

The Other Louisbourg: Trade and Merchant Enterprise in Ile Royale 1713-58*

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Studies highlighting the economic rather than the military history of eighteenth-century New France have never given much attention to Louisbourg and Ile Royale. Ile Royale has typically been characterized as "little more than a buffer zone protecting the approaches to Canada." Even when its purchases of Canadian foodstuffs have been noted, the colony has been judged too small a market to be significant in New France's trade. Louisbourg remains the costly ineffectual fortress where economic activity was the preserve of corrupt officials and New England smugglers.¹

In fact, Ile Royale was a major participant in the surge of French maritime trade that followed the Treaty of Utrecht. Within a few years of its foundation in 1713, the new colony was producing and exporting stocks of cod worth about three times as much as Canada's annual beaver fur exports (Tables 1 and 2), though Ile Royale was only one of several areas where the French fishing fleets exploited the cod resource. Cod production on this scale allowed Ile Royale to build a maritime trade that rivalled Canada's in absolute value and far exceeded it on a per capita basis. Furthermore this trade saw a significant degree of colonial participation, and a merchant community quickly developed in Ile Royale. The growth of that community and its response to the harder times which began about 1740 provide material for a useful comparison of the commercial experiences of the two branches of New France, the one in the Saint Lawrence river valley and the newer, smaller one on Cape Breton Island.

Ile Royale's only product was dried cod. The patterns of settlement and labour recruitment dictated by the fishing industry limited the development of other industries and of subsistence agriculture. As the colony grew larger, its demand for imported supplies of all kinds increased. As a result Ile Royale used its large volumes of cod to pay for imports not

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¹ This interpretation, developed in the histories of Garneau, Parkman, and Wrong, has been challenged only by J.S. McLENNAN, *Louisbourg from its foundation to its fall* (London: Macmillan, 1918). Canadian wheat shipments to Ile Royale are studied in J.S. PRITCHARD, "Ships, Men and Commerce: a Study of Maritime Activity in New France" (Ph.D. dissertation, University of Toronto, 1971). The quotation is from W.J. ECCLES, *The Canadian Frontier 1534-1760* (New York: Holt Rinehart Winston, 1969), p. 3.

only of its food supplies but also of virtually all the other components of its material culture. Within five years of its foundation, Ile Royale was selling its cod and buying supplies through trade with five regions: France, the French West Indies, Canada, the British American colonies, and Acadia. France sent preserved food, wine, fishing equipment, cloth, and a wide range of European manufactures in exchange for cod, much of which it sold in Spain and the Mediterranean. The West Indies sent rum and other sugar products, buying cod, livestock, and building materials. Canada sent wheat, dried vegetables, and a little tobacco and bought French and West Indian goods, The British colonies, principally Massa-

Table 1. FISH CATCHES AT ILE ROYALE
(in quintals)

Year	1) Residents' Catch	2) Total Catch	3) 1 as % of 2
1718	76,000	156,000	48.5
1719	85,120	156,520	54.3
1721	78,000	125,600	62.1
1723	72,000	121,160	59.4
1726	104,000	140,000	74.2
1727	80,305	114,680	70.0
1730	121,454	165,630	73.3
1731	128,645	167,540	76.7
1733	108,904	165,345	65.8
1734	107,272	139,810	76.7
1735	109,017	142,495	76.5
1736	112,957	151,110	74.7
1737	119,857	149,300	80.2
1738	116,859	152,470	76.6
1739	100,161	143,660	69.7
1740	82,228	123,150	66.7
1742		83,410	
1743	61,249	88,720	69.0
1744	44,612	69,430	64.2
1751		95,580	
1752		83,130	
1753	78,940	98,450	80.1
1754	86,240	97,729	88.2

Sources: Statistics delivered yearly to the Ministry of Marine by the office of the ordonnateur at Louisbourg. Specifically: A.N., Col., C11B, Vol. 3, fol. 206 (1718); Vol. 4, fol. 223 (1719); C11C, Vol. 9, fol. 9 (1721); C11B, Vol. 6, fol. 245 (1723); Vol. 8:230 (1726); Vol. 9:259 (1727); Vol. 11:69 (1730); Vol. 12:64 (1731); Vol. 13:243 (1732); Vol. 14:232 (1733); Vol. 16:120 (1734); Vol. 17:90 (1735); Vol. 18:170 (1736); Vol. 20:21v (1737); Vol. 20:220 (1738); Vol. 21:152 and Vol. 26:225 (1739); *ibid.* and Vol. 23:160 (1740); Vol. 26:216 (1742); Vol. 26:209 (1743); Vol. 26:227 (1744); A.N., Marine, G, Vol. 54 (1751-52); A.N., Col., C11B, Vol. 33:436, 437, 495 (1752-54).

Note: The residents' catch for some years was determined by multiplying the number of resident owned vessels by the recorded average catches of schooners and shallops that year. The European value of Ile Royale cod was estimated at 20 to 25 *livres* per quintal. This was roughly twice the wholesale price in Ile Royale. In addition, each 100 quintals of cod produced one *barrique* of cod oil worth 100 to 110 *livres* in Europe.

Table 2. EUROPEAN VALUE OF COD AND FUR EXPORTS
(in livres)

Four Year Averages	Estimated European Value of Ile Royale Cod	Canadian Furs at La Rochelle
1718-21	3,183,000	465,783
1722-25	3,212,920	635,951
1726-29	2,672,090	1,221,272
1730-33	3,502,912	1,181,830
1734-37	3,089,218	967,903
1738-41	2,976,828	1,098,208
1742-45	1,729,000	1,946,980
1746-49		1,160,707
1750-53	1,950,615	1,413,625
1754-57		1,985,348
1758-61		506,125

Sources: Cod: Same as Table 1.

Beaver: A.J.E. Lunn, *Economic Development in New France 1713-60* (PhD dissertation, McGill University, 1947), p. 464.

Note: The estimated values of cod exports for 1720, 1722, 1724, 1725, 1728, 1729, 1732, 1741, and 1745 are unknown and do not figure in the table. Canadian sales are the values recorded in La Rochelle by the Chambre de Commerce. The Ile Royale figures are projected revenues rather than actual earnings. Local officials based the projection on annual estimations of current European prices.

chusetts,² sent fresh food, large quantities of lumber and brick, and several vessels annually, to be exchanged for rum and molasses. Acadia marketed its furs, fish, livestock, and wheat at Louisbourg and bought European hardwares. This network, a diversified trade which added re-export business to the exchange of locally produced cod for imported supplies, was firmly established in Ile Royale by 1720.³

Ile Royale's success within this framework can best be examined by reference to the colony's economic position around 1737. Not only was the period 1735-40 one in which trade was relatively well documented, it was also the culmination of a quarter century of stable conditions and growing volumes of trade, soon to be superceded by a period of challenge and change.

By 1737 immigration and demographic growth had given Ile Royale and its dependency Ile Saint-Jean a population of 5181 residents. Nearly 2,000 of these colonists lived in Louisbourg.⁴ As the colonial capital, designed and fortified by military engineers, Louisbourg was home to most

² Except for a few ships from New York, New England vessels monopolized this trade. A.N., Colonies, F2B, Vol. 11, Tableaux de Commerce, *passim*.

³ The earliest yearly record of shipping, for 1719, shows arrivals from all five regions. Archives Nationales, Outre-Mer, G1, Vol. 466, no. 59, *Recensement des vaisseaux...* 1719.

⁴ A.N., Outre-Mer, G1, Vol. 466, nos 67-76, Recensements de l'Ile Royale.

of the colonial administration⁵ and to a garrison of nearly 600 soldiers, mostly of the colonial regular troops. It was also the colony's commercial centre, far outstripping the other settlements as a destination for trading vessels. Louisbourg had the port facilities, administrative agencies, and commercial support industries which trade required and it had become the home of most of the colony's merchants. Coastal shipping linked Louisbourg and the outports, most of which appear to have been economic satellites of the capital.

In 1737 trade with France, the Antilles, New England, Canada, and Acadia brought 130 trading vessels to Ile Royale, mostly to the port of Louisbourg.⁶ With a combined tonnage in excess of 7,500 *tonneaux*, the ships brought cargo worth a recorded value of 1,418,680 *livres*. Fifty-one vessels from France carried the greatest proportion of these goods: 1,022,600 *livres*, or 72 percent of all imports. The French West Indian islands were the second most important source of imports. In nineteen ships from Grenada, Martinique, Guadeloupe, and Saint-Domingue came cargo worth 247,050 *livres*, 17 percent of all imports. The other three regions trailed far behind. The British colonies sent 103,000 *livres*, about 7 percent of imports. Canada and Acadia together sent about 4 percent of Ile Royale's imports, with sales of 23,850 *livres* and 22,990 *livres* respectively. The small Canadian sales of 1737 cannot be taken as typical, for a severe crop failure had almost eliminated Canada's ability to export grain that year. During the 1720s and 1730s, Ile Royale had come to depend on large imports of wheat and flour from Canada, the colony's major supplier of these products. Forewarned that Canada would not fulfil this supply role in 1737, Ile Royale turned to France and New England for its wheat requirements. Wheat products worth at least 100,000 *livres* were brought from France and about 25,000 *livres* worth of the same goods came from New England to replace the missing supplies from Canada, which had sent wheat products worth 150,000 *livres* or more in each of several previous years. Hence France and New England were unusually well represented in the imports of 1737, while Canada's sales were much smaller than usual. Comparing the 1737 figures with partial data for other years suggests that had Ile Royale drawn its normal amounts of grain from Canada in 1737, Canada would have provided about ten percent of Ile Royale's total imports.⁷

The cargoes exported from Ile Royale were less completely recorded. Vessels from Europe hauled away cargo worth 1,082,400 *livres*, 147,000 *livres* worth was purchased by vessels from the West Indies, and

⁵ As a part of New France, Ile Royale was theoretically under the authority of the Governor-General in Québec, but the local government reported directly to the Ministry of Marine in France. Ile Royale and Canada were virtually separate colonies within New France.

⁶ The following statistics of Ile Royale's trade in 1737 are based on A.N., Colonies, C11C, Vol. 9, fol. 50-95, "État des cargaisons..." See below, Table 3.

⁷ On the crisis in wheat supply, see A.N., Col., C11B, Vol. 19, fol. 1, St-Ovide et LeNormant, 2 juin 1737 and *ibid.*, fol. 129, LeNormant, 28 décembre 1737. For Canadian imports in other years see Table 3.

Table 3. RECORDED VALUE OF IMPORTS AND EXPORTS OF ILE ROYALE

<i>Imports</i>						
Year	France	Antilles	American colonies	Canada	Acadia	Total
1732				202,500		
1733				67,300		
1735				241,300		
1736				167,000		
1737	1,022,579	247,049	102,198	23,851	22,994	1,418,680
1739	770,209	288,870	50,478	142,452	25,865	1,277,881
1740	641,302	269,315	49,147	196,403	27,130	1,183,298
1741	582,269	282,911	40,343	282,514	56,946	1,244,986
1742	726,742	414,722	(.....)	284,717	(.....)	1,429,181
1743	817,555	566,078	(.....)	417,818	(.....)	1,802,443
1752	1,124,137	1,180,246	488,037	13,276		2,805,696 +
1754	1,437,256	1,188,917		39,607		2,665,780 +
<i>Exports</i>						
Year	France	Antilles	American colonies	Canada	Acadia	Total
1737						1,499,448 +
1739						1,258,987
1740	1,175,756	242,804	70,678	53,439	19,208	1,571,885
1741	859,715	477,849	42,355	43,114	35,998	1,459,031
1742	943,365	256,326	(.....)	189,547	(.....)	1,389,238
1743	878,565	482,917	(.....)	458,032	(.....)	1,819,514
1752			654,680			
1754	778,757	656,353		75,575		1,510,685 +

Sources: A.N., Col., F2B, Vol. 11, Tableaux de commerce (1732-36, 1752-54); Col., C11C, Vol. 9, fol. 50-95 (1737); Col., B, Vol. 70, fol. 400 (1739); *Ibid.*, Vol. 72, fol. 442 (1740); *Ibid.*, Vol. 74, fol. 581 (1741); *Ibid.*, Vol. 76, fol. 510 (1742); *Ibid.*, Vol. 78, fol. 405 (1743).

Note: A plus sign in the totals column indicates that the total given is incomplete due to missing data. The combined figures given for trade with Canada, Acadia, and the American colonies in 1742 and 1743 are largely composed of exports to and imports from the American Colonies, since trade with Canada and Acadia was limited.

Canadian vessels bought 72,000 *livres* worth, but the destinations of these cargoes were not specified. Cod was overwhelmingly the most important item in these recorded exports: 1,448,000 *livres* out of 1,459,500 *livres*. Unfortunately, exports to New England and Acadia went unrecorded in the 1737 trade records. Sugar, rum, and other Caribbean goods, omitted from the export record, were the most valuable exports to New England. Judging by the amount of these products imported, the volume of shipping between Ile Royale and New England, and New England's purchases in other years, the missing exports to New England and Acadia should have approached 200,000 *livres* in 1737.⁸

Though the statistics are certainly imprecise, the 1737 trade figures summarized above give valuable evidence of the size and structure of the

⁸ *Ordonnateur* LeNormant de Mesi, under whose supervision the 1737 table figures were compiled, discussed the omissions in the table in A.N., Col., C11B, Vol. 19, fol. 143, 31 décembre 1737.

trade network Ile Royale had built in its first quarter century. Table 3 records a total trade of 2,918,000 *livres*, with imports and exports almost even. If the corrections suggested by *ordonateur* LeNormant de Mesi are made, the total rises to nearly three and one half million *livres*. Moreover, there are enough figures from earlier years to confirm that 1737 was atypical only in the low level of imports from Canada.

Ile Royale's volume of trade in 1737 was large enough to make it one of the most trade-oriented colonies on the continent. With a population about one-ninth that of Canada, Ile Royale was shipping nearly the same value of merchandise as its older counterpart. As a result, Ile Royale's earnings from its export sales were approximately 370 *livres* per colonist in 1737, when the comparable Canadian figure was about 40 *livres*. Among eighteenth-century North American colonies, only Newfoundland could show per capita exports as large or larger than Ile Royale's. (Table 4) Such a large volume of trade does not mean Ile Royale was richer than other colonies, for it produced almost nothing but cod and had to pay for imports of almost all it consumed. Rather, the per capita figures demonstrate the importance of trade to Ile Royale. Reliance on external trade was basic to the economy and society of Ile Royale.

Table 4. PER CAPITA EXPORTS, VARIOUS COLONIES, 1735-72

Colony and year	Exports (<i>livres</i>)	Population	Per Capita Exports (<i>livres</i>)
Ile Royale, 1737	1,700,000	4,618	368
Ile Royale, 1754	2,000,000	5,900	338
Canada, 1735-39	1,776,000	39,000	45
Canada, 1739	1,461,000	39,627	37
Newfoundland, 1740s	6,000,000	7,000	857
Newfoundland, 1770	7,200,000	12,000	600
New England, 1768-72	9,780,000		17
Middle colonies, 1768-72	11,440,000		22
Upper south, 1768-72	23,620,000		59
Lower south, 1768-72	12,280,000		65

Sources: Canadian exports 1735-39: A.J.E. Lunn, *Economic Development in New France 1713-60* (PhD dissertation, McGill University, 1947). Canadian exports 1739: Jean Hamelin, *Economie et Société en Nouvelle-France* (Québec, Presses de l'Université Laval, 1960), p. 33. Canadian population estimate: Guy Frégault, "Essai sur les finances," in *Le XVIII^e Siècle: Études* (Montréal, HMH, 1963). Newfoundland: based on data in C. Grant Head, *Eighteenth Century Newfoundland* (Toronto, McClelland and Stewart, 1976), pp. 65, 82, 141. Thirteen Colonies: James F. Shepherd and Gary Walton, *Shipping, Maritime Trade and the Economic Development of Colonial North America* (Cambridge: at the University Press, 1972), p. 47.

Note: Sterling values for the British colonies have been converted to *livres* at 20 *livres* per pound. The accuracy of the figures for the Thirteen Colonies is questionable, since the same source seriously underestimates the exports of Canada and Newfoundland in the 1768-72 period. However, even a substantial increase in these regions' exports would not bring them close to the per capita figures for the fishing colonies.

Table 5. THE BUDGET OF ÎLE ROYALE
(in livres)

Year	Income				Expenditures	Surplus (Deficit)
	Colonies	Extraordinary	Fortifications	Total		
1721	151,871	11,084	80,000	242,955	242,954	
1722	124,740	4,020	80,000	209,661	192,353	17,308
1723	144,289	6,817	130,000	281,105	267,761	13,344
1724	151,485	9,601	150,000	311,087	298,831	12,256
1725	116,941	3,960	150,000	270,901	270,899	
1726	136,911	8,879	150,000	295,701	295,790	(89)
1727	144,889	14,939	150,000	309,829	309,790	
1728	— 139,056	—	150,000	289,056	286,746	2,310
1729	— 155,112	—	150,000	305,112	292,324	12,798
1730	154,283	4,007	152,700	311,162	311,162	
1731	149,965	5,067	128,900	300,427	300,427	
1732	167,362	420	128,900	296,682	296,682	
1733	179,784	583	130,335	310,704	310,703	
1734	179,441	575	128,900	313,587	313,586	
1735	209,091	492	128,900	338,484	338,481	
1736	205,389	2,437	128,900	337,370	337,370	
1737	216,012	1,133	128,900	346,045	346,044	
1378	215,123	218	128,900	349,455	349,455	
1739	— 176,005	—	128,900	304,905	309,904	
1740	224,586	2,892	128,900	355,830	355,845	
1741	247,314	5,284	128,900	380,701	380,702	
1742	232,269	4,974	128,100	365,346	365,345	
1743	352,650	14,709	128,100	495,461	495,468	
1744	335,825	83,553	128,100	547,480	547,436	44
1749	1,082,569	6,241	48,420	1,137,231	1,194,724	(57,592)
1750	851,478	532,634	143,200	1,527,312	1,463,086	64,266
1751	846,791	89,761	28,400	964,952	1,369,560	(404,608)
1752	1,184,095	350,259	80,000	1,614,354	1,305,355	308,998
1753	422,035	349,938	51,720	823,693	892,834	(69,141)
1754	456,300	208,693	82,000	806,993	960,907	(150,914)
1756					1,069,574	
1757					1,113,691	

Sources: A.N., Col., C11C, Vols. 11-14, *Bordereaux des recettes et dépenses*, except for 1756, which is from A.N., Col., F3, Vol. 51, p. 478.

Île Royale's trade was roughly in balance in 1737. Data for the years before 1737, moreover, suggest that favorable trade balances were common. Growing volumes of shipping between 1719 and 1737 suggest that the colony's imports were growing steadily along with the population.⁹ The amount recorded in 1737 was probably one of the largest annual imports. Records of the fish catch (Table 1), on the other hand, show that the amount of fish available for export had often been as large or larger than in 1737, so export surpluses likely were common in previous years. In addition to the generally favorable trade balances, substantial government spending contributed to Île Royale's balance of payments. In 1737, government spending in Île Royale totalled 346,045 *livres*, just slightly more than the average figure for the decade 1731-40, which in turn had grown from the average of the previous decade (Table 5). For the de-

⁹ MOORE, *op. cit.*, Table 1.4.

cade 1731-40, annual government investment in Ile Royale averaged about 77 *livres* per colonist, at a time when the larger Canadian colony received about nine *livres* per head.¹⁰ This generous funding, which saved Ile Royale from the budget deficits which were chronic in Canada, also provided an important source of specie. The relative abundance of coinage in Ile Royale, which never needed the card money substitutes on which Canada relied in this period, is further evidence of a favorable balance of payments.

Though France was Ile Royale's major trading partner in the years up to 1737, the trade figures of that year show how actively the colony traded with several other widely dispersed regions. The flexibility which this variety of trade routes gave to Ile Royale was demonstrated in 1737 by the colony's success in avoiding harm when imports failed to arrive from one of its suppliers, in this case Canada. Even in Canada's best wheat exporting years, Ile Royale was in no sense an appendage of the larger Canadian colony. Ideally located for trade with European and colonial destinations and abundantly endowed with a product for which demand was unailing, Ile Royale had developed a diversified trading system in which Canada was a small but useful part.

Ile Royale's vigorous trade was based on the production of dried cod, in which Ile Royale replaced and soon surpassed the ceded colony of Plaisance in Newfoundland. Since the methods of the cod fishery had been established long before the foundation of Ile Royale, the new colony was able to produce large volumes of cod without a long period of experimentation. In 1713 and 1719, cod catches amounted to about 156,000 quintals, totals not surpassed until 1730, when the catch rose to 165,000 quintals. The 1737 catch was 147,000 quintals.¹¹

As significant as the volume of cod produced was the proportion of the total catch taken by the local residents. Fishing fleets based in France came annually to Ile Royale as well as to other regions in Newfoundland and on the continental coast, but in 1719 the residents took just over half of all the fish caught at Ile Royale and established a lasting ascendancy over the visitors. In 1721 residents took 62 percent of Ile Royale's total catch, and their share continued to grow. By the 1730s, resident fishermen usually took about three quarters of the catch. Local control of the cod resource had been established.

The residents' share, worth well over one million *livres* in most years, was shared by between eighty and one hundred competing firms run by individual colonists. Most of these entrepreneurs has few more than the minimum practical number of boats and employees, and they relied on credit when purchasing the food, salt, fishing equipment, and other supplies that their businesses required. Since the cost of these supplies amounted to perhaps one-third of the gross earnings of the fishing

¹⁰ *Ibid.*, Table 1.8. Figures for Canada taken from Guy FRÉGAULT, "Essai sur les finances...", *Le XVIIIe Siècle: Études* (Montréal, HMH, 1968).

¹¹ One quintal is 100 *livres* (50.9 kg) of dried cod. See Table 1.

industry,¹² the supply trade created by the local fishing proprietors was substantial, providing opportunities for merchant commerce in the colony. From the start, Louisbourg had a thriving merchant community.

In merchant trade as in the fishing industry, residents had to compete with visitors, but again the residents' share was large. In Ile Royale's early years, few French firms were so involved with Ile Royale as to justify their placing an employee or partner there. Their interests were limited to shipping ventures to Louisbourg, where wholesale business could be handled by the ship's captain or cargo director. "*Pas un seul marchand de France un peu aisé n'a voulu s'y établir,*" wrote the colonial officials in 1726. Instead the colony developed its own community of resident merchants, mostly former residents of Plaisance with experience in the fishing business or immigrants hoping to begin commercial careers in the new colony.¹³

Rather than limit themselves to supplying goods and disposing of catches for the proprietors of fisheries, several of the early merchants became participants in the fishing industry. As the distinction between merchants and fishing proprietors broke down, the merchant-fishermen came to dominate the fishing industry. In 1724, merchants who owned fishing properties were only 12 percent of all owners, but they employed enough men and vessels to take nearly 20 percent of the residents' catch. By 1734 twenty-five merchants, 24 percent of all fishery owners, had the capacity to take 37 percent of the residents' catch (Table 6). By owning larger than

Table 6. MERCHANT PARTICIPATION IN THE LOCAL FISHING INDUSTRY

	1724	1726	1734	1753
Resident owners	82	86	106	119
Merchant owners	10	18	25	18
% of total	12.2%	20.9%	23.6%	15.1%
Residents' employees	1056	1551	1625	
Merchants' employees	209	362	711	
% of total	19.7%	23.3%	43.7%	
Residents' shallops	168	278	263	225
Merchants' shallops	28	63	96	85
% of total	17%	23%	36%	37.9%
Residents' schooners	36	21	28	62
Merchants' schooners	4	1	13	37
% of total	11.1%	4.8%	46.4%	59.6%
Merchants' potential share of catch	15.4%	20.9%	37.9%	48.8%

Sources: Census data, A.N., Outre-Mer, G1, Vol. 466, except for 1753 figures, which are taken from material in the Fonds Surlaville. Public Archives of Canada, MG 18 F30, «Troupes de l'Île Royale.»

¹² The cost of supplies relative to total catch is discussed in MOORE, *op. cit.*, pp. 56-58.

¹³ A.N., Col., C11B, Vol. 8, fol. 21, St-Ovide et DeMesy, 1 décembre 1726. There is no evidence that any of the major merchants of Louisbourg's first quarter century arrived with wealth.

average fishing operations, the merchants assured themselves of a secure supply of cod. At the same time, they could extend their activities by supplying goods to and purchasing catches from smaller, less diversified operators. Though by 1734 more than half the Louisbourg merchants owned fisheries, it was not essential to do so. Merchants also found other commercial opportunities in supply to the government,¹⁴ in ship chandlery, in retail trade, and in the sale of goods on commission.

After fishing and wholesale trade, the third sector of Ile Royale's commerce was transportation. This was the field in which the residents had the smallest share during Ile Royale's first quarter century. Though local residents, particularly merchants, were the most active participants in Louisbourg's vigorous market in commercial vessels, they sold almost as many as they bought, buying vessels from New England for resale to French and West Indian buyers.¹⁵ Though a few Louisbourg-owned vessels traded with Québec, the Antilles, and even Europe, locally owned ships were more often used for fishing and coastal trade than for long distance trade.

Since the local merchant fleet was small, the colony depended on visiting vessels to bring its supplies and carry away its cod. This control of the transportation system was the non resident traders' most important source of influence in the trade of Ile Royale. Since most of the ships and cargoes arriving at Louisbourg were externally owned, the visitors competed with the local merchants for the business of the local fishing industry and the other colonial markets, earning from shipping charges as well as from sale revenue. Louisbourg merchants found a share of this business, however, by holding interests in the cargoes, buying cargo outright, or acting as commission agents, earning five to eight percent on cargoes sold or purchased for non-resident shipowners. Commission earnings were rarely a merchant's only income, for accepting consignments on commission and paying commissions on one's own consignments were normal aspects of the cooperation between merchants. At Louisbourg the largest and most stable of such arrangements involved established local merchants with interests in fishing, wholesale trade, and even in shipping ventures. An employer-employee relationship was rarely implied between a local merchant and his trans-Atlantic correspondents.¹⁶

By 1737 the business of Ile Royale — the fishery, wholesale and retail trade, and shipping — supported nearly fifty resident merchants in Louisbourg. The business training, scope of operations, and wealth of these merchants varied widely. Retail shopkeepers with only a small volume of business sometimes had only a rudimentary commercial educa-

¹⁴ Most government spending in Ile Royale was for wages and services, not for merchandise. As a market for the local merchants, the administration did not compare with the fishing industry until the 1750s, since the colonial depot at Rochefort supplied most of the administration's needs.

¹⁵ MOORE, *op. cit.*, Table 2.11.

¹⁶ Several examples of commission sales are discussed in Moore, *op. cit.*, pp. 68-71.

tion. Most merchants, however, were trained in book-keeping and other business skills. Louisbourg's close contacts with France gave them access to the latest business methods and financial instruments, which were essential to the management of complex international exchanges typified by long delays, voluminous correspondence, and delicate credit arrangements. The volume of such businesses was frequently large. The largest merchant fishing businesses could produce up to 100,000 *livres* worth of cod annually from their own properties, in addition to their revenues from other merchant operations. One merchant regularly handled commission consignments worth nearly 100,000 *livres*, and several firms were estimated to have a net worth of at least that size. Even small profit margins would have provided these merchants with substantial incomes, though comprehensive data on the business volume and wealth of the merchant community are lacking.¹⁷

The importance of the merchants and their trade was recognized in the colony. The large and influential government presence in Ile Royale rarely hindered merchant operations by legal or administrative restrictions. Once the practicality of trade with the British colonies had been demonstrated, for instance, Ile Royale secured royal exemption from the general prohibition on foreign trade by French colonies. Some restrictions were maintained, but the essence of the colony's foreign trade was open and licit and could freely be reported in the official trade reports.¹⁸ The colonial administrators responded to the Minister of Marine's advice that they make the colony's commerce "*le principal objet de vos soins et de votre attention*," but they did so by assisting commerce, often in response to merchants' lobbying efforts, rather than by controlling it.¹⁹

Mercantile values appear to have been influential and respected in Louisbourg. Merchants jealously protected their reputations as "*négo-ciants d'honneur*" and promoted the dignity of their symbol, the pen.²⁰ More significantly, the social structure of the colony promoted the dissemination of commercial values. No self-sufficient landed population or seigneurial elite existed to counter the merchants' influence and, though the officer corps of the colonial regular troops enjoyed prestige, the fishery did not invite military control the way the Canadian fur trade did. As the government accepted responsibility for defence, justice, and a wi-

¹⁷ The fishing business of the Daccarrette family, with 34 shallops producing 300 quintals each at 10 *livres* per quintal, was within the range of 100,000 *livres* by 1726. T.J.A. LEGOFF "Michel Daccarrette," *Dictionary of Canadian Biography*, III, pp. 156-7. Merchant Léon Fautoux's large consignments from his correspondents are detailed in Dale MIQUELON, "Léon Fautoux," p. 216 in the same volume.

¹⁸ A.N., Col., B, Vol. 57-2, fol. 760, Maurepas à Saint-Ovide, 19 juin 1732. The principal restrictions maintained were on imports of cod and of commodities which could be imported from Canada.

¹⁹ A.N., Col., B, Vol 61, fol. 592v, Maurepas à Saint-Ovide et DeMesy, 4 mai 1734. A major lobbying effort preceded the imposition of limits on wages paid to fishermen. A.N., Col., F3, Vol. 50, fol. 254, Règlements concernant l'exploitation de la pêche..., 20 juin 1743.

²⁰ A.N., Outre-Mer, G2, Vol. 200, dossier 210, fol. 76, Labrouche vs Duboé, 16 juillet 1751. *Ibid.*, Vol. 188, fol. 377v, Claparede vs Duchambon, 23 décembre 1751.

dening range of social services in Ile Royale, the need for fixed reciprocal duties within a traditional social hierarchy faded, making room for a society based on commercial exchange. In that context, successful merchants became some of the colony's most prominent and influential people. They monopolized civilian appointments to the Superior Council,²¹ held many administrative posts, and participated in all the social and economic activities of Ile Royale.

The first quarter century of Ile Royale's growth, while not free of all difficulties, shows a generally stable and vigorous trade structure supporting a thriving merchant community in Ile Royale. Shortly after 1737, however, serious strains were placed on the maritime trade (and hence the entire economy) of Ile Royale.

The Canadian crop failure of 1736-37 was a harbinger of one of the problems. That crop failure was temporary — large agricultural exports from Canada to Ile Royale were renewed in 1739, 1740, and 1741 — but new crop failures beginning in 1742 soon put an end to Canadian grain exports.²² Since Ile Royale had come to rely on Canadian grain in the 1730s, Canada's declining exports posed a dilemma for administrators and merchants in Louisbourg: would Canadian grain production revive, or should trade be reoriented in search of a new supplier of grain? Flour was bulky and expensive when brought from Europe, but it was dangerous to turn to New England, which could cut off exports of the vital food in time of war.

At about the same time, a more serious crisis struck. Discussing potential new markets for Ile Royale's cod in 1739, the new *ordonnateur* François Bigot had noted that war between Britain and Spain would make fortunes for the fishermen of Ile Royale, who could take over the British place in the Spanish markets.²³ Yet when the hoped-for war began that year, the colony was unable to profit by it, for a severe decline in fish catches which had begun in 1739 grew more and more serious during the 1740s. The 152,000 quintals produced in 1738 fell to 123,000 quintals in 1740, 83,000 quintals in 1742, and 69,000 quintals in 1744. The inshore fishery dominated by the residents was affected most, driving their share of the total catch from a characteristic 76 percent in 1738 to 69 percent in 1743 and 64 percent in 1744 (Table 1).

There are grounds for suspecting that overfishing contributed to this sudden setback, for the major feature of the falling catches was a slump in catch per vessel ratios. Summer catches of 260 quintals per shallop in 1739 fell to 150 quintals per shallop in 1742, while winter catches fell from an unprecedented 180 quintals per shallop in 1739 (110 to 120 was more normal) to 90, 40, and 30 quintals in 1740, 1743, and 1744.²⁴ It seems

²¹ Of the 13 councillors not appointed *ex officio*, 6 were merchants. All the others were officers or administrators.

²² PRITCHARD, *op. cit.*, pp. 323-27.

²³ A.N., Col., C11B, Vol. 21, fol. 112, Bigot à Maurepas, 6 novembre 1739.

²⁴ MOORE, *op. cit.*, Table 2.08.

clear that falling yields rather than war or external economic factors caused the total catch to fall. Climatological or biological influences on the cod cannot be ruled out in this declining yield, but it is equally possible that the intensified fishing activity of the long peace since 1713 had reduced local fish populations in areas convenient to the drying shores and accessible to the technology of the time.²⁵ Since similar setbacks hit several heavily exploited regions along the Atlantic coast within a decade of Ile Royale's crisis, overfishing and a subsequent fall in total yields may have been a general phenomenon of the Atlantic cod fishery in the mid-eighteenth century.²⁶

Whatever the cause, the effect on Ile Royale was severe. For years, the proprietors of fisheries had claimed their efforts brought marginal returns, and government investigators had tended to agree.²⁷ Falling yields on the same investment in the 1740s meant increasing hardship for the proprietors, their employees, and the merchants who served the fishing industry: that is, virtually all the civilians of Ile Royale. For the economy as a whole, the rising problem of replacing Canada with a new source of food imports was compounded by the threat to export earnings posed by the fall in fish production.

The 1740s also saw a decline in the importance of France among Ile Royale's trading partners. This may have been related to the colony's trading difficulties. Trade with the British colonies had to increase once food shortages forced Ile Royale to rely on New England grain. To pay for these grain purchases, Ile Royale exported more sugar products to New England, and so imports from the Caribbean rose. In return, more cod had to be shipped southward, despite Ile Royale's declining production. To supply the necessary cod, cod exports were diverted from the European market to the West Indies, and France began to lose its position of dominance among Ile Royale's trading partners (Table 3).

At this time, Ile Royale probably attempted to sustain the supply of cod available for export by increasing its clandestine purchases of New England cod. This trade had always been rigorously prohibited and severely punished as a threat to the colonists' main livelihood and as an impediment to the training of French seamen. Nevertheless, with local cod production in crisis, New Englanders temporarily excluded from their traditional Spanish markets, and increasing amounts of West Indian sugar and rum available to pay for New England goods, the amount of contraband probably increased. It was not directly reported in trade figures but, after

²⁵ Similar declines in the Newfoundland fishery which are best explained by overfishing are analysed in C. Grant HEAD, *Eighteenth Century Newfoundland* (Toronto: McClelland and Stewart, 1976), pp. 20-21 and 66-68.

²⁶ HEAD, *op. cit.*, makes the case for Newfoundland. The large New England fishery at Canso virtually disappeared in the 1730s. Stagnation in New England catches is suggested by data in Harold INNIS, *The Cod Fisheries* (Toronto: University of Toronto Press, 1954), p. 161.

²⁷ A.N., Col., C11B, Vol. 14, fol. 62, Représentation des habitants qui font la pêche, septembre 1733. *Ibid.*, Vol. 21, fol. 297, LeNormant, 1739.

comparing Ile Royale's fish catch records with its trade figures for 1742, the Ministry of Marine noted that though the fish catch had fallen to 83,000 quintals, nearly 90,000 quintals had been exported.²⁸ Clandestine imports were not an effective replacement for the colony's missing catch, for total cod exports remained much smaller than usual. In any case, New England fish was only available in bulk while Britain remained at war with Spain and at peace with France, a situation that only lasted until 1744.

The 1740s were an unstable period for Ile Royale. The colony's trade fluctuated greatly as the potential for increased trade with the Caribbean and New England was explored, but the problems of declining fish production and insecure food supplies were not overcome. It seems likely that as fish catches fell, the favorable trade balances achieved in the years up to 1737 became unattainable.²⁹ Food shortages were severe in several years.³⁰ By 1743 currency shortages were reported. A visiting merchant who lamented "*la triste scituation du commerce à l'ile royale*" may have been speaking for many.³¹

The war between Britain and France which began in the spring of 1744 compounded the colony's economic difficulties, cutting off trade with New England, threatening all the trade routes, and adding the risk of capture to the other troubles of the fishing industry. Though privateering briefly offered a substitute for peacetime trade, the invasion and conquest of Ile Royale in the spring of 1745 and the deportation of the colonists completed the ruin which the depressed conditions of the 1740s had threatened.

When French occupation of Ile Royale was renewed in 1749, a large proportion of the surviving colonists returned, and by 1752 the populations of Louisbourg and of the colony as a whole were larger than ever.³² With cod fishing resumed and trade re-established, record volumes of trade passed through Louisbourg, pushing annual tonnages from prewar figures of 7,000 — 8,000 *tonneaux* to 13,000 *tonneaux* in 1752.³³ Per capita export values had fallen slightly, from about 370 *livres* in 1737 to about 340 *livres* per colonist in 1754, but the import-export trade built on the cod fishery remained basic to the colonial economy. Nevertheless some significant structural changes had taken place, both in the directions of Ile Royale's trade and in the activities of the local merchants.

²⁸ A.N., Col., B, Vol. 76, fol 510, Maurepas à Bigot, 30 juin 1743.

²⁹ Trade statistics for these years show surpluses, but clandestine cod imports were not included and other omissions may have been tolerated. Since trade figures for the 1740s exist only in summary form, their omissions cannot be checked as those of 1737 can.

³⁰ A.N., Col., C11B, Vol. 25, fol. 179, Bigot à Maurepas, 27 novembre 1743.

³¹ A.N., Col. C11B, Vol. 25, fol. 199, Bigot à Maurepas, 13 octobre 1743. Archives Départementales de la Charante-Maritime B, Amirauté de Louisbourg, Registre 275, lettre de 28 novembre 1740.

³² A.N., Outre-Mer, G1, Vol. 466, pièce 77, Recensement de 1752.

³³ MOORE, *op. cit.*, Table 1.4.

After 1749 France no longer dominated Ile Royale's exchanges. Imports from France had grown slightly from their 1737 levels, but less cod was being shipped from Ile Royale to Europe, leaving Ile Royale with a substantial deficit in its exchange with France. At the same time, imports and exports to and from the French West Indies and New England had soared. The West Indian economy, fundamental to the eighteenth-century expansion of French overseas commerce, had begun its fastest growth in the 1730s.³⁴ As the sugar and coffee production of Martinique, Saint-Domingue, and the other islands increased, so did their demand for food supplies. By increasing exports of cod to these islands, tentatively in the 1740s, more surely in the 1750s, Ile Royale linked its trade to the most rapidly expanding sector of French overseas commerce. By 1754, the Caribbean islands were nearly as important a market for Ile Royale's cod as Europe was, buying half a million *livres* worth of cod annually. Ile Royale's trade with New England had grown nearly as quickly. Confirmed as Ile Royale's principal supplier of grain in the 1750s, New England was also the main market for the West Indian sugar products which came in to pay for the islands' purchases of Ile Royale cod.³⁵ A sort of triangular trade developed between the three regions: via Louisbourg, the West Indians sent sugar products to the British colonies; New England shipped foodstuffs and construction materials to Ile Royale; Ile Royale shipped cod to the West Indies. This tripartite exchange had existed since the foundation of Ile Royale (and before at Plaisance³⁶) but its size and importance were transformed in the 1750s. Ile Royale's trade with the West Indies and with New England underwent a fivefold increase between 1737 and 1754, and the two regions together far outweighed France in Ile Royale's total trade. This new volume of trade with the West Indies and the British colonies provided the increase in Ile Royale's total trade, for trade with France was nearly static and trade with Canada and Acadia was in decline. The New England-Caribbean exchange did not give Ile Royale a trade surplus sufficient to match its deficit with France. With cod exports remaining below the levels of the 1730s, the colony's trade balance was in deficit in the 1750s. Shortages of currency were still noted, but large government expenditures may have produced an overall balance of payments.

Significant changes had occurred in the cod fishery as well. Until 1745, visiting fishing vessels from Basque, Breton, and Norman ports had always taken a sizeable share of Ile Royale's total catch. In the 1750s this link between resident and migrant fishermen was virtually broken. Evidently defeated by the poor catches of the early 1740s and the war years of the rest of the decade, many of the French fishing vessels abandoned the Ile Royale fishery to the resident fishermen, who took nearly ninety percent of Ile Royale's total catch in 1754. An important factor in the re-

³⁴ Paul BUTEL, *La Croissance Commerciale Bordelaise dans la seconde moitié du XVIII^e siècle* (Thèse de doctorat, Université de Paris, 1973.), p. 90.

³⁵ A.N., Col., F2B, Vol. 11, Tableaux de commerce. See Table 3.

³⁶ Examples of Plaisance's trade can be seen in *Outre-Mer*, G3, Vol. 2055, Notariat de Plaisance.

sidents' increasing control was the appearance of a resident-owned schooner fleet. Up to 1740, residents had rarely owned more than one-third of the fishing schooners used at Ile Royale and their share had fallen in the 1740s. In the 1750s, however, residents owned a majority of the schooners as well as most of the shallops.³⁷ As a result they dominated both the inshore and the offshore fisheries. Total catches remained below the levels reached in the 1720s and 1730s because of the shrinking participation of non-resident vessels, but catch per vessel ratios recovered to acceptable levels and the residents' catch began to approach the levels it had reached before the crisis of the early 1740s (Table 1).

The merchant community of Louisbourg participated in both these changes. By 1755 sixty-six merchants, including many of the pre-war merchants or their heirs, were active in Louisbourg. Many still operated on a small scale and a few were employees of French firms with new, trans-Atlantic operations, but the major resident merchants were more important than ever in the local economy. In particular, their share of the fishing industry was larger than ever. In 1753 eighteen merchant fishermen were only fifteen percent of all fishery proprietors but they employed 38 percent of the resident industry's shallops and no less than 60 percent of the schooners. These vessels had the potential to take 48 percent of the total resident catch (Table 6). In addition, local merchants remained active in serving the rest of the fishing industry, in supplying the growing needs of the local garrison and administration, and in the usual wholesale and retail trades. Since their control of the cod supply assured them a place in the growing triangular exchange between Ile Royale, New England, and the Caribbean, they were well situated to benefit from the colony's growth in total trade. There was also one new characteristic of the Louisbourg merchants in the 1750s. They became shipowners.

This new development probably stemmed from the residents' nearly complete control of the fishing industry. Before the war, French fishing fleets played an essential transportation role in the fishing industry. Residents depended on them to bring salt, fishing equipment, and migrant workers, and to haul away a substantial part of the catch when they returned to Europe. As non-resident participation in the Ile Royale fishery faded in the 1750s, the local merchants began to provide the transportation themselves, probably using the same schooners which they had begun to employ in the offshore fishery. The Caribbean, now a major cod market, was an important destination, but the impact was also noted in France. Unfortunately Louisbourg sources, while they provide a variety of references to local firms establishing trading fleets,³⁸ yield no statistical series by which to measure the growth rate of this new business. It is sources from French ports that suggest the vigour with which the colonists entered the shipping industry in the 1740s and particularly in the

³⁷ MOORE, *op. cit.*, Table 2.07.

³⁸ For instance, references to shipping owned by two Louisbourg firms in A.N., Col., E227 Dossier sur Imbert et Lannelongue; *Ibid.*, E159 Dossier J-B Duplex-Sylvain, pièce 12.

1750s. The best data come from Bayonne and the Basque fishing ports, which since the foundation of Ile Royale had sent large fleets of vessels there. From 1713 to 1742, only twelve Louisbourg-owned vessels had entered Bayonne, Saint-Jean de Luz, Ciboure, and the other Basque ports. They were an insignificant proportion of the total traffic between the two regions. From 1743 to 1745, thirteen more Louisbourg vessels arrived. Between 1749 and 1757 the number of Louisbourg visitors increased to ninety-two, making Louisbourg the major outfitter of shipping between the two regions.³⁹

Since the Basque region was a market for cod and also a source of workers for the fishery, the residents of Ile Royale had strong incentive to maintain his link when the Basques themselves ceased to provide sufficient shipping. Figures from Bordeaux show that Louisbourg-owned vessels also began to appear there. Only nine Louisbourg vessels were recorded at Bordeaux from 1725 to 1745 but there were eleven more in four years during the 1750s.⁴⁰ Louisbourg did not begin to dominate in trade between Ile Royale and Bordeaux as it did in shipping to the Basque ports, but the Bordeaux data imply that colonial shipping to large commercial centres as well as to fishing ports was increasing.

The restructuring of Ile Royale's economy in the 1750s, reflected in increasing local control of the cod fishery, the growth of a local merchant fleet, and the swing toward the Caribbean market, was not long lasting. In 1755 naval conflict was renewed between Britain and France. In 1758 conquest and deportation again brought the colony to a halt, this time permanently. But the importance of Ile Royale's trade and its restructuring after 1749 is not measured simply by its duration. Ile Royale's performance can be a useful benchmark against which to compare Canada's economic experience in the same period. It is also instructive about economic behaviour in New France generally.

In Canada, export industries were proportionately much less important than in Ile Royale, and residents held a smaller share in the major export industry. Since beaver furs were shipped and marketed by a French-based monopoly, the *Compagnie des Indes Occidentales*, Canadians interested in maritime trade were limited to exporting the colony's surplus grain supplies, a trade which grew from 1713 to the mid 1730s but did not compare in value to either furs or fish. In a recent article, James Pritchard has argued that the collapse of the small but significant group of Canadians active in import and export shipping before midcentury stemmed from the decline in grain production that began in 1737. As falling agricultural production, population growth, and war transformed Canada from "a growing self sufficient agricultural and trading community" into "a large military fortress and garrison that required external aid," the Canadian traders, still a small group and dependent on agricultural ex-

³⁹ Laurier TURGEON, *Les échanges franco-canadiens de 1713 à 1758: Bayonne, les ports basques et Louisbourg, Île Royale* (M.A. thesis, Université de Pau, France, 1977), p. 37.

⁴⁰ A.D. Gironde, *Amirauté de Guienne, Soumissions et Passeports*, Reg 6B92-6B102. I am grateful to Laurier Turgeon for compiling this data.

ports, were unable to respond to the changed circumstances. Pritchard argues that their collapse "destroyed any signs of the appearance of an indigenous merchant group in Canadian society" before the conquest.⁴¹

Another indigenous merchant group, that of Louisbourg, faced a somewhat similar crisis between 1737 and 1745. Insecure food supplies and a serious decline in fish production reduced Ile Royale's ability to export, bringing hardship to the whole colony and threatening the position of the local merchants. In Ile Royale, however, production control of the major resource, cod, remained in local hands and the local merchants had greater flexibility in responding to change. By increasing their control of the fishing industry, by developing a locally-owned trading fleet, and by responding to new market opportunities in the Caribbean, the Ile Royale merchants appear to have overcome the commercial threat to their position.

The economic significance of Ile Royale has not often been noted, partly because records other than those kept at Louisbourg tended to group Ile Royale and Canada together, blurring the distinction between the two economies. Historians have done the same, considering Ile Royale a military outpost on the periphery of New France rather than a separate and distinct society. Close inspection reveals in Ile Royale a vigorous economy based on large scale external trade and supporting an influential indigenous merchant community. The success of Louisbourg's merchants during Ile Royale's short existence suggests that capital accumulation and entrepreneurial enterprise could thrive within the legal and political structures of New France, given the right economic conditions. The case of Ile Royale suggest that economic factors, notably the success or failure of the colonists in securing control of an export industry sufficient to pay for their imports, were the decisive causes of the contrasting experiences of Canada and Ile Royale in the development of an indigenous merchant community and mercantile values.

⁴¹ James PRITCHARD, "The Pattern of French Colonial Shipping to Canada before 1760," *Revue Française d'Histoire de l'Outre-Mer* LXIII #231, 2^e trimestre, 1976, pp. 186-210.