

Steam on the Shore: A history of the Steam Mill Company of Charlottetown

By H.T. Holman

John Gainsford and his wife were owners of a parcel of land on the South side of Water Street at the south-west corner with Great George Street. The couple had been residence of Charlottetown since at least 1821 and they had obtained the parcel bordering on the water in 1832.¹ It was valuable real estate as it was a water lot and extended to the channel and would enable to owner to build a wharf. At the time the only wharf on the waterfront was the Queens wharf, built by the colony at the foot of Queen Street. Gainsford was noted in some records as a grocer, holder of a store liquor license or a brickmaker. In 1836 he imported two steam engines, paying duty on the equipment. He petitioned the legislature the following year for a bounty to be paid on the engines and was successful to the extent that the amount of the duty was refunded to him.²

What Gainsford intended use the steam engines for is not clear but by the fall of 1836 he, along with others in the colony, had developed a proposal for a steam powered mill on the Charlottetown waterfront. Early records note a windmill on the banks of the Hillsborough River at Charlottetown and by the 1830s there were many grist and saw mills in the colony harnessing the powered of rivers and creeks. Near Charlottetown there were mills at Bird Island (now Wright's) Creek in East Royalty and two more on Ellen's Creek in West Royalty. While areas with timber production had saw mills producing plank and deals for export, it is probable that much of the wood used in Charlottetown was still handled through the use of manual pit saws. It does not appear that there was any retail selling of deals, plank or scantling for building and most timber was probably cut from logs as construction progressed.

Gainsford must have seen the business opportunity. He had the ideal location and with his two steam engines he had some of the essential equipment. What he did not appear to have was the capital necessary to build the mill and set the manufacturing in operation.

A meeting at the Commercial Inn in the fall of 1836 brought together interested parties, mostly drawn from the merchants of the colony. A constitution for a company was developed and a number of the proposed shares were subscribed. The enthusiasm for the proposal was transmitted to the newspaper in a letter which described the operation as "an undertaking so

¹ Libre 39, Folio 120

² Journal of the House of Assembly 1 March 1837, Appropriation Act . VII William IV. Cap. 33

likely to be beneficial to the town and neighborhood, cannot fail of meeting with that liberal support which (considering the short time it has been agitated) it has already experienced; and when the security its constitution affords to the subscribers is considered, it would show an apathy to the welfare of this rising Colony, if it had been met with indifference." The Royal Gazette observed that this was the first instance on the Island to establish a joint stock company.³

A document in the Peak Brecken papers at the Public Archives and Records Office shows the basis of the cost and revenue estimates. With 3000 inhabitants of Charlottetown there would be a daily consumption of 37 bushels of wheat ground for flour. In the estimate the steam mill would have one tenth of this work estimated at 1050 bushels over 300 days per year bringing in £262. A similar amount was assumed for country consumption. Oats to be ground for consumption and export would bring in another £240. The saw mill could cut 200 feet per day producing boards, scantling and plank with revenue of £300. The grand revenue total would be £1064.⁴

In mid-November 1836 a detailed prospectus for the steam mill company appeared in the Royal Gazette. It set out the need for such a commercial enterprise noting that it was to be regretted that a country famed for timber and for the production of grain should be without a steady supply of manufactured items for home consumption or export. A steam mill would convert the colony's natural resources to portable and profitable articles of export which would address this shortcoming. The prospectus called the attention of the public called to the formation of a joint stock company for the erection of a steam mill "for converting wheat, oats, barley and timber into a state fit either for domestic use, or a more profitable article of export." The advertisement pointed out the superior advantages of steam and noted that 2 high pressure steam engines, each of 5 horse-power had recently been imported. Costs included the erection of a building - £440 Island currency, a suitable site on the river front - £100, cost of engines - £460. Capital costs would total £990 but to enable the purchase of raw materials another £560 would be provided giving a total capital outlay of £1550. Revenue was estimated at £1312 per annum giving the not inconsiderable return on investment of 40%. In order to limit any losses which could be sustained by shareholders the company would automatically be dissolved in losses exceeded 1/3 of the capital. The public was advised that there remained only 30 shares to meet the number approved at the meeting for the project to go forward. To inject urgency the prospectus suggested that unless the proposal moved forward the proprietor of the

³ Royal Gazette 18 October 1836

⁴ Steam Mill Papers Item 1012.

machinery would be obliged to dispose of it elsewhere. A committee consisting of John Lawson, Isaac Smith and John Gainsford have been formed to further explore the idea.⁵

The same edition of the newspaper carried a letter from Lieutenant Governor John Harvey stating that if the venture did as was set out in the prospectus it would “confer an immediate benefit” to the colony. Although as governor he could not assist except by expressing a positive opinion on the venture he pointed out the benefits of a place where boards and scantling could be obtained as well as the advantage of having flour and oatmeal available.⁶

Further details concerning the venture were developed in a number of meetings during the month. The directors were to be James Peake, Isaac Smith, Solomon Desbrisay, Donald McDonald, T.H. Haviland, Edward Palmer and Charles Walsh, with Haviland serving as treasurer. John Gainsford was hired as superintendent and engineer and was also to serve as grist miller at no additional salary.⁷

In January 1837 a mortgage held by William Reddin on part of the Gainsford property on the water lot facing Town lot 15 in the first hundred, was cleared with the payment of £100. A further document exempted the part of the lot encompassing the shorefront and the rights over the foreshore from the mortgage.⁸ This property consisted of a parcel south of an existing stone building located on the Gainsford property and extending to the channel of the Hillsborough River.⁹ The directors decided to build a new block on the existing wharf to accommodate the mill building. The existing wharf on the site was 80 by 84 feet and an additional block measuring 74 by 60 was to be added. On the outer end of the new addition a building measuring 45 by 46 feet housing the mill would be built.¹⁰ In addition it was resolved to apply to the legislature for incorporation as a body corporate.¹¹

The Act to Incorporate the Steam Mill Company of Charlottetown was passed on 20 April 1837. It created a joint stock company of 1550 shares valued at £10 per share. In what was an unusual provision for the time it also created limited liability so that the company rather than the individual owners was responsible for the debts and that once the assets of the company were exhausted there was no further recourse to the owners. Perhaps as a further inducement to risk-averse investors the Act also said that when two-thirds of the shareholders should request

⁵ Royal Gazette 15 November 1836

⁶ Ibid.

⁷ PARO Accession 2881. Peak-Brecken Collection, Steam Mill Company Papers [herein after Steam Mill Papers] Item 951

⁸ PARO Conveyances Gainsford to Reddin 14 May 1836 Libre 43 folio 568

⁹ PARO Conveyances Gainsford to Peake, Palmer et.al. Directors of the Charlottetown Steam Mill Company 28 May 1837. Libre 46 folio 55

¹⁰ Steam Mill Papers item 966,967, 969

¹¹ Steam Mill Papers Items952-953

or when the accounts of the company showed that when the losses amounted to one-third of the capital the company would be dissolved.¹²

By March the venture appears to have been underway with an ad appearing seeking spruce, pine and hemlock timber, saw logs, scantling and pine shingles.¹³ Tenders for the building of the mill and for an addition to the wharf were called early in May and later in the month additional tenders for mason's work, haulage and stone and brick construction were advertised.¹⁴ Local builders Smith & Wright received the contract for the mill building and Percival & Hall were to build the addition to the wharf.¹⁵

With construction underway shareholders were called on to make installment payments on their pledges in August and a final call for payments to be completed in November.¹⁶

The well, which was necessary to supply fresh water to the engines was tendered in September as was the frame and setting for the mill stones and arrangements were made to have coal purchased from the General Mining Association in Pictou brought to Charlottetown before the Strait froze over.¹⁷

Gainsford had made a trip to Miramichi in September to look at a mill proposed for that location. He reported to the directors that although the price for logs was higher in P.E.I. than in Miramichi the spruce logs were inferior to those on P.E.I. "being generally shakey." Further, their mill would cost £30,000 for 60 horsepower while the Charlottetown mill would be less than £2,000 and would have a grist mill in addition to the saw capacity.¹⁸

At that point activity seems to have ground to a halt. However shareholders became impatient to begin to see some revenue from the venture. A meeting on 31 November 1837 was called "to adopt measures for putting the Mill into immediate operation." Instead, the shareholders were presented with a general statement of the affairs of the company which was not encouraging. Expenses to that date amounted to £1510 but only £1184 had been paid on the shares leaving a deficit of over £325. Of that amount there remained £128 to be remitted on pledged shares. An additional 20 shares would be authorized which could bring in £200 more. This left a balance of just over £2 in the hands of the treasurer. However, there still remained £60 to be spent to complete the facility. On the plus side, in addition to the assets of building, equipment and wharf property the company had 130 chaldrons of coal on site and about 150

¹² An Act to Incorporate the Steam Mill Company of Charlottetown VII William IV. Cap. 8 (herein after Steam Mill Act)

¹³ Royal Gazette 14 March 1837

¹⁴ Royal Gazette 2 May, 30 May 1837,

¹⁵ Steam Mill Papers Item 955

¹⁶ Royal Gazette 29 August, 31 October 1837

¹⁷ Steam Mill Papers Item 959

¹⁸ Steam Mill Papers item 1008

tons of saw logs. The value of these raw materials was £161 and with the full share subscription there would be a surplus of over £100. This, in spite of the overage on purchase of the land and building of an enlargement to the wharf of about £300, meant that the directors could claim that "Actual costs exceeds very little the original estimate." It was still a far cry from the 40% return on investment which had been noted in the prospectus and even that modest amount still depended on additional revenue from the purchase of shares.¹⁹

Shareholder meetings were called in January, July and August of 1838.²⁰ Funds were in short supply. A letter in May 1838 from Edward Palmer seeking direction regard a payment to the General Mining Association was met with the response the no funds were on hand and that he should request additional time to pay.²¹ Company minutes show however that at the meeting on 6 July the shareholders were told that the amount expended beyond the existing capital was £328.²² A week later the directors were ordered to obtain an estimate of the cost of completing the engines and report back to shareholders.²³ At a directors' meeting in August the company responded to a legal action for payment for saw logs coal by asking for time and a plan to sell the coal and logs to satisfy the claim.²⁴ A meeting of shareholders in July 1838 saw an estimate of £30 "to set the whole in complete operation."²⁵ But an undated estimate which may date from the same period shows work on the amount of £200 was required.²⁶

A meeting called for 5 September 1838 was ominous. The shareholders would gather at the Commercial Inn "For the purpose of taking into consideration the expediency of ordering a Sale of the Land and Premises and all effects of the Company for the benefit of all concerned."²⁷ This was in accordance with section 12 of the Act which required that the company be wound up when either two-thirds of the shareholders do ordered or one third of the capital had been lost.²⁸

After this meeting things moved quickly. The Steam Mill was offered for sale. The offer included the property, mill building complete with gear and machinery for 5 saws and a circular saw and 2 pair of grindstones set and needing only a little additional apparatus to set them and a third pair in operation, two 5 horsepower Liverpool steam engines with boilers supplied. In addition there was a well and a most eligible suite. If the whole was not sold before 10 October 1838 it

¹⁹ Royal Gazette 5 December 1837

²⁰ Royal Gazette 2 January, 3 July, 31 July 1838

²¹ Palmer to Gainsford 7 May 1838. Steam Mill Papers item 979

²² Steam Mill Papers Item 962

²³ Steam Mill Papers Item 963

²⁴ Steam Mill Papers Item 965

²⁵ Steam Mill Papers Item 981

²⁶ Steam Mill Papers item 983

²⁷ Royal Gazette 4 September 1838

²⁸ Steam Mill Act

would be sold by auction. At the auction James Peake won the sale with a bid of £460. It may have been just a coincidence that this amount for entire operation; land, wharf, mill, engines and equipment was the same price that Gainsford had received in 1836 for the steam engines alone.

The ratification of the sale took until March 1839 when the decision to dissolve the company was taken. The conveyance to Peake was finalized in May.²⁹ The final meeting of the Company appears to have been held on 4 September 1839 at which the final arrangement of affairs was presented. The outstanding accounts were listed and totalled over £528. The largest creditor was James Peake who was owed more than £140. Although most of the accounts were for less than £20 there were other big losers. Contractors Smith & Wright were still owed £90, Merchant Charles Davidson was out £59 and the General Mining Association lost £50. Offsetting this were some receivables payable to James Peake, most of which were unlikely to be repaid.³⁰

The name Steam Mill wharf continued to be used into the 1840s. The wharf was the site of the British North American Circus for its Charlottetown appearance in 1843³¹ and is noted the following year in connection with the launching of the vessel *Gulnare* built by Peake and Duncan for Quebec ship-owner William Stevenson.³² It was not long, however, before the name fell out of use and the property simply became part of the Peake complex of wharves.

²⁹ PARO Conveyances. Steam Mill Company to Peake 27 Amy 1839 Libre 47, folio 311

³⁰ Steam Mill Papers Item 966

³¹ Morning News and Semi-weekly Advertiser 18 October 1843

³² Morning News and Semi-Weekly Advertiser 22 May 1844