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See table of contents

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HALIFAX 1815-1914: "COLONY TO COLONY"

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The classical view of nineteenth-century Halifax maintains that, as a garrison community, dependent on the fortunes of war, the town endured "a long trance" while peace prevailed between 1815 and 1914. Preliminary research suggests, however, that the dynamics of economic and social change in the Nova Scotian capital were more complex than conventional wisdom allows. Significantly, while the transition to peace after 1815 occasioned acute community dislocation, circumstances generated not so much apathy as entrepreneurial self-assertion. Led by such notables as Enos Collins and Samuel Cunard, the resident merchant community vigorously pursued the eighteenth-century Loyalist ideal of making Halifax the dominant commercial entrepôt within eastern British America. Concentrating their efforts on the fisheries, the West Indies carrying trade, and the export of timber to Britain, local capitalists demonstrated that the port could prosper as a peacetime trading centre. By the early 1830s, more goods were crossing Halifax's docks than during the peak years of war. Furthermore, the town's population, which had declined to 11,156 in 1817, had risen to an estimated 16,000 by 1832.

Unfortunately, this initial expansionist thrust could not be sustained. The mid-1830s found the port caught in the throes of recession, precipitated by the bankruptcy of a canal project designed to link the capital with the Bay of Fundy hinterland. Contributing to the prevailing sense of crisis were currency and credit disruptions resulting from warfare among local bankers, along with signs of chronic decline in the British Caribbean economy. The accelerating drive against tariff protection in Britain also raised fears that Halifax would be exposed to competitive pressures that would devastate its commerce. Merchant morale further declined when economic dislocation mobilized discontent among local shopkeepers, an agitation given greater intensity by ethnic self-assertion among local Irish Roman Catholics who formed roughly one-third of Halifax's population. Fifteen years debate over the merits of mercantilism and oligarchy culminated in the late 1840s with free trade and responsible

government being imposed on a reluctant Halifax gentry. Pessimists among the elite predicted that the triumph of reform would perpetuate commercial recession and drive men of property from the community.

Prophesies of ruin were not borne out, however, and the mid-Victorian years proved to be a time of growth and consolidation for Halifax. Income derived from resurgent international demand for Maritime staple exports was reinforced by profits earned in the international carrying trade. Commercial expansion meant that, by the early 1870s, Halifax entrepreneurs controlled five banks, five marine insurance companies, three fire insurance companies, a telegraph company, and, in addition, had established a stock exchange. The city (as of its incorporation in 1841) also possessed six steamship lines, 16 newspapers, and a full array of private philanthropic organizations, including several artisan friendly societies. Prosperity relaxed political tensions and allowed the urban-dominated Liberal party to ally itself with Tory merchants to promote Halifax's metropolitan expansion by means of railways. The provincially built rail lines, which linked the capital with Nova Scotia's central interior by the mid-1860s, did little to alter the pre-industrial character of Halifax, but they did reinforce its claim to function as a regional metropolis. Although Saint John remained a powerful local rival, by 1871 Halifax had regained the lead in population lost to the New Brunswick port in the 1830s. The two mid-century decades had seen Halifax grow from 20,749 to 29,582, and also engage in significant surburban expansion, thanks to acquisition of a horse-drawn street railway system. Reflecting the spirit of the times, the tax-conscious merchants and tradesmen who ran Halifax's municipal administration appropriated the local water works and launched an activist programme of sewer, street, sidewalk, and school construction. Public and private enterprise together raised the assessed value of Halifax property from $10.5 million in 1850 to $19.8 million in 1874.

Mid-Victorian expansion inspired one contemporary to predict that, in fifty years, Halifax would have half a million residents. Such expectations were not realized. The general international recession which set in during the early 1870s dealt Halifax a severe blow.

Assessed property values, for example, had declined to $14.5 million by 1881. Contraction of the tax base, combined with problems in collecting back taxes, almost bankrupted the city administration which, during prosperity, had increased its debt burden from circa $95,000 in 1857 to $1.2 million in 1872. The citizenry averted municipal financial collapse through reorganization and retrenchment, but they had less success in generating long-term economic recovery. Recession turned into chronic stagnation. Halifax's population growth rate slumped from 20 per cent to 6.5 per cent per decade, with the result that the number of inhabitants rose but sluggishly from 36,100 in 1881 to 40,832 in 1901.

This loss of vitality traditionally has been attributed to entrepreneurial failure. Confronted by sweeping economic and technological modernization which intensified competition and rendered old development strategies obsolete, Halifax's business leaders are said to have retreated to a passive "rentier" mentality. Supposedly typical was the Halifax wholesaler, quick to damn the invasion of his territory by vulgar Canadian "drummers" coming via the new intercolonial railway but slow to alter his business methods in order to meet the new challenge. That image is probably overdrawn. During the 1880s and early 1890s, an alliance of Halifax entrepreneurs, led by members of the traditional merchant elite but including new men from the ranks of the professions, along with the occasional builder, manufacturer, and stockbroker, founded a variety of corporations designed to exploit the changing character of the economy. Their initiative brought into being the Eastern Savings and Loan Company, the Eastern Trust Company, two sugar refineries, and a cotton mill, enterprises which together represented a capital investment of approximately $1.2 million. A multiplicity of other corporate and non-corporate ventures, involving the production of hardware, paint, cordage, confectionary, boots and shoes, and clothing, increased Halifax's investment in manufacturing from $1.5 million in 1871 to $5.2 million in 1891. Unfortunately, business activity among late-Victorian Haligonians was essentially parochial in character. Deterred by a conservative aversion to unfamiliar high-risk ventures, as well as by the lack of any tradition

of inter-community entrepreneurial cooperation, Halifax's business elite made no sustained attempt to provide metropolitan leadership for the Maritimes' industrialization. The resulting perpetuation of regional fragmentation allowed Montreal investors to establish control over an ever increasing portion of the markets and natural resources of eastern Canada.

Circumstances changed somewhat after 1900 when the Laurier boom stimulated resurgent growth in Halifax. Bank clearings and port traffic increased by over 50 per cent; new enterprises such as Royal Securities came into existence; rail and steamer links with the outports were multiplied; and the federal government committed itself to spending $35 million in waterfront redevelopment. Capital investment in manufacturing rose from $6.6 million to $14.1 million, and the city acquired heavy industry in the form of a railway car works. The sense of participation in a process of modernization was reinforced by the unfamiliar militancy of local artisans and industrial workers in embracing international unionism and challenging traditional concepts about property rights. Middle class anxiety over erupting class conflict provided incentives for those advocating "progressive" reforms, ranging from factory legislation to model tenements and female suffrage. The Edwardian era also witnessed revitalization of Halifax's civic administration. Responding to the needs generated by population growth -- from 40,832 to 46,619 between 1901 and 1911 -- and suburban expansion, facilitated by electrification of the street railway system, the municipal authorities increased their budget by 60 per cent, from $350,000 in 1896 to $560,000 in 1912. Contemporaries found most welcome the decision to lay "permanent" paving on the city's streets and sidewalks.

Optimists claimed that events in the new century were confirming Halifax's status as "the metropolis of the Lower Provinces." In support of this conclusion, it was noted that the Bank of Nova Scotia and the Merchants' (Royal) Bank had advanced from buying up outport banks to establishing branches across Canada. Furthermore, Halifax capital had facilitated consolidation of Nova Scotia's second largest producer of coal and steel and had also built two multi-million dollar plants for the production of railway rolling stock. It had to

be admitted, however, that little had been done to check encroachments into the Maritimes by Montreal and Toronto interests. They dominated secondary manufacturing; their banks, trust, and insurance companies vied for control of the regional market; and they had taken over Nova Scotia's largest industrial complex, the Cape Breton-based Dominion Steel and Coal Company. Loss of autonomy was further accelerated when aggressive individuals such as Max Aitken and C.H. Cahan abandoned Halifax for Montreal and used their new base of operations to promote "nationalization" of the Maritime economy. The process climaxed with a series of postwar corporate mergers that almost completely reduced Halifax's business community to the status of a client of central Canadian entrepreneurship.

Halifax's ultimate failure to realize its metropolitan ambitions owed much to regional geographic fragmentation, combined with a relative scarcity of readily exploitable resources and a small population base. Nevertheless, deficient business leadership contributed to under-development. Max Aitken accused his peers of being "staid," and other observers have detected a tendency toward excessive investor caution, compounded by a defeatist mentality when confronted by major challenges. The sociological roots of entrepreneurial failure have yet to be explored. Conceivably, the presence of an imperial garrison until 1906 fostered an aristocratic disdain for total business commitment. Again, the fact that, by 1911, 82 per cent of Halifax residents were Nova Scotia born may have inhibited creative self-assertion. Whatever the cause, it can be said in conclusion that nineteenth-century Halifax followd a circular course of development. After an early experience as a colonial dependency of a European imperial metropolis, the city emerged in the mid-Victorian era to enjoy a substantial but unsustainable prosperity. It then submitted to absorption into a new colonial structure, one with its axis in the St Lawrence valley.