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The Story of HATLEY PARK

Residence of the late Hon. James Dunsmuir and Mrs. Dunsmuir of pioneer Vancouver Island Family.

(Abridged from "Sixty Years of Progress," by the late R. W. Gosnell.)

Compliments of the Kiwanis Club of Victoria, B. C.

A history of British Columbia and Vancouver Island would be incomplete without due mention of the Dunsmuir family. The Hon. Robert Dunsmuir, the founder of the family, may be said to have occupied a position in the industrial life of the Province similar to that held by Sir James Douglas in the political sphere. He was a typical Scotsman, shrewd and capable, who made the most of his opportunities, and, by industry, pluck, foresight and enterprise, made for himself a strong position in the commercial and political world. In a biographical sketch written some years ago, he is admirably described: "He was neither a politician nor a statesman, judged by the usual standards, but he was a very practical, hard-headed and level-headed legislator, who knew what he wanted and usually took the shortest road to its accomplishment. There were different estimates of his character. He had many enemies and many ardent and admiring friends,—facts indicating his strong individuality. Brusque and energetic in his manner, he was at the same time genial, kind-hearted and generous, and numerous acts of benevolence are recorded of him." He never forgot the friends of his early and struggling days, and, perhaps, the best tribute to him as a large employer of labour is that honest service was always rewarded by continuous employment and generous recognition, and that his employees always remained faithful to him. In later life he was known as the "Coal baron of Vancouver Island."

Born in Hurlford, Ayrshire, in 1825, he was trained in the coal mining business, in which his father and grandfather had been engaged. He was educated at Kilmarnock Academy and, in 1847, was married to Joan Olive, daughter of Alexander White, a woman of strong individuality and keen intelligence.

Boyd Gilmour, an uncle of Robert Dunsmuir, came out to Vancouver Island in 1851, as an expert in the employ of the Hudson's Bay Company, to prospect for coal, and, with him, came Mr. and Mrs. Dunsmuir, their destination being Fort Rupert, Vancouver Island. They left Scotland, Dec. 10, 1850, and arrived off the Columbia River in June, 1851.

The vessel stranded on a bar at the mouth of the river in attempting to land stores and passengers at Fort Vancouver, and the sailors, tempted by the gold excitement in California, deserted—a circumstance not uncommon at that period. During the stay of the Dunsmuirs at this fort, James Dunsmuir, afterwards Premier and Lieutenant-Governor of British Columbia, was born, on July 8th, 1851. The ship continued its voyage in August, but owing to the slowness and difficulty of navigation in those days, it did not reach Fort Rupert till Dec. 10th, 1851. The discomforts of such a voyage and the primitive conditions of settlement in those early days can be well imagined. Fort Rupert was surrounded by Indian tribes, probably the wildest on the coast, and troubles arose, calling for the intervention of Governor Blanshard and a man-of-war. Other difficulties incurred by the H. B. Co. in this district arose from the desertions of their coal miners for the gold-mines in California.

Gilmour and Dunsmuir were engaged for three years. They prospected for nineteen months at Suquash, about eight miles from Fort Rupert, but, after boring five holes, reported that the seams of coal were not workable, and moved to Nanaimo, where coal had previously been discovered in commercial quantity. At the end of his engagement Mr. Boyd Gilmour returned to Scotland, and Mr. Dunsmuir would have returned with him, had it not been for his wife, who persuaded him to remain in the country.

About 1862 the Vancouver Coal Company, organized in London, bought out the coal rights of the Hudson's Bay Co., and Robert Dunsmuir continued as their manager until 1863, when he was succeeded by Mr. John Bryden, afterwards his son-in-law.

Now follows an episode introduced to illustrate Dunsmuir's sound judgment as a mining expert. After leaving the service of the Vancouver Coal Co., he undertook to prospect for the Harewood Co., in the neighbourhood of Nanaimo, over the same ground on which operations afterwards developed into what is known as the Harewood mine. He reported unfavourably on the prospect. Captain Lascelles next took up the work on the Harewood property, finding the necessary money, but withdrew in his turn and was succeeded by Captain Buckley, who put in an aerial tramway, the first in the Province. Buckley was an English surveyor, a man of considerable ability and experience, who had made money in India, in connection with reclamation works, but he lost it all in the Harewood enterprise. He was a man of good personal address and optimistic, and, being in touch with English capital, was in great favour with the local Government. It was he who chose Elk Lake as the best available water supply for Victoria, and who examined and condemned the Goldstream watershed. After his failure with the Harewood mine, it was taken over by the Vancouver Coal Co., who, after spending a great deal of money in prospecting and building a railway, also abandoned it, thus confirming Dunsmuir's judgment. In fact, as a coal prospector and expert, Dunsmuir justified his judgment in every project that he rejected as well as in every one that he undertook.

His next step was to prospect on his own account, and in October, 1869, he found a splendid seam of coal at Wellington, about three miles from Departure Bay, which was destined to become a busy point of export. This was the beginning of his

great fortune, and the turning point of his career. He drove some drifts to prove the property, but lacked capital of his own to develop it. For a time he was assisted by Birmingham & Rosenfeldt, of San Francisco, but they became discouraged and left him. The market was a limited one, and, with the Vancouver Coal Company at Nanaimo as a competitor, capital was not eager to embark in an enterprise that seemed to have so many possibilities of failure in it. Robert Dunsmuir, however, was not a man to be frightened by obstacles. He had a fine ten-foot seam of coal, and being confident of its future vlaue, he determined with true Scotch grit to succeed. He interested in the project Lieutenant Diggle, of H.M.S. Grappler, a man of means, and, through him, Captain Egerton, R.N., and Admiral Farquhar. The three became partners, the condition being that Dunsmuir should own half the mine and have entire control of the operations. Lieutenant Diggle put in $10,000, Captain Egerton $75,000 and Admiral Farquhar $75,000. They acquired 2,000 acres of land. The mine was opened and operated so successfully that Dunsmuir was able, from his share of the profits, to buy out one partner after another, the last being Captain Diggle, to whom he paid a cheque of $600,000. By this time his son, James Dunsmuir, who had graduated as a working miner through all the stages, became foreman and manager. When James dug out and sold thirty tons a day for his father, Mr. Dunsmuir was fearful that the market would not be able to absorb more, and cautioned the young man to go slowly. James, however, worked harder than ever and, as he reached in time fifty, seventy-five, then one hundred and one hundred and fifty tons a day, Robert Dunsmuir was still nervous and deprecating. But the coal was sold in increasing quantities as it came out and James did not relax his efforts, despite his father's anxiety and fear. Each step in production was an experiment, and while the son was ambitious to make records, the father felt the responsibility of increasing operations. Coal mining on the coast was then a precarious industry in this respect, that the San Francisco market might at any time become stalled by outside importations, and ships sometimes brought Welsh and Australian coal as ballast. Flooding the market meant a heavy loss in mining, as coal operators will understand. However, when the output reached 500 tons a day, Mr. Dunsmuir ceased to have fears and he became as anxious to increase the output as formerly he had been to restrict it to a fixed quantity. Before he died, he had the satisfaction of seeing it raised to 1,500 tons a day.

The first operations of the great Nanaimo mines were not only on a small scale, but on rather primitive plans as compared with present day equipment. In the way of transportation there was at first a bull team driven by an old-timer, Ned White by name. This was succeeded by several teams of horses with wagons, and for this purpose it became necessary to make a road to Departure Bay. The road was afterwards graded and a wooden track laid down. Later on, a thin band of iron was laid on the rails to lessen friction, and a little locomotive, run by a threshing machine engine, was used. Subsequently regular locomotives and good cars were employed. The profits of the business were very large, due not only to the fine quality of the coal and its accessibility to the sea, but also to economical management and good business administration; and Mr. Dunsmuir very soon acquired a financial position in which he became a large factor in the business community.

We must now deal with an epoch in his life which had also considerable influence in public affairs. It may not be generally known that when Lord Lorne, Governor-General, came to the Province in 1882, accompanied by H.R.H. the Princess Louise, it

was in a diplomatic capacity, much as Lord Dufferin had came in 1876. Much disappointment was felt on the Island of Vancouver, and especially in the city of Victoria, respecting railway matters. Lord Lorne was keenly interested in the question, and, as has been noted elsewhere, endeavoured in governmental circles to bring about a solution of the difficulty. Hon. Robert Dunsmuir was induced by him to undertake the building of the Esquimalt and Nanaimo Railway on terms contained in the Act of Settlement. For this purpose he associated with himself men who were known as the "Big Four" of California—C. Crocker, Leland Stanford, Mark Hopkins and C. P. Huntington, and in dealing with an aggregation of capital so formidable he displayed great shrewdness and foresight. Although the railway, the land grant of 2,000,000 acres with coal rights, and the Dunsmuir collieries, were common assets, held equally in shares of stock as between himself and the other four (whose interests were incorporated in the P. I. Co., i.e., the Pacific Improvement Company), he controlled the financial management of it through his right to nominate a majority of the directors, and managed it exclusively, providing, however, himself the greatest part of the money necessary. The E. & N. Ry Co. was from the very first a close corporation. It was built entirely out of the private means of the gentlemen named above, with the aid, of course, of a Dominion subsidy, and without the sale of a single debenture or debenture bond. The E. & N. Railway was an expensive line to build, costing for some portions of it $60,000 a mile and depending as it did for many years upon local traffic, did not pay its way, much less make a profit for the company. It was not until the late owner, Hon. James Dunsmuir, established a ferry between Vancouver and Ladysmith, by which freight cars were conveyed to and fro, that a balance was shown on the right side of the ledger. Since it has become a part of the C.P.R. system, receipts have been much augmented, partly on account of its being worked in connection with the main line of the C.P.R. and partly on account of the natural increase of local traffic.

Mr. Robert Dunsmuir before his death, which occurred on the 12th of April, 1889, had completed arrangements for the development of the Comox and Alexandra collieries; but this was carried out by his sons, James and Alexander, under the personal direction of the former. After the business at Wellington had assumed large proportions, Mr. Alexander Dunsmuir went to San Francisco and took charge of affairs there, water frontage being acquired and extensive wharves and depots established. Alexander Dunsmuir was a keen, clear-headed business man and, under his charge, a large and profitable trade was built up auxiliary to which was a fleet of colliers and tugs. In addition to his collieries, shipping and railway interests, Robert Dunsmuir was an extensive owner of metalliferous claims in British Columbia, a large shareholder in the Matsqui Dyking Co., the Albion Iron Works, Victoria, the Canadian Pacific Navigation Co. and the Victoria Daily Colonist, and was an extensive real estate owner. At the time of his death he had very large cash deposits in the bank, and his legatee, the late Mrs. Joan Dunsmuir lent at one time a large sum to the Province. Among others of his activities, he took to politics, although somewhat late in life, and in 1882 he was elected to the Legislature for Nanaimo and returned again in 1886, when he succeeded the late Hon. William Smithe, Premier, as President of the Council. A man of strong individuality and large interests, he made almost inevitably many bitter opponents, and the ascendancy of the coal baron in the Legislature and in public affairs was the theme of numerous diatribes in the House, in the press, and on the hustings. One of the bitterest of his opponents was the late Thomas Basil Humphreys, who assailed him with great virulence.

Mr. Dunsmuir's railway ambitions were not confined to the E. & N. Railway, and had he been a younger man he would probably have become identified with larger schemes. It is said that he shared with the Hon. Dr. Helmcken the latter's views about a railway to the north end of the island. That he would have extended the E. & N. so far was considered doubtful by James Dunsmuir, who said that his final judgment, based on the experience of the N. & N., was opposed to it. However, he was an advocate of a railway to the mainland, having Bute Inlet as the outlet, to connect with the Island railway, and during the session of the Legislature previous to his death, he was prominently associated with a measure to incorporate the Canadian Western Railway, of which he was a promoter. An act was passed granting a charter and a subsidy of fourteen million acres of land. This railway was not built, and what effect the death of Mr. Dunsmuir had upon its fortunes can only be guessed. It subsequently was exploited without success as the British Pacific and again as a Canadian Northern project, both propositions being defeated as the result of the political exigencies of the day. Without any reference to its merits or demerits, while the scheme correctly anticipated the future, it was probably ahead of the time, in view of the actual financial capacity of the Province and the development of railways in the Middle West at the same period.

The work of carrying on the enterprise created by the Hon. Robert Dunsmuir, assisted by his two sons, fell at his death upon the shoulders of James Dunsmuir, who succeeded his father as president of the great estate, Alexander continuing to represent it as before in San Francisco. Mrs. Dunsmuir, was, according to the terms of his will, the sole legatee. Some time later a division of interests was made whereby James and Alexander Dunsmuir became owners of the E. & N. Railway Co. and the collieries, while the bank assets, and certain other interests remained with Mrs. Dunsmuir. Alexander Dunsmuir having died in San Francisco, his brother, by will, succeeded to his interests. His widow made no claims to the estate, a settlement being voluntarily effected by James Dunsmuir on the basis of a large annual allowance. Mrs. Joan Dunsmuir died at her home, Craigdarroch, locally known as Dunsmuir Castle, which was built and completed at great expense by Mr. Robert Dunsmuir before his death, but never occupied by him. She was a woman of strong character and vigorous mind, a wide reader, keenly interested in politics and in public events.

Hon. James Dunsmuir, upon the death of his father and brother, became the greatest landed and colliery proprietor in Canada and one of its richest men. As a coal mining operator he was in his element; as a railway manager or land owner he did not feel at home, and this fact accounts for his business policy differing from the usual standards in such matters. Being a single-minded man and simple in his ambitions, having no desire to go beyond that which he fully understood, he devoted himself to the firm's collieries. The presidency of the railway was simply an inherited obligation, and he had no taste for it. The development of the Comox coal mines, the coke industry in connection therewith, the opening up and development of the Extension mines, the establishment of coal bunkers at Ladysmith and the freight ferry from that point to Vancouver were all of his initiation, and carried out under his direct supervision and control. As incidental to the Extension mine he laid out the townsite of Ladysmith, now a substantial town dependent largely, of course, upon the size of the payrolls at Extension and the smelter. It was at first contemplated to build the coal bunkers at Chemainus, to which point the ferry would have run, but there was some difficulty in adjusting the

price to be paid for land for the site of the bunkers, and Mr. Dunsmuir went to Oyster Harbour instead, a decision characteristic of the man. The Alexandra colliery was closed down in a similar way—the result of a strike—and Mrs. Dunsmuir never afterwards opened it. In this connection a word may be said as to his attitude upon labour. Like his father, he paid good wages, but objected to any dictation as to the way he should work his mines. As a practical coal miner, he fully appreciated the position of the men underground, and could never be justly accused, from his point of view, of treating him unfairly. Had his father not been a coal operator and become wealthy, his son would probably have remained an employee all his life, and in whatever capacity he was placed would have rendered hard, industrious, honest service to his employer. He did not object to the principle of union labour, nor to the organization of local unions, but he condemned the system of local unions being controlled or interfered with by outside organizations. The Dunsmuirs, father and son, were the subject of much unjust criticism, as having been tyrannical and oppressive in their relations with their working coal miners; but a great deal of this criticism arose from prejudice and misunderstanding. Neither of them could be called diplomatic, and a natural brusqueness was too often mistaken for harshness. When Mr. James Dunsmuir discussed the labour question in private he gave the impression that his views on that question were the result of honest conviction and a desire to be fair, while for the lack of mutual sympathy and harmony between the Dunsmuirs and the unions, the blame is not all to be put on one side.

It is almost unnecessary to add that Mr. Dunsmuir did not care for politics. He did not like publicity of any kind, being essentially retiring and domestic in his tastes, but the extent of his interests made it almost inevitable that he should enter the Legislature. He was first elected for Comox in 1898. He was subsequently, in 1900, returned for the Newcastle district. His elevation to the premiership in 1900 was not without justification. There was a strong feeling of antagonism to what was known as "Turnerism" in the Province, although personally Mr. Turner, former Premier, was one of the best-liked men in British Columbia. There was no other person outside of the Turner ranks, among the newer men, sufficiently prominent to be made leader, and Mr. Dunsmuir was chosen, first, because he was a business man and not a politician, and, secondly, because on account of his large interests and acknowledged position, he was likely to consolidate all the elements opposed to Joseph Martin and his methods. What was wanted was the restoration of political and business confidence, after a period of unsettling turmoil. He formed a government which had the support of a large majority of the Legislature. So many elements entered into the situation that justice could not be done without devoting a chapter to its discussion. Hitherto, government and politics had not been conducted on the usual party lines, though the influence of Dominion politics and parties was beginning to be felt; it was inevitable, therefore, that a clear division would sooner or later be devoloped. Mr. Dunsmuir was not a party man, though in federal politics he was inclined to support the Liberals. But in local politics he was not a Liberal partisan; indeed, his own newspaper, The Colonist, supported the Conservative policy. As a matter of fact, the rock upon which his administration split was a railway policy. A strong agitation had existed for some time in favour of building the V. V. & E. Railway with government assistance. An important wing of the government party was opposed to it as impracticable, while another favoured it. There were strong dissensions in the caucus, and, while a

general measure was passed advocating its construction, together with other lines, it was not of such a character as to bring about actual construction. The promoters were looking to Ottawa as well. The split came after the Hon. J. H. Turner had resigned the position of Minister of Finance to take the position of Agent-General of British Columbia in London, England. The Hon. J. D. Prentice, Provincial Secretary, was appointed to succeed him, thus leaving a vacancy in the cabinet. Mr. Dunsmuir, contrary to the advice of several of his colleagues, offered the position of Provincial Secretary to J. C. Brown, of New Westminster, member of the House, Minister of Finance in the Martin administration, which had been so badly defeated in the country. This was, of course, contrary to accepted government traditions, and meant a coalition with the Martin forces. It was not good politics, and reflected a certain friendliness between Mr. Martin and Mr. Dunsmuir. The Hon. Mr. McBride, Minister of Mines, resigned as a protest and carried with him a number of Government supporters, prominent among whom were the late R. G. Tatlow, R. F. Green, F. J. Fulton and A. E. McPhillips, all afterwards ministers of the McBride administration. Mr. McBride then became the elected and acknowledged leader of the Opposition, and there was a rearrangement of parties in a not altogether logical combination, but sufficient to ensure a small majority for the Government. The Opposition concentrated their forces on New Westminster, Mr. McBride's native city, and defeated the new minister, Mr. Brown, electing Mr. Thos. Gifford in his stead, notwithstanding the fact that Mr. Brown was a prominent advocate of the New Westminster bridge, a scheme likely to prove extremely popular in that city. It may be stated here that the Hon. Mr. Dunsmuir had, along with Attorney-General Eberts, gone to Ottawa early in that year, 1901, on a mission of representation to the Dominion Government with reference to various matters affecting the relations of the Province and the Dominion. The mission originated really in a promise given by the Hon. Mr. Dunsmuir to go to Ottawa and have an interview with Sir Wilfrid Laurier on the subject of restricting Chinese and Japanese immigration; but developed in the meantime into a programme of increased allowances to the Provinces on a number of counts, which was the origin of the celebrated case for Better Terms, and which also included the claims made by the Province in connection with fisheries.

The session following the disruption was a stormy and protracted one. Mr. McBride and his followers made a stubborn fight; but the Government, aided by Mr. Joseph Martin, as an independent ally, weathered the storm. It was during this session that the Canadian Northern proposal was before the Legislature to build a line from Edmonton to Bute Inlet and to Victoria via Seymour Narrows. The proposition of a cash subsidy of $5,000 per mile was passed, but the proposal for land subsidy was rejected, thereby making the aid insufficient to ensure construction. It was also during this session that the memorable election contest at Victoria between E. V. Bodwell and Colonel E. G. Prior took place to fill the long vacancy left by the resignation of the Hon. J. H. Turner. The election of Colonel Prior, who had been made Minister of Mines, greatly strengthened Mr. Dunsmuir's hands. Towards the close of the session an arrangement was effected whereby the Premier was enabled to accept the invitation to be present at the coronation of King Edward and to leave for England. Owing to the postponement of the ceremonies through the King's illness, Mr. Dunsmuir was absent about four months. Upon his return, having intimated his desire to retire from office, he resigned the Premiership and was succeeded by Colonel the Hon. E. G. Prior, still retaining his seat in the Legislature.

After the close of the following session and the events which brought the Hon. Mr. McBride into power, Mr. Dunsmuir did not seek further legislative honours at the next general election. It was a time of much worry in regard to his own private business matters, owing to a law suit and other matters, and it was then that he decided to dispose of the E. & N. Railway. He had received various offers in that connection, but he was a firm believer in the C.P.R. not only as to its ability to make the deal in a satisfactory manner (which, of course, was obvious), but also as to the benefits to be derived from that corporation entering the field on the Island of Vancouver. The first proposal was to sell the roadbed to the railway and to retain the land grant and all its accessory rights, but it became apparent that the effect of separating the railway and the land grant was to subject the latter to taxation. The C.P.R. acquired the E. & N. Railway Company, minus coal rights, fire clay, etc., the sum paid being about $3,000,000. Mr. Dunsmuir then devoted himself almost exclusively to his coal interests. Prior to the sale of the railway, however, he had bought out the interests of the "Big Four," negotiations for which had begun sometime beforehand. Mr. Dunsmuir paid to the P. I. Co. $3,000,000 and became sole owner of the railway, land, colleries, shipping fleet, and the business in its entirety.

Upon the natural expiration of the term of Sir Henri Joly de Lotbiniere as Lieutenant-Governor an awkward question arose at Ottawa as to his successor, which was the more difficult on account of the popularity of Sir Henri. The selection finally fell upon Mr. Dunsmuir, whose wealth and position, as well as his political neutrality, enabled him perhaps above any other of the applicants, to fill the position acceptably. He was Lieutenant-Governor for three years, but, having little inclination for official or public life, he resigned and was succeeded in 1909 by the Hon. T. W. Paterson. In the meantime, having disposed of "Burleith," his residence on Craigflower Road, he had acquired an estate, known at Hatley Park, near Colwood, some 650 acres in extent, and there built Hatley Park House (designed by Mr. S. Baclure, Victoria) to which he retired and where he lived until his decease. Early in 1910 he gave an option on his colleries and coal rights in the E. & N. Railway belt, and all his business in connection therewith, for $11,000,000, which was acquired by Messrs. Mackenzie & Mann, railway promoters, and thus separated himself practically from all former business with which the Dunsmuir name had been prominently associated for so many years. Mr. Dunsmuir lived in retirement, and enjoyed the luxury of his beautiful home, his yacht, shooting, fishing, golf and other recreations, until the time of his death. Mrs. Dunsmuir was a Miss Laura Surles, of Georgia, the daughter of a Southern planter, and first met Mr. Dunsmuir during her school days at the Dundas Academy, near Hamilton, Ont. She was for long a lady of deserved popularity in Victoria society, and the mother of a family of two sons and eight daughters.

The name Dunsmuir will always be associated with the history of the Province from Confederation to 1910, as representing large and influential interests and as having played a part in a stormy transitional period of provincial politics. James Dunsmuir as an industrial factor, as Premier and as Lieutenant-Governor, belonged to a chapter now closed. The fates thrust him into a prominence which, by choice, he would have avoided. He had neither a liking nor an adaptability for public life, and he displayed it in qualities of an independence, even to the verge of obstinacy, which rendered a long career highly improbable, even if his ambition had pointed in that direction.

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