, p. 3.

⁴¹Commons Debates, 11 October, 1886.

Baker may have thought that his earlier entrepreneurial activities offered a chance of greater return than sealing, but by the fall of 1886, he was in a stronger financial position and able to expand his interests into an enterprise that he now understood very well.⁴² He interviewed two experienced and successful sealing captains, Alex. McLean and Daniel McLean, on the prospects of entering into a business agreement.⁴³ Both captains commanded schooners owned by a partnership established by Captain William Spring and now managed by his son, Charles Spring. Later, with W. T. Livock, Lubbe and Charles Spring, he discussed the possibility of transferring Spring's schooner the Mary Ellen to Daniel McLean.

The fall passed without any decision on the matter being taken. Between the flurry of election activity that started off the new year and attending parliament, it was not until a year later that Baker resumed negotiations on the subject of entering the sealing business. Captain Warren had suffered heavy financial losses as a result of American seizures of his sealing schooners in those two years, but Baker persisted in his newly aroused interest in sealing.

⁴² Note: That September, the Sardonyx made a very good profit for her owners in salvage work with the Rosenfeld. Baker was also making money in real estate.

⁴³ Commons Debates, 11 October, 1886.

In October, 1887, he met with the McLean brothers, who proposed that he join them in obtaining a new schooner for the seal fishery. Both of these men were natives of Cape Breton, who had come west at the beginning of the decade. They had been on the West Coast only some three years before they recognized the potential in sealing and entered that trade. In 1883, Captain Daniel McLean took command of the San Francisco schooner City of San Diego. He had a successful season, at the end of which, he sold his seal skins in Victoria. The following year, he and his brother were in command of the Victoria schooners Mary Ellen and Favorite. Dan McLean's success grew with each year and, in 1886, he brought the Mary Ellen into Victoria with the record catch of 4286 seal skins.⁴⁴

Another Maritimer, Captain William Munsie from Nova Scotia, operated a sealing fleet out of Victoria and had pioneered a new idea for obtaining schooners for the seal fishery. In 1885, he brought the first schooner, the Pathfinder, from Halifax to Victoria for sealing. Dan McLean suggested to Baker that instead of building a schooner, they should follow Munsie's example

⁴⁴Lewis and Dryden's Marine History, p. 427.

and buy a Nova Scotian schooner. Baker concurred. He drew up an agreement for a \$6,000 investment; divided into three equal shares between himself, Dan McLean and Victoria businessman, W. E. Blackett.⁴⁵ McLean left for the East and early in December, he sailed from Halifax in the newly purchased schooner Triumph. Most schooners made the passage from Halifax to Victoria via Cape Horn in 110 to 140 days. The Triumph was at the latter end of the scale arriving in Victoria towards the end of April.

Inspite of the dispute over sealing rights in the Bering Sea, Baker considered sealing offered good prospects for profit and expanded his investment accordingly. In January, 1888, he bought a one-third interest in the schooner Teresa for some \$2300. A week later, he and Charles Spring discussed a redistribution of the shares held on the schooners Favorite and Kate. Shortly afterwards, he bought a number of shares in the Favorite.⁴⁶ Later that year, he bought a major interest in the Mary Ellen.

In February, 1888, as Baker prepared to leave for Ottawa and the House of Commons, the schooners finished

⁴⁵ Baker, 26 October, 1887.

⁴⁶ Baker, 24 January, 1888.

refitting in preparation of the opening of the sealing season. In September, the Triumph returned with 2480 seal skins and was paid off. Baker had other plans for her. She was followed into port by the Mary Ellen with 1904 seal skins, which were sold for \$5.75 per skin.⁴⁷ The Mary Ellen was then outfitted for a black cod expedition to the Queen Charlotte Islands. She returned just before Christmas and Baker tried to dispose of her cargo of cod at \$18 per barrel. The potential in the cod market did not impress him and in January, he again readied the Mary Ellen for the seal fishery.

American seizure of Canadian schooners in the Bering Sea continued and made sealing in that prime hunting area an uncertain business. So far, however, the schooners Baker had an interest in were all doing well and, as the figures in the previous paragraph indicate, were making a good profit for their shareholders. At this point in time, Baker was established in the sealing fishery and had reached what may be considered the end of the first phase in his sealing business. He was now about to expand his marine interests further using some of the resources the sealing business had placed in his hands.

⁴⁷ Baker, 25 September, 1888.

Baker's other plans for the Triumph involved one of his most ambitious schemes. It was not the most costly of his enterprises, nor did it promise the greatest profit, but it brought together in a single endeavour much of the expertise that he had accumulated over the past decade and in its scope and daring, was a good example of his, and several of his associates', entrepreneurial spirit. It was also his only business venture of a truly international nature.

In the 1870's, the Hawaiian government became interested in connecting the principal islands of the Kingdom by land and submarine cables. To this end in 1874, they authorized the Minister of the Interior to permit any incorporated company to lay telegraph lines and in return to extend certain concessions to them.⁴⁸

At the same time, the United States was concerned with laying a cable across the Pacific Ocean to further its interests and influence in the area. In 1874, it ordered the U.S.S. Tuscarora to survey a cable route from Monterey to Honolulu. The Tuscarora successfully completed the task that year. Two years later, American ambition was

⁴⁸W. D. Alexander, "The Story of the Trans-Pacific Cable," Eighteenth Annual Report of the Hawaiian Historical Society, Honolulu, Paradise of the Pacific, 1911, p. 50.

put in a more tangible form when the Congress passed "An Act to Encourage the Promotion of Telegraphic Communication between America and Asia."⁴⁹

In the same year, 1876, the bond between the United States and Hawaii was greatly strengthened by the signing of the reciprocity treaty,⁵⁰ under the impetus of which, sugar became the mainstay of the Hawaiian economy.⁵¹ Through this development, Hawaii's economic well-being became increasingly dependent on the American market and she was drawn closer into the United States sphere of business and political influence.

Notwithstanding Hawaii's interest in a cable and the United States' interest in Hawaii, little action in telegraphic communications followed these preliminary moves by the two governments. In August, 1884, the Hawaiian government amended its Act of 1874, to authorize the Minister of the Interior to pay an annual subsidy of \$20,000 for 15 years to the company that would establish and maintain telegraphic communications with San Francisco.⁵² The United States government was interested

⁴⁹Alexander, "Trans-Pacific Cable," p. 51.

⁵⁰R. S. Kuykendall, The Hawaiian Kingdom, Vol. 3, 1874-1893, Honolulu, University of Hawaii, 1967, p. 35.

⁵¹Ibid., p. 47.

⁵²Alexander, "Trans-Pacific Cable," p. 53.

in the projected cable, but not to the extent of authorizing a subsidy to support it.⁵³ In 1886, the Hawaiian government made a further effort to induce action on the project by amending the wording of their Act of 1884, to read, "between Honolulu and San Francisco or any other port or place on the North American Continent, connecting with the American telegraph system."⁵⁴ They were apparently influenced by reports from Canada concerning the activities of Sandford Fleming and his projected British Pacific cable. Also, relations between Hawaii and the United States were somewhat strained at the time over the renegotiating of the reciprocity treaty and its Pearl Harbour amendment.⁵⁵

The Hawaiian government's action, in 1884, was followed by efforts on the part of two companies to reach some agreement with them on the terms under which a cable company would operate on the Islands. The first of these companies was the Hawaiian Cable Company, which was incorporated in January, 1884, and drew its strength from

⁵³Alexander, "Trans-Pacific Cable," p. 53.

⁵⁴Ibid., p. 54.

⁵⁵Kuykendall, Hawaiian Kingdom, p. 393.

American capital.⁵⁶ Considering the extent of American political and business interest in the Islands, it would have been strange if the first company to try to organize the long desired telegraph link had not originated in the United States. The second company to enter the field was the Pacific Cable Company. It was formed a few years after the Hawaiian Cable Company was incorporated and was backed by British capital.⁵⁷ Neither company managed to progress beyond the planning stage in their cable negotiations. The frequent changes of government that the Islands were experiencing at this time kept cable policy in a state of flux.

Finally, in July, 1888, James Sherman Bartholomew, an American electrical engineer living in Honolulu, completed negotiations with the Hawaiian government to construct the cable. He signed a contract with the government granting him "the sole and exclusive right and privilege" for the construction, laying and maintaining of a submarine telegraph cable to connect Hawaii to Maui, Maui to Oahu, with a landing on Molokai and from Oahu to Kauai.⁵⁸ The project required some 400 miles of submarine

⁵⁶ Anne Hamilton Stites, "The Attempt to Lay a Cable between the Hawaiian Islands", Hawaiian Journal of History, Vol. 2, 1968, Honolulu, Hawaiian Historical Society, 1968, p. 57.

⁵⁷ Ibid., p. 60.

⁵⁸ Loc. cit.

and land cable to be laid. The government agreed to pay Bartholomew \$8,000 when the cable between Oahu and Maui was working, another \$8,000 when the cable between Oahu and Hawaii was working and a final \$9,000 when the cable between Oahu and Kauai was working.⁵⁹

Inspite of the rapidly increasing American influence and economic domination of the Hawaiian Islands, Bartholomew turned not to the United States for support to launch his project, but to Canada. And in Canada, the entrepreneur that caught his attention was Baker. In view of American aggressiveness and tenacity in the fields of business and politics in this era, the selection of Baker was a striking tribute to the ability, courage and energy of British Columbia's entrepreneurs.⁶⁰ As with other business ventures, it also showed how they combined

⁵⁹ Stites, "Cable", p. 61.

⁶⁰ Anne Stites in, "The Attempt to Lay a Cable between the Hawaiian Islands" (and apparently looking at Baker from Bartholomew's point of view), states, "Baker was a well established businessman who could get the venture started" (p. 61). So he was, but she (or Bartholomew) might have been surprised to know that this energetic and confident entrepreneur had been a somewhat impecunious mill agent 14 years earlier. This would seem to be particularly so since she (or again it may have been Bartholomew) was sufficiently impressed with Baker's position in the community to credit him, incorrectly, with having been influential in gaining British Columbia's admission into the Canadian Dominion (p. 61).

imagination with their characteristic will to act to capitalize on new inventions.

Baker first mentioned Bartholomew in his Journals when the latter arrived in his office in Victoria on a dull day in October, 1888. McMicking joined them and the three men spent the morning discussing the "Sandwich Island Cable Connection".⁶¹ A few days after their meeting, Baker drew up a contract for the Hawaiian cable. McMicking was not a partner, but Baker was apparently drawing on his technical knowledge. The partners held last minute discussions and Bartholomew left for the East to place the orders for the equipment required by the enterprise.

The Hawaiian Pacific Cable Company was granted its charter around 31 December, 1889. Its officers were J. S. Bartholomew, president, E. C. Baker, vice-president, E. O. White, secretary and W. W. Hall, auditor.⁶² Its capital stock was \$100,000, made up of 1,000 shares of \$100 each. Baker and Bartholomew had done a great deal of planning and had ordered a considerable amount of equipment before the charter for their cable company was

⁶¹Baker, 16 October, 1888.

⁶²Stites, "Cable", p. 63.

granted. When the company was chartered, Baker and Bartholomew were given a combined total of 601 shares in return for the transfer to the company of all cable equipment and property owned by them. The Honourable Jonathan Austin, until recently Hawaiian Minister of Foreign Affairs, was given 70 shares by the partners as a retainer fee (to protect their interests) and a further 30 shares in payment of debts owed him.⁶³ The disposition of the remaining shares was not specified.

Bartholomew, who had gone to New York after his meeting in Victoria with Baker, telegraphed the details of the submarine cable to Baker. On receipt of this information, Baker boarded the sealing schooner Triumph, in which he had a share, measured and examined her as to her suitability as a cable-laying ship. He considered she was able to do the job. In December, he placed her in dry-dock to have her bottom coppered. Again, J. H. Innes, superintendent of the naval dockyard, and other naval friends were of great assistance in advising and helping in the steps to be taken in making the schooner ready for her new role. Another matter to be taken care of was arranging for telegraph poles. Baker ordered some

⁶³ Stites, "Cable", pp. 63-64.

18 carloads of cedar poles for this purpose from T. D. Conway's mill at Chemainus. In January, 1889, when Baker left for Ottawa and what turned out to be his last session of parliament, the carpenters were just finishing their conversion work on the Triumph.

Bartholomew was waiting for Baker in Ottawa. The two partners immediately began an all-day planning session, which at times included G. M. Dawson and others interested in the project. At this juncture in his career, Baker's business ventures were becoming so demanding in their time and energy that he had little time for politics. When their plans were agreed upon, he went to Montreal to arrange for the transporting of the submarine cable to Vancouver. Here, he called on George Olds, a Canadian Pacific Railway Company acquaintance. The meeting was satisfactory and Baker left for Ottawa with a promise from Olds of a special freight rate for the cable. On his return to the capital, he remained only long enough to clear up his papers before leaving for Victoria. He had been in Ottawa, ostensibly attending parliament, for less than two weeks.

In the meantime, Bartholomew, the engineer, had made an unfortunate mistake in assessing the relative ability of the available cable manufacturers and the quality of

their product. He had placed the order for the submarine cable with the Bishop Gutta Percha Company of New York. This company not only failed on three occasions to meet delivery dates, thus wrecking the Triumph's sailing schedule, but imperfectly manufactured the cable, which lead to numerous breaks when it was laid.⁶⁴ This one mistake, in an otherwise well organized and executed business venture, brought about its ultimate failure.

Spring arrived in Victoria, but the awaited cable did not. Baker could not afford to keep the Triumph inactive any longer and he was forced to return her to sealing. He sent Captain Dan McLean to San Francisco by mail boat, to use his contacts to organize hunters and a market for seal skins. McLean returned with a contract for \$6.25 per skin and Baker ordered him to make the Triumph ready for sea.

Like many a man raised in a cold and rugged climate, not to mention trade, Dan McLean relied on alcohol to ease the more strenuous moments of his existence. It was not surprising, therefore, that the Triumph needed a little direct assistance from Baker to get to sea. Baker wrote in his journal: "E.C.B. left in Triumph for SF with a drunken crew - all sail set - a terrible

⁶⁴ Stites, "Cable", p. 61.

stench from the bilge - a few mugs only 2 knives and forks and 1 teaspoon! a fine old picnic on the high seas. Gale force wind sails triple reefed - then becalmed - 3 Apr. arr'd SF."⁶⁵

Baker outfitted the schooner with her sealing gear, hired six hunters, sent her on her way and returned to Victoria. The Triumph was back in July, having had part of her catch confiscated by the Americans. More problems arose with the customs when it came to disposing of the remainder of the skins to the San Francisco firm of H. Liebe and Company.⁶⁶ It was two months before the matter was resolved. Dan McLean was a good sealing captain, but Baker had had enough of the Triumph. In October, he consulted with his other partners in the ship, who agreed to her being sold. Captain Cox bought her for \$9000. Baker made out a claim for damages to cover the lost seal skins and sent it to Ottawa.⁶⁷ In the past, he had presented claims for others who had lost their ships or seal skins. Now, he was directly involved and soon he would become the major spokesman for the Victoria sealing fleet.

⁶⁵Baker, 24 March, 1889.

⁶⁶Baker, 1 August, 1889.

⁶⁷Baker, 2 November, 1889.

On Sunday, 23 June, a Canadian Pacific freight train arrived in Vancouver with forty miles of submarine cable from the Bishop Gutta Percha Company of New York.⁶⁸ Earlier in the month, Baker had chartered the schooner C. H. Tupper, which had just arrived from Halifax under the command of Captain C. J. Kelly. The necessary alterations to enable the schooner to take the cable and other telegraph gear had been made and she now sailed to Vancouver to embark the cable. Bartholomew supervised the loading of the cable and returned to Victoria in the schooner, where telegraph poles and other equipment were loaded aboard. On 12 July, the C. H. Tupper was stored and ready for sea. The partners were determined to avoid any further delays or risks. A tug was chartered and towed the schooner out of the Straits and well off Cape Flattery before letting go the tow. There were a number of delays in unloading the equipment in the Hawaiian Islands, but in the end it was safely accomplished. The C. H. Tupper returned to Victoria the end of September and Captain Kelly gave Baker the bad news of the defects in the cable.

In January, 1890, Baker was busy ordering and despatching telegraph poles to Honolulu. But, the venture

⁶⁸Victoria Daily Colonist, 26 June, 1889, p. 4.

was in trouble. The problem with the defective cable threatened to bring the entire enterprise to a halt.

Baker began trying, without much success, to dispose of some of his cable stock through Francis Bouchier, a real estate agent with whom he was engaged in land speculation.

Baker could sense the coming failure of the enterprise:

"Honolulu matters haunt me - cogitating and formulating cable scheme."⁶⁹ Then in May came the bad news: "rec'd

telegram from J.S.B. 'Cable broken' my \$15,000 gone...."⁷⁰

It was a serious financial loss, but it was offset by the success of his concurrent land speculations.⁷¹

In July, the Honourable Jonathan Austin arrived from Honolulu to discuss the affairs of the Hawaiian Pacific Cable Company with Baker.⁷² The two men conferred for several days; it looked as though the project might be saved. The cable from Molokai to Maui had been laid, only 10 miles of the land line on Molokai remained to be erected and all of the land line on Maui was complete. It was the cable from Oahu to Molokai that had broken

⁶⁹Baker, 20 February, 1890.

⁷⁰Baker, 12 May, 1890.

⁷¹Note: All during the spring and summer of 1890, Baker noted that land sales in Coal Harbour, English Bay, Lake Hill, Port Angeles, Port Crescent and Nelson City were booming.

⁷²Baker, 12 July, 1890.

in May. Unfortunately, since part of the cable was defective, the partners were ineligible for any of the progressive payments that they had expected. In Hawaii, the matter had been turned over, on 26 May, to the Committee on Commerce, Agriculture and Manufacture for a report. The government in its deliberations had stated that it was not interested in subsidizing a "rotten cable." But, the Committee recommended that Bartholomew be given the second chance, which he had requested, to complete the cable.⁷³

Baker concluded his series of meetings with Austin by having financial and legal consultations with W. C. Ward and R. E. Jackson. It appears that there were still considerable company funds in Victoria, which were under Baker's control. Up to that time, he had made expenditures totalling \$16,380.38 on behalf of the company.⁷⁴ Some \$25,000 remained in the fund. If the question discussed with Austin was the company's chances of surviving, the question to be decided with Ward and Jackson appears to have been the company's obligation to continue in business. The company was to continue; Baker authorized the transmission of \$25,000 to the Honolulu bank of

⁷³Stites, "Cable", p. 64.

⁷⁴Baker, 17 July, 1890.

Bishop and Company.⁷⁵ At the same time, he gave power of attorney for his cable company affairs to the Honourable S. M. Damon, Hawaiian Minister of Finance and a partner of Charles R. Bishop of the Bishop and Company bank.

Baker probably had little option other than to release the company funds under his control to meet the company expenses run up by his other partners. But in any event, they were insufficient to meet the company's financial obligations, let alone repair or replace the defective cable. Nothing further in the way of construction was ever done by the company. Bartholomew threatened Baker with a law suit and the Bishop Gutta Percha Company continued to try and collect a bill of some \$1,700 for a number of years.⁷⁶ It was not until January, 1897, that Baker remarked in his journal, "H.P. Cable Co. 'gone in'."⁷⁷ One of the boldest of his business endeavours and certainly his most costly failure, was at an end.

The demise of the cable company brought an end to Baker's conversion of sealing schooners to cable ships. It did not lessen his interest in schooners for the seal fishery, however. His involvement in sealing continued throughout the 1890's until the hearings of the Sealing

⁷⁵ Baker, 14 July, 1890.

⁷⁶ Baker, 26 April, 1904.

⁷⁷ Baker, 27 January, 1897.

Claims Court in 1897. Apart from his own claim for damages, for the seal skins seized by the Americans from the Triumph in 1889 (just before he sold her), he did considerable work in preparing and presenting the cases of other owners and seamen who had suffered losses through American seizures of their ships, equipment and seal skins. At the final session of the Court, he "presented and read 'Sealers Address' to Brit. Consul."⁷⁸ In October of the following year, he received a sealing claim cheque for \$14,500 for the Triumph. Whether there were any partners to share in this compensation is not revealed in his journals.

Concurrent with Baker's activities so far discussed, in the summer of 1888, some six months after he had entered the sealing business, he "investigated into real estate speculation at Port Angeles."⁷⁹ A few days later, R. T. Williams produced several maps of Port Angeles and briefed Baker, in company with Colonel Stevens, the United States consul in Victoria, on real estate matters in the area. Thomas Allsop, Henry S. Mason, Francis Bouchier, Joshua Davies and several others were also

⁷⁸Baker, 3 February, 1897.

⁷⁹Baker, 17 July, 1888.

interested in land speculation in Port Angeles. The tempo of the investigation grew and early in August, Baker, Williams and Colonel Stevens used the trial run of a new public works steamer as a means of getting to Port Angeles to inspect the real estate possibilities. On his return, Baker bought \$500 worth of property through a syndicate of Victorians speculating in Port Angeles land.⁸⁰ A few days later, he invested another \$600 in the same venture. The following month, as he was busy executing the Hawaiian cable contract, the first of his Port Angeles lots was sold.

Baker's two new business ventures had nothing in common. Yet, as noted before, it was fortunate for him that as he began his disastrous Hawaiian project, he also began a number of highly successful land speculation schemes on the shores of the Juan de Fuca Strait. In his Port Angeles land activities, Baker became particularly involved with C. E. Mallette and Francis Bouchier. In January, they "succeeded in floating 38 acre scheme Pt. A \$5,000."⁸¹ When Baker returned from Ottawa, he put another \$4,000 into Port Angeles land. The summer was quiet, but in November, he recorded in his journal:

⁸⁰Baker, 21 September, 1888.

⁸¹Baker, 12 January, 1889.

"Port Angeles real estate boom."⁸² The first rush to buy land lasted only a month.

The somewhat old plan of linking Victoria to the American railway system by way of a train ferry across the Juan de Fuca Strait, had never died. Each time a fresh syndicate examined the possibilities of such a transportation system, it touched off a flurry of land speculation on both sides of the Strait. Land speculators, like Baker and his associates, could never be sure that the expected development would take place. But, by buying on the first, and usually private, indication that it was to take place and selling on the first scramble that followed the general announcement, they were seldom hurt financially.

In January, 1890, Baker and Mallette launched another land deal in Port Angeles. Partners for the land syndicates were not difficult to find. Baker's real estate activities during 1890 provide a good illustration of the initiative and enterprise of Victoria's business community. They also give an indication of the size and success of these schemes.

Baker declared the sixth dividend for one syndicate in February, while Mallette was proposing that they raise

⁸²Baker, 8 November, 1889.

\$10,000 to buy another 45 acres.⁸³ By March, the action had spread further down the Strait to Crescent Bay. Joshua Davies arrived with a plan to buy \$52,500 worth of land there.⁸⁴ N. P. Snowden and Theodore Lubbe were interested in this deal. They were also considering buying land at Beecher Bay, a possible site for a rail and ferry terminal outside of Victoria. All of Baker's real estate was moving fast. He "sold some Pt. A. property and made a clear \$3120.-";⁸⁵ "sold some English Bay land for \$2,000.- that cost \$66.-";⁸⁶ "commenced Port Beecher spec. with \$1500.-"⁸⁷

R. H. Alexander was in Victoria and Baker convinced him to invest \$1,475 in Crescent Bay property. A few days later, Baker bought 20 acres in the same area for \$750. On 14 May, 1890, the news that the Victoria, Port Crescent and Chehalis Railway had been incorporated provided fresh fuel for the land speculators. Baker sent his employee, John Dean, to Crescent Bay to buy more acreage. Within a few weeks, Baker had sold part of his acreage at a profit of \$2,651. With this success, he was

⁸³Baker, 15 February, 1890.

⁸⁴Baker, 13 March, 1890.

⁸⁵Baker, 20 March, 1890.

⁸⁶Baker, 22 March, 1890.

⁸⁷Baker, 29 March, 1890.

determined to put an even bigger scheme together. In July, he completed forming a syndicate, the Port Crescent Improvement Company, which bought \$24,000 worth of land at Port Crescent. He followed this with the purchase of 196 lots at Port Angeles and another 100 acres at Port Crescent. But, then he noted wryly, "nothing definite yet re Rwy. Constr. Pt. Crescent."⁸⁸ Baker had an inkling all was not well. Before the month was out, he was reducing his investment by selling shares in the Port Crescent Improvement Company, and at a profit.

The railway was the ingredient needed to make land sales boom and a number of Victoria businessmen were determined that they would have their boom. In January, 1891, C. T. Dupont, W. P. Sayward, T. B. Hall, C. G. Ballentyne and Baker petitioned the provincial government for an Act to incorporate the Victoria and Beecher Bay Railway Company.⁸⁹ Their plan was unsuccessful, however; the Legislature did not grant the petition.

In March, another attempt to link Victoria to Beecher Bay by rail was launched. This time, W. P. Sayward, Theodore Lubbe, T. B. Hall, Robert Ward and Paul Schulze successfully petitioned the government for an Act to

⁸⁸ Baker, 4 August, 1890.

⁸⁹ BCJ, 1891, p. xxix.

incorporate the Victoria and North America Railway Company.

The stated purpose of the company was to connect Victoria to the American railway system through a short railway to Beecher Bay and a train ferry across the Straits at this its narrowest point. The company intended that no business opportunity should go unmissed. Nor did they want any competition to their operation. Their petition asked for authority to construct wharves, elevators, depots, docks, dockyards, ships and piers at their terminal. It gave every indication of being a serious major business proposal. An Act to incorporate the company was passed,⁹⁰ but unfortunately little or no boom took place. Neither did any work on the grand scheme take place. The company was dissolved some 35 years later.

There seems to be little doubt that the main purpose behind both of these railway proposals was land speculation. The business that might have been expected from carrying the operation through was a genuine consideration, but would appear to have been of secondary importance. The fact that no effort was made to undertake the short and relatively easy railway construction from Victoria

⁹⁰BCS, 1891, pp. 505-509.

to Beecher Bay supports the latter contention. Another factor which makes this last assumption difficult to assess, however, was the effect on this scheme of the Dominion government's obvious determination that nothing should compete or interfere with the Canadian Pacific Railway. There is no indication why one petition was turned down and the other was granted.

In December, 1892, Baker was delighted to read a report in the Seattle Daily Telegraph that the necessary capital had been raised in London to build a railway from Puget Sound to Port Crescent and thence connect to Victoria by ferry.⁹¹ It was his last entry on the subject. But, if the Juan de Fuca land boom was over, Baker had a novel idea for bringing his remaining land on the south side of the Strait to the attention of Victorians. The following summer, he and R. T. Williams chartered the Islander to ferry Victorians to Port Angeles for the 4 July holiday. Over 3,000 Victorians were transported to Port Angeles and Baker and Williams made a "handsome profit" doing it. But, whether they sold any land because of it, was not disclosed.

In the same year that Baker became involved in Port Angeles real estate, other land speculation deals were

⁹¹Baker, 10 December, 1892.

gaining momentum. In Victoria, a group of local businessmen were putting together a land holding company in the Matsqui District. It is an indication of the respect for Baker's business ability that, in February, 1888, R. E. Jackson asked Baker if he would consent to be a director in the scheme. Baker agreed and a few days later, he noted: "attend 1st mtg. of Directors Matsqui Land Co. Ltd."⁹² H. E. Croasdaile, E. G. Prior, H. V. Edmonds and four others made up the syndicate of nine. In December, they executed a \$45,000 bond to develop their land⁹³ and in February, they met to consider the requirement for an additional \$14,000.

The operations of this company are not too clearly set out in Baker's Journals, but it involved dyking and developing a large tract of land that included the present day townsite of Abbotsford.⁹⁴ G. A. Keefer was the consulting engineer for the dyking operations.⁹⁵ N. P. Snowden, who had married Robert Dunsmuir's daughter, Emily, invested in the company and was possibly a director. There were a number of planning meetings in the early years of the company, but 1895 saw the greatest activity.

⁹² Baker, 15 February, 1888.

⁹³ Baker, 24 December, 1888.

⁹⁴ Baker, 18 June, 1892.

⁹⁵ Colonist, 29 May, 1891, p. 6.

In January, Baker met with the Matsqui Dyke Commission to exchange views on the future of the area. Following this, he had a long discussion on the development of the area with Premier J. H. Turner and Attorney General D. M. Eberts. In May, the Matsqui Prairie Landowners held a meeting to hear views on the development of the region. Baker attended this meeting as the representative of the Matsqui Land Company. Plans were apparently laid for an elaborate dyking system. Baker placed the matter before a meeting of the company's directors, who decided to proceed with the plan. Baker next approached the Bank of British Columbia for a loan to carry out the work. The bank was reluctant; the country was in an economic depression. A month earlier, Baker had noted in his journal: "Business and financial matters about down to bedrock."⁹⁶

A fellow entrepreneur might prove more accommodating than the banks and Baker went to "James Dunsmuir re Dyking loan \$110,000."⁹⁷ Dunsmuir's exact response is not recorded, but it must have been encouraging for the syndicate proceeded confidently with their plans. Some

⁹⁶ Baker, 29 April, 1895.

⁹⁷ Baker, 12 August, 1895.

months later, they expanded their operation with the purchase of 5,524.77 acres of Matsqui property for \$22,099.08.⁹⁸ Despite his initial optimism, however, the company's business was not too brisk as far as Baker was concerned. Much later, in 1911, C. A. Holland of the British Columbia Land and Investment Agency Limited, which had been created out of Allsop and Mason's real estate firm,⁹⁹ spoke to Baker about buying all or part of the company. But, whether the company was dissolved or sold before Baker's death is unclear.

It would appear that more fortunes were made in land speculation than in mining, yet mining never lost its appeal to the gambling instincts of the early entrepreneur. In the late 1880's, Baker included new mining ventures along with his other business activities. In January, 1886, he joined with A. A. Green, David Oppenheimer and Henry Nathan in buying shares in the Nicola Valley Mining Company. His involvement with this mine continued for a number of years, but he never invested heavily in it.

The Rock Creek Mining Company proved to be a more substantial venture. This mine was located in the Boundary Mining District, where a strike at Rock Creek,

⁹⁸Baker, 11 February, 1896.

⁹⁹Colonist, 5 July, 1889, p. 1.

in 1861, had caused a short-lived rush to the district. Mining in the area became active again when Al McKinney and his partners brought in the Cariboo and Amelia mine in May, 1887. A few months later, Henry Nicholson and J. McB. Smith offered to sell shares in the Rock Creek Mining Company to Baker. By the time the first directors' meeting was held, W. T. Livock and Joshua Davies were also members of the company. Baker made an initial investment of \$1,000.¹⁰⁰ This appears to have been a successful mine that provided him with a good return on his money. Some nine years later, he was still investing money in it. On this latter occasion, he bought \$500 worth of shares for his wife.¹⁰¹

The Boundary Mining District was attractive enough that Baker invested in another successful mine in the area. Again, the originators of the company appear to have been Nicholson and Smith. In November, 1887, the Alice and Emma Consolidated Gold Quartz Mining Company, Limited, was incorporated with a capital stock of \$300,000. Baker, W. H. Ellis, J. McB. Smith, Henry Nicholson and John Grant were its directors.¹⁰² Baker was associated

¹⁰⁰ Baker, 11 November, 1887.

¹⁰¹ Baker, 25 September, 1896.

¹⁰² BCG, 3 November, 1887, p. 567.

with this mine for almost ten years. During this time, he increased his investment in the company and became its president. In June, 1896, there was some outside interest in buying the mine; Baker and Smith discussed the terms of the sale. The following February, the mine was sold to G. B. Macaulay of Spokane for \$10,000.¹⁰³ How much of the money went to Baker is unspecified. He had 3,000 shares in the mine, however, which at the time of incorporation were worth \$2 each.

Mixed in with Baker's more specific land and sea business activities in these years, was a small operation that again showed his versatility in business and provided him with a steady return on his investment for some nine years. In December, 1889, Baker and two other partners bought the propellor driven steam tug Alert for \$8,000. She was at that time commanded by "a man called 'shoe fly Bill'."¹⁰⁴ The Alert was a small, but seaworthy ship of 45 tons that had been built and launched in Victoria that year.

Between towing, chartering and salvage work there were plenty of opportunities for an enterprising owner with a dependable ship. Few people understood this better than Baker. The Alert had hardly completed her maiden voyage for her new owners, when Baker dispatched her to

¹⁰³ Baker, 19 February, 1897.

¹⁰⁴ Baker, 7 December, 1889.

Race Rocks to salvage whatever she could from the wreck of the Idaho. In the new year, the Alert was on charter to the River's Inlet Cannery. At the end of April, she began a long period of towing coal barges.

Some two years later (1892), Baker decided there would be more profit in the coal operation if he were a coal dealer. Accordingly, he "took out a retail licence as coal dealer."¹⁰⁵ Baker developed this into a profitable business, which was particularly useful in the years 1893 to 1895, when British Columbia was in a severe economic depression. He hauled coal under contract to Dunsmuir. In addition, he sold the coal to the electric light company, of which he was the managing director.¹⁰⁶ He also had a contract to supply coal to the naval dockyard.¹⁰⁷ He managed to obtain the latter contract before his close friend J. H. Innes, superintendant of the dockyard, returned to Great Britain to retire.

In February, 1893, the Alert picked up the derelict steamer J. R. Macdonald. This was to prove a particular boon to Baker's maritime operations. The ship and her gear were sold at a public auction, Baker himself purchasing

¹⁰⁵Baker, 28 March, 1892.

¹⁰⁶Baker, 7 October, 1893.

¹⁰⁷Baker, 22 November, 1893.

the hull for \$1,600 in the name of his old friend William Redmond, a naval surgeon. The same year, Premier Davie, announced the start of construction of a new provincial legislature. A large quantity of stone, to be quarried at different locations remote from Victoria, was required in the construction of the building. At first the coal business looked too profitable to be disturbed in the interest of hauling stone, but after inspecting the foundation of the new building,¹⁰⁸ Baker decided to tender for one of the contracts. Premier Theodore Davie had been a long time friend of Baker's; there was little problem in obtaining a contract. Baker had the J. R. Macdonald converted to a scow. In February, the Alert with the J. R. Macdonald in tow was off to Haddington Island under contract to haul stone at \$2.25 per cubic yard.¹⁰⁹ The Alert continued doing this work into the following year. At this time, the J. R. Macdonald was chartered as a stone barge at \$100 per trip.¹¹⁰

It was a very useful source of income considering the depressed state of business. By 1896, business was improving and the Alert was given another job in the

¹⁰⁸Baker, 23 September, 1893.

¹⁰⁹Baker, 22 June, 1894.

¹¹⁰Baker, 29 March, 1895.

towing business where she hauled coal to the naval dockyard until Baker sold her in March, 1898, for \$3,400.

The 1880's had been generally profitable business years for Baker. His activities had been extremely varied in their nature and success. But, he had increased his business experience and managed to expand his capital. At the end of the decade, he reckoned his assets to be worth just over \$100,000 on paper.¹¹¹ It was a useful block of capital which would enable him to exploit the opportunities just about to unfold. Baker's new business ventures would be varied, but far less so than in the past. Nothing had produced such great returns in such a short time as his speculation in land. This would also seem to hold true for many of his business associates. Given this past experience, it is not surprising that it was basically land development schemes that held his attention in the forthcoming decade.

The opening years of the 1890's were boom years in British Columbia, particularly in the mining country of the Kootenays. Land speculation and railways followed the mining discoveries. A rich new region was being opened

¹¹¹Note: In computing this figure, Baker took his business shares and, to arrive at a fair market value, assessed them as he knew, or expected, he could use them as collateral at a bank. Other assets were added and his liabilities deducted.

with its attendant opportunities in communications, town-sites, millsites and utilities.

Baker's entrepreneurship reached its peak in the Kootenay boom that occurred in the first three years of the 1890's. During this period, his business activities may not have been quite as varied as in the past, but the tempo of his business affairs was never greater. In rapid succession, he and his business partners formed nine companies, eight of which were incorporated.¹¹² In addition, he was associated with a number of other newly formed companies. These activities provide a number of illustrations of an assured entrepreneur and his associates working with what they quickly refined into an efficient plan for land assembly and development. The events in the Kootenays in this decade have an additional interest as it was here that the last great effort by Victoria's entrepreneurs was made.

The 1890's were also the end of an era in British Columbia's development. It was the end of the age of the old style entrepreneur; the end of the individual with ideas and the will to act on them. The large corporations were beginning to move into British Columbia

¹¹²Note: The Victoria and Beecher Bay Railway Company, which petitioned the provincial legislature for incorporation in 1891, was never incorporated.

and the individual developer was being bought out and would have fewer opportunities in the future. As the age passed, so did Baker and many of his fellow entrepreneurs. However, even if they had remained, Victoria would no longer have been a suitable location for the head offices of the companies they would have formed. The transcontinental railway was making its presence felt; Victoria's day as the financial and business centre of the province had also passed.

In the spring of 1890, R. E. Jackson came to Baker and outlined a scheme to form a loan and investment company.¹¹³ Business was "bullish" and Baker agreed to join the syndicate. On 30 April, 1890, the British Columbia Investment and Loan Society Limited was formed. Baker was elected chairman. J. W. Trutch and Robert Beaven were both interested in the company as was J. K. Wilson. At a meeting of the shareholders in August, Trutch was elected a director of the company and the name of the company was changed to the British Columbia Deposit and Loan Company, Limited. Shortly afterwards, Baker was made the managing director.¹¹⁴ The company, formed in an atmosphere of optimism, was destined to have a short life, however.

¹¹³ Baker, 29 March, 1890.

¹¹⁴ Baker, 12 September, 1890.

The company appears to have had as one of its principal aims, the financing of utilities in the towns that were being established in the Kootenays. It had only a few years to establish itself before the down turn of business in 1893. As the economic depression set in, Baker noted, "financing at Banks getting more and more 'rockie'."¹¹⁵ In November, he recorded that he had gone to "J. Keith Wilson re winding up Deposit and Loan Co."¹¹⁶ The company was in liquidation by the new year¹¹⁷ and Baker remarked in his journal, "Much Poverty in city owing to lack of work."¹¹⁸ The British Columbia Deposit and Loan Company was not the only victim of the severe economic decline. In March, 1894, the Victoria banking firm of Green, Warlock and Company was declared bankrupt.¹¹⁹

Early in 1890, while Baker was still examining R. E. Jackson's investment company scheme, Joshua Davies brought him a fresh business proposition to think about. These two men were already heavily involved in land deals in

¹¹⁵ Baker, 9 October, 1893.

¹¹⁶ Baker, 8 November, 1893.

¹¹⁷ BCG, 25 January, 1894, p. 100.

¹¹⁸ Baker, 26 January, 1894.

¹¹⁹ Baker, 3 March, 1894.

Matsqui, English Bay, Port Angeles and Crescent Bay. Between plans for these operations, Davies now proposed that Baker join a syndicate developing land at the Nelson townsite. Baker made a modest investment of \$420. It was the beginning of his involvement in Kootenay land deals.¹²⁰ A series of meetings followed in which the syndicate mapped out their plans for the area and Joshua Davies was despatched to the Kootenays to bring back firsthand information on the opportunities there. By the following year, the partners had decided on the scope and method of their operation in the region.

The Nelson City Land and Improvement Company, Limited was incorporated in March, 1891.¹²¹ Its head office was in Victoria and the original trustees were W. P. Sayward, C. T. Dupont, Joshua Davies, Edward Mahon and Baker. The capital stock of the company was \$150,000 divided into 15,000 shares of \$10 each. Its business, in part, was to buy, work, or sell mines and mineral property; to construct or acquire tramways, telegraph and telephone lines, gas works, water works, hotels, factories, steamboats, docks, piers, etc.; to lend or invest money and to

¹²⁰Baker, 4 March, 1890.

¹²¹BCG, 12 March, 1891, pp. 187-188.

deal in real estate. These entrepreneurs made sure that they had access to every possible business opportunity that the venture could offer.

There was nothing the land speculators could do about the location of a mineral strike, but once that had occurred, they could endeavour to control the development of the region adjacent to it. Control of the transportation system was the key to success. The characteristic pattern of townsite development began by acquiring control of a large tract of land in the vicinity of the mines that was suitable as a transportation centre and townsite. This land was bought, or frequently obtained through a railway charter. The townsite and mine were then linked by railway to the most convenient outside railway system. The location of the railway dictated the location of the townsite and the developers were thus able to assure themselves of a market for their land. In many cases, they leased the nearby timber lands and set up a lumber mill. The town lots were theirs, the timber lands and mill for building materials were theirs and they frequently formed the utility companies that serviced the towns so developed. If they were successful, each business aspect of their enterprise would complement another.

The Nelson and Fort Sheppard Railway, with its head office in Victoria, can be seen therefore as one of the keys to success of the Nelson City venture. It was incorporated in April, 1891.¹²² The promoters of this railway, C. T. Dupont, P. C. Dunlevy, G. B. Wright, C. G. Major and H. S. Mason, were all business associates of the Nelson City Land and Improvement Company trustees. Dupont was president of the railway company as well as being a trustee of the Nelson City company.

In the same month that the Nelson City Land and Improvement Company was incorporated, Baker was considering moving into another area of the Kootenays. John C. Ainsworth and George J. Ainsworth, American mining, land and railway promoters, had been working in the Kootenay region since at least the beginning of the 1880's. In April, 1891, Baker joined the Ainsworth brothers and several other men in forming a company to develop the Ainsworth townsite. He was a director and later, the secretary as well, of the Ainsworth Land and Improvement Company.

The establishment of utilities was an important part of the land development that these men were involved

¹²²BCS, 1891, p. 467.

in. In November, 1891, with this in mind, Baker had lunch with F. S. Barnard, M. P. and Senator James Reid. Much of their luncheon conversation was on the subject of "shares in the 'Kootenay Lake Telephone Co.'"¹²³ Baker also had an interest in the telephone company in Kamloops. A. A. Green and J. A. Mara were shareholders in the latter company as well.

Baker also was a member of another company operating in the Kootenay Lake region. In January, 1892, the Galena Trading Company, Limited, was incorporated to carry on a general commission, mercantile, shipping, mining, trading and insurance business in the Kootenay Lake district.¹²⁴ The capital stock of the company was \$50,000 and its trustees were R. P. Rithet, W. P. Sayward, Joshua Davies, W. A. Hendryx and Hamilton Byers. Baker was a director in this company, which operated successfully for many years.

The construction of business premises and homes in the new towns created a great demand for building materials. Once Baker's land development schemes were launched, he turned his attention to the opportunities in the lumber industry. In December, 1891, Baker attended a meeting

¹²³Baker, 11 November, 1891.

¹²⁴BCG, 14 January, 1892, p. 63.

called to examine a proposal to purchase the logging and lumber manufacturing facilities in the West Kootenay District, known as the Davies-Sayward Mill and Land Company. In spite of his close business relations with the two owners, no agreement on the purchase of the company was reached at this meeting. The terms of this business deal were resolved over the next few months, however, and in August, 1892, the Davies-Sayward Mill and Land Company was incorporated.¹²⁵

The company's head office was in Victoria and its trustees were G. A. McTavish, J. F. Fell, James Hutcheson and Baker. Joshua Davies and W. P. Sayward retained an interest in the company, but in 1896, Sayward retired from active business and moved to San Francisco. His son, J. A. Sayward, continued his father's business relationship with Baker. The company's capital stock was \$300,000 divided into 3,000 shares of \$100 each. Its scene of operations was Pilot Bay and the West Kootenay District. Its business included mining, logging, lumber manufacturing, land and water transportation, utilities and the development of townsites and farm lands.

This was a profitable company and Baker steadily increased his investment in it. In 1911, J. B. Winlaw

¹²⁵BCG, 25 August, 1892, pp. 861-862.

offered to buy the Davies-Sayward Company for \$250,000. Sayward and Baker accepted the offer and the purchase price was divided sixty percent to Sayward and forty percent to Baker.¹²⁶

After more than three years of boom conditions, the pace of business development in the Kootenays might have been expected to ease up in 1893. But, Van Horne visited Victoria and the Kootenay region early that summer and his statements and the indication of Canadian Pacific Railway Company interest kept the tempo alive. While in Victoria, Van Horne was quoted as saying, "Nelson will be the railroad centre of this part of the world."¹²⁷

Baker attended a dinner at Government House in honour of Van Horne and the Canadian Pacific Railway officials accompanying him on his tour of the Kootenay region. For the local entrepreneurs, the evening's conversation must have been the source of many new ideas regarding development in the area. Van Horne's visit reinforced an earlier decision taken by Baker and his business friends to expand their operations in the Kootenay district.

¹²⁶Baker, 20 July, 1911.

¹²⁷Colonist, 10 June, 1893, p. 1.

In April, 1893, D. C. Corbin, W. P. Sayward, Thornton Fell, Joshua Davies and Baker formed the West Kootenay Land Company, Limited.¹²⁸ The company's head office was again in Victoria and its capital stock was \$100,000, divided into 1,000 shares of \$100 each. As with most of these land companies, its proposed scope of operations was vast and included mining, transportation, manufacturing, real estate, utilities and townsite development. The company was apparently successful as it was still in operation when Baker died.

For this particular combination of partners, it was the first time an American, D. C. Corbin, had been included in their schemes. Corbin had considerable railway interests and this undoubtedly had much to do with his inclusion in the land company. At about this time, Corbin became president of the Nelson and Fort Sheppard Railway Company.¹²⁹

The year 1893 was one of almost railway madness in British Columbia and the action was centred in the Kootenays. The Canadian Pacific Railway Company's interest in the region reflected the general high level

¹²⁸BCG, 6 April, 1893, p. 249.

¹²⁹British Columbia, Legislative Assembly, Sessional Papers, 1898, p. 922.

of business activity already concentrated in the area. Mining created the opportunities and railroads controlled the development. Many of Baker's business associates were caught up in this railroad fever. In a short interval, they formed five provisional railway companies of which four were incorporated.¹³⁰

Some of these men may have had serious intentions of undertaking railway construction, but for most of them it appears that setting up these companies was just another form of speculation. Generally, they had little investment in these companies, but the land grant with its mineral rights made the Kootenay railway companies in many respects simply a way of staking a vast mineral claim. The speculation lay in what sort of prospective buyer the mineral potential of the area would attract. The timber and land values were important, but varied in significance with the region.

¹³⁰Note: Red Mountain Railway Company: C. T. Dupont and F. B. Pemberton.
Osoyoos and Okanagan Railway Company: Andrew Holman, E. E. Wootton and P. C. Dunlevy.
Nakusp and Slocan Railway Company: Charles G. Major, A. W. Jones and Johann Wulffsohn.
Lardeau and Kootenay Railway Company: P. C. Dunlevy, W. H. Ellis and Robert Irving.
Kootenay Central Railway Company (never incorporated): C. T. Dupont, P. C. Dunlevy, C. A. Holland, H. S. Mason and F. B. Pemberton.

Baker may not have been directly caught up in the Kootenay railway spree, but he was a partner in an earlier and more ambitious railway plan. As with the proposed rail and train ferry connection between Victoria and the United States, this scheme was designed to maintain Victoria's position as the business centre of the province.

In the optimistic years of the early 1890's, a group of businessmen organized a company that was to construct a railway from Vancouver Island to the eastern boundary of British Columbia. Their petition was granted in April, 1892, when the Canadian Northern Railway Company was incorporated by an Act of the provincial legislature. The men associated with the company at the time of its incorporation were, W. B. Allen, W. H. Fife, Henry Drum, J. D. Caughran, P. A. Paulson, L. H. Northey, W. P. Sayward, P. C. Dunlevy and Baker. The authorized capital stock of the railway was \$25,000,000. The railway was to proceed from the northern terminus of the Esquimalt and Nanaimo Railway to the Cariboo country, using Alfred Waddington's Bute Inlet route, thence to the Yellowhead Pass and the eastern boundary of the province.

As with the railway companies in the Kootenays, it is difficult to know how serious these men were in

pursuing their stated objective. In this case, however, Victoria's future as a business centre gave them a more urgent and personal reason to get railway construction under way. But, although the company was given the usual attractive land grant, construction was never started. Some thirty-four years later, the Canadian Northern Railway Company was declared dissolved.

At the end of 1893, Baker could look back on three generally successful business years. In December, he took an inventory of his assets and placed their value at just over \$178,000.¹³¹ But, he would need all of his financial strength to weather the severe economic depression that was setting in and would remain in British Columbia almost until the beginning of the Klondike gold rush. As early as August, 1893, Baker remarked, "Business matters very depressed."¹³² The depression deepened the following year. It was the first year in the past nine that Baker had not formed a new company. The initiative of these entrepreneurs is apparent, however, from the fact that even at the height of the depression, they began examining another ambitious business plan.

¹³¹Baker, 31 December, 1893.

¹³²Baker, 14 August, 1893.

In September, 1894, Baker attended a meeting to discuss the formation of the Victoria Stock Exchange. The following April, Baker noted, "business and financial matters about down to bedrock." Yet, the partners went ahead and in October, 1895, the Victoria Stock Exchange of British Columbia, Limited, was incorporated.¹³³ The company was formed by R. P. Rithet, E. G. Prior, T. B. Hall, A. C. Flumerfelt, and Baker. Its head office was in Victoria and its capital stock was \$250,000. Baker was elected president of the company at the beginning of the new year. In May, 1896, the Victoria Stock Exchange opened for business.

The company was backed by some of the most influential businessmen in the province, but it was in a city that was rapidly being displaced as the business centre of the province. Baker did not state specifically what he and his friends hoped to achieve through the stock exchange, but there seems little doubt that it was another move by the Victoria business community to counteract the decline in Victoria's position as a business centre.

Towards the end of the 1890's, the shift of business activity and financial power from Victoria to Vancouver

¹³³ BCG, 31 October, 1895, p. 997.

was clearly under way. In 1897, the Klondike gold rush brought a fresh impetus to business in both cities, but it did nothing to avert the decline of Victoria's business role. In July, 1898, Baker ruefully noted, "Everything going on in Vancouver and nothing in Victoria!"¹³⁴ His words heralded the end of the Stock Exchange.

As the Victoria stock exchange was closing its doors, Baker became involved in another enterprise in the city. It was the death of a business partner that was responsible for directing his attention to this new field of business. As with several other business ventures, this one also shows the versatility of Baker and his partners.

James Hutcheson, chairman of three companies in which Baker held directorships, died early in 1898. A. C. Flumerfelt, an entrepreneur like Baker, was a partner in several of these companies. After their partner's death, the two men set about re-organizing some of their joint holdings. A year later, they formed the Hutcheson Company. The company had a capital stock of \$100,000 and its object was to purchase the dry goods business known as J. Hutcheson and Company, which operated the Westside department store.¹³⁵ The partners

¹³⁴Baker, 1 July, 1898.

¹³⁵BCG, 9 March, 1899, p. 358.

had their problems with Westside, but inspite of them, they operated the store successfully for a number of years.

Flumerfelt also introduced Baker to a number of other new business activities. He was the principal shareholder of the Paterson Shoe Company in Victoria, in which J. A. Mara was a director. Through Flumerfelt, Baker became a director also. Flumerfelt had many mining interests in the Kootenays. In 1900, he was business manager of the Granby Consolidated Mining and Smelting Company. Three years later, he organized the International Coal and Coke Company of Spokane. Flumerfelt kept Baker informed of the business plans of these two companies and Baker invested heavily in them. In one day, he made over \$3,000 trading in International Coal and Coke Company shares.¹³⁶ But, Flumerfelt, whom Baker referred to as "...the Mining Magnate - Coal Prince - soon to be Copper King,"¹³⁷ was even more successful. He had left Winnipeg to join Victoria's entrepreneurs when they were the business leaders of the province, but when he sensed that Vancouver was

¹³⁶Baker, 7 July, 1906.

¹³⁷Baker, 23 August, 1906.

becoming the centre of power, he moved his business headquarters to the mainland and continued to prosper.

Baker, however, does not appear to have ever seriously considered moving to the mainland. He was only 55 years old at the turn of the century, yet he seems to have resigned himself to a less aggressive style and pace of business. His mood reflected the loss in opportunities for Victoria's entrepreneurs. They increasingly found themselves removed from the centre of the province's business life and therefore, became less and less able to capitalize on new developments.

The shift in Baker's life from an intense business career to other affairs, is partly illustrated by his purchase, in 1899, of "Ashnola", the former home of N. P. Snowden. Baker renamed his beautiful new home "Sissinghurst" and began to live more like a country gentleman. He rented his former home, "Crowsnest", for the next twelve years and then sold it for \$15,000. Apart from the luxury of his new home, for which he paid only \$20,000, Baker also began to indulge himself in longer and more frequent vacation trips.

The turn of the century did not quite mark the end of Baker's interest in new business ventures, however.

In 1900, he and a few friends incorporated the Shawnigan Lake Hotel Company, Limited, with a capital stock of \$20,000. A more ambitious scheme was a company known as Kitimat Limited.¹³⁸ Activity in the northern part of the province was growing in anticipation of increased mining and railway construction in the area. Baker was one of many shareholders in this company, which was formed to purchase the property and rights of the Kitimat Coal and Railway Syndicate. This latter syndicate held extensive coal mining licences in the Cassiar and Coast Districts. It also controlled the Pacific, Northern and Omineca Railway Company. Some of the other principal shareholders in Kitimat Limited, were John Irving, F. S. Barnard, E. V. Bodwell and J. A. Mara.

The Flathead Valley Oil Lands Development Company, Limited, appears to be the last company that Baker had a part in forming. It was incorporated in 1904, with a capital stock of \$250,000.¹³⁹ Its business was oriented towards mining, but it was typical of the other Kootenay land development companies in the number of business activities open to it. Some of Baker's other partners

¹³⁸BCG, 7 November, 1901, pp. 1871-1872.

¹³⁹BCG, 14 July, 1904, pp. 1351-1352.

in this company were Peter O'Reilly, D. M. Bogle and A. C. Flumerfelt. Five years later, D. C. Corbin and two other partners incorporated the Flathead Valley Railway Company to connect the area to the American railway system.

The most interesting aspect of Baker's business affairs after 1900, was the relatively sudden let up in his entrepreneurial activity. This was not a voluntary withdrawal by him, but a question of circumstances and therefore, must have applied to the business community in general. Victoria's place in the commercial life of the province was rapidly becoming less important as is evident from an entry that Baker made in his journal in May, 1903: "worried about future of Victoria from a business standpoint."¹⁴⁰

Another noteworthy feature of business affairs in the latter part of the 1890's and early 1900's, was the interrelationship of government and business. In the early 1890's, Baker invested in land at Fort Simpson. Again, it was Joshua Davies who came to him with the proposal that they buy land in the area. Baker's first purchase was of 1028 acres at \$1 per acre.¹⁴¹

¹⁴⁰Baker, 2 May, 1903.

¹⁴¹Baker, 29 January, 1892.

In the spring of 1907, John Arbuthnot, a wealthy businessman from Winnipeg who had moved to Victoria the previous year, was trying unsuccessfully to obtain a licence to develop a coal deposit on Malcolm Island. He came to Baker to discuss the matter and Baker agreed to assist him to secure a licence. Baker called on R. G. Tatlow, Minister of Finance and a close friend for many years, on Arbuthnot's behalf.¹⁴² The next day Arbuthnot had his licence. Three days after that, Baker sold 969 acres of his Rupert District holdings to the Arbuthnot syndicate for \$4 per acre.

Other occasions when Baker's friends in government assisted with business matters occurred in his lumbering ventures. The Davies-Sayward Company had large timber holdings in the West Kootenay District. Early in 1897, Baker was concerned about the high assessment rate the company was to be charged for one of its timber leases. He called on Premier J. H. Turner and explained his company's problem. The Premier was a friend of long standing and a man with business interests in the Kootenay region through his association with the Shuswap and Okanagan Railway Company.¹⁴³ Baker had helped get the

¹⁴²Baker, 27 May, 1907.

¹⁴³Canada, Acts, Vol. II, 1886, p. 82.

petition to incorporate this railway through the federal parliament. It took a few months before the assessment was officially changed, but in July, Turner informed Baker that the assessment would be reduced by fifty percent.¹⁴⁴

Another example of preferential treatment for the same company occurred a few years later. Baker knew most of Premier Richard McBride's cabinet and the premier often gave Baker a lift into town in his new automobile as he drove to the legislative buildings. In 1909, the Davies-Sayward Company was having trouble getting permission to extend its timber limits in the Creston area. A call on Premier McBride settled the matter in the company's favour.¹⁴⁵ The timber question had been an easier matter to solve than an earlier problem Baker had presented to the Premier, however.

In addition to the Davies-Sayward mill, Baker was a partner in a shingle mill at Salmo which he, Joshua Davies, James Hutcheson and J. A. Sayward established in 1897. This mill presented its owners with a variety of problems, the worst of which were violent labour troubles.

¹⁴⁴Baker, 31 July, 1897.

¹⁴⁵Baker, 28 September, 1909.

In April, 1905, Baker tried to solve his labour troubles by hiring Japanese and Chinese labourers to operate the mill. These workers were recruited in Vancouver and sent to Salmo by train. On their arrival, an angry mob gathered at the station to prevent them from leaving the train. A riot followed.¹⁴⁶ The mill was threatened and Baker called on Premier McBride to ask for police protection for the mill. McBride agreed, but he was reluctant to involve his government too closely because of labour union repercussions.¹⁴⁷ Baker's action here is interesting in light of his earlier stand on the Oriental question. His views on the presence of Orientals in the province was obviously purely practical in nature. As a politician, like McBride, he opposed it; as a businessman, he exploited the situation.

By 1910, Baker's career as an entrepreneur was over. His assets, however, increased rapidly over the next five years. He was spending progressively less time on business matters, but most of his companies were mature operations now and producing a relatively steady

¹⁴⁶Baker, 10 April, 1905.

¹⁴⁷Baker, 20 April, 1905.

income for him. In 1911, he reckoned his earnings at \$32,500.¹⁴⁸ The sale of the Davies-Sayward Mill and Land Company boosted his earnings the following year to between \$123,000 and \$130,000. At the same time, he noted that Sayward, Rithet and Flumerfelt were all millionaires. These were all profitable business years. In 1911, he remarked, "Banking business easy in these prosperous times."¹⁴⁹ The following year, the Howe Mining Company paid him a 9 percent dividend and the Hutcheson Company paid a dividend of \$6,543.¹⁵⁰

Baker received his dividends and left for an extended trip to Europe. The outbreak of war brought him back to Canada and to Victoria in the fall of 1914. His investments had worked well for him. British Columbia was in the grip of another economic depression, but inspite of his observation, in 1916, that the "Commercial Depression was at Zero,"¹⁵¹ his assets were calculated at some \$534,000.¹⁵² When he died in 1920, the net value of his estate, sworn to in the probating of his will, was \$297,554.36.

¹⁴⁸Baker, 1 January, 1912.

¹⁴⁹Baker, 27 May, 1911.

¹⁵⁰Baker, 4 October, 1912.

¹⁵¹Baker, 31 January, 1916.

¹⁵²Baker, 17 February, 1916.

Baker continued to participate in business affairs until his death, but his era had ended at the turn of the century. It was Victoria's decline as the province's business headquarters that had brought an end to the era and prompted his early retirement from active business.

The years of Victoria's leadership in the business life of British Columbia start with the Fraser River gold rush in 1858 and end in a much less spectacular fashion in the late 1890's. The first six years of this era were a time of active business enterprise, but then the economic life of the province slumped. Union with Canada, in 1871, did not bring the expected economic boom and business remained depressed until the last few years of the 1870's. Up to the outbreak of World War I, the longest period of business expansion and prosperity was probably that which existed from approximately 1878 to 1893.

These years correspond quite closely to Baker's career as a mature entrepreneur and from his activities as such can be seen several significant aspects of life in British Columbia at this time. Two of these aspects stand out in particular. The first is the importance of shipping and of Victoria's strategic maritime position

in building and maintaining her commanding role in trade and commerce. The other aspect is the character of Victoria's businessmen, the unusually high level of entrepreneurial activity found among them, their initiative and the variety of their business interests.

Baker's affairs touch rather lightly on the subject of shipping. But, his work with the Sardonyx, the Alert, the sealing fleet and the Hawaiian Cable all point up the strong connection between Victoria and maritime activities. Baker was not directly involved in the export-import trade, but several of his associates were and the capital they had available for investment in different business ventures came largely from this trade.

Victoria's strategic location was perhaps the foremost reason for her becoming a metropolitan centre. Her position on the sea lanes, virtually the only means of communication with the outside world for British Columbia until the coming of the railway in 1885, allowed her to exploit a maritime oriented economy. The province's short land and coastal communication lines terminated in Victoria, which was the link with world trade and commerce.

During the 1880's, Victoria ceased to be the province's principal link with the outside world. She lost

her strategic position in the province's commercial system. Such activities as trying to establish railway connections between Victoria and the United States, show the concern of Baker and his associates for the danger that the new continental system posed for Victoria. They were unsuccessful in their many efforts to change the situation or compensate for it and by the mid 1890's, a new pattern of commerce had emerged.

Baker's Journals chronicle this change in Victoria's fate. His business affairs as a mature entrepreneur show first of all, the energy and pace of business in Victoria, then its decline in the latter part of the 1890's and finally, by the early 1900's, the fact that Victoria had ceased to be a creative business centre.

The nature of entrepreneurship as it existed in Victoria's business community between 1880 and 1900, is also well illustrated by Baker's Journals for this period. In numbers, these entrepreneurs were a relatively small group, yet they comprised a surprisingly large percentage of the business community. And apart from the entrepreneurs themselves, the entire community appears to have supported, or at least been sympathetic to, entrepreneurship. Baker's journals suggest that the entrepreneurs were generally helped by all levels of

government and only occasionally had any difficulty with the local citizens. For much of this period, most members of society, particularly in its upper ranks, saw business, progress and the public good as one and the same thing.

The most outstanding characteristics of these entrepreneurs were their energy, imagination and spirit. The number and extraordinary variety of endeavours that Baker and his associates were involved in clearly illustrates all three of the foregoing characteristics and was a critical factor in their ability to dominate the commercial life of the province for such a long period. Land speculation, whether in Vancouver, Port Angeles, the Kootenays, or elsewhere, can hardly be classified as an extraordinary venture for an entrepreneur, but the "export" of Chinese labourers and marine cable laying are somewhat rare activities.

The journals of Baker's mature years, present a picture of the part played by Victoria's entrepreneurs in the development of British Columbia at one of the most momentous periods in the province's history: the coming of the railway; the growth in population from a few small frontier settlements to a more organized

social fabric; the opening of new regions; the establishing of new lines of communication and the founding of new industries. Victoria's entrepreneurs had played a part in a cross section of all of these events. They had contributed to the success of many of them through capital investment and the aggressive and astute business sense they brought to many of these activities.

If the experience had enriched some of these men, the province was also a benefactor from the spirit, imagination and hard work of these pioneer entrepreneurs.

CHAPTER VII

CONCLUSION

Baker's life is a good example of the type of entrepreneurship that existed in British Columbia in the closing decades of the nineteenth century and of that society's attitude towards this activity. In addition, his business affairs during the same period provide an informative insight into the economic development that took place in an important era in the early history of British Columbia.

As an entrepreneur, Baker seems to fit the general description of this class of businessman quite well. In temperament, he was shrewd, but quick to act, was innovative, had an instinct for gambling and was strong willed. Marriage, or family connections, were often a key factor for these men in gaining an entree into society and business. Few of them fit the traditional concept of the poor immigrant who made good.¹ The importance of the family background is very apparent in Baker's case. In England, his family connections were weak and could do little in the way of helping him to establish himself in business. In Halifax, his marriage was of rather insignificant consequences and again, this could open no doors

¹William Miller, "American Historians and the Business Elite", Journal of Economic History, IX (1949), p. 187.

for him. But in Victoria, his marriage was of great significance, not only in providing him with his first employment, which eased the economic problems in moving West, but in giving him an easy entree into society on the West Coast.

The question of education is another part of the background to entrepreneurism. Baker's educational preparation for business was modest, but it so happened that in Victoria it suited his requirements very well. The society that he found himself in on his arrival in Victoria, was completely maritime oriented. Baker's formal education was sound, but of a quite elementary nature. His professional education was as a seaman and in Victoria, this gave him an excellent knowledge of one of the main business concerns of the city. The commerce of British Columbia came and left the province by way of the sea and would continue to do so until this pattern was changed by the completion of the transcontinental railway in 1885. Victoria was the port of entry and departure for virtually all of this trade. It was the sea and Victoria's location on the sea lanes, that allowed the city to dominate the business of the province.

J.M.S. Careless, in "The Business Community in the Early Development of Victoria, British Columbia", states

that the upper ranks of Victoria society were Anglo-American in their composition.² Baker's Journals help to sharpen the focus on this community and reveal that the British element in this group was greatly in the majority. This is not to say, however, that the American influence was weak; it was not. Victoria felt a strong kinship for San Francisco, which was based on more than the business connection between the two cities. One of this attraction's most significant aspects was the considerable affinity these British Columbians had for the American (Californian) way of life. Garden parties, official calls, cricket, teas and regattas all gave Victoria society a pronounced English flavour, but the conduct of business was very much of the American form. There were no taboos on making money or the type of business in which one might engage; the society was materialistic and admired the entrepreneur and his activities.

Through his naval experience, Baker was familiar with the social behaviour of the English gentry and in Victoria, he found a society that patterned itself on the life styles of that social group. It required no real

²J.M.S. Careless, "The Business Community in the Early Development of Victoria, British Columbia," Canadian Business History: Selected Studies, 1497-1971, David S. Macmillan, Toronto, McClelland and Stewart, 1972, p. 108.

adjustment on his part to become a member of the upper ranks of Victoria's society. In a society such as this, social acceptance was an important feature of successful life in the community and through his wife's family connection, he had no trouble in achieving this. In addition, the Esquimalt naval element was an influential segment of society and Baker's naval connections were, therefore, of considerable help to him in gaining acceptance by the city's society.

The Masonic Order was important for the widespread introductions it made possible, as well as its fraternal aspect. Almost all of the successful businessmen and politicians belonged to this order. Baker was quick to recognize this fact and the advantage that membership in the order gave to business affairs. The Masonic Order apparently had no significance to the business life of Halifax and Baker paid no attention to it while he was there. But in Victoria, the situation was different and Baker involved himself in the affairs of the order soon after his arrival in the city and used it with great effectiveness.

As well as using the Masonic Order, Baker made himself better known in the community by committee work, such as that connected with Lord Dufferin's visit and

the annual regatta. Clubs and business meetings completed the process whereby he became an influential member of society in a relatively short time. The fact that eight years after his arrival in Victoria, he could stand for election successfully, both as a city councillor and as a member of parliament, illustrates the mastery of his entry into the community.

The first substantial example of Baker's entrepreneurship was probably his organizing of the Victoria and Esquimalt Telephone Company. Before this, events such as his interest in a tug towing business and the variety of occupations that he undertook, indicate that he was constantly looking for new business possibilities and point up his eagerness to be involved in business of almost any type.

The money Baker managed to acquire through the commuting of his naval half pay, was of critical importance in his struggle for independence in business. This accomplishment allowed him to advance from the position of a planner to one of action. He had very nearly given up his business career before he thought of this means of acquiring some capital. His seeming lack of success had dispirited him and he was seriously considering returning to England. The money he got from the Admiralty

was a turning point in his career. He never looked back after that.

As a politician, Baker seems to have been dedicated to his work, initially if not in later years, but on closer examination one sees that this was not the case. The successful politician must bring a single minded determination to his role; Baker never did this. Politics for Baker was a stepping stone for other things and for him, these other things were business. In this, his activities were in keeping with what appears to be the entrepreneur's normal objective in politics; to use politics to advance business interests. Politics opened up valuable introductions and avenues of influence that were all useful in business. It was to this end that Baker made his greatest effort while he was in politics. His actions in Ottawa provide many examples of this: searching out government information on mineral deposits; discussing Canadian Pacific Railway plans and real estate opportunities in Vancouver; acquiring information on marine cables and electric power; furthering his telephone business, and other negotiations on railways and land deals.

Not only was this the pattern in federal politics, but in provincial politics. The latter sphere was different, however, in that there was very little distinction

between the leaders in politics and the leaders in business. They were virtually one group and for government to work on behalf of the business community seemed quite natural. There are no comments in Baker's Journals that deal directly with the relationship of business and politics in the province, but more often than not, his actions show that he took it for granted that the two would work together as partners. This is apparent in several of the companies in which he was associated and in such favours as the reduction of his timber lease assessment, but nowhere is it more obvious than in the formation of railway companies. Here, the willingness of the government to meet the business community's wishes and their generosity in land grants is most striking. Nor did society at large in this period appear to object to this. Most men aspired to be entrepreneurs; they were society's heroes.

Baker's political activities in Ottawa and Victoria also provide some insight into Victoria's attitude towards the federal government and central Canada. Victorians were well aware of the power of the federal government in matters such as civil service employment and public works contracts. The city's co-operation with Ottawa was more a recognition of this fact than that the

provincial capital was in accord with federal policies. In addition to this, Victoria, if not the province, was not particularly Canadianized at this time. The former attitude was reflected in Baker's work in Ottawa to gain federal appointments or contracts for his friends and the latter condition, in his often expressed disdain for "Canadians".

In Victoria, union with Canada was accompanied by expectations of prosperity, but in the continental system that came with union, and was proclaimed later in the National Policy, there was a potential threat to the city's commercial and political position. This threat, which was always a possibility under Ottawa's railway policy, became a reality when that policy was in disagreement with Victoria's ambitions. Ottawa's design for British Columbia would create a rival business centre and in turn, out of this would come a change in the balance of political power.

Victoria's struggle with Ottawa over the trans-continental railway and the location of its terminus dominated relations between the two governments from the early 1870's until the Settlement Act of 1884. Victoria's political leaders fought with Ottawa first on the subject of the location of the railway terminus, but the liberal government of the day was unyielding.

The liberals were removed from office in 1878, however, and Victoria waited optimistically as their new member, Sir John A. Macdonald, formed his government. The city's hopes were short lived; the conservative government named Burrard Inlet as the terminus of the railway.

Victoria's initial efforts to preserve her business position had been to have Esquimalt designated as the terminus of the Canadian Pacific Railway. When that failed, the struggle to have the Island railway included as part of the transcontinental system, through an unbroken railway connection to the mainland via Bute Inlet, again shows the city's realization of the necessity to be part of the new communications system. Baker urged this in his remarks to the House of Commons on the Settlement Act, but to no avail.

When the political battle over the railway issue was at an end, the threat that Victoria had fought against unsuccessfully, was apparent to all; she no longer spoke for the province, nor could she resist the national design for an east-west continental commercial system.³

From a personal business point of view, however, Baker's years in politics could not be considered unsuccessful. They did not culminate in the senatorship that

³Careless, "The Business Community in Victoria", p. 120.

he so eagerly sought, but they put him on the ground floor of the great Vancouver "land grab" and gave him much other worthwhile information, as well as valuable business introductions.

In the 1880's and 1890's, Baker's business affairs increased greatly in number and variety. They offered many examples of the type of enterprise that the local entrepreneurs were engaging in and in some cases, show the method whereby these businesses were brought into operation. Also, his two business ventures regarding the transporting of Chinese from British Columbia (and California) to Mexico and the connecting of the Hawaiian Islands together by cable, are British Columbian endeavours that appear not to have been recounted in the existing historical literature of the province. In addition, his journals present a new perspective on the nature and extent of the land speculation surrounding the Canadian Pacific Railway's arrival in Burrard Inlet (Vancouver). But, interesting as these aspects of his entrepreneurship are, perhaps the most significant feature of these years is the manner in which they document the decline of Victoria as the province's principal business centre.

At the beginning of the 1880's, Victoria was still enjoying a position of prominence in the business life

of the province that had started with the gold rush in 1858. She was the centre of a maritime commerce that all realized was soon to change. The coastal oriented population of British Columbia was awaiting the railway which would drastically alter that system and introduce a transcontinental dimension to commerce and business affairs. If Victoria was to maintain her position in the commerce of the province, she had to be part of the new system of communications. For almost three decades after the province's union with Canada, first her politicians and then her businessmen did their utmost to solve this problem.

As mentioned earlier in this chapter, Victoria's politicians tried to preserve the city's strategic business location by having Esquimalt named as the terminus for the transcontinental railway. Esquimalt lost out to Burrard Inlet and Victoria now tried to persuade the federal government to include the Island railway as part of the transcontinental system.

Victoria was not any more successful with this latter proposal than with the first, but where her politicians left off, her entrepreneurs took over the task. If the politicians could not change the situation, the entrepreneurs would try to compensate for it. Their first endeavours took the form of several attempts to connect the city by rail and rail ferry to the American

railway system. Their interest in accomplishing this objective was real and went beyond the promotion of land sales in the vicinity of proposed railway construction.

When the Canadian Pacific Railway was eventually completed and running to Vancouver, the province's economy began its re-orientation from purely maritime lines to a transcontinental system. It took perhaps ten years before the effects of this change became apparent, but an entry in Baker's journal makes the change obvious. He was neither the most powerful, nor the most influential businessman in Victoria, but it is clear that little if anything went on in the way of business in the city that he did not know about. Therefore, his statement, in 1898, that "everything [was] going on in Vancouver and nothing in Victoria"⁴ is a highly significant one. It documents the point at which the shift in business from Victoria to Vancouver had reached a critical point for the former.

The city's entrepreneurs, dominant as they had been and aggressive and imaginative as they were, could not change or lessen the economic impact brought about by the railway. They could, however, make another effort to compensate for the change in the pattern of commerce.

⁴Baker, 1 July, 1898.

The founding of the Victoria stock exchange might be considered the final desperate action in the struggle by Victoria's entrepreneurs to offset the blow to the city's business life dealt by the railway. A successful stock exchange would have allowed them to monitor the province's business life and retain an influential role in capitalizing various business ventures. But increasingly, the province's business was being directed from offices in Vancouver. Victoria's stock exchange could do nothing to compensate for Vancouver's rapidly growing dominance of business and it closed.

By 1903, control of the province's business affairs had passed from Victoria to Vancouver and business activity in Victoria was seriously declining. In a less forceful, but still important journal entry, Baker wrote that he "was worried about [the] future of Victoria from a business standpoint."⁵ It was the end of an era; an era that had seen the small hamlet of Victoria rise to dominate the business life of the province and some forty years later, fade from the mainstream of the province's commerce.

The era encompassed by Victoria's rise and decline can also be seen as the period of the local entrepreneur.

⁵Baker, 2 May, 1903.

The gold rush had attracted the first of these men and the opportunities offered by the resource rich province brought others. Baker had been a leading entrepreneur in this society for some two decades before it went into decline. For him and many of his partners, this was the point at which their creative business years came to an end. The railway had introduced the corporate entrepreneur to British Columbia and by the turn of the century, these men were appearing on the Coast in growing numbers. Events such as the sale of the Victoria and Esquimalt Telephone Company (1899) and of the Victoria Electric Illuminating Company (1907) illustrate the arrival in the province of large corporations from outside the area with their greater financial resources. Baker also mentions eastern American timber men moving into the area to buy sawmills (1903) and timber leases (1904). The amount of capital required to finance these business transactions was much greater than that invested by the local entrepreneurs in the original companies. The asking price for one of Baker's timber leases was \$100,000.⁶ Under the new pace of business, an entrepreneur like Baker might have been able to finance three

⁶Baker, 25 July, 1904.

or four companies, rather than the four or five times that number that he was involved with at the beginning of the 1890's.

Victoria's entrepreneurs could look back on an era in which they had directed much of the province's development. They could rightfully claim a large share of the credit for the jobs that had been created and for the services that promoted and assisted settlement to take place. Without the general approval of society, however, they could not have operated as freely, nor in the numbers that they did. Thus, their activities not only reveal several characteristics of themselves, but also of the society they were part of.

The upper ranks of this society followed English social customs, while at the same time, they adopted American business practice without any apparent conflict in ethics. This adoption of the American attitude towards business was the most significant characteristic of the group. It was reflected in the materialism of society at large and in the business community's enterprise and feeling of kinship for San Francisco; something that Baker makes quite obvious. It was also because of the business community's attraction to San Francisco that the rest of the city's inhabitants felt a similar affiliation with

the American city. As the business community became Canadianized, the bond with San Francisco became less significant.

The final and perhaps most important aspect of this American influence is in explaining what created and motivated the spirit of entrepreneurism in the province. For, materialistic as this society was, it was not a simple race for financial gain that urged on these entrepreneurs. First, it would seem that the most compelling force was the knowledge that society, in the American tradition, approved of the economic rewards and accorded social recognition to those who succeeded in business. Finally, the entrepreneur saw himself as a hero in the national epic, the conquering of the frontier. These two ideas taken together were the American ideal and more than anything else, this ideal seems to have been what inspired and made possible the entrepreneurism of Baker and his contemporaries.

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