

Edgar Crow Baker: An Entrepreneur in Early British Columbia

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The history of British Columbia's entrepreneurs can be divided into a number of stages or periods. These men, with their predilection for new business opportunities and characteristic will to act in transforming ideas into reality, were present in what is now British Columbia from the opening years of the area's history. Yet the first true era of the entrepreneur may be said to have begun with the Fraser River gold rush in 1858. This era continued until about the turn of the century when a second stage, that 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. This paper is concerned with a few examples of the business activities of one representative entrepreneur of the first era.

Victoria was the principal headquarters for British Columbia's entrepreneurs from 1858 until about the end of the 1880s. During the 1890s, 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.

Edgar Crow Baker arrived in Victoria from Halifax in 1874, when Victoria was well established in her role as the business and political centre of the province. He came as an employee, not an employer. He had ideas and ambitions, but no capital with which to develop them. He did, however, have a valuable family connection which had given him his first employment in the city and had made possible his move west. Baker also had fraternal connections that were useful to him in gaining an entrée to the upper ranks of the city's society. These assets were used with skill and determination and he quickly became an accepted member of the latter

group. In business, his first three or four years on the coast were frustrating and marred by a number of setbacks. But then he acquired some capital and his involvement and success in business grew steadily until he became a major figure in the business life of the city.¹

Still, Baker is so unknown a figure today, even in Victoria, that a brief sketch of his background will perhaps give a better understanding of who he was and why his career provides an interesting insight into the activities of British Columbia's early entrepreneurs.

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 4 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."² 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.³

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 which was 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 1890s. 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, and transporting stone for the

¹ In January 1878 Baker went to England, where he applied to the Admiralty to have his naval half pay commuted to a lump sum settlement. The Admiralty approved his contention that he was no longer fit for active service and awarded him £1,495-16-6 (some \$7,285).

² *Daily Colonist*, 4 November 1920, p. 1.

³ *Ibid.*, 8 June 1920, p. 1.

new legislative buildings, to the export of Chinese "coolies" 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 a key figure in 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 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, managing the Hastings Saw Mill Company's Victoria office, 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 entrée 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 its vice-president Chief Justice Begbie.

Baker, then, lived and worked with the leading entrepreneurs of the province. His life is a 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.⁴ In these 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. It is these records that provide the principal means for this account of British Columbia's early entrepreneurs.

In the 1870s, British Columbia was still a maritime-oriented region and Victoria was the centre of this activity. With his naval background, Baker fitted in easily with this seafaring community, and much of the business he conducted as the Hastings Saw Mill Company's agent involved marine duties. 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. Stahlshmidt, 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.

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 southeast gale early in November 1874 held sixty ships weatherbound 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 were required. He was also in charge

⁴ 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.

of the company's bonded warehouse which was used by a number of other firms.

Baker's employment with the Hastings Saw Mill Company gave him an excellent introduction and insight into the mainstream of the province's business life. It was not long, however, before his entrepreneurial ambitions brought him into conflict with the conservative views of his employer. After a series of disagreements, principally over business matters, Baker was dismissed by Captain Raymur in September 1876. It was the beginning of a two-year business slump for Baker. He existed on his naval half pay and a few part-time government jobs arranged through his friends there, plus one other activity that gave hope for some business success.

In the spring of 1877 a project Baker had been working on since the fall of 1875 bore fruit: Ottawa ratified the British Columbia Pilotage By-Laws which Baker had drawn up. The Pilotage Commission was back in business after being in abeyance for some three years, and Baker's unofficial position as secretary-treasurer to the board became one of reality and substance. Baker's involvement with the Pilotage Commission was in keeping with his marine interests and lasted for almost thirty years, but the financial return it offered was small.

Baker was out of the business doldrums by the spring of 1878 when he returned from London with the capital he had gained from the commuting of his naval half pay to a lump sum settlement by the Admiralty. Mining caught his attention and he and his associates engaged in a wild buying spree of mining shares that lasted at least until Christmas. Before he had left for England, Baker had ruefully commented, "everyone gone mad about Cariboo Quartz reports".⁵ Now he was in the middle of the action, exhibiting bags of ore in his office to other would-be speculators, shipping samples of ore to San Francisco and trying to squeeze a little interest and money out of the "Canadians" in Ottawa through the federal officials who appeared periodically in Victoria. It was a heady game, and for some the action proved too hectic. Before the year was out, Baker's friend and partner, F. J. Roscoe, shot and killed himself. Two months later, another friend and partner, Felix Neufelder, did the same. In spite of the gold fever, Baker kept his head and became associated with several mines that continued in operation for many years with varying degrees of success.

In 1879, Baker continued to broaden his business horizon. He became secretary to the newly formed Board of Trade, a notary public, a marine

⁵ Baker, 22 December 1877.

surveyor (through his pilotage connection) and an active commission merchant (at one point selling gun powder with Captain R. G. Tatlow as a partner⁶), entered the real estate business and was appointed Grand Secretary of the Masonic Order.

A more ambitious business opportunity presented itself in the fall of that same year through the misfortune of a fellow Mason. R. B. McMicking, General Superintendent of Dominion Government Telegraphs in British Columbia, was interested 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. In the ensuing upheaval, F. N. Gisborne, Superintendent of the Canadian Government Telegraph and Signal Service, came to Baker with a request that he audit the telegraph accounts. At the same time, McMicking came to Baker seeking assistance in 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.

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 was the 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 location of the right-of-way and to the unsightliness of the proposed telephone poles. On 10 March he explained the situation to Rome. 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.

The Victoria and Esquimalt Telephone Company was incorporated on 3 May 1880 and on 6 May the telephone lines between Victoria and Esquimalt were in working order. In addition to providing telephone

⁶ Captain R. G. Tatlow went on to politics and became Finance Minister in Premier McBride's first cabinet in 1903.

service to Victoria and Esquimalt, the company had obtained a special licence from the Bell Telephone Company of Canada establishing it as the sole agent for Bell Telephone and Blake Transmitters in British Columbia.

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, MPP for Yale, were Masons and personal friends of Baker's. Baker drew their attention to the value of the 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 was so impressed by the telephone that she bought \$200 worth of shares from Baker.

When the company was incorporated in May 1880, its officers were: James H. Innes, accountant in charge of the Royal Naval Yard, president; McMicking, manager; Baker, secretary; and R. P. Rithet, A. A. Green, James D. Warren, Edward A. McQuade and James H. Innes, directors (the company's bankers were Garesche and Green and Company). Within three years Baker held just under 50 per cent of the company's shares and he became the directing voice in the company's affairs. Those interested in the company changed as the years went by. J. W. Trutch bought a large block of shares in 1888 and later became president of the company. Peter O'Reilly and A. C. Flumerfelt were also shareholders, but Baker continued to increase his hold on the company until at the time it was sold in 1899, he had a 70 per cent interest.

It was an indication that the era of the smaller, local entrepreneur was coming to an end when, on 22 June 1899, William Farrell, the manager of the Bank of Hamilton in Vancouver, made an offer to purchase 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. On 1 October 1899 William Farrell became

president of the Victoria and Esquimalt Telephone Company and McMicking was retained as its manager.

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 1881, McMicking and Baker submitted a tender for the provision of electric street lighting to the city of Victoria. They were unsuccessful, but the successful applicant never implemented his plan. Baker and McMicking persisted with their scheme, which resulted in three huge, 150-foot lighting towers being erected to floodlight the main section of the city. 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 Electric Illuminating Company, was formed. Rithet and McMicking were two of its principal shareholders.⁷ The company installed an electrical generating plant with a capacity of 400 "lights". On 29 January 1887 the lights were turned on. It was the first incandescent electric light station in Canada.⁸

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 thirty shares of electric light stock for \$750. A year later the company was reorganized to meet the threat of competition from the newly formed National Electric Tramway and Lighting Company and Baker was made its managing director.

The Victoria Electric Illuminating Company continued to operate successfully and then it, like the telephone company and along with several other small electric and tramway companies, became just a small part of a much larger entity. William Farrell made an offer for the electric company shortly after he bought the telephone company, but nothing

⁷ Patricia 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.

⁸ *Daily Colonist*, 30 January 1887, p. 4.

came of his offer. In the fall of 1905, J. A. Sayward proposed to buy the company's franchise, but the sale was never completed. 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.⁹ 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 London-based British Columbia Electric Railway Company.¹⁰ Another enterprise founded and developed by individual entrepreneurs passed into the hands of a large corporation from outside the province.

In 1882, shortly after forming the telephone company, Baker stood as a Conservative for election to the House of Commons. In July he was elected at the head of the poll as one of the two members for Victoria District. Politics were a normal complement to entrepreneurial activities and an obvious next step for Baker at this time. 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 political activities in Ottawa are interesting, but his part in the railway-inspired "gold rush" is even more revealing. In the spring of 1884, before he left Ottawa for Victoria, a business friend from Toronto introduced him to A. W. Ross, a Member of Parliament from Winnipeg. It proved to be a very significant introduction for Baker.

A. W. Ross had made and lost a fortune in the Winnipeg land boom that accompanied the construction of the Canadian Pacific Railway. 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,¹¹ an area that

⁹ Baker, 27 March 1907.

¹⁰ Baker, 16 August 1907.

¹¹ Pierre Berton, *The Last Spike* (Toronto: McClelland and Stewart, 1971), p. 409.

was just about to have its own railway-inspired land boom. Ross was "in on the ground floor".¹² 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.

Baker had other contacts within the Canadian Pacific Railway organization. The Cambies and Bakers were intimate friends and H. J. Cambie, as a senior engineer with the railway in British Columbia, kept Baker informed of the company's plans and progress in the area. 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 in 1881. Baker must also have been aware, through Cambie, that Ross' report, submitted in 1882, ruled out Port Moody as a suitable terminus.¹³ Still, even with this information Baker was not in a position to instigate any land speculation in the Burrard Inlet region. By 1884 some two years had passed since John Ross' report on a site for the Pacific terminus, yet there had been no official rejection of Port Moody as the terminus by the Canadian Pacific Railway Company. Nor had there 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 when he arrived in Victoria that summer 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"?¹⁴ Joshua Davies, Theodore Lubbe and Baker all bought in. Almost immediately, Ross proposed a second land buying partnership. W. T. Livock was invited to join the same group in this second scheme.

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.¹⁵ He goes on to say: "The Fraser Valley and New Westminster real

¹² *Loc. cit.*

¹³ Alan Morley, *Vancouver: From Milltown to Metropolis* (Vancouver: Mitchell Press, 1961), p. 64.

¹⁴ Baker, 5 July 1884.

¹⁵ Berton, *The Last Spike*, p. 408.

estate interests saw what, in hindsight, seems obvious; but in Victoria, the land speculators continued to believe that Port Moody would be the terminus."¹⁶ 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.¹⁷ 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.

The prospects of making money in Burrard Inlet so dazzled many of the land speculators that several of them went broke in the scramble. The land-buying schemes ranged from a common-place investment of a few thousand dollars to much grander efforts such as the one Baker and Ross were involved in to buy the Hastings Saw Mill Company lands for \$275,000, or Ross' proposal to Baker that they form a syndicate to buy the Brighthouse and Hailstone property in District Lot 185 for some \$110,000. If anything came of this latter proposal, Baker does not appear to have been involved in it. He did, however, have a one-fifth interest in the former scheme which he shared with R. H. Alexander, manager of the Hastings Saw Mill Company, and one or two other partners.

When the syndicate could not divide up their land amicably, they occasionally resorted to the somewhat unusual procedure of drawing lots for lots. Such was the case with District Lot 200A, a large tract of choice land on the south side of False Creek. In December 1885 Baker, Ross, Joshua Davies, H. E. Croasdaile, J. H. Smith and David Oppenheimer met in the latter's office to draw lots for the lots in this area; it was a procedure that was familiar to at least Baker and Oppenheimer.

Baker invested heavily in land in the Burrard Inlet region in 1884 and 1885. His interest continued into 1886, but on a much reduced scale. Other business interests were requiring more of his attention. How much money was made or lost in this land speculation is difficult to estimate, but Baker did quite well once the boom came, which it finally did in 1890.

In January, he began negotiations that resulted in twenty-one of his Coal Harbour lots being sold for a total of \$10,500. In February he noted, "My property in Vancouver rapidly disappearing,"¹⁸ and the next day he

¹⁶ *Ibid.*, p. 409.

¹⁷ From July to December 1884, some of the Victoria businessmen with whom Baker and Ross dealt 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).

¹⁸ Baker, 4 February 1890.

increased the price of his remaining lots. In March he sold some English Bay property for \$2,000 that had cost him \$66.¹⁹ The following month he gleefully remarked, "real estate still lively — better than politics."²⁰ The boom was still going strong in July, when he sold some more English Bay property at a profit of \$800. At the end of the year, 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."

Land speculation may not be a true entrepreneurial activity, but while Baker was engaged in buying land in Vancouver in 1885, he and four partners formed the Esquimalt Water Works Company (incorporated in March) and towards the end of that year, he joined another partner in a business venture that appears to have been the only one of its kind in British Columbia as far as its principal purpose was concerned.

Henry 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 on a number of occasions. He and Baker had tried to form a towing company shortly after the latter's arrival in Victoria, but at that time 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, eighty 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 \$70,000.²¹ She was a relatively new and powerful steamship and the opportunities for chartering appeared to be good. Baker was interested.

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

¹⁹ Baker, 22 March 1890.

²⁰ Baker, 2 April 1890.

²¹ Baker, 9 November 1885.

completed when Saunders telephoned Baker to tell him that they had a charter agreement with the Mexican government.²²

According to an advertisement that appeared in a local newspaper early in March, the owners of the *Sardonyx* had a contract with the Mexican government under which the ship was chartered to "The Compañia Mexicana de Navegacion del Pacifico."²³ Her ports of call were listed as Victoria, San Francisco, Todos Santos, Mazatlan, San Plas and Manzanillo and her agents as J. Gutte in San Francisco, Jesus Escovar in Mazatlan, Van der Linden, Vogel and Company in Manzanillo and Baker and Saunders in Victoria. The ship was to carry 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,²⁴ who had decided to import Chinese "coolies" from the United States and British Columbia to work in the Mexican mines and on the plantations.²⁵ Their interest in this venture was to secure a source of cheap labour that outclassed the "lazy and undependable" local Indians and Peons.²⁶

The *Sardonyx* 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.²⁷

At the beginning of March, the *Sardonyx* 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.²⁸ She was to embark another 100 Chinese passengers in San

²² Baker, 24 January 1886.

²³ *British Colonist*, 6 March 1886, p. 1.

²⁴ *Ibid.*, 31 March 1886, p. 4.

²⁵ *Loc. cit.*

²⁶ *British Colonist*, 31 March 1886, p. 4.

²⁷ Baker, 5 February 1886.

²⁸ *British Colonist*, 14 March 1886, p. 3.

Francisco. On 1 April the *Sardonyx* 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.²⁹ The eventual fate of these Chinese passengers is not mentioned in Baker's journal, nor in the newspaper account of the incident. It appears, however, that eventually they were landed in Mexico, as they did not return to Victoria. In May the *Sardonyx* made another trip, this time leaving Victoria with 150 Chinese passengers.³⁰

At his Ottawa desk, Baker fretted over the news of the breakdown in his latest business enterprise. There was too much at stake in this venture for Baker to sit in Ottawa while the *Sardonyx* sailed off meet possible further riots and the disruption of his and Saunders' carefully laid plans. He abandoned his parliamentary duties and set off by train for Mexico City.

Baker was not a man to be easily deterred and fifteen days later, after an assortment of railway adventures, he arrived in Mexico City somewhat dusty and tired. Here 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."³¹

In June 1886 Baker returned from Mexico City with a feeling of confidence in his charter business, but the anti-Chinese riots in Mexico had been severe enough that the 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."³²

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

²⁹ *British Colonist*, 7 April 1886, p. 3.

³⁰ *Ibid.*, 16 May 1886, p. 3.

³¹ Baker, 11 June 1886.

³² Baker, 14 February 1887.

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. This was hardly what the eager partners had had in mind when they purchased the ship a year earlier. In March they sold her to the Canadian Pacific Navigation Company.

The *Sardonyx* affair is interesting not only because of its unusual entrepreneurial twist, but also because of its revealing moral aspect. 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 and held it to be "altogether benevolent in its character and aims".³³ According to the Consulate, the wealthier Chinese of Victoria were "touched by the situation of their poverty-stricken country men".³⁴ These half-starved unemployed Chinese numbered between 5,000 and 6,000. The more affluent Chinese had been providing them with free soup houses for some months. The only wish of these 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.³⁵ 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.³⁶

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

Nor did anyone suggest that the shipping agents' main interest in the scheme was the money to be made in jamming the ship with a human cargo considerably in excess of her normal limit. 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

³³ *British Colonist*, 31 March 1886, p. 4.

³⁴ *Loc. cit.*

³⁵ *Loc. cit.*

³⁶ *Loc. cit.*

told a reporter, "The arrangement will result in diminishing the number of Chinese in California."³⁷

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, as a politician, could also claim that he was doing something tangible about reducing 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's and Saunders' advertisements for the *Sardonyx* was a report of legislation being prepared by the Attorney-General to prohibit companies from employing Chinese, a step that was designed to discourage Chinese immigration and force many of those present in the province to emigrate.³⁸

This crude export of Chinese labour into what was obviously destined to be little better than slave working conditions was quite in keeping with the times. It was done with no more thought for the unemployed Chinese than that given to a commodity that has served its purpose and may now be disposed of. For the three, or more correctly four, nationalities concerned the matter illustrates one aspect of the social attitudes of the day.

The latter half of the 1880s saw an increase in mining activity in the Kootenay and Rock Creek areas and while Baker was engaged with the *Sardonyx*, sealing schooners and other affairs, he was also forming a number of mining partnerships. Real estate, particularly in the Port Angeles area, also was occupying a good deal of his time. Yet in the midst of these other activities he undertook one of his most ambitious schemes.

This scheme 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 1870s 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.³⁹

³⁷ *British Colonist*, 31 March 1886, p. 4.

³⁸ *British Colonist*, 6 March 1886, p. 3.

³⁹ W. D. Alexander, "The Story of the Trans-Pacific Cable," *Eighteenth Annual*

In the years that followed, two companies showed some interest in undertaking the desired cable construction, but negotiations never proceeded beyond the planning stage. 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.⁴⁰ The project required some 400 miles of submarine 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.⁴¹

In spite 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 who 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. As with other business ventures, it also showed how they combined imagination with their characteristic will to act to capitalize on new inventions.

Baker first mentioned Bartholomew in his journal 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".⁴² 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.

Report of the Hawaiian Historical Society (Honolulu: Paradise of the Pacific, 1911), p. 50.

⁴⁰ 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. 60.

⁴¹ *Ibid.*, p. 61.

⁴² Baker, 16 October 1888.

Baker, vice-president, E. O. White, secretary and W. W. Hall, auditor.⁴³ 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 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 seventy shares by the partners as a retainer fee (to protect their interests) and a further thirty shares in payment of debts owed him.⁴⁴ 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 drydock 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 eighteen 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*.

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. Three months later, on Sunday, 23 June, a Canadian Pacific freight train arrived in Vancouver with forty miles of submarine cable from the Bishop Butta Percha Company of New York.⁴⁵ Earlier in the month, Baker had chartered another sealing schooner, the *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.

⁴³ Stites, "Cable", p. 63.

⁴⁴ *Ibid.*, pp. 63-64.

⁴⁵ *Victoria Daily Colonist*, 26 June 1889, p. 4.

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 reported to Baker with bad news: the cable had been imperfectly manufactured and a number of defects were found during its off-loading. The operation went ahead in spite of the defective cable, but in May a critical break in the cable brought the enterprise to a halt.

In July the Honourable Jonathan Austin arrived from Honolulu to discuss the affairs of the Hawaiian Pacific Cable Company with Baker.⁴⁶ 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 ten 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 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 "rotton cable". But the committee recommended that Bartholomew be given the second chance, which he had requested, to complete the cable.⁴⁷

Baker concluded his series of meetings with Austin by authorizing the transmission of some \$25,000 in company funds to the Honolulu bank of Bishop and Company. 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.

⁴⁶ Baker, 12 July 1890.

⁴⁷ Stites, "Cable", p. 64.

Nothing further in the way of construction was ever done by the company. Bartholomew threatened Baker with a lawsuit and the Bishop Gutta Percha Company continued to try and collect a bill of some \$1,700 for a number of years.⁴⁸ It was not until January 1897 that Baker remarked in his journal, "H.P. Cable Co. 'gone in'."⁴⁹ One of the boldest of his business endeavours — and certainly his most costly failure — was at an end.

Adversity, short of financial ruin, did little to dampen the spirit of these early entrepreneurs, however. As the cable company came to a halt, Baker was already launched on the most active company-forming decade of his career. During the 1890s he and a variety of partners incorporated over ten companies, in spite of a severe economic depression spanning several years in the middle of the decade. They set up land development, saw-mill, mining and utility companies to capitalize on the Kootenay boom, railway companies to partake in the craze of proposed railway construction (with their attendant land grants), and a variety of other business ventures. One or two failed and nothing ever came of the railway companies, but the others were all profitable to some degree.

The 1890s were in many ways the last decade for this particular breed of entrepreneur and also for their principal headquarters, Victoria. Baker noted the transfer of power from Victoria to Vancouver in the summer of 1898 in his journal entry: "Everything going on in Vancouver and nothing in Victoria".⁵⁰ A few years later, he remarked on the lack of business initiative in Victoria, "... worried about future of Victoria from a business standpoint".⁵¹ His own interest in new business was reflected in this last notation; it was the end of his creative business years.

Generally, society's leaders are a product of the society that they lead as well as a force helping to shape that society. This is apparent in early British Columbia, particularly in connection with the entrepreneurial spirit of the community. For much of the period until 1900, most members of society, especially in its upper ranks, saw business, progress and the public good as one and the same thing. This attitude attracted and encouraged the entrepreneur, who in turn fostered within the community an appreciation for an aggressive business life.

Victoria dominated the province during much of these early years and among the characteristics of its society can be seen the condition that favoured entrepreneurship. This society was more English than Canadian

⁴⁸ Baker, 26 April 1904.

⁴⁹ Baker, 27 January 1897.

⁵⁰ Baker, 1 July 1898.

⁵¹ Baker, 2 May 1903.

or American in its composition and it easily adopted the social customs of the English gentry. In business, however, it followed the American tradition with no apparent conflict of ethics. It was a tradition that saw the entrepreneur as a hero in the national epic, the conquering of the frontier. It also approved of the economic rewards and accorded social recognition to those who succeeded in business. This American tradition, transplanted in Victoria from San Francisco, was a major factor in creating the atmosphere that inspired and made possible the entrepreneurial activity of Baker and his contemporaries.