

trading activities; some were also built for export. The utilization of the forest resource was soon balanced in Nova Scotia by the evolution of a diversified economy. As early as 1749, Halifax was founded and became commercially viable as a military and naval base and the centre of government. This expanded both the markets and the items of trade. A further and major diversification in the colonial economy came in the 1820s, with establishment of a provincial coal mining industry.

During the eighty-year period considered here, and prior to this time, the easiest communication among the various parts of Nova Scotia and between Nova Scotia and New Brunswick was by sea. Though both provinces were included in British North America after 1783, the forest wilderness and the winter freezing of the St. Lawrence River prevented easy communication with the Canadas. These barriers were not fully overcome until 1876 with the building of the Intercolonial Railway. Before this, sea and river travel provided close contact with New England, and even the West Indies were more accessible than the Canadas. The trade in fish, lumber, rum and molasses was long a link for Nova Scotia with these islands to the south.

Geography and population influenced lumbering, as did the policy decisions of the British government. In the eighteenth century and early in the nineteenth, Britain's policies for her colonial forests were based on the needs of the British navy for masts, timber and other naval stores. Some of these policies interfered with colonial lumber activities; some gave impetus to the trade. Whenever European conflicts endangered or cut off her supply of wood from the Baltic countries, Britain looked to her North American colonies instead.

The British government gave bounties to encourage the preparation of naval stores -- masts, yards, spars, pitch, tar and turpentine. The colonists accepted £1,471,719 in bounty money in the seventy years from 1706 to 1776.⁸ That money probably went mainly to the Thirteen Colonies. However, the men of Nova Scotia received bounties of various types, too. With the influx of refugees after the American Revolution, the building of sawmills was encouraged. Bounties of £20 per mill were paid to the owners of 22 sawmills built in several areas of Nova Scotia during 1786 and 1787. Ninety other sawmills were already in

8 Robert Greenhalgh Albion, *Forests and Sea Power, The Timber Problem of the Royal Navy, 1652-1862* (Cambridge, 1926), p. 418.