

exist. Moreover, with parliamentary approval, it was possible to raise the amount of shares the company was permitted to sell. Both these options would be used by the management of the Canadian Navigation Company. Moreover, throughout its career the company never failed to pay a dividend, a record its chief competition the Grand Trunk Railway never began to match.²⁷

Following a policy rather tentatively initiated by John Hamilton in the last desperate season before his assignment, the Company also expanded to absorb new lines. For a period of ten years it leapfrogged the Richelieu Company and ran a summer line from Quebec to the new resorts on the lower St Lawrence and the Saguenay. In 1867 it bought out the capital stock of the last major American steamboat company on Lake Ontario and transferred the vessels to Canadian registry. This expansive tendency, after the company merged with the Richelieu Company, made the new Richelieu and Ontario Navigation Company one of the most aggressive on the lakes, a spirit which it, in turn, would bequeath Canada Steamship Lines.²⁸

How then can we begin to draw the experience of the Lake Ontario and Upper St Lawrence passenger steamboat lines into the context of line development elsewhere. Five models of line development have been identified on the upper St Lawrence and Lake Ontario in the period 1829 to 1875, beginning with a loose coalition of vessels running between the same ports on complementary schedules. The second model was a combination of owned and chartered vessels, characterized by centralized management. This was succeeded by the “sub-contract” model, which sacrificed centralized management for a much looser organization with risks more widely spread. The principal difference between this and the “cartel” model was that in the former the contracts imposed a hierarchy while the latter used a distribution of power similar to holding shares in a joint stock company. The final model was that which combined centralized management with diffuse ownership through the medium of the joint stock corporation.

In terms of vessel ownership the lines were much closer to the pattern of development on the Mississippi-Ohio river system than on the deep sea. Much of the reason for that probably lies in the fact that the vessels operating on Lake Ontario were usually required to navigate the St Lawrence locks and were thus limited in size to the capacity of these public works. While the vessels became more expensive in terms of hull construction, as iron was more extensively employed, and in terms of the palatial accoutrements considered essential to attract cabin passengers, the size of the vessel was essentially limited to 250 tons (old measurement). This class of vessel was much more easily financed by individuals than were the increasingly large steamships which came to dominate the ocean

²⁷ LAC, RG 12, A1, v. 178, pp. 5-6; v. 206, pp. 299, 307; v. 179, p. 50; Canada, *Statutes*, 31 Vic., c.

²⁸ *British Whig*, 29 Oct. 1867, 19 June 1869. Arthur Bueis, *Le Saguenay et La Vallée du Lac St.*