ABSTRACT

If we accept that the British empire of the later eighteenth century was a mercantilist one, that there was in general a substantive connection between political and commercial matters, and that the ultimate authority in both spheres lay in the mother country, then it becomes clear that there are at least two major omissions in what has been written about Quebec during this period. The first is that, on the whole, there has been insufficient examination of the relationship between commerce and politics in Quebec's development; and as a corollary to this there has been a tendency towards a too Canada-centred examination of her history, which ignores or skims over events in London.

Among British historians the imperial standpoint has been most popular. Professor Harlow has looked at Canada's place in the empire along traditionally political, legal and constitutional lines, while Professor Graham has investigated her position within the imperial mercantile system.[1] But there has been no attempt to relate in detail imperial political and economic ideas and events with the struggle for commercial and constitutional change in Quebec itself.

Canadian historians have, on the other hand, largely ignored Quebec's wider imperial setting and concentrated on local events, treating political, legal and constitutional developments in isolation from economic matters. Symptomatic of this is the way in which general histories, such as those of Professors Burt and Neatby, while recognising

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[1] V.T. Harlow, The Founding of the Second British Empire 1763-1793, 2 vols. (London, 1952,1964). G.S. Graham, British Policy and Canada: A Study in Eighteenth Century Trade Policy (London, 1930); and Sea Power and British North America: A Study in British Colonial Policy (Cambridge, 1941).

the role played by merchants in Quebec politics, have avoided a detailed examination of them, and have indeed reserved separate chapters for their treatment of trade and commerce.[1] More recently though, Fernand Ouellet has gone some way towards filling this gap with his joint study in the economic and social history of Quebec, in which he combines imperial perspectives with the local affairs which form the main body of his book.[2]

All these are perfectly valid and valuable studies within their chosen terms of reference, but none has really attempted to take its stand astride the Atlantic in an effort to relate commercial and political developments in the colony with what was happening in England. Only one writer has attempted a detailed investigation in commerce and politics. Some forty years ago Professor Donald Creighton published a challenging book along these lines.[3] He recognised that 'The St. Lawrence river inspired and supported a trading system that was both transatlantic and transcontinental in extent, and political as well as economic in significance'; but he quite consciously concentrated on the transcontinental aspects of the problem to the virtual exclusion of the transatlantic. Like many other students of Canadian history he was heavily Canada-centred and may be said for that reason to have lacked full perspective and understanding of the British viewpoint and the problems which British ministers faced. Moreover, he took what Professor Butterfield would describe as a Whig view of Canadian history, seeing the merchants as

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[1] A.L. Burt, The Old Province of Quebec (Minneapolis, 1933); H.M. Neatby, Quebec: The Revolutionary Age 1760-1791 (London, 1966).

[2] F. Ouellet, Histoire Economique et Sociale du Quebéc 1760-1850 (Montreal and Paris, 1966).

[3] D.G. Creighton, The Commercial Empire of the St. Lawrence (Toronto, 1937).

the sole agents of progress in a "feudal" society, and this led him to use unhelpful terms such as 'reactionary' to describe certain aspects of British official policy on Quebec.[1]

Much of what is contained in the following pages is not new; the basic story of these years is by now well known, though in parts it may need modification or expansion. There is for instance a more detailed analysis of the connection between commercial events and the onset of political agitation in Quebec than appeared in Professor Creighton's book, and a re-evaluation of the political philosophy of the Quebec merchants with regard to the Crown, the empire and the American revolution, and of their relationship with the governors of Quebec. The object here is to try and achieve a better perspective and balance, without claiming to make any radical re-interpretations.

In one field though, the present work does try to fill gaps in current historiography. In the first instance there is an attempt to put Quebec into its wider imperial perspective, both British and colonial. Canadian historians, with their feet firmly planted on the periphery of empire, have tended to ascribe to Canada and her political and economic problems more novelty and importance than they actually had. It was a misconception under which the eighteenth century colonists also laboured, and it distorted their view of events and their expectations of success. They found themselves unable to understand the British dilemma and therefore British policy.

In fact, the failure of the British minority in Quebec to obtain

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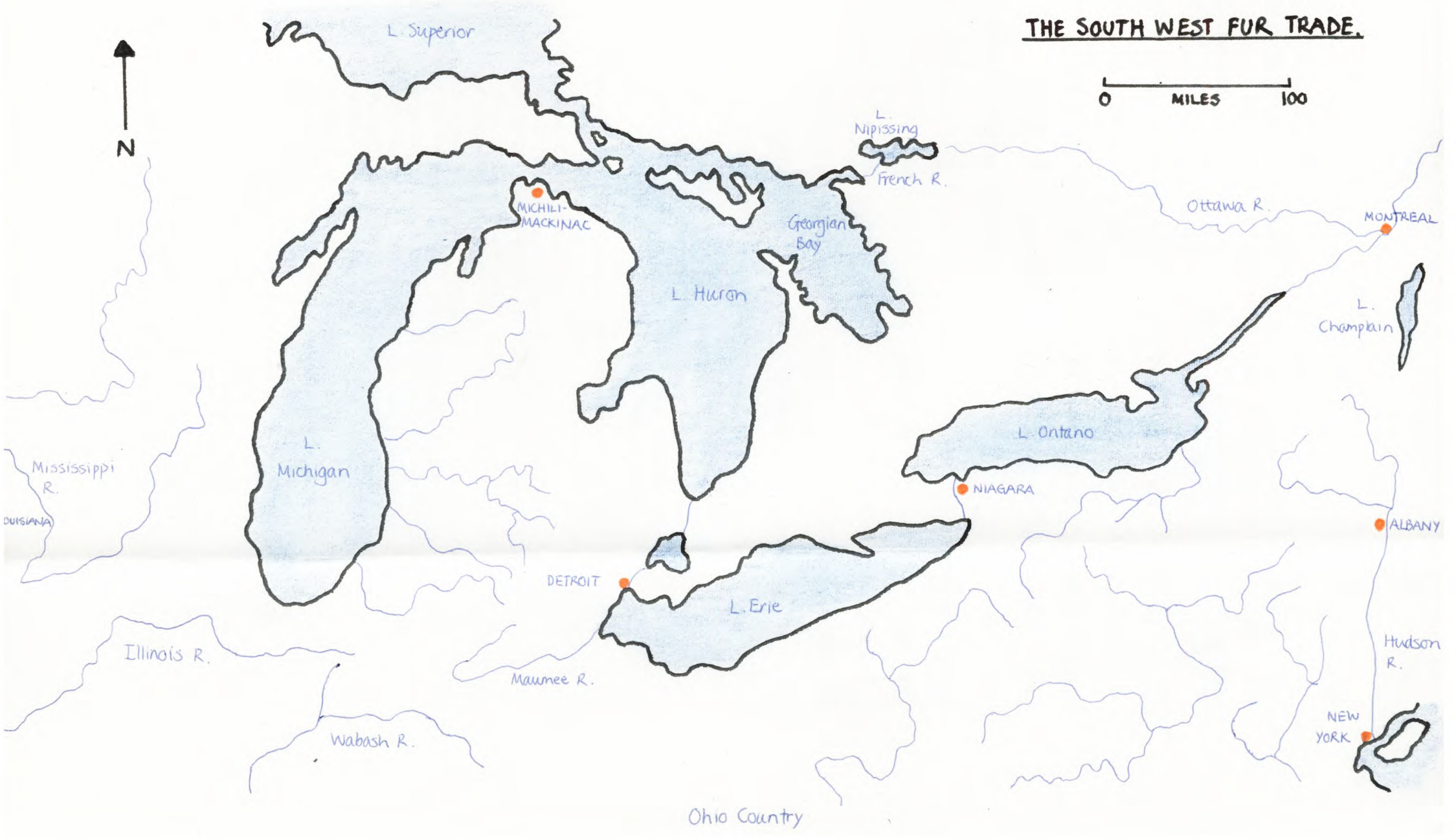
[1] Professor Butterfield writes: 'If we see in each generation the conflict of the future against the past, the fight of what might be called progressive versus reactionary, we shall find ourselves organising the historical story upon what is really an unfolding principle of progress, and our eyes will be fixed upon certain people who appear as the special agencies of that progress.' H. Butterfield, The Whig Interpretation of History (London, 1951), pp. 45-6.

many of the reforms for which they pressed was the result, not of one, but of a number of often related causes: the political and economic unimportance of Quebec, the resulting weak position of the Quebec and London Canada merchants, British concern for the security of Quebec and the rights and wishes of Canadians, the divisions within Canada and among the London merchants, the influence of the governor and the bad character that Murray, Carleton and Haldimand gave the generality of Quebec merchants, and the tactical errors of both the petitioners and their London allies - all of which combined to ensure that their demands went largely unfulfilled.

There will, of course, always remain the need for further research and this thesis cannot claim to be either definitive or exhaustive. The basic problem confronting the historian trying to fill in the gaps and round out the picture is the lack of source material. In general, those working in the legal, political and constitutional fields are best served by the surviving documents; but even here there are important gaps in our knowledge. These lie mainly in the realm of the British official mind. Professor Harlow has done valuable work on the thinking that lay behind the constitutions of 1774 and 1791, but we can know little of the private views of ministers from Germain to Sydney and Pitt, either because they did not give much thought to Quebec, or else because the relevant parts of their papers have not survived. The historian of the nineteenth century can hope to discover something of official thinking through minutes on official correspondence, but for the student of the eighteenth century this opportunity does not exist. Cabinet minutes are also limited in extent and unhelpful, and cannot be supplemented by the royal correspondence.

If the British official mind remains something of a closed book, so too are the business activities and political views of the London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MICHILI-MACKINAC
Georgian Bay
L. Huron
Ottawa R.
MONTREAL
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L. Michigan
L. Ontario
Mississippi R.
NIAGARA
ALBANY
DETROIT
L. Erie
Illinois R.
Maumee R.
Hudson R.
NEW YORK
Wabash R.
Ohio Country

Canada merchants, almost none of whose papers, commercial or personal, appears to have survived. The same applies for the majority of Quebec merchants, though the Public Archives of Canada does hold several collections (the Jacobs Papers and Lindsay-Morrison Papers in particular) which could form the basis of a small, but much needed business study, of which there are as yet almost none for this period. They might also be used for a good social and economic history of Quebec and Montreal, which is badly needed.

To complement the work done on the British reformers, it would be interesting to know more about the affairs and attitudes of their Canadian colleagues. The Baby, Guy and other papers might perhaps throw some light on this.

A search of the American archives might possibly yield some information which would help to put Quebec affairs into a better perspective. D.H. Gillis did this for the period of the American invasion and found that the British and American dispatches gave widely differing views of the behaviour of the Canadians in 1775-76.[1]

Finally, it might be revealing to know something of the nature and extent of the personal and business contacts between the Quebec and Montreal merchants and the newly arrived loyalist settlers in the period before 1791.

These are only some of the gaps in our knowledge and understanding of this period in the history of Quebec; some are waiting to be filled, but many others would appear to be impossible to bridge because of the disappearance of vital source material. The comparative paucity of documentation consequently means that the historian of post conquest

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[1] D.H. Gillis, Democracy in the Canadas 1759-1867 (Toronto, 1951), p. 88.

Quebec needs to rely heavily on imaginative understanding and a thorough attempt to extract every ounce of information from the documents that have come down to us.

THE ECONOMY AND POLITICS IN QUEBEC 1774-1791

by

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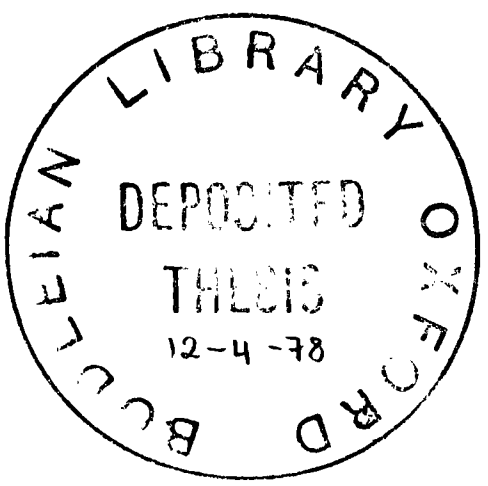

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MAPS

The South West Fur Trade* opposite page 11

The North West Fur Trade opposite page 21

The Boundaries of Quebec: 1763, 1774, 1783.** page 276

* Map based on D.G.G. Kerr ed., A Historical Atlas of Canada (Toronto, 1960), p. 38.

** Map based on Kerr, op. cit., pp. 31, 32, 34.

ABBREVIATIONS

B.M. Addit. MSS.: British Museum, Additional Manuscripts Collection.

B.R.H.: Bulletin des Recherches Historiques.

C.H.R.: Canadian Historical Review.

H.M.C.: Historical Manuscripts Commission.

P.A.C.: Public Archives of Canada (Ottawa).

P.R.O.: Public Record Office (London).

- B.T.: Board of Trade Papers.
- C.O.: Colonial Office Papers.
- T.: Treasury Papers.

R.H.A.F.: Revue de l'histoire de l'Amérique française.

Shortt and Doughty: A. Shortt and A.G. Doughty eds., Documents Relating to the Constitutional History of Canada 1760-1791.

Note: The term op. cit. is used in footnotes in this thesis only to refer to a work cited in a footnote on the same page.

Introduction

PROFIT AND POWER

This thesis is a study in commerce and politics and is undertaken in the belief that, in a mercantilist empire, the relationship between the needs of commerce and the formulation of imperial colonial policy is a real and often important one. Thus the history of British colonies in the later eighteenth century cannot fully be understood without reference to this relationship in both its local and transatlantic contexts.

The British empire of the second half of the eighteenth century is commonly described as a 'mercantilist' empire. In fact however, that term was unknown for the seventeenth and most of the eighteenth century, and was given meaning only by Adam Smith who, in The Wealth of Nations, used it to distinguish a trading from an agricultural economy. Since then the word has been adopted by historians to describe the prevailing politico-economic system, not just of seventeenth and eighteenth century Britain, but also of other European powers such as France, the Netherlands and Prussia. Although one should beware of giving too precise a meaning to the term 'mercantilism', using it rather as a conceptual framework for the better understanding of the period,[1] yet historians are broadly agreed that many of the basic issues in the study of mercantilism revolve around considerations about the balance in the relationship between wealth and power, between the needs of commerce and those of the State. This balance varied from

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[1] See D.C. Coleman, 'Labour in the English Economy of the Seventeenth Century', in E.M. Carus-Wilson ed., Essays in Economic History, vol. 2 (London, 1966), p. 293.

nation to nation, being weighted towards private initiative and profit in the Netherlands, and towards the State in France and Prussia.

In the case of Britain it is perhaps broadly true to speak of the emphasis in the sixteenth and early seventeenth centuries being more on individual profit and initiative (though often in the service of the State), while from the time of the Navigation Acts of the Protectorate and Restoration periods there was a move towards greater direct State intervention and control. But the question is a finely balanced one, and Adam Smith for one believed that the British mercantile system of the later eighteenth century had been devised largely by merchants for their own profit. Most men of the time however would probably not have made a clear distinction between the expansion of commerce and the power of the State; they were two sides of the same coin. In this, British mercantilism was part of a common European strain. It was always a political as well as an economic philosophy, concerned with power as well as wealth. Its exponents stuck tenaciously to the belief that the one was dependent upon the other, that trade rested upon dominion and the maintainance of dominion on the fostering of the national wealth. As Lord Chancellor Thurlow remarked of Quebec in 1789, Britain's total commercial domination would probably secure the colony's future political dependence.[1]

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[1] Historians have conducted an extensive debate as to which was more important, trade or dominion. Professor V.T. Harlow in The Founding of the Second British Empire 1763-1793, 2 vols. (London 1952, 1964) believes that the imperial authorities had a dogmatic preference for the former. On the other hand, R. Hyam, 'British Imperial Expansion in the Late Eighteenth Century', Historical Journal, X (1967), 113 et seq., believes local circumstances dictated the choice. D.L. Mackay, 'Direction and Purpose in British Imperial Policy 1783-1801', Historical Journal, XVII (1974), 487-501, makes the valuable point that the whole debate perhaps reveals 'more about the tidiness of the twentieth century historian's mind than about the ambiguities, confusions and inconsistencies in British attitudes to empire'. While it would seem in general that the British tended to the belief that dominion was necessary to the control of trade, local circumstances were important and it is dangerous to be too dogmatic in one's assertions about the British official mind.

Mercantilists generally conceived of wealth in terms of money, which was acquired by having a favourable balance of trade with other nations; this could best be achieved by importing mainly raw materials and exporting as many manufactured goods as possible.

The control of sources of supply which would relieve the mother country of dependence upon the produce of foreign nations, and at the same time provide her with re-exports to send to those lands, was clearly thoroughly desirable. This, coupled with the belief that the control of trade was often dependent upon political control, served to encourage the acquisition of colonies.[1] Their function was to buy British manufactures and to supply Britain with the raw materials she needed but did not herself possess, thus encouraging her industry, giving profitable employment to her people, and helping to secure a favourable trade balance by stopping the drain of specie to foreign lands. If the possession of colonies was to be fully utilised, and the benefits to the metropolis maximised, then the empire must be as self-contained and self-sufficient as possible; imperial trade must be confined to the empire and where necessary channeled through the mother country. Trade with foreign powers and their possessions was undesirable and kept to a minimum. The concrete expression of these aims was to be found in the series of Navigation Acts passed in the later seventeenth century.[2]

Thus, from the very first, British colonial policy was based on

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[1] Often though, such reasoning became only an ex post facto justification for empire; not all colonies were acquired for the same reasons, and Quebec was one of those for which there could be no strict mercantilist justification.

[2] But in practice the Navigation Acts were not allowed to become too restrictive, and were not strictly enforced where they clashed with economic realities, as, for instance, in the illegal trade between the Foreign West Indies and the Thirteen Colonies.

and shaped by the close association between commerce and politics. Most colonies were desirable in so far as they were economically useful, and this usefulness often depended on the power of the parent state to impose effective political and commercial control. It is not surprising therefore, to find that from the first British colonial policy took shape in regulations for colonial trade; commerce became the great bond of imperial unity. One corollary of this was that, especially in the days before colonial agents were regularly appointed, the voice of British and colonial merchants was often heard in the colonial policy-making processes. Starved of information, Whitehall frequently turned to the merchants for information about the circumstances of the individual colonies, and even after the development of the agencies merchants were still an important source of knowledge on colonial matters.[1] The colonists in turn recognised this, and merchants were prominent members or invaluable allies of colonial interest groups in London.[2] For their part, the merchants looked to the State, especially the Navy, for the defence of the colonies and the protection of commerce, while the State did all it could to aid and encourage those who helped to increase British wealth and influence around the world. Thus was completed the circle binding State, colony and merchant in an indissoluble bond.

While it would be quite wrong to imagine that all Britain's overseas possessions were acquired on strict mercantilist grounds, it is clear that they were chiefly prized for economic reasons and that

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[1] L.M. Penson, The Colonial Agents of the British West Indies (London, 1924), pp. 12-14.

[2] L.M. Penson, op. cit.; and M.G. Kammen, A Rope of Sand: The Colonial Agents, British Politics and the American Revolution (Cornell U.P., Ithica, New York, 1968).

generally speaking the ones which were most highly prized were those which were most valuable by mercantilist criteria.[1] The West Indian sugar islands were highly thought of for producing a much needed article of metropolitan consumption - though they took relatively few manufactures in exchange. These went more to the mainland colonies of North America of which the southern plantation colonies, producing mainly rice and tobacco, were prized possessions. They were thought to be more valuable than the northern provinces which grew much the same produce as England herself, or articles which she could obtain elsewhere. Thus it was that, during the American War of Independence, several ministers advocated abandoning the northern colonies and concentrating on efforts to retain those in the south.[2]

But Quebec was one of the oddities in this mercantilist empire. Her acquisition in 1763 could not be justified according to traditional economic mercantilist arguments; yet her British minority either failed or refused to recognise the consequences of this for their commercial demands, ignoring the fact that Canada had been retained for military not economic reasons - to protect the Thirteen Colonies and to dominate the offshore fisheries which had great strategic importance as a nursery for seamen. The presence of a large French majority in the province posed vexatious constitutional problems for ministers in London, as well as providing a potential threat to the internal security of Quebec. As members of a civilized European race the Canadians[3] could not be treated with the same disregard for their

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[1] Richard Pares has argued for a distinction between colonies of exploitation and those of settlement as economically more valid than that commonly made between the West Indies and North America; 'The Economic Factors in the History of the Empire', in E.M. Carus-Wilson ed., Essays in Economic History, vol. 1 (London, 1954), p. 422.

[2] P.G. Mackesy, The War for America 1775-1783 (London, 1964), pp. 158-9.

[3] In accordance with 18th century custom, "Canadian" is used exclusively in this thesis to denote those of French origin in Quebec.

rights as the Amerindians had been; but neither did it seem just to deny the British minority who went there to settle their rights as Englishmen.[1] They claimed these rights were essential if Quebec was to prosper and play an economic role in the empire. Yet to grant them might lead to serious dissatisfaction among the Canadian population and threaten Britain's hold on the colony. Thus there was reproduced on a local scale the old connection between the needs of commerce and the maintenance of political control; and the clash between the dictates of trade and those of dominion were central to the development of Quebec between 1763 and 1791.

'The most important thing in the history of an empire', writes Richard Pares, 'is the history of its mother country. Colonial history is made at home'.[2] We may perhaps quarrel with Pares' rather too eurocentric stance, but there is no doubt that, great as the room for local initiative in the colonies was (especially in Quebec), power did ultimately reside in London. Whitehall had to approve all colonial legislation and Westminster was the sovereign constitutional authority of the empire. It was to London therefore that the British minority in Quebec looked for the major constitutional changes which they desired; and in order to estimate their chances of success and to understand the problems facing them, we must know something of the workings of both Parliament and Whitehall and how they could be approached and influenced.

The one thing which struck all colonists who visited London was the extreme ignorance of the colonies, coupled with a marked lack of

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[1] British subjects in the colonies had the same common law rights as Englishmen at home, unless acts were passed to the contrary; but they did not necessarily have the same statutory rights unless the act involved specifically mentioned the particular, or all the colonies.

[2] R. Pares, 'The Economic Factors in the History of the Empire', pp. 416-7.

interest in their affairs, which normally prevailed there. The problems of almost total ignorance of foreign lands cannot be easily appreciated in the mass communications world of the twentieth century, but such an understanding is well worth striving for. The political, economic, social and cultural differences between England, one of the world's most powerful, advanced and sophisticated nations, and Quebec, which was still in many respects a frontier society, were so great as to be almost beyond the comprehension of men for whom the opportunities of foreign travel were very limited.

On the other hand, it was not in the nature of eighteenth century government to concern itself daily with matters that required a clear and acute understanding of colonial conditions and colonial life. The prime function of government was not innovation or even policy making, but routine administration. Government was conservative in the true sense of the word. 'Whatever is, is right' is an oft-quoted maxim which serves well to summarise the basic philosophy of an age as yet undisturbed by the unsettling influences of the French and American revolutions. When government did act it was usually in an ad hoc manner, in response to a particular situation; even then the tendency was not to plan for the future but to fall back on precedent.

It was in response to the ignorance that they found, and to the government's own desire for information, that colonial agencies and interest groups came into existence, and over the course of time they proved themselves of inestimable value to administration and especially to the colonies.[1] As early as the late seventeenth century several American and West Indian territories had well established agencies in

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[1] The following analysis of interest groups and agencies has been based largely on two works: L.M. Penson, Colonial Agents; and M.G. Kammen, A Rope of Sand.

London to look after their interests and to support their grievances. The agents were often merchants or lawyers, while later on in the eighteenth century they were also recruited from among the ranks of M.P.'s and public servants.[1] Their most important and valuable allies in the wider colonial interest groups were undoubtedly the British merchants who engaged in trade with the colonies concerned. As was to be expected in a mercantilist empire, their views were almost invariably listened to with care and attention in government circles.

Agents and interest groups directed their attentions at both Whitehall and Westminster, where colonial debates could be relied on to empty the house. For the agents, dealing with both bodies presented considerable problems.

One of the main headaches in trying to influence the Whitehall bureaucracy was the way in which responsibility for colonial affairs was divided among various departments; this was also a reason for its frequent lack of a coherent imperial policy.[2] Until 1782 this responsibility lay with the American Department, the Secretary of State for the Southern Department and the Board of Trade. Of these, the last was the most important and the only one with sufficient continuity and experience in colonial matters to be able to formulate a coherent policy; but it too generally relied on precedent in dealing with colonial problems. The Board was the traditional repository of detailed knowledge on imperial affairs (partly because the colonies were

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[1] Edmund Burke, for example, was agent for New York. Among public servants, John Pownall (Secretary to the Board of Trade) served the Virgin islands, and John Sharpe (a Treasury Soliciter) was agent for several other Caribbean possessions. Pownall's successor at the Board, Richard Cumberland, was Treasury agent for Quebec (a Crown appointment), but seems to have had nothing to do with the colonists.

[2] D.L. Mackay, 'Direction and Purpose'.

primarily of economic importance) and it reviewed colonial legislation and drafted Instructions for the governors. By 1782 it had built up a small, but dedicated and knowledgeable staff.[1]

But with the passage of Burke's Economical Reform Act in 1782, colonial agents had to adjust to a new situation, for the old Board of Trade and colonial secretaryships were abolished and from 1783 colonial affairs became the responsibility chiefly of the Secretary of State for Home Affairs. His office had far too wide a range of topics to deal with and too little specialised knowledge of the colonies for it to be effective in formulating policies to meet the changes in the post-war empire. Moreover, the Home Secretaryship was something of a political football until 1789 when Sydney, who had not wanted the post in the first place and was becoming estranged from Pitt and his inner circle of ministers, was replaced by the industrious Grenville. The old Board of Trade meantime, was resurected as a committee of the Privy Council, but its purview was now so greatly extended beyond colonial affairs that they inevitably took a secondary place in its deliberations.

This division of responsibility, coupled with the mass of boards and petty officials to be waited on, and the formal channels of communication and proceedures to be observed, handicapped the work of

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[1] Just how much influence such staff had is a matter for debate. Franklin B. Wickwire, British Subministers and Colonial America (Princeton, 1966) believes that long serving undersecretaries such as John Pownall and William Knox could, given the right relationship with their minister, influence not only the details but also the broad outlines of policy. On the other hand, D.L. Mackay, 'Direction and Purpose', thinks that their scope for initiative was severely limited - generally to routine administrative problems. As regards Quebec, evidence is scarce, but it would appear that the views of Knox on the Quebec Act and of Pownall on imperial-American trade after 1783, reflected rather than formed those of ministers. Evan Nepean seems to have had no discernible influence on the 1791 constitution even though he was in touch with reformers in Quebec.

of the agents and could occasion great delays and considerable expense in dealings with Whitehall.[1] Moreover, government was always likely to be 'side-tracked' by domestic and foreign political issues. At times during the 1760's and 1780's, rapid changes of government confused the situation still further and temporarily brought the work of the agents to a virtual standstill. In addition, the agents were often hampered by disputes in the colonies which threw their credentials into doubt at a time when administration was becoming more insistent on the proper accreditation of agents and increasingly suspicious that some were no more than representatives of colonial factions.[2]

The same problems of ignorance and apathy confronted the agents in their dealings with Westminster. If Parliament's role in colonial affairs in the first half of the eighteenth century had been largely a passive one with intermittent spells of activity, from about mid-century onwards (and especially from 1763) it pursued a more important and active role, largely as a result of the lessons of the Seven Years War and the gathering American crisis. Agents had to be extremely vigorous and assiduous in their attentions if they were to drag M.P.'s out to vote on colonial issues. But Parliament was the ultimate seat of Britain's imperial sovereignty, and petitions to Parliament were the most effective means of rousing public support and putting pressure on the government. Having merchants who were in colonial trade in the house was therefore an important consideration, for they sometimes sat

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[1] M.G. Kammen, A Rope of Sand, pp. 59-66.

[2] Ibid., p. 153 et seq. Colonial legislatures were often split over the choice of an agent, giving the impression that he was merely a factional spokesman. This was true of Quebec which, not having an assembly, could not have an officially accredited agent representative of the whole province. Her obvious internal divisions made those who acted for Quebec in London appear even more to be factional spokesmen, which proved to be a serious disability.

on important committees and had ample time and opportunity to canvass for support among their fellow members.[1] In this respect the West India interest was well served, and in the early 1760's was able to rely on the support of some 50 or more M.P.'s, whose votes could prove decisive in the division lobby.[2] The American colonies had about half a dozen merchant backers in the House,[3] but could in addition rely on the support of several hundred businessmen out of doors. The Quebec interest had only one Canada merchant[4] in the House, and a mere dozen or so outside, to lend weight to their petitions. Numerical strength was obviously important, but all colonial interest groups were only too aware that, in the last analysis, their chances of success were influenced by outside factors; as one observer wrote in 1742, 'unless the Court is dispos'd to do us Service, no agent can do us much good'.[5]

In these circumstances, the sort of concrete achievements for which colonial interest groups could hope were usually of a limited nature, and were governed primarily by what Britain conceived to be most in her own interests or in those of the empire as a whole - or its most valued parts; thus the colonies which were strongest economically and could therefore command most support among the commercial community in Britain, were in the best position to achieve their objectives. The victory of the American interest over the Stamp Act

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[1] This was especially important after 1766, when lobbyists were barred from the Commons gallery.

[2] L.M. Penson, Colonial Agents, p. 228.

[3] M.G. Kammen, A Rope of Sand, p. 98.

[4] Canada merchant was the term used to describe those British merchants who traded with Quebec.

[5] M.G. Kammen, op. cit., p. 104.

was in part a tribute to the economic importance of the Thirteen Colonies to British commercial and manufacturing interests and to the imperial economy as a whole; but it was also the result of a unique combination of circumstances - a favourable ministry, the support of the West India interest as well as their own interest groups, the post-war depression in Britain and the support of important and influential interests in and outside Parliament.[1]

Such spectacular reversals of British policy were extremely rare. For the most part, even the powerful interest groups such as that of the West Indian possessions, could expect only more modest achievements. Except for the short period between about 1725 and 1763 when it was at the height of its power, the West India interest contented itself with trying to prevent measures prejudicial to its affairs, rather than with aggressive proposals such as the attempts to suppress the illegal foreign West Indies trade with the Thirteen Colonies in 1733, or to obtain the right to send sugar direct to foreign ports in 1739;[2] and at all times British interests were the ultimate criteria by which the representations of the colonies were judged.

If it was the government's ignorance which had led to the development of colonial agencies, the same ignorance caused ministers to put great stress on the dispatches of the governors as a source of information. In the West Indies and American colonies a certain amount of indolence on the part of the governors had combined with the creation of assemblies, the development of accredited agencies, and the growth of other channels of communication connected with the expansion in

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[1] M.G. Kammen, A Rope of Sand, p. 108 et seq.

[2] L.M. Penson, Colonial Agents, pp. 121-3.

imperial trade, to reduce their value as a source of information on colonial affairs.[1] But this was not true of Quebec. Here there was no assembly or representative agency; the governor was the only official source of knowledge. British ministers were very ignorant of Quebec and particularly puzzled by her seemingly insoluble problems for which there were no precedents to guide them. Consequently the views of the governors - Murray, Carleton and Haldimand - were given unusually great weight in policy decisions about the colony. This fact was to have very important consequences for the British minority in the province. Thus, in a political as well as an economic sense, the development of Canada must be studied from both sides of the Atlantic. In her case, history may have been 'made at home', but its inspiration came largely from the officials in Quebec itself.

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[1] M.G. Kammen, A Rope of Sand, p. 104.

Chapter 1

'an Object of no great Moment'

QUEBEC: THE ECONOMIC SETTING 1760-1790

Winter had not yet melted into spring when, on 10 February 1763, the fourth article of the Peace of Paris was signed and the old colony of New France became, officially, the new one of Quebec. Much had or was about to change; familiar faces had departed for France and many new ones had arrived from the British Isles and the Thirteen Colonies. New institutions were soon to replace the old; commercial links had been broken and would have to be forged anew. When the ice melted many of the ships gliding gently, though carefully, up the St. Lawrence, would bear English not French names. Britain had chosen to keep Quebec in preference to Guadeloupe, but the colony was a poor one - more than Voltaire's "few acres of snow", but producing then only one fortieth of the wealth of that West Indian island. There must have been many in London who wondered uneasily whether or not the new acquisition would turn out to be a white elephant.

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On hearing the news of the fall of New France, Alexander Henry hurried north from Albany to take advantage of the new market.[1] He was not alone in this; his fellow Americans Thomas Walker, James Price, Peter Pangman, William Heywood and Peter Pond also decided to try their luck in Quebec. From Britain came George Allsopp, a well-connected

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[1] For a biographical note on Henry see Appendix B, below.

young merchant from Bristol, and Thomas Dunn among others, while Wentzel and Jacob van der Heyden had made their way from Europe to Canada. Many of these men came on the coat-tails of the army, as sutlers, but for the Scots among them, clan and business connections proved equally strong attractions.[1] Altogether, about 100 "adventurers" were cooped up in the province during the winter of 1759-60, and more came after the Capitulation of Montreal in September 1760 following General Amherst's appeal for supplies. The last wave of immigrants before the 1770's arrived in 1761, many direct from the mother country; thereafter they only trickled in.

Their first impressions of Quebec cannot have been very encouraging, for war had taken its toll on an already weak economy; indeed so poor was Quebec that the French had made no attempts to raise taxes there.[2] Since 1756 the economic life of New France had been totally dominated by La Grande Société, a commercial organisation run by, and for the benefit of the Intendant, Bigot, and a few select friends. They supplied the whole colony, civil and military, as well as the Indians, with much of their victuals and supplies of all kinds. Taking advantage of the wartime need for provisions and the imbalance between supply and demand during these difficult years, they amassed a profit of twelve million livres on goods worth only eleven millions in 1757-58, using the most unscrupulous methods.[3] Those who were not fortunate enough to be part of this fraud suffered badly from its inflationary

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[1] D.S. Macmillan, 'New Men in Action: Scottish Mercantile and Shipping Interests 1760-1825', in D.S. Macmillan ed., Canadian Business History (Toronto, 1972), p. 51 et seq.

[2] D.K. Fieldhouse, The Colonial Empires: A Comparative Survey from the Eighteenth Century (London, 1966), pp. 39-40.

[3] F. Ouellet, Histoire Economique et Sociale du Québec 1760-1850 (Montréal and Paris, 1966), p. 49.

consequences; Lord Hertford reported that Bigot had struck no notes for less than four louis d'or and claimed, perhaps exaggeratedly, that part of a sirloin of beef or a loin of veal usually cost 100 livres.[1]

Speculation in Canadian paper money by some of the newly arrived merchants, both on their own behalf and for certain London houses, aggravated an already difficult situation. Not only was specie in short supply because of heavy trade deficits with Britain and New England, but the exchange rates between the various types of coin in use - mainly Spanish dollars and pistareens, French and British crowns, Portuguese "Johannes" and British guineas - fluctuated quite rapidly, and was not finally settled until 1777.[2]

Thus, while a few had prospered under the last years of French rule it had been at the expense of the colony as a whole, the economy of which was already weak and unbalanced. The total dominance of the fur trade lay at the root of this economic malaise. Its heady promise had helped to divert scarce capital from other parts of the economy, such as agriculture. Those seigneurs who prospered did so from trade not farming, and they made little attempt to encourage their habitants to cultivate other than for subsistence. The economic and social structure of the colony was dominated by furs and conspicuous consumption, and was not of the type to lead to basic economic development. The only industrial enterprise were the small iron forges of St. Maurice near Three Rivers. All told, the verdict of the Board of Trade in a report of 1781, though perhaps over-pessimistic, was broadly true:[3]

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[1] B.M. Addit. MSS., 24,131 (Lansdowne Papers), f. 43: Memo on Canadian Paper Money. In 1764 the French livre was fixed at 20 cents.

[2] J. Hamelin, 'A la Recherche d'un Cours Monétaire Canadien, R.H.A.F., XV (June 1961).

[3] P.R.O., C.O. 43/2, ff. 482-84.

> The Commerce of Canada . . . when part of the French Dominions, was confined to the exportation of peltries . . . and a very inconsiderable trade in fish and lumber . . . . The Peasants were in a State of Poverty and abject Subjection to the Noblesse . . . under whom in general they held their Lands, and who were not disposed to hold out any Encouragement to their Industry, more than their own Immediate Interests required.

In 1760, apart from a small trade in fish, fur was the only readily exportable commodity produced in Canada, and many of those merchants and adventurers who ventured to Canada in the first years of British rule did so, like Alexander Henry, to engage in the fur trade. However, even it was in a poor state of health. The disruption of the Seven Years War was not going to be repaired easily or quickly. Not only were communications with the upper country interrupted, but the willingness and ability of the Indians to hunt, without which the trade could not be carried on, was seriously impaired. In addition to all the risks and problems of finance and organisation which normally attended the fur trade, and which will be discussed later, there were political factors which slowed down the rate of recovery.

The first of these was the outbreak, in the spring of 1763, of the Indian war known as "Pontiac's Rising", which completely wrecked the trade at all the major posts for one season, and severely interfered with it for another. Alexander Henry, who was in the upper country at the time, narrowly escaped with his life, but the chief losers by the disturbances were the Montreal merchants whose large stocks of trade goods now lay idle and continued to grow because of orders already sent out to England.

However, even with the restoration of peace, trade restrictions were not entirely lifted. The Proclamation of 1763, in placing the West outside the boundaries of Quebec, has been seen as an attempt to turn the attention of the colonists away from the interior and to make

of Canada an ordinary agricultural colony.[1] Certainly, when Governor James Murray re-opened trade in January 1765, the merchants found themselves faced with restrictions the chief purpose of which was not to boost trade but to safeguard the Indians, for the security of the province as a whole. Not only were those going west required to obtain licenses, but they had also to give security to twice the value of the goods they sent. The practice of wintering among the natives, essential for the trade at Michilimackinac, was forbidden, and all commerce was confined to the posts under the watchful eye of the military commander there. Naturally these measures caused a good deal of resentment among the traders, especially when prices too came under control. In practice though, they were never strictly enforced at the posts, but were nevertheless annoying to men who had to face strong competition from the Hudson's Bay Company and the Americans based on Albany. The latter had the important advantages of quicker and cheaper communications, and large supplies of cheap New England rum. But the chief beneficiaries of the 1765 restrictions were the French of the Mississippi; free to wander where they would among the Indians, they were soon sending large quantities of fine furs down river for sale at New Orleans.[2]

As far as the trade from Quebec was concerned however, the conquest did not lead to an immediate and total takeover by the old subjects, as the British and Americans were called. Numerically speaking indeed, the Canadians kept their superiority for over a decade, though by as early as 1767 the British were financing over half

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[1] D.G. Creighton, The Commercial Empire of the St. Lawrence (Toronto, 1937), p. 36; F. Ouellet, Histoire Economique et Sociale, pp. 76-77.

[2] H.M. Neatby, Quebec: The Revolutionary Age (O.U.P. London, 1966), p. 69.

the value of the expeditions going west.[1]

In these early years there were basically three classes of men engaged in the fur trade: voyageurs, traders and merchants. The voyageurs were all Canadians, chosen because of their people's great experience of the routes and methods of the trade. They manned the canoes and braved tremendous physical dangers and hardships in return for the wages which they received on their return to Montreal at the end of the season.[2]

The traders, those men who bargained on the spot with the Indians, comprised both new and old subjects, with the former predominating again on account of their greater experience and better relations with the Indians. They were generally men of modest means, residing at the posts either just for the trading season, or else semi-permanently, coming down to Montreal only to receive their trade goods for the coming year from the merchants there.

This last group was made up almost entirely of British immigrants. Their commercial connections with London enabled them to obtain the capital needed for the trade. Most Canadians lacked both connections and capital. The merchants imported goods from London, either on their own account (for sale to their employees at the posts or to independent traders), or else, less frequently, undertook to sell them for the London houses for a small commission. The Montreal merchants were men of varying affluence, most of them only modestly wealthy in these early years, but some going on to become among the richest men in the colony. While they bore most of the financial risks, they also took most of the

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[1] F. Ouellet, Histoire Economique et Sociale, pp. 76-7.

[2] Graphic descriptions of the life-style of the voyageurs and traders can be found in Alexander Henry, Travels and Adventures in Canada and in the Indian Territories, ed. James Bain (Toronto, 1901); and M.W. Campbell, The North West Company (Toronto, 1957).

profits, and in the fur trade both the risks and the profits could be large. Alexander Henry, for example, won and lost several modest fortunes before retiring to Montreal in 1781 with a 'handsome competency'.[1] Ouellet estimates that an investment of £15,000 in trade goods in 1767 would have brought a return of £70,000 in furs.[2] But fortunes could change rapidly. In October 1784 Todd & McGill wrote to their correspondent in Detroit, John Askin, announcing ' a very handsome profit equal to £2,191·14·1 Currency carried to the Credit of your Account';[3] less than two years later, in April 1786, Askin was begged to 'leave no stone unturned in order to make remittances for on this summer depends our own existence as men of Character and Credit'.[4]

The cost of outfitting an expedition was high, and had to be undertaken while the sum fetched by the previous season's furs in London was still unknown. In 1780, Charles Grant broke down the cost of a trip to the west as follows:[5]

Canoe and crew of eight	£300
Transport England to Montreal	£150
200 gallons of rum and wine	£ 50
Transport Montreal to Michilimackinac	£160
Transport Michilimackinac to Grand Portage	£ 90
Total cost	£750

In the early years of British rule the number of merchants was small, and many traders who had contacts in England ordered directly from them without going through a Montreal middleman. Lawrence Ermatinger was one of those who dealt direct with a London house - though

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[1] A. Henry, Travels and Adventures, p. xxiii.

[2] F. Ouellet, Histoire Economique et Sociale, p. 78.

[3] M. Quaife ed., The John Askin Papers, vol. 1 (Detroit, 1928), p. 200: Todd & McGill to Askin, 11 Oct. 1784.

[4] M. Quaife ed., op. cit., 1: 235: McGill to Askin, 12 April 1786.

[5] F. Ouellet, op. cit, pp. 106-7.

not always to his satisfaction.[1] They bought goods from British manufacturers and on the Continent, insured them, and dispatched them to Quebec. Ermatinger would generally pay one third in the autumn, and the rest over twelve months from the proceeds of the furs which he sent them for sale on his behalf in London.[2]

Credit was the keystone of the fur as of all other trades; without it the expeditions could not be financed. The merchants bought goods from London on credit and parcelled them out to the traders on credit against the next season's hunt. A bad hunt could therefore lead to financial hardship in the upper country, in Montreal and in London. Charles Grant[3] wrote in 1780 that:[4]

> every year furnishes instances of the loss of men and goods by accident or otherwise. It is not therefore to be expected that the traders in general are men of substance; indeed few of them are able to purchase with ready money such goods as they want for their trade. [They are therefore] destitute of every means to pay their debts when their trade fails.

Coming from one engaged in the fur trade, and knowing the propensity of eighteenth century merchants to play down their good fortune and to magnify their financial hardships, one should be wary of taking all such complaints at face value; but it is undeniably true that there were great risks involved in carrying on the fur trade, and considerable dangers to be faced by traders in the upper country, as Alexander Henry, who on more than one occasion came close to losing his life, would readily have testified. Nevertheless, to a degree unknown in any of Quebec's other trades, successful men were very successful, James McGill,

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[1] For a biographical note on Ermatinger, see Appendix B, below.

[2] H.A. Innis, The Fur Trade in Canada: An Introduction to Canadian Economic History (Toronto, 1956), pp. 207-8.

[3] See Appendix B, below.

[4] H.A. Innis, op. cit., p. 213.

Simon McTavish and the Frobisher brothers standing security for sums ranging from £13,000 to £26,000 for one season's trading goods by the 1780's.[1] Many of the names which are found on the first lists of trade licenses are still there 25 years later, if not as individuals, then as members of larger groupings. It is not unreasonable to suppose that the fur trade sustained most of those who engaged in it, if not in luxury, then generally in a decent degree of comfort in the period down to 1791. Writing to Richard Dimsdale of Philadelphia in 1774, Ermatinger was of the opinion that the £5,000 which the American would bring to their proposed partnership could be 'employed to greater advantage here than in any other part of America, as there are but few People of any considerable fortune in this place and they naturally command the greatest part of the Trade.'

To stand any chance of success of course, one had to meet the organisational requirements of the trade. The trading season was very limited and the first men to arrive were at a big advantage. In the opinion of James Phyn, 'two or three weeks of the spring trade is worth half the year'.[2] The need for efficiency in organising an expedition is well brought out in the pages of an anonymous document among the Hardwicke Papers:[3]

> The adventurer in the Indian Trade must have his goods ready at Montreal in . . . April, consequently they must be arrived from England at Quebec in or before the month of Novem^{r} the preceeding year, from

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[1] F. Ouellet, Histoire Economique et Sociale, pp. 102-4.

[2] R.H. Fleming, 'Phyn, Ellice and Company of Schenectady', in Contributions to Canadian Economics, IV (Toronto, 1932), p. 16.

[3] B.M. Addit. MSS., 35,915 (Hardwicke Papers), pt. 1, ff. 165-66. The route described in this passage can be traced on the map opposite page 11, below.

there during the winter they must be transported to Montreal where they are prepared for the Indian voyage by being put up in packages, not exceeding One hundred pounds weight each, and every package . . . should be an assortment of different species of Merchandise. These packages are then conveyed up the River . . . . there the Birch canoes with 6 men each, being ready, the Goods are put on board and so they proceed (the first week in May) on the voyage by the River Ottawaes to the Post of Michilimackinac about 300 Leagues west of Montreal.

As they must unload and land their canoes every night and . . . carry them on their backs in 35 different places some of which are a league long it is generally from 35 to 40 days after their departure from La Chine [near Montreal] before they arrive at Michilimackinac.

Here they unload their large canoes [1] and put the Goods into lesser ones which are despatched to different places on and about the Lakes Huron, Superior and Michigan.

It is generally the middle of June before the earliest canoes arrive, the remainder of this month, July, August and September is all the time the Traders have to dispose of their goods and to carry their furs to Montreal, if in this time they cannot finish their Business, and are obliged to stay all winter, they are sure to make a loseing Voyage.

This description was probably written some time in the late 1760's but basically the problems it describes are true for the fur trade throughout the following 25 years. Perhaps the main change came with the expansion of trade into the North West where wintering was essential, and the growing use of private boats instead of canoes on the Great Lakes in which the merchants carried their goods to Niagara, Detroit and Michilimackinac.

In 1760 these were the three main posts on which the fur trade was based, though the character of the trade at the first two differed somewhat from that at the latter. Traders at Niagara and Detroit might expect to receive their furs direct from the Indians at these posts, sell their goods and return home all in one season. However,

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[1] These large canoes were some 35 feet in length, 5 feet at their broadest part in the middle, and 2 feet 3 inches deep; they could carry a load of up to 8,000 lbs.

most Indians could not reach Michilimackinac during the short period of the trading season, and so the traders were forced to go one or two hundred leagues west and there winter among the natives. This meant that the returns on any one season's trading took two to three years from the time of fitting out until the furs were sold in London. This, together with the huge distances involved, meant that greater capital and credit were needed for this branch of the trade.

But in the 1760's there was no sign of the later predominance of the North West. In 1767, 84 canoes went south from Mackinac and only 37 north west, and probably twice the value of trade goods went to the former region.[1] Detroit and Niagara were still pre-eminent. From there traders branched out to the Illinois, the Miamis and the Missouri, with the best beaver to be found in the valleys of the Wabash and Maumee rivers. But the fact that the beaver (the basis of the trade) was neither a migratory nor a highly reproductive animal cast a shadow over the long term future of this, the old established fur trading area.

Further north, Michilimackinac had not yet reached its heyday. From there traders ventured into the present day states of Wisconsin and Michigan, as well as south to Louisiana (as it then was) and the Illinois. (See map opposite).

Despite the difficulties associated with the fur trade, it continued for many years to attract the ablest, wealthiest and most energetic men on the whole, to the detriment of developments in other branches of the economy. In truth however, there was not much else to draw a merchant to Canada. Governor Murray reported huge stands of

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[1] E.E. Rich, Montreal and the Fur Trade (Montreal, 1966), pp. 36-37.

timber, but these had hardly begun to be tapped, partly because there was no overseas market in which Quebec could compete. Britain could be supplied more cheaply from the Baltic and the West Indies from the Thirteen Colonies.

More prized in mercantilist circles, both for their economic value and as a nursery for seamen, were the fisheries of the Labrador coast and the Gulf of the St. Lawrence. A number of those merchants who settled at Quebec engaged in trade in the seal oil and cod to be found in these areas. Adam Lymburner, Daniel Bayne and William Brymer were among the first to do so, but for various reasons the trade never rivalled that carried on from Newfoundland, Nova Scotia and New England. Men from these areas, as well as from the Channel Islands and the West of England, provided stiff opposition for the Quebec merchants whose trade was hit by the Proclamation of 1763 which placed the fisheries within the jurisdiction of Newfoundland and Nova Scotia. Figures available for the state of the fisheries in 1764 appear grossly to overestimate the value of the trade as carried on from the various colonies, but probably give a fair idea of their relative importance. According to these statistics Quebec lagged far behind Nova Scotia, Newfoundland and New England in the total monetary value of her fishery, it being as little as one quarter as valuable as the smallest of these, New England.[1] But in one respect of the fisheries at least, that of provisioning, Quebec was able to increase her role in years to come as the colony's agriculture gradually found its feet.

The agriculture of New France had been another victim of the dominance of the fur trade in the economic and social make-up of the

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[1] B.M. Addit. MSS, 38,374 (Hardwicke Papers), ff. 104b-105.

colony, and in 1762 Murray described it as among the worst in the civilized world. In such a large colony the area of significant population was very small. By 1760 some 65,000 Canadians had built their farms on seigneuries stretching back from the St. Lawrence along the 200 miles from Quebec up-stream to Montreal. Even within this relatively tiny area the amount of fertile land was not large and by no means all of it had been exploited. The climate too restricted agricultural activity severely. But besides these natural limitations there were other obstacles to a flourishing agriculture stemming largely from the lack of incentive for the habitants to produce a surplus for sale. The domestic market was small, and any surplus was bought up by the French government at low prices. Overseas markets, for example in the West Indies, were closed by French mercantilism. The result was that, because there was no incentive for the habitants to produce more than they needed for themselves, they saw no pressing reason to improve their techniques. The British were appalled at some of the methods they observed being practised by the Canadians, and which resulted in low yields of only five to seven minots per arpent - poor for an agricultural society where 76% of the population was rural.[1] Crop rotation was not customary so that the soil was constantly being drained of its goodness, and the habitants kept too many horses and too few cattle. Instead of using the manure from these animals for fertilizer, they dropped it on the St. Lawrence in winter to be carried down stream when the ice melted. Large tobacco patches flourished where wheat should have been growing.

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[1] J. Hamelin et F. Ouellet, 'Les Rendements Agricoles dans les Seigneuries et les Cantons du Québec 1700-1850', in France et Canada français du XVIe au XXe siècle, ed. C. Galarneau et E. Lavoie (Quebec, 1966), p. 81 et seq.

It is clear from this and from Governor Murray's report of June 1762 on the state of the colony, that the British government can have had no illusions about the condition of the Quebec economy in 1760. Indeed, in many circles, Quebec was received into the empire with reluctance.

From the time of the Capitulation of Montreal in September 1760 the debate had gone on in Britain among the interested parties as to whether or not Quebec should be kept in preference to the West Indian island of Guadeloupe. Among the strongest proponents of retention was, paradoxically, an influential section of the West India interest which had been jolted by the sharp drop in London sugar prices in 1760 following large imports from the newly conquered island of Guadeloupe; they feared for their own interests.[1] On the other hand there were those who argued that Britain had to produce more sugar for there was no longer enough to re-export to Europe. Together with the slave traders they advocated keeping the Caribbean possession. In government circles they were opposed by Shelburne (the President of the Board of Trade) who argued that sugar islands depopluated the mother country, while northern colonies took British manufactures thus helping to keep millions in Britain employed.[2] It is true that Britain had an adverse balance of trade with many of her Caribbean possessions and a very healthy one with her northern colonies;[3] but Canada's economy was not only weak and small in itself (which meant that Britain would have to pay out large sums for her civil and military

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[1] Richard Pares though has argued that the West India interest as a whole favoured keeping Guadeloupe for economic and strategic reasons. See, R. Pares, War and Trade in the West Indies 1739-1763 (Oxford, 1936), pp. 219-21.

[2] J.H. Parry, Trade and Dominion: The European Oversea[sic]/Empires in the Eighteenth Century (London, 1971), p. 128.

[3] P.R.O., B.T. 6/185, f. 71 et seq.

establishments), but it would fulfill almost none of the basic requirements of mercantilism.

According to this, the prevailing theory of empire, colonies had two functions: they were sources and they were markets. The ideal colony should supply the metropolis with raw materials she needed but did not herself produce, taking in return her manufactured goods. Furthermore, if the colony was to help in the defence of the empire, this trade should be carried on as far as possible in British built and manned ships, thus encouraging British shipbuilding and providing a training ground for seamen which would prove invaluable in time of war.

Canada's ability to fulfill either of these roles was limited. Her products were essentially those of Britain or her other colonies, or else could be obtained more cheaply elsewhere. Timber was bought from the Baltic, and masts, wheat and flour from the Thirteen Colonies rather than from Quebec. The only natural resource to play its assigned role was fur. It was not produced in England, and was used to make a widely exported luxury good, and the trade was carried on in British vessels with the aid of thousands of pounds worth of British manufactures.[1] To Quebec it was a very important export which helped to serve as a remittance, not only for goods bought for the trade, but for other purchases as well. Lawson recognises this, but has underestimated its importance to Britain in arguing that furs accounted for something under 1% of the total value of British imports, and for a maximum of 1½% of exports between 1700 and 1775. The real strength of Canada's position lay in her near monopoly share of British fur imports. The

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[1] Benjamin Frobisher estimated the value of trade goods sent west in the mid-1760's at a minimum of £36,000. B.M. Addit. MSS, 35,915 (Hardwicke Papers), f. 204.

official sterling values show her share in 1760 to have been 13% of the total; by 1765 this had risen to 53% and by 1775 to 67%. Hudson's Bay, the next largest supplier, lagged far behind with 11%.[1] As most of Britain's fur imports came from her colonies, the importance of Quebec in this sphere can be readily appreciated. In a memorandum to the imperial government in 1766, Fowler Walker (the agent of the Quebec merchants) did not fail to point out the value of furs to the mother country. They paid a high duty on export, and were manufactured in Britain, their value being greatly increased thereby, into a profitable re-export. He further argued that Quebec's trade was important because no other colony took, in proportion to its imports, so large a quantity of British manufactures.[2] What he failed to mention was that, compared to her trade with the other colonies, Britain's commerce with Quebec was not of much significance.

Official figures are notoriously deceiving as they were based on out of date calculations as to the value of the different products. Nevertheless, working on the assumption that the original valuations were more or less correct, in themselves and in relation to one another, the official trade figures may be useful in showing long and short term trends in Britain's trade with her possessions, and the relative size and importance of the commerce with her different colonies.[3] The figures certainly highlight the insignificance of Quebec's place in the imperial economy. In 1769 the total official value of her trade with England (in what was for the time a good year) was £270,000; but that of New England (which produced most of the same products) was £542,000.

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[1] M.G. Lawson, Fur: A Study in English Mercantilism (Toronto, 1943), p. 108.

[2] B.M. Addit. MSS., 35,915 (Hardwicke Papers), f. 22: Considerations on the Present State of the Province of Quebeck, March 1766.

[3] Least reliable are the balance of trade figures. British export figures were calculated from the cost when landed, including insurance and freight; imports to Britain did not generally include these "hidden extras". See S.S.H. Carrington, 'Economic and Political Developments in the British West Indies', p. 3.

Even larger was the trade of the mother country with the southern colonies totalling over two and a quarter million pounds,[1] and that with the more prosperous West Indian possessions, for example Jamaica, which approached or exceeded one million pounds.[2]

Moreover, the trade with future British North America employed relatively small amounts of British shipping compared with what cleared for the Thirteen Colonies; the number of sailors was also much smaller.[3]

In large measure then, Quebec's imperial economic significance depended on the importance attached to the fur trade in ministerial circles in London. Here one must conclude with Lawson that the fur trade was not of sufficient consequence for its requirements to take precedence over the real role of Canada in the empire which was not economic but strategic. Canada was retained in 1763 primarily for security reasons which had much to do with the causes and experiences of the Seven Years War.

The decision to retain Canada was a rational one in the context of Britain's war aims, which had been to secure the frontier for her increasingly valuable North American possessions. Throughout the eighteenth century the profitability of these thirteen colonies, to British merchants and, indirectly, to the Treasury, had been growing, and they were now also playing a vital part in supplying the British West Indies with provisions.[4] Natural increase and immigration had

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[1] C.H. Wright, Economic History of the United States (New York, 1949), p. 130.

[2] P.R.O., B.T. 6/185: English Imports and Exports 1763-1773.

[3] Figures for the number and tonnage of ships can be found in P.R.O., B.T. 6/241, f. 196. They appear plausible for trade with the 13 Colonies, but underestimate that with future B.N.A. in the pre-war years. However, there can be no doubt that trade with the former was bigger and more important in every way.

[4] It is instructive to compare American and Canadian contributions in this. In 1771-73 the Americans sent 369,000 barrels of flour and Canada (in a period of record harvests) only 991 barrels to the Indies: P.R.O., B.T. 5/1, f. 129. The picture for a wide range of lumber and provisions is amply confirmed by figures quoted in S.S.H. Carrington, 'Economic and Political Developments in the British West Indies during the Period of the American Revolution' (unpublished PhD. thesis, University of London, 1975), p. 405.

swollen the population six or seven fold to something approaching two millions on the eve of the war, thus providing an expanding market for British manufactures at a time when the first stirrings of the Industrial Revolution were being felt, and also for the re-export of East India goods which were pouring into London at an accelerating rate. In return, tobacco was a particularly valued re-export from the colonies to Europe, and the masts of New England were desperately needed to supply the navy.[1]

These British settlements, if not seriously threatened with extinction by the much smaller numbers of the French in North America, were subject to constant and irritating attack from the French themselves and their Indian allies. These raids continued right through the years of "peace" preceeding the official outbreak of war in 1756. Although Bedford favoured a French presence in Canada to keep the Americans loyal, when the time came to decide what to keep, those in authority took the view that the best insurance against future danger was to deprive the French of all overseas bases from which English colonies and trade could be threatened. The Earl of Chesterfield agreed: 'We should keep Quebec and Canada', he argued, 'as preventatives of a future war', the cost of which could easily be set against the loss of potentially large profits from Guadeloupe.[2]

The eventual frontiers of Quebec, as laid down in the Proclamation of 1763, illustrate clearly that defence came before the dictates of the fur trade, for they were simply a rough outline of the old French settlements and cut off the western fur lands, on paper at least, from

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[1] J.H. Parry, Trade and Dominion, pp. 114-15.

[2] A.L. Burt, The Old Province of Quebec (Minneapolis, 1933), pp. 57-8; H.M. Neatby, Quebec, pp. 7-8. For a full discussion of the Canada versus Guadeloupe controversy, see Guy Frégault, Canada: the war of the conquest, (Toronto, 1969), pp. 295-317. Frégault concludes that 'History had demonstrated in the half-century following the Treaty of Utrecht that North America could not be divided between two genuinely foreign powers.' Fregault, op. cit., p. 340.

the St. Lawrence lowlands and the heart of the new colony. (See map page 276, below).

II

Governor James Murray left Quebec in 1766; had he returned twenty-five years later he would have noticed many changes in the economy of the province. In 1790, as in 1760, furs still constituted the most valuable export, but the trade no longer held quite the dominating position it had once done in the economic life of the colony because of developments in other fields. Murray would have been particularly pleased that his efforts to improve Canadian agriculture had met with a measure of success, for wheat and flour had grown spectacularly from almost nothing to constitute the second most important export in years of good harvest. This was the most notable economic development of the period, and it can be argued that a good wheat crop benefited more people than a good fur return in a society where, by now, 80% of the population was rural.

But he might equally well have been surprised that the potential of Quebec in other fields had not been fully realised. The fisheries accounted for some 15 to 20 percent of the total value of exports, but they had grown relatively little, and cod exports had fallen during the 1780's. The vast stands of timber which had so impressed Murray in 1762 still remained, for the most part, untouched - though a start had been made on exporting to the West Indies.

Despite the considerable growth in the total volume of trade, the story of Quebec's economy had been largely one of promise unfulfilled. The hallmark of these years was the lack of specialization and the flexibility among merchants who would grasp any and every opportunity to make a profit in whatever kind of produce, and also the continuous

process of innovation as the newly arrived commercial class sought to discover the most lucrative fields of activity. There were many disappointments, as in potash and timber, but there were some noteworthy successes, as in agriculture and the continued prosperity of the fur trade. But external factors hindered the realisation of Quebec's full promise in this period, and it was not until the nineteenth century that the seeds sown between 1760 and 1790 grew to maturity.

In 1790 as in 1760, the fur trade was a pillar of the economy, although not now the only one. It was still the most valuable single export, but its share of the total had dropped in the face of competition from other fields of activity. From 76% of the total value of Quebec exports in 1770 it had fallen to 51% by 1788, and by 1802 made up only 9% of the total. But even in 1790 it was by no means on its last legs. Indeed, throughout the years down to 1791 and beyond, there was a steady increase in the number of skins exported, including beaver pelts which were the basis of the trade.[1] The total value of fur exports, which 'the best traders' had estimated in 1762 to have been about £140,000 annually in the last days of New France, was reckoned by Todd & McGill to have been in the order of £250,000 per annum for the five years before 1794.[2]

A number of developments had occured in the years since Murray's ordinance of 1765 had reopened the trade after Pontiac's rising. Within three years the remaining restrictions were officially lifted and traders could winter freely among the Indians. The West was taken out of the hands of the military authorities and placed under the care of a Superintendant of Indians, Sir William Johnson. Six years later

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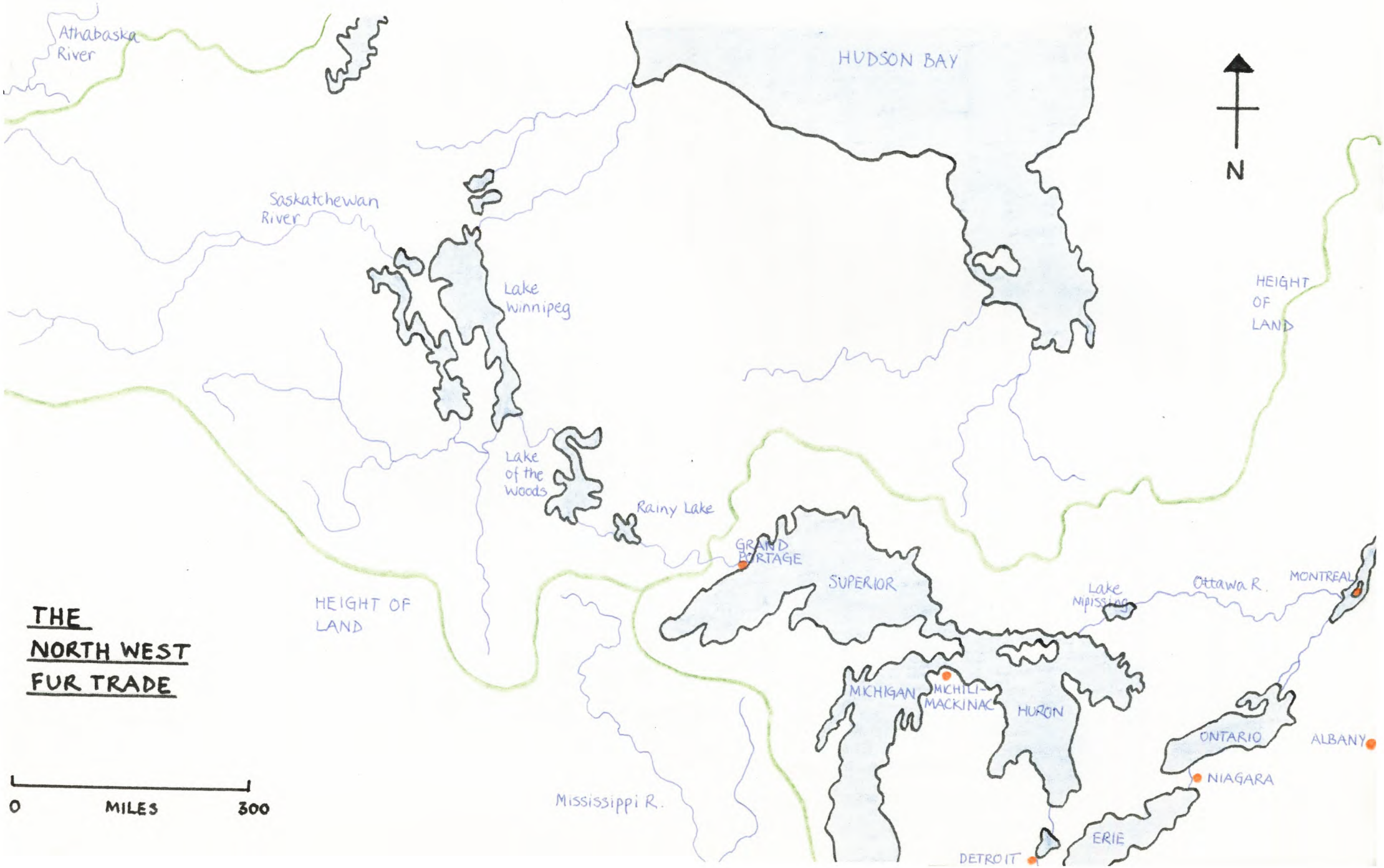
[1] See Appendix A, below.

[2] W.E. Stevens, The Northwest Fur Trade 1763-1800 (Urbana, 1926), p. 120.


Athabaska River
HUDSON BAY
N
Saskatchewan River
Lake Winnipeg
HEIGHT OF LAND
Lake of the Woods
Rainy Lake
GRAND PORTAGE
SUPERIOR
HEIGHT OF LAND
Lake Nipissing
Ottawa R.
MONTREAL
MICHIGAN
MICHILI-MACKINAC
HURON
ONTARIO
ALBANY
NIAGARA
Mississippi R.
ERIE
DETROIT
THE NORTH WEST FUR TRADE
0
MILES
300

the Quebec Act brought the upper country under the jurisdiction of Quebec, and so two of the traders' major grievances were removed. Moreover, the political and economic measures taken by the Americans in their intensifying campaign against British authority, in particular the non-importation agreements, hit the rival Albany traders badly by cutting off their supply of trade goods. With the outbreak of war a number of individuals, and the big firm of Phyn & Ellice of Schenectady, moved their headquarters to Montreal. Gradually, the strong American competition of the 1760's was fading, leaving more and more of an expanding trade to find its way down the St. Lawrence to the mother country. By 1775, according to the official sterling figures, the value of furs going to England from Quebec was nine times that of those exported through New York.[1]

However, the most important new development in the Canadian fur trade was the opening up of the rich, untapped fur areas of the North West through Grand Portage. (See map, opposite). This was responsible for a large part of the rising value of fur exports from Quebec. The old established fur trading area of the Ohio valley and the whole area south and west of the Great Lakes was starting to decline as the number of fur bearing animals slowly dwindled. It was the Peace of 1783 which, by threatening the cession of this region to the newly independent United States, really provided the spur that forced the Frobisher brothers and Simon McTavish to lead the way in opening up the North West.[2] This virgin hunting land, where the coldness of the climate meant that the animals grew finer, thicker coats, soon overtook the older areas of the trade. The fur trade at Niagara had long been at

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[1] M.G. Lawson, Fur, p. 108.

[2] For biographical sketches of Benjamin and Joseph Frobisher and Simon McTavish see Appendix B, below.

a low ebb, and the annual value of that at Detroit fell between 1784 and 1790 from £65,000 to £40,000. At Michilimackinac the trade stood steady at about £60,000, while the far North West rose from £25,000 to £40,000 and by 1794 had reached £100,000.[1]

As a result of this, there were organisational changes. The further west the traders were forced to go, the higher their transport costs became, and as Charles Grant's report of 1780 showed, these formed a large part of a trader's expenses.[2] It soon became clear that some form of association and pooling of resources among the norwesters was necessary if trade was to be pushed farther west. As early as 1775 James McGill, Benjamin Frobisher and Maurice Blondeau had banded together to send twelve canoes west, and after numerous experimental associations the North West Company (which was really no more than a formal alliance between several partnerships) was established in 1783. In the south west however, individuals and small partnerships continued to predominate as they had always done.

The successful expansion of the trade and its adaptation to changing circumstances was primarily the result of the drive and skill of a set of men who had come to the province since the first decade of British rule. Some of the original fur traders were still active, Joseph Howard, Peter Pond, Lawrence Ermatinger and Alexander Henry for example. But they had been supplemented by men who became the fur barons of Montreal in the 1780's and 1790's - Richard Dobie, who arrived in 1770, John Gregory (1773), Simon McTavish (1775), James McGill (c. 1770) and the American firm of Phyn & Ellice (1775/76).[3] These men

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[1] A.L. Burt, Old Province, p. 347.

[2] See p. 7, above .

[3] For notes on these new arrivals see Appendix B, below.

all belonged to the merchant class of fur traders, but were much more substantial than their forerunners of the 1760's. Whereas in 1767 Benjamin Frobisher had stood security for £3,800,[1] in 1783 he did so for £26,000 together with Simon McTavish. About the same time John McGill estimated that each member of the North West Company was making an annual profit of £3,000 per share.[2] Even allowing for some exaggeration by an envious south west man, it was still a substantial sum. The arrival of Phyn & Ellice in Montreal was important in that they had access to large amounts of capital in London where they had their headquarters, and in 1777 and 1781 they stood security for between £43,000 and £45,000 worth of trade goods.[3]

By the mid-1780's the various small London supply houses of earlier years had been replaced by about three or four large ones, prominent among them being Phyn & Ellice (later Phyn Ellice & Inglis), Dyer Allan & Co., Brickwood Pattle & Co. and Davis Strachan & Co. They had their corresponding houses in Montreal, again much more solid concerns than those which had started out in the 1760's. Dyer Allan and Brickwood Pattle & Co. were the suppliers of the Montreal firm of McTavish Frobisher & Co. who outfitted the North West Company.[4] Phyn Ellice & Inglis had a Canadian subsidiary - until 1790 Robert Ellice & Co. and thereafter Forsyth Richardson & Co. They too supplied the

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[1] C. Lart, 'The Fur Trade Returns 1767', C.H.R.,III (1922),351.

[2] E.E. Rich, Montreal and the Fur Trade, p. 89. Individual profits in 1787 were: B. & J. Frobisher, £9,251; McTavish, £7,709; John Blackwood, £4,625. See M.W. Campbell, The North West Company (Toronto, 1957), p. 56.

[3] F. Ouellet, Histoire Economique et Sociale, pp. 102-4.

[4] R.H. Fleming, 'McTavish Frobisher & Co. of Montreal', C.H.R., X (1929), 136-52.

North West trade through McTavish Frobisher.[1]

Almost all the trade was financed through the Montreal houses. No longer did the traders deal direct with the London supply houses as Lawrence Ermatinger had done in the old days. This concentration of financial power in a few hands, together with the ever greater amounts of capital needed as the trade drove further and further west, meant that the Canadians were gradually excluded from the trade. In 1790 they obtained only 26% of the licenses, equipped only 27% of the canoes and 4% of the bateaux, and they financed only 22% of the canoes and 7% of the bateaux. The number of individuals in the fur trade had decreased overall. In the years 1769-83 between 72 and 96 licenses had been granted annually; in 1790 there were only 45.[2] Fewer men were therefore sharing between them the wealth of an expanding trade.

This is not to argue that all was rosy. The old risks were still present and the huge increase in transportation costs to the far north west ate up some of the bigger profits. Wartime restrictions on the use of private vessels on the Lakes, which were not lifted until 1788, hampered trade by making it very difficult for the merchants to get their goods to the upper country on time. As the restrictions dragged on in the years after the signing of peace in 1783, the traders grew restive as they saw less and less need for them. The dangers of the credit system continued to weigh heavily upon all in poor years, and as the trade moved west the problems of organisation increased. All the good work of the Quebec Act seemed to be undone as a result of the boundary provisions of the Peace of 1783 which would have given Detroit, Michilimackinac and Grand Portage to the United States. (See

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[1] R.H. Fleming, 'Phyn Ellice & Co.', p. 38

[2] F. Ouellet, Histoire Economique et Sociale, p. 139.

map, p. 276, below). In 1790 the immediate future of the fur trade in Canada lay under a cloud of uncertainty.

For years the wheat and flour trades were considered the poor relations of the fur trade; Professor Creighton virtually ignored them until 1790, and even then neglected Lower for Upper Canada, though more recent works have begun to redress the balance.[1] Great strides had been made since the 1760's when the whole of Canadian agriculture had been damningly dismissed by Murray. Few could have foreseen that, thirty years later, wheat and flour would be (in years of good harvest) second only to furs as the chief exports of the colony in monetary terms. Even if the huge exports of the early 1770's were not repeated before the 1790's, wheat and flour exports were still many times what they had been under French rule. The export figure of 460,800 bushels of wheat in 1774 was equal to almost the total production of the best years of New France.[2] In 1784, William Grant declared wheat and flour 'the most staple commodity and Produce of this Colony'[3], and Hugh Finlay (perhaps a less interested observer) wrote that 'flour is our staple'.[4] In assessing the place of these products in the colonial economy in 1790 it must be borne in mind that the figures for any one year, which were liable to violent fluctuation, are less important than the overall trend; this clearly shows the greatly increased significance of Quebec's agriculture. Moreover, the export figures alone are not the whole story, for the domestic market was also supplied from the local crop, so that savings on imports of this vital commodity must be included in any estimation of its true monetary value.

The boom in overseas exports came in the early 1770's. In

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[1] See Professor Neatby's brief sketch in Quebec, pp. 61-3; also J. Hamelin et F. Ouellet, 'Les Rendements Agricoles', and F. Ouellet, Histoire Economique et Sociale, pp. 81-87, 109-114, 132-34.

[2] Hamelin et Ouellet, op. cit., p. 91.

[3] P.R.O., C.O. 45/4: Council Minutes, 22 April 1784.

[4] P.R.O., C.O. 42/17,f. 2: Finlay to Skene (?), 14 Jan. 1785.

1770 they had comprised 8% of the total, and in 1774 rose to 36% - a figure not surpassed before the 1790's.[1] The percentage dropped in subsequent years, but hovered around 18 or 20 percent in the mid-1780's. There could be no doubt that wheat and flour had arrived on the export scene to stay, and in the years after American independence the British authorities were impressed by the potential Quebec had shown before the war.

Most of the crop went to Britain or the West Indies, with southern Europe emerging later as another market. Exportation was not easy however, for each market had its own characteristics and attendant difficulties. Trade to Britain was hindered by the 1773 Corn Laws which put a prohibitive tax on imports until the price in England reached 48/- per quarter. In 1790 the tax was reduced to 2/6 from 17/- when the price was between 44/- and 48/-, and this was welcomed in Quebec as making exports less difficult.

The ability of Quebec to share in the West Indian and Iberian markets was limited by other factors, not made by man. Geography was the most important in both cases, for by the time market information reached Quebec it was probably out of date, and to send a cargo of wheat to Barcelona only to find on arrival that the market was saturated could be a very costly business. Intense international competition in these markets made timing very important, and good luck was often as much a part of success as good judgement. In the West Indies competition came chiefly from the Thirteen Colonies and proved largely insurmountable. Quebec's climate kept her out of the market for one half of the year, and geography for the other. The Americans could

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[1] F. Ouellet, Histoire Economique et Sociale, pp. 37, 86, 125-6. See also Appendix A, below.

always be sure of arriving first, and their produce was not only cheaper but on the whole of better quality.[1] The same factors held true for south Europe. News of a short crop there sent ships scurrying to Cadiz, Lisbon or Barcelona, and by the time the news reached Quebec the needs of the market had often already been fulfilled. Moreover, forecasts about the local crop, and therefore the amount of wheat and flour needed, changed notoriously quickly; flour was produced by windmills here, and no one could predict whether the wind would hold long enough for milling to be completed.[2] Nevertheless, the Iberian market was an important one for Quebec, for the wheat which she sent here was more than enough to buy all the wine and fruit she needed, and the balance was used to pay off part of Quebec's heavy payments defecit with London.

Clearly then, exports were kept down by geographical problems and the limited size of the overseas market open to Quebec under the mercantilist system. Other circumstances however played their part, and they were domestic ones springing from the infant state of the organisation of the trade. Sometimes ships arriving at Quebec would have to go away empty because, not having sent their orders in the previous winter, their wheat had not arrived at Quebec from the country-side where it was kept for lack of public granaries in the capital.[3] On the other hand, there were sometimes not enough ships to carry all the available produce. As William Smith wrote to an English friend in August 1787, 'In the neglect of shipbuilding there will be even

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[1] P.R.O., C.O. 42/11, f. 41: Report of the Committee of Council on Commerce, 1787. See also p. 17 note 3, above.

[2] A.L. Jensen, The Maritime Commerce of Colonial Philadelphia (Madison, Wisconsin, 1963), pp. 63-4.

[3] P.R.O., C.O. 42/18, f. 18: Finlay to Nepean, 1 July 1786.

this year an unexported surplus of wheat of between 1 & 200,000 bushels.'[1]

Despite these obstacles, there were considerable exports in several years. The main reason behind the growth of the trade was the creation of a market by the English where none had existed before. There was now some incentive for the habitant to produce more than he needed for his own use, and the surpluses were eagerly bought up by the agents of competing merchants, not by the government for low prices as under the French regime. These merchants included in their ranks some of the best known businessmen in the colony, among them George Allsopp, William Grant of St. Roc, Jacob Jordan, Robert Lester, Edward Harrison, William Goodall, John Antrobus and David Barclay. For none of them was this their sole interest: Grant and Jordan had distilling concerns while Antrobus and Barclay were engaged in the fisheries and retailing. Although the return on investment was slower than in most other branches of the economy, speculation in wheat was extremely popular among all walks of merchants, and the trade must have been quite remunerative judging by the amount of money ploughed into it. William Grant had three flour mills by 1788 with a total capacity of 40,000 minots, one of which was reported to have cost him £10,000; it lay on the banks of the St. Lawrence so that ships of up to 300 tons burthen could come alongside.[2] Henry Caldwell owned mills with a capacity of 40,000 minots, Thomas Coffin one of 25,000 and Jacob Jordan one of 50,000 minots capacity.[3] Hugh Finlay reported in 1786 that:[4]

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[1] L.F.S. Upton ed., The Diary and Selected Papers of Chief Justice William Smith, vol. 2 (Toronto: Champlain Society, 1965), p.225.

[2] P.R.O., B.T. 5/1, f. 38: Robt. Grant to Bd. of Trade, 25 March 1784.

[3] I. Caron, La Colonization de la Province de Québec, vol. 1 (Quebec, 1923), p. 171

[4] P.R.O., C.O. 42/18. f. 12: Finlay to Nepean, 7 Sept. 1786.

> The King's ancient subjects have become proprietors of some of the best seigneuries in the Country, and some have laid out great sums in erecting grist mills, and in buildings proper for the . . . manufacture of flower. Mr. Caldwell at Lauzanne, Mr. Allsopp at Jacques Cartier, Mr. Grant at Longueuille, and Mr. Jordan at Terrebonne; they have launch'd out on very extensive scales: . . . . they look forward to the growing industry of the habitants.

The war years proved especially profitable for some. A large troop presence meant that there was a guaranteed home market of 12,000 bushels of flour and 6,000 bushels of biscuit annually,[1] and sizeable sums were poured into the trade by the agent of the government victuallers, Henry Callender. In 1779 he purchased flour worth £47,028, the lion's share of the contract (some £24,000) going to three men, Jordan, Caldwell and John Drummond.[2] John Bondfield saw no difficulty in disposing of 20,000 bushels whatever happened. In January 1776 he wrote to Quarles Harris in London:[3]

> We propose at this juncture that Wheat being on the fall, so soon as it gets to 2/6 to secure 20,000 bushels, with this prospect - that should we have a free export next summer there will be great demands /~among the Quebec merchants to purchase wheat for export~/; Should our Trade be shut up our Inland Navigation giving us at a small expense the means of throwing into the Back Settlements to New England, Flour, which will be in demand with them, so that we have too /~sic~/ Strings, either of which will secure to us sufficient opening to place the Produce of 20,000 Bushels with the prospect of great Gain.

The domestic wheat market was a fiercely competitive one. Wheat was a very important article of speculation and such was the level of competition for grain and flour, for export and internal

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[1] G.S. Graham, British Policy and Canada 1774-1791: A Study in Eighteenth Century Trade Policy (London, 1930), p. 38.

[2] M. Brunet, 'La Conquête Anglaise et la Déchéance de la bourgeoisie Canadienne 1760-1793', in M. Brunet, 'La Présence Anglaise et les Canadiens (Montreal, 1958), p. 81.

[3] P.R.O., C.O. 42/35, f. 91.

speculation, that complaints were inevitable about the method of carrying on the trade. In 1787 the Quebec committee of merchants complained that 'The present mode of buying wheat by going to the habitant's house tends to increase prices and is inconvenient and expensive'.[1] Buyers would send their agents out into the countryside around the River Chambly and the other wheat growing areas near Montreal to buy direct from the habitants, who often drove hard bargains. A few men, arriving early and well supplied with money, could effectively corner the market. Samuel Jacobs reported in 1772 that 'Mr. Harrison is running Madd, his aide de campe at Montreal Mr. Morrison distributes cash in sundries places around the country . . . but be assured he has not yet done collected a thousand minots by all his ambassadors'[2] Alternatively, the effect might be to raise the price to everyone else:[3]

> the price of wheat broke pretty well from fifty-five sols to three livers /sic/ per minot, and so it might have continued had the devil not got into the exporters again, for the strolling imps, and the people employed by them, have no other interest . . . than to raise the price of grain on the country traders for the sake of commission.

One of the results of this system was a demand that wheat be brought for sale to properly established public markets, but it was more convenient for the habitant to sell in his own neighbourhood, and often he had pledged part of his crop in advance to the local storekeeper for credit.

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[1] P.R.O., C.O. 42/11, f. 48.

[2] H.A. Innis ed., Select Documents in Canadian Economic History, (Toronto, 1929), p. 523: Jacobs to John Welles, 29 Oct. 1772. There is evidence of a similar state of affairs in New York. See, V.D. Harrington, The New York Merchant on the Eve of the Revolution (New York, 1935), p. 78.

[3] H.A. Innis ed., op. cit., p. 523. Jacobs, who lived outside Montreal at Terrebonne, spoke as one of the 'country traders'. See Appendix B, below.

Many of these difficulties were no more than the teething troubles of an infant commerce - organisational problems which would be ironed out in time. The problem of the overseas market was less easily solved however, and the solution lay outside Quebec's hands. It would have to await the improvement in global communications that would produce more up to date market information, the easing of mercantilist restrictions on Quebec's trading partners, and further improvement in the colony's agriculture - for the increase in production had been due less to technical improvements as advocated by the British, than to the increase in the rural population.[1] This was perhaps the most basic remaining weakness in the agriculture of Quebec, but with the opening of new markets, there emerged a real incentive for the habitants to make advances in this field. If the efforts of the imperial authorities to use Quebec to replace the lost American colonies as a source of food did not meet with immediate success, the future of Canadian agriculture in 1790 was potentially rosy.

In some measure, agricultural expansion was also encouraged by the presence of the Labrador and Gulf fisheries, which took about one third of the colony's wheat exports in the form of flour and biscuit.[2] The fisheries themselves had not grown much since the cession of Canada, and in 1786-88 accounted for some 18% of total exports.[3] Their significance for this study is somewhat reduced by the fact that the problems of the fisheries generally had little effect on political and constitutional developments in the colony.

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[1] J. Hamelin et F. Ouellet, 'Les Rendements Agricoles', p. 93. Before 1800 the rate of land clearance more than kept up with the population increase. See, R.C. Harris and J. Warkentin, Canada: A Study in Historical Geography before Confederation (O.U.P., 1974), pp. 81-3.

[2] H.M. Neatby, Quebec, p. 222.

[3] F. Ouellet, Histoire Economique et Sociale, p. 126. See also Appendix A, below.

The fisheries were basically a local industry in Quebec, being carried on by merchants living in the capital of the colony as a supplement to other activities. One of the few prominent men who appears to have invested large amounts of money in them was Adam Lymburner[1] who apparently had some £6,000 worth of effects on the Labrador shore in 1773.[2] Many of those who had dealings with the fisheries did so as provisioners, and were not actually engaged in fishing for cod and seals. In this they were helped by the progress of Canadian agriculture. In the mid-1780's John Antrobus, David Alexander Grant, Lymburner, William Kay and John Taylor are among those found sending flour, bread, oats and biscuit to Newfoundland, and bringing back fish, seal oil and seal skins.[3] But as in the West Indies, there was strong competition from the Americans who captured much of the trade. Canadian flour was generally more expensive and of inferior quality, and its supply was irregular so that even after 1783 the British government found it impossible to exclude the Americans totally from the fisheries' supply trade. Moreover, the New England colonies, free after independence from imperial rum duties, were able to compete very effectively in supplying this essential article.

Some lumber was sent to the fisheries too, but the development of Canadian timber in this period was not potentially great enough to attract any prominent merchants, largely for external reasons. A start was made on exploiting the area around Lake Champlain, and barrel staves, hoops and shingles, and boards and planks were the chief exports, but the market was small. The West Indies was the largest

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[1] See Appendix B, below.

[2] B.M. Addit. MSS., 21,697 (Haldimand Papers), ff. 95-7.

[3] P.R.O., C.O. 47/80.

customer, but the same factors that kept Quebec out of the Caribbean wheat market served also to exclude her from the lumber market.[1] Exports to Britain too were depressed. Freight costs were three times as high as those from the Baltic (Britain's main supplier),[2] and labour costs up to six times greater. There were also strict regulations to be met about size and quality if the timber was to qualify for an imperial bounty. Exports reached their height during the war, but even then probably accounted for no more than three to five percent of total official exports in value.[3]

As an offshoot of the timber industry there grew up a small trade in pot and pearl ash which was needed in Britain for bleaching textiles; but after a promising start in the late 1760's when it accounted for some 20% of exports, it withered away to only 5% in 1773.[4] In 1770, James Stewart, the founder of the industry and owner of the production sites, declared himself bankrupt, and withdrew from all three partnerships in which he was involved.[5] It was the not unfamiliar story in contemporary Quebec of an enterprising new venture being overcome for lack of capital and expertise, and the difficulties of penetrating the overseas market.

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[1] The extent of American predominance in the Caribbean timber market may be gauged from the following statistics: in 1771-73 the Thirteen Colonies sent 76 million feet of boards and timber to the West Indies, and Canada 232,000 feet. The figures for staves were 58m against 27,000, and for hoops 4m against 16,000: P.R.O., B.T. 5/1, f. 129. The figures quoted in S. Carrington, 'Economic and Political Developments in the British West Indies', p. 405, give even smaller figures for Canadian exports.

[2] In the British market Canadian timber accounted for less than 1% of Baltic imports. See Harris and Warkentin, Canada, p. 86.

[3] See Appendix A, below.

[4] F. Ouellet, Histoire Economique et Sociale, p. 90.

[5] H.A. Innis, Select Documents, p. 450.

The same spirit of innovation manifested itself in another of the local developments which the colony witnessed in the years after 1760 - distilling. The first distillery was established quite early on in an attempt to stop the drain of specie to other colonies. Francis Maseres estimated that £10,000 in gold and silver left the colony in 1766 to pay for New England rum imports.[1] This first experiment failed for want of capital and expertise, but by 1771 another distilling enterprise was producing 70,000 gallons annually; but this was only one quarter of the amount imported at Quebec, let alone that which came in by way of Albany. However, the next twenty years saw steady expansion. In 1779 James Grant bought two distilleries in Quebec City capable of producing 200,000 gallons - over half the previous year's imports. William Grant also entered the business and in 1787 owned two distilleries which could produce 200,000 gallons working at half capacity. Not all these concerns met with success; in 1794 the Montreal Distilling Co. (in which Jacob Jordan and Thomas McCord had interests) failed, but the industry was important as yet another new auxilliary activity through which the merchants of Quebec could hope to increase their income. In the constant stream of market information which flowed back and forth between merchants in Montreal and Quebec, the price of spirits figured prominently, and liquors, like wheat and flour, became an important article of speculation.[2]

The expansion of government in the years after 1760 provided

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[1] W.S. Wallace ed., The Maseres Letters 1766-1768 (Toronto, 1919), p. 63: Maseres to Fowler Walker, 19 Nov. 1767.

[2] As Samuel Jacobs wrote to John Welles, 'Rum is a cash article, and usually engrossed in the fall by a few speculators': H.A. Innis, Select Documents, p. 525. The nature and extent of this flow of market information is well shown in the Jacobs Papers and the Lindsay-Morrison and Edward William Gray collections, all to be found in the Public Archives of Canada.

another opportunity for some merchants to increase their business profitably. This expansion was especially marked in the years after 1774, with the annexation of the upper country under the Quebec Act and the outbreak of the American war. Government contracts were available to those in favour or with influence, and they could be sizeable. In November 1776, Governor Carleton awarded a contract for supplying Indian presents worth £14,000 to two loyal Canadians, Oreillat and Forêtier. Drummond and Jordan, Henry Caldwell and Henry Callender are also estimated to have done well out of wartime contracts; Jordan shared a flour contract worth £24,000 with two others and won for himself an undertaking to supply General Burgoyne with horses and transport worth £45,000, for his invasion of the Thirteen Colonies.[1] The arrival of the loyalists after the war opened up a new field for provisioning and money lending.[2] Robert Ellice & Co. profited in another way: 'The Loyalists' compensations are mostly received, and we are almost run down by them for money. It will however be a good business for us, as nearly £40,000 sterling is passed to our cr/edit/ in London on that account.'[3]

In general though, the west offered the best opportunities for gain, for after its annexation in 1774 sizeable garrisons were maintained at the upper posts, and Robert Ellice & Co. had the contract for paying Butler's Rangers. On 30 September 1781, William Grant was awarded a contract worth £15,800 for supplying the Engineers Department and the Indian Department at the posts.[4] In 1783, bills were drawn by Sir Guy

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[1] M. Brunet, 'La Conquête Anglaise', pp. 81-2.

[2] H.A. Innis and R.M. Lower eds., Select Documents in Canadian Economic History 1783-1885 (Toronto, 1933), p. 221: Simcoe to B.T., 1 Sept. 1794.

[3] E.A. Cruikshank, 'The John Richardson Letters', Ontario History Society: Papers and Records, VI (1905), p. 30: Richardson to Porteous 20 Oct. 1789.

[4] P.R.O., T. 64/115, ff. 278-9.

Johnson on Alexander Ellice for £6,000 (New York) and on Robert Ellice & Co. for £5,384 (N.Y.).

But the distance of the posts from the seat of government also offered opportunities for fraud, and it was only by chance that Governor Haldimand discovered that, with Johnson's apparent connivance, the Niagara-based firm of Taylor & Forsyth had sent him a bill for £35,000 though they had supplied goods worth only £21,000.[1] The money was to be paid into the Company's account with Alexander Ellice & Co. of Montreal, who with Robert Ellice & Co. and Richard Dobie, were at this time supplying Johnson with money for the Indian Department.[2]

Not all merchants were out to defraud of course, and in the opinion of James McGill the government was a hard taskmaster so that honesty and efficiency were the best policies. As he wrote to John Askin in January 1794, '. . . in engagements with Government no excuse however equitable in appearance to you and me individually will answer them, if you undertake you must fulfill. . . .'[3] Nevertheless, the expansion in the size and material requirements of government in the years before 1791 did provide many merchants with yet another field of potentially profitable activity in an age when any extra business was heartily welcome.

III

If the years between 1760 and 1790 had seen considerable expansion and diversification of the Quebec economy, both internally and in the field of exports, it still remains to be seen if this, and

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[1] P.R.O., C.O. 42/42, f. 18: Haldimand to Germain, 20 Oct. 1781.

[2] P.R.O., C.O. 42/45, ff. 70-2.

[3] M. Quaife ed., Askin Papers, 1: 487-88: McGill to Askin, 10 Jan. 1794.

the events in America, had in any way altered the status of the colony in Whitehall's eyes, or enhanced its imperial role to the advantage of the reformers in Quebec.

Without a doubt there had been a big expansion in the colony's economy. The fur trade had been supplemented by other forms of commercial activity and this was reflected in the growth of overseas trade. An annual average of 17,354 tons of shipping left and entered the port of Quebec in the period 1786-90, compared with 10,820 tons annually for the years 1768-72.[1] The annual average value of the colony's trade with England had risen (according to the official sterling figures) from £275,000 in 1766 to £420,000 in the late 1780's, and the intervening years had witnessed an expansion in trade with the West Indies and southern Europe as well.

For Britain, this overall increase in the value of her trade with Quebec had not meant any reduction of her balance of trade surplus with the colony, which was a welcome contrast to the defecit which she had with another colony acquired in 1763 - Grenada. On the other hand, the total value of trade with Quebec was still very much smaller than that with many of her other colonies , and was substantially less than that with the now independent United States.[2] Looking at one of the acid tests of mercantilism, the amount of British shipping employed in the various trades, we find that there was more British shipping engaged in trade with the United States than with British North America, which was supposed to replace the Thirteen

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[1] P.R.O., C.O. 42/10, ff. 76-82; C.O. 42/11, ff. 79-80; C.O. 47/80. See also Appendix A below. But it is worth noting that annual average clearances from Philadelphia alone in 1768-72 were 42,808 tons. See, A.L. Jensen, The Maritime Commerce of Colonial Philadelphia, p. 5.

[2] See Appendix A, below, graph 1.

Colonies in the imperial trade triangle. In fact, in only one year between 1784 and 1789 was more shipping employed in the Canada trade as regards tonnage - and therefore also the number of seamen. The British West Indies trade was of course larger and more valuable than either of these two in this respect.[1]

The other two acid tests of mercantilist theory were, as we have seen, the ability of a colony to fulfill its roles as a source of raw materials for the mother country, and as a market for her manufactures. In both these respects Quebec had made little progress since the conquest.

In the first role, despite economic diversification, Quebec still provided only one article which Britain could not obtain at home or more cheaply elsewhere - furs. The metropolis generally grew all the wheat it needed, and could procure timber more economically from the Baltic; most of her fish imports came from Newfoundland or Nova Scotia rather than Quebec.

As a market for British manufactures Quebec had done rather better. Her imports from England for the period 1786-90 exceeded by £100,000 per year what they had been in 1762-66.[2] But as a percentage of total British exports to North America (which grew from £2·2m in 1783 to £5·9m in 1795)[3] they were very small, and not likely to give the Quebec merchants extra leverage in their fight for commercial and constitutional reform.

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[1] P.R.O., B.T. 6/241, f. 196.

[2] P.R.O., B.T. 6/185, f. 71 et seq.; ibid., f. 103. But at £300,000 or so, they were still only one-half of what Philadelphia's imports had been in the early 1770's. See Jensen, Maritime Commerce of Colonial Philadelphia, p. 5.

[3] J.H. Parry, Trade and Dominion, p. 362. See Appendix A below, graph 1.

Still, it was not quite true that Quebec's imperial role was as much the security one that it had been in 1760. Much had happened in the ensuing years, the greatest change of all being the defection of the Thirteen Colonies. Clearly, this event was going to alter Quebec's role, for she had been retained in 1763 primarily to protect these very possessions from the French and Indians. But the question remains as to whether this change of role meant an increase in status; and if so, did it give greater weight to the demands of the merchants for internal reform in the province?

There are two levels on which one can examine the role and importance of Quebec: the imperial level and the continental level. At the imperial level Quebec now, for the first time, had an economic role. It was hoped in Britain that British North America would be able to replace the Thirteen Colonies in the imperial trade triangle linking Britain, America and the West Indies, and in March 1784 a Committee of the Privy Council for Trade met to inquire into the possibility. It received some grossly misleading information, not least from former Governor Guy Carleton, about Canada's short term ability to replace the States in supplying the West Indies with provisions and lumber, but it is doubtful if the government was taken in for long. They were heartened by the pre-war wheat exports which showed Canada's potential, but they can have had no illusions about her immediate capabilities. Soon they were forced to let the United States resume supplying the islands (though in British ships), and even to send provisions to Newfoundland in times of scarcity. In other words, Quebec's new imperial role was not yet going to add much weight to the Quebec merchants' economic demands and nothing to their political ambitions.

There was also a continental side to the economic significance

of the colony, and in Britain's eyes a far more exciting one. With independence and the removal of imperial restrictions on the settlement of the interior it was expected that large numbers of Americans would begin to move westwards, thus creating a new market for manufactures of all kinds. Lieutenant Colonel Conolloy reported to the Under-secretary for the colonies, Evan Nepean, in 1783 that the numbers of settlers who had crossed the Appalachians during the war was 'scarcely credible'.[1] As the leading industrial nation of the world, Britain would obviously be in a strong position to take advantage of any new market. The loss of the American colonies had made access to the interior more difficult, but Britain still held one trump card - the St. Lawrence river, the finest natural route to the heart of the North American continent. Quebec therefore became important, not in herself, but as a 'vestibule for commerce', a road to the interior, the means to a greater end.[2] The dictates of her internal economy and government were going to be subordinated yet again to higher imperial imperatives. The sacrifice of the fur trade in the boundary provisions of the Peace of 1783 showed this. Nothing was to be allowed to stand in the way of Shelburne's vision of a great empire of free trade in the continental interior. To him the fur trade was a matter which was ' of the last importance to the trade & commerce of the colonies and this country. The regulation of the business has cost. . .ministers more time and trouble than any one matter I know of'.[3] As an anonymous author wrote

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[1] V.T. Harlow, Founding of the Second British Empire, 1: 726.

[2] The first practical expression of this new role came with British attempts to attract the trade of Vermont down the St. Lawrence rather than the Hudson river, in the mid-1780's. See, A.L. Burt, Old Province, pp. 450-53.

[3] W. Cobbett ed., The Parliamentary History of England, 36 vols. (London, 1806-20), vol. XVIII, p. 673 : Debate in the Lords on Camden's Bill to repeal the Quebec Act, 17 May 1775.

in 1794:[1]

> The only object Great Britain can have in retaining Canada in a commercial view is, that as Canada extends all along the back of America, it will secure to . . . Britain a sale of her manufactures . . . .

Quebec must, if for this reason alone, be retained in British hands. Where the demands of any group within the colony threatened to weaken this grasp, by disturbing the internal peace and security of the province by facilitating the growth of American "democratic" or "republican" influences, then these demands could not be met. Once this premise is accepted it is clear that the happiness of the Canadians, who made up some 90% of the population, was a prime factor in making Quebec safe for Britain. There is no doubt that Carleton, and because of his reports the British government, had been disturbed by the lack of enthusiasm shown by the Canadians for the British cause during the invasion of 1775-76, and it was widely held that only the concessions contained in the Quebec Act had kept them from joining the Americans en masse. Consequently, no reforms which materially altered the Act could be contemplated, unless for very good reasons and with the full consent of the Canadians. Unfortunately for the merchants, most of their demands were deemed to fall within this category of dangerous reform, for in their judgement of what would please the Canadians, the governors of Quebec were guided by the seigneurs, perhaps the most conservative group in the colony, and one constantly on guard against political or legal changes which might undermine their position. Though less urgent than they had been in 1760, these security considerations were prominent throughout the whole period down to 1791 and

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[1] G.S. Graham, British Policy and Canada, p. 131: Anon, 'Considerations on the Propriety of Great Britain abandoning the Indian Posts and coming to a good understanding with America'.

effectively delayed, where they did not prevent, the implementation of the merchants' programme.

In conclusion one can make a few general remarks about the political position of the Quebec mercantile community.

The merchants and other 'old subjects' had come to Quebec under the promise of the protection afforded by English laws, and the establishment of representative government in the not too distant future, which was contained in the Royal Proclamation of 1763.[1] However, as Hilda Neatby among others has pointed out, the Proclamation had not been framed to meet the needs of Canada specifically, but was intended as a general settlement for the whole of the territory extending from the St. Lawrence to the Gulf of Mexico, now formally secured to Britain.[2] For this reason, it did not make allowances for the unique characteristics which marked Quebec out from Britain's other North American colonies, and which made it difficult to implement the Proclamation in Canada. Chief among these special characteristics was the existence of a sizeable, well-established, French-speaking and Roman Catholic population with its own laws and customs. Events were to prove that they could not be easily or quickly assimilated, or their laws overturned at a stroke.[3]

The Board of Trade had recognised this fact in a letter to Egremont[4]

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[1] See also below p. 45.

[2] Neatby, Quebec, p. 47.

[3] While the articles of Capitulation signed at Montreal in 1760 granted the Canadians (with some minor limitations) the enjoyment of their property and freedom of worship, it seems that these concessions were meant to be limited. Amherst refused to guarantee the continuation of French civil law, and the Peace of Paris (1763) granted freedom of worship only in so far as the laws of Great Britain permitted. On the other hand, the law of nations held that the fact of conquest automatically changed only the public law - that governing the relations of the King to his subjects. The great body of local laws would remain in force until specifically altered by the conqueror. See Neatby, op. cit., pp. 45-46.

[4] Egremont had succeeded Pitt as Secretary of State for the Southern Department in 1761.

in June 1763, in which they pointed out that Canada would for some time to come contain more French than British inhabitants, and that the chief objects of any new government ought to be to secure the Canadians in all the titles, rights and privileges granted them by Treaty, while at the same time encouraging British and other Protestant settlers to take up residence in the new colony.[1] However, the framers of the Proclamation appear largely to have ignored the first of these important observations, relying instead on the promise of English laws and political institutions to encourage substantial British and American immigration, thus hastening the process of the assimilation of the French-speaking population under an English form of government. Despite Hillsborough's later protestations that the Proclamation had never intended to overturn Canadian property laws at a stroke[2], there is little indication in the document itself of a positive commitment to gradual and partial change.

The practical and political difficulties of implementing the Proclamation in Quebec soon became apparent to Governor James Murray. He did his best to lessen the impact of the change from French to British rule on the majority of the colony's population by refusing to call an (all-Protestant) assembly and, in his ordinance of September 1764, by establishing a judicial system from which the Canadians did not feel entirely excluded. While the justices of the peace at the bottom and the Court of King's Bench at the top essentially followed British practice and procedure, Murray tried to make the Canadians feel at home in the intermediate Court of Common Pleas by allowing French lawyers to practise there, and by appointing a number of French-speaking judges to the bench.[3]

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[1] Shortt and Doughty, 1: 131-47: Lords of Trade to Egremont, 8 June 1763.

[2] Ibid., 1: 297-98: Hillsborough to Carleton, 6 March 1768.

[3] Ibid., 1: 231-32: Murray to Board of Trade, 29 October 1764.

At the same time, by his concern for the Canadians and his refusal to implement in full the promises made in the Royal Proclamation, Murray aroused the anger of the newly arrived old subjects. Presentments drawn up by the English-speaking members of the Quebec Grand Jury in 1764 were critical of the concessions made to the Roman Catholic Canadians in the governor's judicial ordinance, and the Grand Jurors claimed for themselves the right to be consulted on legislative matters and the public accounts of the colony until an assembly was called.[1] Similarly, the Petition of the Quebec Traders, drawn up in 1765, complained that, far from encouraging the assimilation of the 'new subjects' (as the Canadians were called), the governor was fostering separation of the two racial communities by encouraging the new subjects to seek French language judges. The Traders echoed the complaints voiced by the Grand Jurors that Murray was not implementing the promises contained in the Proclamation.[2] They were also concerned by the decline in the trade of the upper country following Pontiac's uprising in the spring of 1763, and were irritated by the system of trade licenses subsequently imposed by Murray.[3] These political and economic grievances combined in the rising tide of anger which culminated in the governor's recall in 1766.

The outcry over Murray's administration succeeded in drawing the attention of the British authorities to the concerns of the old subjects in Quebec. But in spite of their campaign to have the 1763 Proclamation implemented at once and in full, the old subjects were swimming against the tide. Gradually it was becoming clear to the British authorities that some

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[1] Shortt and Doughty, 1: 212-16: Presentments of the Grand Jury of Quebec, 1764.

[2] Ibid., 1: 232-35: Petition of the Quebec Traders, 1765.

[3] Ibid.

modifications to the policy of 1763 would be necessary. Already, in June 1765, the Law Officers of the Crown had advised that Roman Catholics in Quebec were not subject to the same incapacities, disabilities and penalties as their co-religionists in Britain itself.[1] While the change in approach that was starting to emerge did not involve abandoning the goal of assimilation which had underlain the 1763 Proclamation, it did demonstrate a recognition that this assimilation might have to be more gradual than had at first been anticipated,due to the political, legal and constitutional difficulties that had arisen in the colony.

Accordingly, a constitutional review which was initiated by the Rockingham ministry in 1765 promised a measure of relief for the old subjects. A Board of Trade Report in September 1765, followed by one from the Law Officers in April 1766, upheld the merchants' pleas that provisions for bail and habeas corpus should be enshrined in Quebec's constitution.[2] They further recommended the use of English law in criminal cases and that actions on debts be governed by the "substantial maxims of justice" which were "everywhere the same".[3] The Board also suggested the creation of an all-Protestant assembly with powers of taxation, in whose election Catholics would be allowed to vote.

On the other hand, the furor in Quebec had also drawn attention

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[1] Shortt and Doughty, 1: 236: Report of the Attorney General and Soliciter General re Status of Roman Catholic Subjects, June 1765.

[2] Ibid., 1: 237-48: Report . . . on several papers relative to the Ordinances and Constitution made by the Governor of Quebec, September 1765; Ibid., 1: 251-57: Report of Attorney and Soliciter General viz the Civil Government of Quebec, April 1766.

[3] Professor Harlow writes: 'In the 1760's the application of these general principles would have gone a long way towards meeting the British merchants' demands, but the issue was subsequently complicated by the differentiation between English commercial law and that of Europe which was initiated in a series of judgements by Lord Mansfield'. Harlow, Founding of the Second British Empire, 2: 674. The old subjects had earnestly looked for a concrete ruling in favour of English commercial law and, despite Professor Harlow's remarks, it is difficult not to feel that the Board's report on this point was esentially an attempt to skirt the issue, perhaps in the hope that the local legislature would come to work out the details of commercial law as it should be applied in Quebec. In any event, the Report provided the old subjects with little real satisfaction.

to the discontent of the new subjects, and the way in which they were being excluded from many spheres of public life. In their report, the Law Officers deplored 'the construction put on the Royal Proclamation' of an attempt to rapidly abolish all the usages and customs of Canada. Consequently, the Rockinghams put forward modifications to the policy of quick assimilation, but these proved to be inimical to the old subjects. It was proposed to give the Canadians a greater role in the judicial system by allowing them to practise as attornies and barristers in all the courts in the colony, and attempts were to be made to ensure that a number of judges were appointed who understood Canadian customs and usages. More important, it was suggested that French law be used in cases of real property and inheritance.

The Rockingham proposals show clearly which way the tide of official opinion in Britain was flowing. The philosophy of assimilation had not been abandoned, but the time-scale had been modified in the light of political realities, in favour of a more gradual and piecemeal approach. Moreover, from the standpoint of the present work, it is important to note that the concessions which it was proposed to give the old subjects were apparently made to them as Britons rather than as merchants. There is no real evidence to suggest that it was economic or mercantile pressure that prompted the Board of Trade to make its recommendations of limited reform in favour of the old subjects and merchants who had taken up residence in Quebec. No specific recommendation in favour of English commercial law was forthcoming, Instead the Board avoided a head on attempt to deal with this significant problem by making reference to common "substantial maxims of justice".

In practice it proved extremely difficult to find a satisfactory formula for implementing even these relatively modest proposals because of the complexities of the Canadian situation; and before they could take action the now divided Rockingham administration collapsed following Lord

Northington's sudden resignation.[1]

The proposals were subsequently taken up by the Rockinghams in opposition and, intermittently, by Shelburne (the new Secretary for the Southern Department in the Chatham government) who, in June 1767, asked Governor Carleton for his views on how far English and French laws could be blended to form an equitable system in Quebec.[2] However, the prospect of immediate reform receded in face of the growing uncertainties which surrounded Quebec's future, and the crisis of leadership in Chatham's ministry. By the time the Quebec question was again seriously taken up, by Lord North in the 1770's, conditions had further altered to the disadvantage of the old subjects. By now the belief in a "British" and Protestant Quebec had been somewhat shaken by the failure of the Proclamation to attract a substantial number of English-speaking immigrants to the colony. Carleton's view, transmitted in a dispatch of November 1767, was that barring " a catastrophe shocking to think of", Quebec would continue to be peopled predominantly by the French until "the end of time".[3] A Board of Trade report of July 1769 was further evidence of the direction in which official opinion was moving. Latching on to the Law Officers' report of 1766, the Board of Trade recommended acceptance of the principle that the new subjects should be allowed to sit in any future House of Representatives.[4] But the likelihood of any such body being established was growing more and more remote as mounting unrest in the Thirteen Colonies in turn hardened attitudes towards constitutional change in Quebec. In the end the Quebec

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[1] Northington apparently had serious political and constitutional reservations about the proposed reforms and how best to implement them. See R.A. Humphreys and S. Morely Scott, 'Lord Northington and the Laws of Canada', C.H.R. XIV (March 1933), 42-61.

[2] Shortt and Doughty, 1: 281: Shelburne to Carleton, 20 June 1767.

[3] Ibid., 1: 281-85: Carleton to Shelburne, 25 November 1767.

[4] Ibid., 1: 377-93: Report of the Board of Trade relative to the State of the Province of Quebec, July 1769. It is interesting to compare this report with the Board's 1765 proposal for an all-Protestant assembly. See above, p. 42c.

Act reflected the changed situation, and in doing so it marked a definite caesura in the constitutional development of Quebec under British rule.

The evidence produced above should serve to show that the merchants who came to Canada could not at any time rely on their own or the colony's economic importance to bolster their political demands. It would not be true to say that the governors of Quebec were uniformly hostile to the merchants or ignored their importance to the colony itself. They too wished to see Quebec prosper and realised that in forwarding this they were making her more useful to the mother country. But they were soldiers, and in the continental situation in which Quebec found herself, security considerations came before economic and constitutional reforms where the two were thought to clash - as was usually the case.

For the merchants, the tragic thing was that they over-estimated the their importance and/economic status of the colony in Whitehall's eyes, and so felt betrayed and bitterly disappointed when their grievances were not met. When Hugh Finlay stood up in the Council Chamber on 26 April 1784 and declared, 'Britain holds her colonies and Plantations merely with a Commercial view. The representations of the Commercial Body will ever have due weight at home',[1] no one contradicted him. But, as we shall see, the London Committee of Canada merchants knew full well the problems of influencing ministers in this situation. For even after 1783, Quebec in herself was 'an Object of no great Moment'.

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[1] P.R.O., C.O. 45/4, Council Minutes, 26 April 1784.

Chapter 2

'The Enemies of the Constitution'

THE MERCHANTS AND THE QUEBEC ACT 1774-1775

It was with 'unutterable Grief' that the merchants of Quebec learnt of the passage, in June 1774, of the Quebec Act. The Act has been seen by some as a charter of French Canadian liberties;[1] but, whatever the reasons behind it, in guaranteeing to them important parts of their law and custom, as well as the paternal form of government with which they were familiar, it dealt a body blow to the hopes and aspirations of the old subjects in the colony. Since the Proclamation of October 1763 they had looked forward with eagerness and impatience to the introduction of the English laws and institutions which it had promised. With the defeat of motions to repeal the Act in May 1775, and the outbreak of hostilities in America, these hopes died for the forseeable future.

I

For a better understanding of the issues and events of 1773-75 one needs to look first at the preceeding ten years. This was an important decade in two ways: for the theme of this thesis it illustrates that from the earliest days of British rule in Quebec there was often a discernable correlation between cycles of economic and political activity; while for the merchants it was important as a training ground in that during these years they formulated the basis of their political programme, and developed a tried and trans-atlantic political machine

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[1] See, for example, J.G. Bourinot, Canada Under British Rule (Toronto, 1901), pp. 44-45 and D. McArthur, "The New Regime", in A. Shortt and A.G. Doughty eds., Canada and its Provinces (Toronto, 1914), p. 49 Others, like A.L. Burt, while viewing the Act as a good and liberal measure have not gone so far as to call it a charter of liberties. A.L. Burt, Old Province, pp. 180-181. A discussion of the contemporary and later attitudes towards the Act is contained in H. Neatby, The Quebec Act: Protest and Policy (Scarborough, 1972).

for organising and supporting it - and all this in time for the long and crucial battle over the Quebec Act.

The first decade of British rule was an eventful one, as from almost the first moment of civil government conflict broke out between a vociferous element among the newly arrived mercantile group, who formed a substantial proportion of the British minority in Quebec, and the occupant of the Château St. Louis - until 1766 Governor James Murray. In part it was born of a temporary situation in which the shadow of a continued military presence loomed large over the colony in the wake of the establishment of civil government. The troops provided a visible target for abuse and petty provocation by the old subjects, who complained bitterly that their petitions and persons had been treated with great rudeness by the military authorities, the governor in particular. It did not surprise them, but it served to intensify their yearning for civilian rule. Never again before 1791 were there to be such radical demands so insolently expressed, from the old subjects, or such personal bitterness between them and the governor. The merchants engaged a London lawyer, Fowler Walker, to help prosecute the case against Murray, and the battle ended with the governor's recall in 1766, even though he was exonnerated from almost all the charges levelled against him.[1]

Murray was replaced by the less fiery, if more imperious

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[1] For a good account of these early tensions see, A.L. Burt, Old Province, pp. 102-27. At least some of the antagonism towards Murray was based on commercial grievances centering around the monopoly of the King's Posts granted to Thomas Dunn and John Gray in 1764, in the face of considerable opposition from other merchants who thought that the Indian trade should be open to all. There was further concern that William Grant of St. Roc would be given the lease of the important fur post at La Baye (Michigan). See, B.M. Addit. MSS., 35,915 (Hardwicke Papers), f. 22 et seq.: Fowler Walker, 'Considerations on the Present State of . . . Quebeck', March 1766; and ibid., f. 226: Allsopp to Walker, 20 March 1766. For a note on the King's Posts, see p. 216 below.

Guy Carleton,[1] and the agitation died down until the winter of 1767-68 when a largely unsuccessful attempt was made to raise petitions for legal and constitutional changes to bring the government of Quebec into line with that of the other American colonies. In London, the committee of Canada merchants presented petitions for an assembly in April and September 1768, but without effect. After this, apart from another plea for representative institutions in 1770, there appears to have been little overt political activity until news of the intended provisions of the Quebec Act began to filter through to the province in the summer of 1773.

Out of this activity was born the programme and the organisation which the merchants continued to use right up to 1791. The foundation of all their claims was the promise of English laws, liberties and institutions made in the Proclamation of 1763, in which the Crown had vowed to the newly acquired territories of Quebec, East and West Florida and Grenada that:[2]

> . . . . so soon as the state and circumstances of the said Colonies will admit thereof, they [the Governors] shall . . . summon and call General Assemblies . . . . to make, constitute and ordain Laws, Statutes, and other Ordinances for the Public Peace, Welfare and good government of our said colonies . . . as near as may be agreeable to the Laws of England . . . . and in the mean time . . . all Persons Inhabiting in or resorting to our said Colonies may confide in our Royal Protection for the Enjoyment of the Benefit of the Laws of . . . England.

In Quebec's case however, the expected large-scale influx of old subjects did not materialise before 1774, and the government was forced to the conclusion that it would be unjust, and potentially unsafe, to force these promises on the large French and Roman Catholic

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[1] See Appendix B, below.

[2] Shortt and Doughty, 1: 165.

majority who, it seemed, did not want either English civil law or representative institutions. They were happy with the more paternal form of government by governor and council with which Whitehall had eventually decided to persevere. The Quebec Act also confirmed the rule of Canadian civil law, in particular in land and property matters and in the laws of inheritance. The only part of English law retained was the criminal code which the Canadians seem to have preferred to their own.

But despite many disappointments the old subjects continued to battle doggedly for an assembly, English commercial law, trial by jury in civil suits and the inclusion of habeas corpus in the constitution. Over and over they mourned the loss of these rights and liberties as disgraceful to them as Britons. The policy of 1763 had been betrayed and Quebec given a constitutionally 'inferior' status which marked her out from all the other colonies.

On the face of it their demands in these early years appear politically motivated, but the prominent role played by merchants in the political agitation of the period would seem to cast some doubt on this.[1] For, as Professor Creighton remarks, merchants were merchants

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[1] Men of the eighteenth century used the term "merchant" with a disconcerting lack of precision. The word covered the whole gamut of men of business from small shopkeepers, through exporters and importers, to financiers, The imprecision is exacerbated by the lack of specialization in trade; the same man could be producer, wholesaler, retailer, importer and exporter. Defoe and many of his contemporaries drew the distinction between merchants - who engaged in overseas trade - and retailers, but even this line was increasingly blurred as retailers began to order their own goods from abroad. For the purposes of this study it seems best to extend the term to cover all those engaged in maritime trade as importer and exporter, as well as the larger wholesalers and retailers who did not. This would exclude only such as tavern-keepers, craftsmen and small tradesmen who, while not immune from the cycles of Quebec's overseas trade, stood to lose less than the larger men economically, and to gain less politically from the demands of the petitioners. They were not of sufficient consequence, economically or socially, to have played a major part in the agitation, but were, in Gustave Lanctot's phrase, 'great democrats and small politicians'.

before they were Britons, or Protestants or political theorists; trade was their main concern for, as Thomas Aylwin remarked to Samuel Jacobs, 'As to politicks neither you nor I can get our Bread by them'.[1] Professor Schlesinger has likewise found that the American merchants were a basically conservative element in the situation building up in the Thirteen Colonies. Economic motives lay behind most of their political activity, and when they saw the radical mob starting to wrest control of the "revolutionary" movement from their hands, they preached restraint and loyalty.[2] There were a few genuinely radical merchants of course, in Quebec as well as America, but they were a small minority among men whose chief concern was, of necessity, the running of their businesses, and whose political demands were largely based on and made in response to the impediments which they encountered in the course of their trade.

The petitions of the old subjects show quite clearly the economic inspiration behind many of their political demands. Some mention specific commercial grievances and almost all reflect on the impoverished state of the colony. These were not easy times for any man of business. The general economic condition of Quebec, though improving, did provide a fertile source of grievances and a constant groundswell of discontent among the old subjects, who controlled most of the trade. This led to demands for change which, though based on the political promises of the 1763 Proclamation, were avowedly intended

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[1] P.A.C., Jacobs Papers, vol. 24, f. 3208D: Aylwin to Jacobs, 1 Jan. 1786. The Jacobs Papers provide considerable evidence of the absolute priority of business over all other affairs for most merchants. This impression is confirmed by almost all the other surviving mercantile papers.

[2] A.M. Schlesinger, The Colonial Merchants and the American Revolution (New York, 1918), pp. 29,91, 210. More recently however, Jensen has modified Schlesinger's analysis by putting more stress on the importance of constitutional issues to the merchants (of Philadelphia at least), while still admitting the primacy of economic considerations: A.L. Jensen, Maritime Commerce of Colonial Philadelphia, pp. 161, 180-1, 205-6.

to restore economic prosperity in Canada.

It proves very difficult to relate the upsurge of political agitation at any one time however, to the general economic condition of the colony, so many are the factors involved in trying to draw up a complete picture of the state of commerce. Circumstances which hurt one group of merchants may have benefited others, or at least affected them less. Because eighteenth century merchants did not specialise in any one branch of trade, their fortunes were affected by a wide variety of economic circumstances. George Allsopp for example, had interests in the fisheries, wheat and flour, potash and the St. Maurice iron forges; William Grant dabbled in the fisheries, wheat and flour, distilling, real estate and the fur trade. This makes it very difficult to pinpoint the economic motives behind the political activity of individuals.

Yet we can see that on many occasions a mixture of political and economic circumstances determined the timing and leadership of reform agitation. The backgrounds to the petitions of 1768, 1770 and 1773 provide examples of such a situation.

On 20 January 1768, Governor Carleton informed Shelburne (then Secretary of State for the Southern Department) that agitation for an assembly was afoot again in Quebec. A tavern-keeper named John McCord[1] had recently been prevented from plying the profitable trade of selling spirits to the Quebec garrison from a small shop outside the barracks. He had then, in Carleton's words, 'commenced Patriot, and with the assistance of the late Attorney General /~George Suckling - dismissed in 1766_7, and three or four more, egged on by Letters from Home' was

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[1] See Appendix B, below.

at work again for an assembly.[1] Very likely Carleton's destruction of McCord's business was an important factor in the Ulsterman's sudden burst of political activity. But the governor's phrase 'egged on by Letters from Home' suggests that forces outside Quebec were also at work. It is possible that McCord and his friends had been informed, by Fowler Walker perhaps, that the British government was at that time seriously considering the state of Quebec with a view to legislative action in the near future. In June 1767 Shelburne had written to Carleton requesting information on how best to blend English and French laws in the colony, and in December had despatched his former secretary, Maurice Morgann, to Quebec to gather information. From a tactical viewpoint then, the winter of 1767/68 was a good time for the old subjects to make their voices heard. In this case, political and economic circumstances seem to have combined to determine the timing and leadership of the renewed agitation.

The build-up to the petition for a General Assembly of 1770 provides some interesting parallels. Two recent politico-economic events may have acted as the immediate spark. The first of these was Carleton's ordinance of August 1769 prohibiting tavern keepers from selling liquors on credit beyond the sum of one half a Spanish dollar, about three shillings.[2] In an economy where credit was the lifeblood of trade, this was a heavy blow, and may explain why we again find John McCord among the signatories of the petition.

The second event was the governor's ordinance of March 1770

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[1] Historical Section of the General Staff, A History of the Organisation, Development and services of the Military and Naval Forces of Canada from . . . 1763 to the Present time, vol. 1 (Ottawa?, no date).

[2] Three shillings was roughly the price of a gallon of rum.

stripping Justices of the Peace of their powers in small civil suits and handing them over to the Court of Common Pleas where Canadian law was generally applied. This was a particularly bitter blow for the merchants. A number of them had been J.P.'s, and the Justice's area of jurisdiction had been the only one in which the business community had had any control over the small commercial cases which affected them most in the everyday running of their affairs.[1] They were now at the mercy, as they saw it, of men who not only knew nothing of law or commerce, but were the governor's appointees and lackeys. They complained loudly of the economic consequences of a measure, which if not repealed, would 'undoubtedly ruin every merchant' in the province.[2] Though the ordinance was not specifically mentioned in the 1770 petition, the assembly for which it asked would have given the merchants, through their representatives in it, the power to regulate commercial matters and to share in the appointment of public officials.

However, political events were probably more important in the timing of the demands. On 1 August 1770, Carleton embarked for England where he was to advise the imperial authorities on the measures necessary for placing Quebec's government on a satisfactory footing. Morgann had returned from the colony laden with papers and it was hoped that legislation would not now be long delayed. A Board of Trade report of July 1769 had recommended calling an assembly of Catholics and Protestants (with the latter in a slight majority), and the English of Quebec probably heard of this through their London correspondents, one of whom, Francis Maseres,[3] was also advising Whitehall on Canadian affairs.

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[1] Carleton's main reason for the ordinance was apparently that a number of the merchant-J.P.'s had gone bankrupt and tried to stir up litigation deliberately to increase their income. P.R.O., C.O. 42/7, ff. 131-33: Carleton to Hillsborough, 28 March 1770.

[2] P.R.O., C.O., 42/7, ff. 127-29.

[3] See Appendix B, below.

The old subjects must have known that Carleton would do all in his power to oppose an assembly, and so it was vital that they make their views known in official circles.

But perhaps the most clear-cut case of the influence of commercial events on political action is that of the petition for an assembly of December 1773, part of the prologue to the Quebec Act.

In a letter written in the summer of 1774 to Lord Dartmouth (President of the Board of Trade), Lieutenant Governor Cramahé[1] remarked that:[2]

> A Report transmitted from one of their /the merchants'/ Correspondents in Britain, that a Duty upon Spirits was intended to be raised here by Authority of Parliament was a principal cause of setting them upon petitioning for an Assembly. . . .

It is easy to imagine the consternation caused by these rumours. Rum was vital to the fur trade, and also a very important article of general speculation. In the light of Cramahé's remarks therefore, it is not surprising to find a bustle of political activity led, once again, by John McCord, the tavern-keeper from Quebec City.

Besides the underlying grievances about the economic state of Quebec and the non-implementation of the Proclamation of 1763, there was one other irritant which we may mention in passing. Already exasperated by their lack of influence on the conduct of affairs, the merchants were in no way mollified by the refusal of the governors to consult them, even on matters concerning them. Neither Murray nor Carleton seems to have considered that a measure of consultation with the disaffected elements might have helped to reduce the tension, by

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[1] See Appendix B, below.

[2] P.R.O., C.O. 43/13, ff. 64-5: Cramahé to Dartmouth, 15 July 1774.

giving the old subjects at least the illusion of control over their destiny. In Murray's case such a policy was probably ruled out by the personal bitterness on both sides, which led to a stubborn refusal to cooperate. The results could be unfortunate, as in the case of the Governor's currency ordinance adopting the New England, rather than the York or Halifax ratings. Drawn up, apparently without consulting the mercantile community, it failed to relate the new rating to other currencies, thus altering the value of every contract made without reference to any specific currency. This embarrassing situation had to be rectified eight months later.[1] A second ordinance arbitrarily laid down a limit of two months for appeals to be lodged in cases over £300, taking no account of the fact that the calls of business, particularly in the fur trade, often kept merchants away from town or out of the colony for months at a time.[2] It also posed a severe headache for the London merchants trading to Canada. Consequently there was considerable opposition to the measure, in Montreal especially, and though repealed it served as further proof of the government's lack of sensitivity towards the needs of commerce. Yet it was not until 1787 that the authorities entered into full and detailed discussions with the mercantile body before passing legislation; and if one cannot be sure, it is at least possible that a more positive approach by the governors would have done something to relieve the frustration of the British minority.

These elements contributing to the groundswell of discontent, influenced the state of political feeling in the colony during the whole of the period down to 1791, and were not unique to the decade

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[1] A.L. Burt, Old Province, p. 121.

[2] A.L. Burt, loc. cit.

before the Quebec Act. However these early years were formative ones, witnessing the birth not only of a programme of reform, but also of a political organisation which could be used in the forthcoming battle over the Quebec Act.

The petition was the most important instrument by which the old subjects made known their views and sought redress, and we have seen that they used it frequently (and in the case of Murray, with great success) during the first ten years of British rule. For the historian however, it is unfortunate that, in the absence of other kinds of evidence for the merchants' private political views, all he has to guide him are petitions, for by their very nature they are propaganda instruments, designed not to tell the truth, but to build up one's own case while at the same time distorting and belittling that of the opposition. Thus the merchants are constantly to be found declaring that if their demands for political and legal reform are not met, then they will be forced to leave the colony and the Quebec economy will grind to a halt. In practice, their pleas were largely ignored, most of them stayed, and the colony grew in prosperity between 1763 and 1791.

Further precautions are necessary in dealing with petitions, for example in trying to analyse the motives of those who signed them. The fact that George Allsopp and James McGill may both have signed the same petition tells us nothing about why they did so. One may have felt strongly about all the clauses, while the other supported only a few. The social and commercial pressures on men to sign must have been quite strong in an English-speaking community that could be numbered in hundreds and in which every merchant would probably have been known by every one of his fellows. At times there were rumours of compulsion with men being forced to sign against their will by creditors who supported a petition.[1] These tales cannot be verified, but it is

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[1] P.R.O., C.O. 42/17, f. 103: Letter from "Vos Vrais Amis Canadiens", encl. in Finlay to Nepean, 10 Jan. 1785; also, p. 69, below.

possible that some had their roots in fact.

Many of those who signed therefore may have done so for reasons other than strong conviction. The petition of 24 November 1784 was the largest and most important produced before 1791; yet when, three years later, they were asked whether or not they had signed it, neither Joseph Howard nor James McGill (both prominent fur traders) could 'perfectly recall' if they had done so.[1] The reason given by Simon Fraser senior for not signing the petition of 1783 hardly suggests he strongly supported its contents. He had excused himself on the grounds that 'it contained something he did not like, and there was a crowd of people, some of whom he did not chuse to sign in Company with, and /~he_/ therefore went out the backdoor'.[2]

By the same token though, the omission of a man's name may only have been the result of a temporary absence from town. But if someone's name appears regularly we may perhaps be entitled to assume that he had strong feelings on at least some of the clauses. Furthermore, constant repetition of the same demand suggests that it was important to the petitioners.

The responsibility for organising support within Montreal and Quebec lay with elected committees who corresponded with each other and with friends and sympathisers in London. Meetings were held and petitions posted in one of the coffee houses or the home of some well-known individual. Those who happened to be passing would drop in to append their names, so no real significance can be attached to the order in which the signatures appear.

The level of cooperation between the Quebec and Montreal

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[1] P.R.O., C.O. 42/53, f. 122.

[2] P.R.O., C.O. 42/52, f. 368.

committees manifests itself in the similarity of their demands, though sometimes communication seems to have broken down. In a letter to the Montreal Committee in August 1774, Francis Maseres apologised for not having informed them of the fate of their remonstrances against the Quebec Act, excusing himself of the grounds that he had already written to the committee at Quebec and had assumed that they would pass on his letters.[1] In general, Montreal seems to have been the more radical in its attitudes. Quebec was the seat of government, where the watchful eye of the governor surveyed the goings-on in the Lower Town from the Château St. Louis. Many of the old subjects settled there were in government service of one kind or another, and most had come to Canada from the British Isles. On the other hand, there was a strong New England element in the Montreal business community, and the town displayed something of a frontier atmosphere. Situated on the periphery of the province, with its roots in the wild country to the west, Montreal witnessed some violent episodes, such as the amputation of the ear of Thomas Walker, a leading though troublesome merchant, in the winter of 1764. The avenues of trade bound it to the Thirteen Colonies at a time when "seditious" attitudes, hostile to the military form of government prevailing in Quebec and all it stood for, were being loudly articulated there.

Once the petitions had been drawn up, they were usually presented to the governor for approval and forwarding to London. Even if the petitioners managed to secure the governor's support however, the battle was not yet over. Parliament was the ultimate authority in colonial affairs, and Whitehall too had to be persuaded of the justice

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[1] F. Maseres, An Account of the Proceedings of the British and Other Protestants of the Province of Quebeck. . . (London, 1775), pp. 223-38.

of their demands if the petitioners were to stand any chance of success. As more often than not the governor proved unsympathetic, it was essential that the Quebec merchants bring all possible pressure to bear in the capital. To this end, in April 1765, they engaged Fowler Walker to be the province's first agent at £200 per year. But one man was not enough, and besides, within two or three years Walker had disappeared from the scene. The other natural allies of the Quebec merchants were their London correspondents, the Canada merchants.[1] They soon entered the fray, and as early as 1765 had set up an organising committee in London of six men, Brook Watson, Robert Hunter, Henry Guinand, Isidore Lynch, Robert Grant and John Strettell.[2] In April 1765 they wrote to the government supporting the petition from Quebec against the administration of Governor Murray. But they were faced with almost insuperable problems. As well as their own weakness, stemming from Quebec's economic insignificance, they had to contend with all the problems which normally confronted American interest groups in this period.

The problems of colonial agents were many at the best of times, and compared to their rivals, especially of the West Indian interest, the North American agents suffered from the severe strategic disadvantages of distance, and loss of identification between themselves and the colonial groups they represented, many of whom (the Quebec merchants included) were regarded in Whitehall as no more than unrepresentative

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[1] For the importance and frequency of this connection between colonial merchants and their British corresponding houses in colonial interest groups see also, M.G. Kammen, Rope of Sand, pp. 73, 108-24; and L.M. Penson, Colonial Agents of the B.W.I., pp. 12, 134-5, 228.

[2] For biographical notes on Watson, Hunter and Strettell see Appendix B, below.

factions.[1] In addition, many prominent politicians disliked the whole idea of merchants in politics. Lord George Germain[2] told the House of Lords in 1774 that he would not have men 'of a mercantile cast every day collecting themselves together, and debating about political matters; I would have them follow their occupations as merchants'.[3] Finally, as Professor Kammen remarks,[4]

> Given the total picture of competitive demands upon the imperial government, the nature of the decision-making processes then, and the limited "seasons of business", the equilibrium of public life and imperial imperatives was at best precarious.

In such circumstances a group of men with influence in ministerial circles or with parliamentary strength, were a precious asset. But the Quebec interest lacked even this. Quebec was economically an unimportant colony and the men who traded with her and who met in the New York Coffee House (itself an interesting commentary on the status of Canada) in London's Cornhill, were on the whole men of only modest standing in the commercial capital of the world. Their interests clashed with those of the northern and middle American colonies who produced much the same produce and so the Quebec interest stood alone and unsupported in their attempts to forward the colony's economic interests. In purely numerical terms they could not hope to compete with the West Indian or American interests, and their economic and political influence in London was commensurately much less. The one influential man among them was the rather self-important Brook Watson.

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[1] See p. xv , above.

[2] See Appendix B, below.

[3] M.G. Kammen, Empire and Interest: The American Colonies and the Politics of Mercantilism (Philadelphia, 1970), p. 114.

[4] M.G. Kammen, op. cit., p. 137.

Watson was at various times Commissary General of the Army in America (1782-83), an M.P. for the City of London (1784-93) and a Director of the Bank of England. He was consulted by ministers on a wide variety of Canadian questions, but here again it is necessary to distinguish between 'mere influence and real political power, between mere access and the ability to achieve desired results.'[1] The evidence suggests that on most occasions Watson and his colleagues found this to be a real and frustrating distinction. Their economic arguments carried relatively little weight and could not overcome the government's obsession with security, an obsession fostered by the soldiers who governed Quebec. 'The natural and political Situation of . . . Quebec and New York is such', wrote Carleton, 'as must ever give them great Influence and Weight in the American System, therefore no Pains . . . or Expense is too great to root out Faction or Party'.[2]

The most interesting feature of the conduct of the Canada merchants to emerge from the early years was one that characterised their future actions. While Quebec was generally less radical than Montreal, the Canada merchants were less aggressive than either in their approaches to administration. Proximity to the seat of power had a moderating effect on them, as on the merchants of Quebec City.[3] They had more to lose in the way of government contracts, and they doubtless realised that in the circumstances aggressiveness would only be counter-productive. Their own trade was their first concern, and so

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[1] M.G. Kammen, Empire and Interest, p. 12.

[2] P.R.O., C.O. 42/34, f. 239: Carleton to Gage, 5 Feb. 1767.

[3] Edmund Burke, agent for New York at this time, noted 'the habitual deference' of merchants to administration as a common feature of their behaviour. See, M.G. Kammen, Rope of Sand, p. 304.

the economic advantages of an assembly were less evident to them than to the colonists, and demands for habeas corpus and the power to appoint public officials had no immediate relevance to their commercial needs. The questions which concerned them most were legal ones: for the security of their investments in Quebec there must be known, satisfactory and well enforced laws in the colony for the recovery of debts.

In practice though, the major difference between the British and colonial merchants was often one of tone or emphasis rather than content. Where the petition of the Quebec Traders in 1765 had called for an assembly, as in the other colonies, the Canada merchants were careful to leave the government room for manoeuvre. They requested that Quebec be put on the same footing as the rest of America, 'or any other footing that may be thought essential for the preservation of the Lives, Liberties and Property' of all His Majesty's subjects, and for the support of trade.[1]

Thus, by the time the petitioning over the Quebec Act began in the summer of 1773, the old subjects in Quebec had developed both a political programme and the means of organising and supporting it before the King's ministers. The economy of Quebec was maturing, but there were always those who thought the process could be hastened and extended by the full implementation of the promises of 1763, and they were prepared to fight persistently for their goal.

II

The battle began on Saturday, 30 October 1773, when 41 old subjects, inhabitants of Quebec City, met together at Miles Prenties' tavern in the Lower Town. They had assembled to discuss the question

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[1] Shortt & Doughty, 1: 235-6.

of petitioning for an assembly in the light of preparations then going forward in England for giving Quebec a new constitution. By a vote of 38 to 3 they decided that the time was ripe for a petition to be raised, and under the chairmanship of John McCord a committee was appointed to that end. It consisted of eleven merchants and other old subjects - William Grant, John Welles, Charles Grant, Malcolm Fraser, Daniel Vialars, Peter Fargues, Jenkin Williams, Thomas Walker, John Lees and Zachary Macaulay.[1] They resolved to send a copy of their minutes to the committee at Montreal, and to meet again at four in the afternoon on 2 November.

On the day appointed, eight of the committee assembled and decided to present their petition to Lieutenant Governor Cramahé (who had taken over the province on Carleton's departure in 1770) before sending it to the King. This was a wise tactical move, for a petition sent with the blessing of the Quebec authorities was sure to carry extra weight in London. So too was the decision to try for the first time to secure the support of some of the principal French inhabitants, who were asked to meet the committee two days later. Anything which might help to dispel the impression that a minority faction of Englishmen was striving for dominance over the large French, Catholic majority was desirable. Yet it should not hide the truth of the matter which was that the old subjects, however genuine their belief that English laws and institutions were best for both groups in Canada, were bent on the quickest possible assimilation of the French community.

The meeting with eight representatives of the Canadian community[2]

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[1] All but McCord, Williams and Walker (not to be confused with the Montreal merchant of the same name) were merchants. For notes on Charles and William Grant, Lees, McCord, Macaulay, Fraser, Williams and Welles see Appendix B, below. Thomas Walker was a lawyer who testified against the judges of the common pleas in the 1787 investigation, see p. 230 below.

[2] Joseph Deschenaux, Pierre Marcoux, F-J. Cugnet, J.F. Perrault, Tonnancour, Perras, Berthelot and le Compte Dupré. P.R.O., C.O. 42/33, ff. 7-8.

at Quebec took place on 4 November, and it was decided that Deschenaux, a seigneur, and the merchant Perras should consult their fellow countrymen and report back to the committee on the eighth.

When the committee assembled to hear their report, Perras told them that he had spoken with several of his fellow Canadians who had not been very enthusiastic about the idea of an assembly; he therefore doubted whether any support could be expected from his people at that time.[1]

While there were a few new subjects (at Quebec at least) who were starting to come round to the idea that an assembly, if controlled by the new subjects, would be the best guarantee for the continuance of their laws and customs,[2] the majority of Canadians were either opposed outright or very sceptical. Probably only a small handful of men favoured even a Canadian-controlled assembly; most were suspicious or sceptical, fearing that once the old subjects had enlisted their support to obtain representative institutions they would then proceed to exclude the Canadians from all office.[3] Thus, while the Canadians at Quebec remained largely inactive spectators, those at Montreal, while also refusing an alliance with the old subjects, decided to present their own petition asking for their

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[1] P.R.O., C.O. 42/33, ff. 8-9.

[2] F.-J. Cugnet appears to have been among the leaders of this group; see M. Leland, 'François-Joseph Cugnet', La Revue de l'Université Laval, XVIII (Dec. 1963, April 1964), XIX (Oct. 1964). There exists among the Baby Papers (XLVIII, f. 30,938) a draft petition, signed only "Les vrais patriotes Canadiens", asking for an assembly and expressing alarm that their laws were being entrusted to the arbitrary authority of a governor and council. No names appear on it and there is no evidence that it was supported by a large, significant or influential number of Canadians. It does however foreshadow the attitude later held by a small but growing number of middle class Canadians, such as Pierre Guy and J.F. Perrault (see pp. 189, 256 below) that a Canadian-controlled assembly would be the best protection for their laws and customs. In 1773/74 however, Guy at least, refused to join the old subjects in petitioning for an assembly. See H. Neatby, Quebec, p. 132.

[3] F.J. Audet, 'Les Législateurs de la Province de Québec 1764-1791', B.R.H., XXXI (1925), pp. 432-4: Cramahé to Dartmouth, 13 Dec. 1773.

'ancient laws, privileges and customs', to the surprise and chagrin of the Montreal committee.[1] Pierre Guy spoke of the impossibility of coming to an agreement with the English 'puisqu'ils sont entièrement opposés que nous entrions dans aucune charge'.[2] From Montreal also, Saint-George Dupré wrote that discussions with the old subjects were always heated.[3]

Yet on the same day that Perras reported to them, the Quebec committee wrote to Maseres that 'It is now the general opinion of the people (French and English) that an Assembly would be of the utmost advantage to the Colony', and they laid great stress on the moderation of the old subjects, who desired only to secure to the inhabitants the peaceful possession of their rights and property.[4] The benefits of assembly rule were, of course, much more evident to the newly arrived merchants than to the Canadians. To some extent their desire for representative institutions was based on a deeply held point of principle, "the rights of Englishmen", reinforced by the promises of 1763; but the old subjects themselves admitted that they believed that an assembly would produce more material benefits in the promotion of 'Industry, Agriculture and Commerce', which already lay largely in their hands. The development of representative institutions in other North American colonies provides interesting insights into these arguments and their practical importance to the merchants.

The traditional "rights of Englishmen" was the premise on which all colonial legislatures built their ideological structure.[5] The very

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[1] H. Neatby, Quebec, p. 132.

[2] M. Brunet, Les Canadiens après la Conquête 1759-1775 (Montreal, 1969), p. 248: Guy to François Baby, 27 Nov. 1773.

[3] Ibid., p. 248. Guy was a Montreal fur trader and J.P., and a prominent Canadian reformer in the 1780's. See Appendix B, below.

[4] E.A. Cruikshank, 'The Genesis of the Canada Act', Ontario History Society: Papers and Records, XXVIII (1932), p. 160: Quebec Committee to Maseres, 8 Nov. 1773.

[5] British subjects in the colonies had the same common law rights as Englishmen at home, unless acts were passed to the contrary; but they did not have necessarily the same statutory rights unless the acts involved specifically mentioned the particular, or all the colonies.

important principle of representation was claimed by Parliament to exist through the royal assent, but the colonies regarded it as a right, because of the Crown's tacit assent to assembly government over many years.[1] By 1763 all the lower houses had achieved considerable authority, and in the important colonies of Pennsylvania and Massachusetts were very strong.

This strength was based on the success of the different assemblies in gaining control over the distribution and raising of revenue. The process of acquiring greater authority and prestige had tended to go hand in hand with the appearance of economic and social elites, and the lower houses' aggressive drive for power reflected their determination to get political influence through the representative assemblies. One can see the first signs of this same pattern emerging in Quebec.

One result of the composition of the assemblies was their wide range of commercial legislation. Assizes of bread and beer, regulations for public auctions and the inspection of goods for export, port regulations, import and tonnage duties, rules for the payment of damages on protested bills and bankruptcy laws, all came within their purview.[2] But in Quebec these powers lay mainly with the governor and council whom the merchants regarded as unversed in the ways and needs of trade. The mercantile class in Quebec therefore had much to gain from the establishment of an assembly dominated by old subjects.

If they could not rely on much support from the mass of Canadians, the committee also held out little hope of assistance from Cramahé. On 29 November they presented him with the petition for an assembly, and on 11 December the Lieutenant Governor informed them that their request was too

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[1] For much of this information on the development of representative institutions in the American colonies I have relied on J.P. Greene, The Quest for Power: The Lower Houses of Assembly in the Southern Royal Colonies 1689-1776 (Chapel Hill, 1963). Greene believes that most of his findings apply equally to the middle and northern colonies.

[2] A.L. Jensen, Maritime Commerce of Colonial Philadelphia, pp. 26-39.

important for him to decide on, though in a private letter to Dartmouth, the Secretary of State, he was more frank in his real feelings. He cast doubts on the genuineness of the petitioners' approaches to the Canadians and their intentions towards them. He dismissed them as men of little property or standing, and concluded strongly that 'Toute cette affaire démontre suffisamment la nécessite de transmettre au gouvernement de cette province le pouvoir dont il a besoin pour agir avec diligence.'[1]

Forewarned of Cramahé's attitude the committee had already taken steps to ensure they were forearmed. On 9 December they had written to Francis Maseres in London with the news that they intended to petition the King, and asked for his further help 'by your influence with your friends and your weight with the King's ministers.'[2] They told him they were asking Johm Paterson, the Canada merchant, to act under his directions to co-ordinate activities between him and the London merchants.

Though the colonists overestimated the weight Maseres carried in ministerial circles, there is no doubt that he was a useful ally, and he had not been idle. As early as August he had waited on Lord North, and at the same time had been in touch with Dartmouth, Lord Mansfield the Chief Justice, and the Lord Chancellor, Lord Apsley.[3] It is therefore rather surprising in one so diligent on their behalf, that when forwarding the old subjects' account of their proceedings to Dartmouth, Maseres should try to dissociate himself from their activities. As in 1765, the London allies of the Quebec merchants were proving to be more cautious and moderate in their representations, thus to some extent cutting the ground from under the colonists' feet. Maseres explained that the English inhabitants had written to him asking for assistance, as they believed that he had the best interests of the province

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[1] F.J. Audet, 'Les Législateurs de la Province de Québec', pp. 432-4: Cramahé to Dartmouth, 13 Dec. 1773.

[2] F. Maseres, An Account of the Proceedings . . . ., pp. 30-1.

[3] W.S. Wallace ed., The Maseres Letters, pp. 28-9.

at heart. Indeed he had, but, he went on hastily, right or wrong as it might be in its demands, he knew nothing of their petition. He had not encouraged them to appeal for an assembly, and had indeed told them that in his opinion Quebec would not be ready for one for at least another seven or eight years, while English manners took firmer root in the colony.[1]

Still optimistic, the Quebec committee forwarded their petition to Dartmouth in a letter to Maseres on 13 January 1774, in which they expressed 'sanguine hopes' that he had already 'paved the way for a favourable reception' of their views. The Montreal committee meanwhile had sent on their memorial, signed by James Finlay, James McGill, Edward Antill, Edward Chinn, Edward William Gray, Richard Huntley, William Heywood and Lawrence Ermatinger.[2]

Maseres duly presented the petitions to Dartmouth and waited on the King. But, as he reported in March 1774, he had been able to discover little of the government's intentions. He warned the merchants though that the ministers did not think Quebec yet ripe for an assembly. He had put forward their joint proposal for an enlarged, all-Protestant council of 31, free from the threat of suspension or removal by the governor, and with a quorum of 17 to prevent the governor calling a "privy council" of a few selected members as Carleton had done in 1766.[3] Taking up the suggestion of Thomas Walker and John Paterson, he had further argued that the council be legislative only, with no taxing powers. Both Maseres and the merchants though saw this as no more than a temporary arrangement.

But Maseres must have realised that he had little hope of success. The government would not consider a measure that excluded the Roman Catholic majority from all political power, and at this time Dartmouth was indeed

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[1] P.R.O., C.O. 42/33, ff. 5-6: Maseres to Dartmouth, 4 Jan. 1774.

[2] The Montreal committee were all merchants except for Antill, who was a lawyer. For biographical notes see Appendix B, below.

[3] H.M. Neatby, Quebec, pp. 89-91.

reassuring anxious Canadians that the new proposals would be as favourable to them as the British constitution allowed.[1] More important for the merchants and more damaging than Dartmouth's desire to be fair to the Canadians, was his low opinion of them and their motives. 'Your account of the steps taken by Mr. McCord and his adherents', he wrote to Cramahé in April, 'convinces me that the proposition has been stirred up to answer factious views; and the proceedings of the Committees have no other object than to embarrass the Measures now under consideration here for the final arrangement of the affairs of Quebec.'[2] The idea of the merchants as an unrepresentative faction was extremely damaging, and it was an opinion that lingered in Whitehall for many years. 'If any faction be pernicious in a state it is a faction of merchants. Men nursed in the narrow paths of life are certainly very ill judges of the great interest of nations' wrote Advocate General James Marriott in 1762, and we have already seen that Germain disapproved of merchants who meddled in politics.[3] Their opinions were formed and confirmed by references to the uneducated and unscrupulous 'licentious fanaticks' which peppered the governors' dispatches. In vain the old subjects replied with calculations of the extent of their wealth and landed property as proof of their respectability and fitness for political responsibility. One senses however that Whitehall never completely rid itself of the notion that the Quebec merchants were not quite respectable. Britain was still a nation where political power was based largely on the rights, privileges and powers accorded to landed property as opposed to mere money, and this was a significant reason for the colonists' lack of success. It is true that attitudes were changing; merchants were frequently elected to Parliament in this period, but those who became M.P.'s were the richest of their class,[4] they were often propertied, and as a group

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[1] P.A.C., Baby Papers, VII, f. 3687 et seq.

[2] P.R.O., C.O. 42/33, f. 29: Dartmouth to Cramahé, 6 April 1774.

[3] See p. 57 above.

[4] Most rich, politically influential men were financiers rather than merchants. See Lucy Sutherland, 'The City of London in Eighteenth Century Politics', in R. Pares and A.J.P. Taylor eds., Essays Presented to Sir Lewis Namier (London, 1956), pp. 49-74.

were not clearly marked out from the professional or landed classes. They were certainly men of a quite different stamp from the 'traders and adventurers' clamouring for representation in Quebec.[1]

Maseres was also busy drafting a statement of grievances for the Canada merchants, to back up the petition from the colony. Circulated beforehand among M.P.'s, the "Case of the British Merchants Trading to Quebec" was presented to Parliament in May. Using the 1763 Proclamation as its starting point, it elaborated the case for English commercial law in Quebec, and predicted a gloomy economic future for Canada if the Quebec bill was passed.[2]

Yet passed it was, receiving royal assent on 22 June 1774. The new Act was a bitter blow to the merchant community, not least because no time limit was placed on its provisions. All hope for an English form of government was gone for the foreseeable future, unless it could be repealed.

In Quebec, news of the passage of the Act was received with alarm and despondency. The feelings of a majority of the old subjects were best expressed by Lawrence Ermatinger:[3]

> /~We~/ came to Settle . . . under His Majesty's . . . Promise that our lives and Property should be Protected, and /~that we~/ should enjoy every liberty that Subjects of Great Britain are intitled to. It really is an un Expected disapointment /~sic~/ and is almost impossible to conceive that french laws and the Popish Religion should be the standard in any Part of His Majesty's Dominions.

On 18 August the Quebec Gazette gave a brief outline of the provisions of the act in as far as they were known, but the old subjects had to wait until 8 September for the publication of the full text.

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[1] John Brooke, The House of Commons 1754-1790: Introductory Survey (O.U.P., 1968), pp. 193-203.

[2] Shortt and Doughty, 1: 512-22.

[3] P.A.C., Ermatinger Papers: Ermatinger to McTavish, 23 Jan. 1775.

Their anger at being thus thwarted was given added impetus by the impression gleaned from several quarters that Carleton ('the first contriver and great promoter of this Evil'), with government help, had forced the act through Parliament against the wishes of the majority both inside and outside the House. The Gazette certainly gave far more coverage to those who had spoken and petitioned against than for the bill, and on 11 September it published an American attack on the act. Francis Maseres was bitterly disappointed, and he too gave the impression of widespread popular dislike of the measure in England.[1] Professor Creighton talks of Lord North's 'parliamentary machine' rolling 'solidly', 'unhesitatingly' and 'uncomprehendingly' over Canadian protests; in fact, only 76 members bothered to turn up for the final reading on 13 June. Uninformed readers in Quebec could certainly be forgiven for thinking that they had been robbed of their just deserts by a few scheming men, of whom their governor was the chief.

At first though, the inhabitants of Quebec City seemed resigned to their fate. In November, 'the most respectable part of the English' presented an address to Cramahé in which they expressed a desire to see general harmony and submission to government prevail. But in Montreal, true to its more radical tradition, measures were under way to organise petitions for the repeal of the Quebec Act. A committee was chosen, comprising Thomas Walker, Isaac Todd, James Price and John Blake, and the fever soon spread to Quebec.[2] A meeting was organised by emissaries from Montreal, and a committee elected consisting of five old hands and two new ones - John Aitkin and Randle Meredith.

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[1] F. Maseres, Additional Papers concerning the Province of Quebeck (London, 1776), p. 236: Maseres to Montreal Committee, 22 Aug. 1774.

[2] For notes on Walker, Todd and Price see Appendix B, below.

Several more "town meetings" followed in both places, and it was resolved to write to the Mayor and Corporation of London, the Canada merchants and Maseres, praying a continuance of their endeavours. Petitions to the King, Lords and Commons followed on 12 November. Carleton reported that uncommon pains had been taken to keep the proceedings from his knowledge, and that the Canadians were uneasy at these 'nocturnal cabals'. They suspected that many of their countrymen had been induced to sign the new petitions 'under awe of meanacing creditors'.[1] These rumours were perhaps a little melodramatic, but it was not the last time such stories were to circulate in Quebec.

However the prospects for success were no brighter than they had been in the spring of 1774. Maseres dined with Shelburne and Camden and gave them all the help he could in organising the opposition in Parliament.[2] By now however, Dartmouth was becoming more than a trifle annoyed at the continued ferment among the old subjects; 'the Illiberality and Want of Candour with which the Measures of Opposition in the Colony have been conducted', he wrote, taking Carleton at his word, 'will, I trust, mark out to every unprejudiced person the factious spirit with which they have been taken up.'[3] But eventually, on 7 June 1775, much to his satisfaction he was able to report that despite their efforts at misrepresentation, the opposition had suffered large defeats in both houses on their measures for repeal.[4] The Quebec Act was safe.

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[1] Shortt and Doughty, 1: 586-88: Carleton to Dartmouth, 11 Nov. 1774.

[2] P.O. Hutchinson ed., The Diaries and Letters of Thomas Hutchinson Esq. (London, 1883), vol. 1, p. 446.

[3] P.R.O., C.O. 42/34, f. 50: Dartmouth to Carleton, 7 Jan. 1775.

[4] P.R.O., C.O. 42/34, ff. 106-7: Dartmouth to Carleton, 7 June 1775.

III

The old subjects in Quebec were, in general, surprised, angry and hurt by the government measures, but for the merchants in particular they were a bitter blow. The commercial group had led the agitation throughout; they felt wounded, mourning the fact that they had been treated 'like step-children' undeserving of the rights and privileges 'heretofore granted to all His Majesty's dutiful Subjects'.

The predominance of merchants is a notable feature of every phase of the agitation. They dominated the committees of both Quebec and Montreal, and men who can definitely be identified as "merchants" (see page 46 note 1 above) made up some 50% to 60% of the signatories of the major petitions of the years 1773-1775.[1]

There were several reasons for the predominance of merchants. First of all, those engaged in trade had most to gain, in practical terms, from the reformers' demands. They had risked all their capital and property in commerce, and were very anxious to render their investment more secure by English commercial laws and assembly rule; these demands formed the backbone of every petition. In this they shared a common interest with their London correspondents, who naturally became their chief allies in England.

This leads us to the second reason for the strong commercial element in the reformers' ranks. Merchants and their correspondents formed a ready made communications system between Quebec, Montreal and London. The personal commercial contacts built up among the traders

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[1] These figures should of course be treated with some caution. Many of the signatories are shadowy persons who only flit across the stage, and consequently little is known of them. Advertisements in the press provide one source of information about the less important of them, though the fact that several men often bore the same name makes positive identification difficult. Nevertheless, merchants did form a substantial percentage of the total number of signatories and certainly played the most important part in political activity in the colony.

were easily turned to political purposes.[1] Correspondence was regular and every year a small number of Quebec merchants went to England on business.

If these are reasons why merchants in general should have played such a leading role in agitation, business fortunes may help to explain why certain individuals in particular were prominent; after all, business difficulties were almost invariably blamed on legal and constitutional defects in the colony. A brief look at the personnel of the Quebec and Montreal committees of 1773/74 provides some interesting sidelights. A number of the committee members had in fact been in difficulties in the recent past. John McCord clearly had good commercial reasons for his activism.[2] Widespread failures in the potash industry in 1770 had affected Welles, Walker and Macaulay; Ermatinger had gone bankrupt in 1770; Daniel Vialars had suffered losses on his speculation in Canadian paper money when the French government ended repayments in 1771. It would be dangerous to read too much into this far from conclusive evidence, but it may provide at least part of the reason as to why these particular men, who were not uniformly the most wealthy or influential of their class, were so prominent in the political arena.

But the merchants' efforts had not been entirely useless or ignored. Seldom can a government have deliberated so long over a single piece of legislation as successive British administrations did over the Quebec Act. Taking our stand in June 1775, we can look back through the slowly subsiding dust of battle, the waves of rhetoric and the mass of confusing and contradictory evidence which had been accumulating since 1765, to try and discern what were the hopes and fears of

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[1] See, L.M. Penson, Colonial Agents of the B.W.I., pp. 12-16.

[2] See pp. 48-9, above.

the Quebec merchants and the real implications for them of the new constitution.

Ever since the publication of The Commercial Empire of the St. Lawrence in 1937, Professor Donald Creighton has been our chief interpreter of the reaction of the Canadian commercial class to the Quebec Act. Impressive as the broad, bold strokes of Creighton's thesis are, his condemnation of the act as reactionary and anti-commercial requires considerable modification. He is very much the merchants' advocate, presenting their case against the act in a powerful and compelling manner. But like all good advocates he tends too readily to show acceptance of the justice of his clients' case while attributing the worst possible motives to the opposition. Viewed in its entirety, the spirit of British policy towards Canada in 1774/75 was neither reactionary nor anti-commercial. Rather it was an attempt by a confused and uncertain government to be as fair to both sides as justice for the majority and the security of the province would allow.

In Creighton's view, the Quebec Act was reactionary because it persevered with rule by governor and council, and because it did not introduce the important English liberties of trial by jury and habeas corpus; it was anti-commercial because it denied the merchants the economic benefits of assembly rule and English commercial law.[1]

On the face of it, Creighton and the merchants have a strong case. The Quebec Act was a total revocation of the promises of 1763; it denied to Quebec what was granted to every other British colony. Many merchants, in Britain and Canada, had ventured capital and credit

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[1] Strictly speaking, Creighton's use of the term "reactionary" is not only loaded but inaccurate; for, in so far as Quebec had never had an assembly or properly established English laws since its conquest, the Quebec Act could not be a retrograde step. On the other hand, in seeing the act as embodying a new principle of allowing non-English people to be themselves, A.L. Burt has gone too far in the other direction; assimilation was still the ultimate aim of the British authorities.

on the promises of 1763, and in a colony where most of the trade was in the hands of the old subjects, the denial of English commercial law may seem harsh. So too does the omission of habeas corpus and optional jury trials - in cases between old subjects at least.

The assertion that the Quebec Act was neither reactionary nor anti-commercial rests on foundations broader than the act itself. It embodied the letter of British policy for Canada, but the spirit of that policy can only be grasped by taking the accompanying Instructions to Carleton into account.

Ever since 1765 a mass of often contradictory evidence had been accumulating on desks in Whitehall, and the Quebec Act was the response of a confused and bewildered government to a new and seemingly intractable problem. A number of eminent men had proposed a variety of different solutions. Some varied only in detail, but detail was the stuff of which acts were made. Even on important matters however, there was little agreement. No one could tell ministers what the Canadians thought of an assembly or trial by jury and the other "benefits" of English law. Faced with this situation, mindful of the blunder made in 1763 which had haunted them ever since, and anxious to rid themselves of the Quebec problem for a few years at least, while the situation there became clearer, the North administration decided to play safe. The Quebec Act laid down only the broad framework of the new constitution, leaving the details to be filled in by the men on the spot - the governor and council, who presumably would know better what to do.

This interpretation emerges from the pages of the act itself. For a measure that had been contemplated on and off for nine years and almost continuously for the last three, it was remarkably short - only 18 clauses compared to the 50 of the 1791 Constitution Act. Of these,

seven dealt with the establishment of Roman Catholicism. The remaining clauses were brief, clear cut and to the point: English and French laws were to form the basis of the criminal and civil codes respectively, and, it still being inexpedient to call an assembly, rule by governor and council would continue with certain safeguards. In effect, the act said no more than it had to, and where it did not need to resort to details did not do so. Within the broad framework laid down, the governor and council were free to do what they thought 'most convenient' and 'best adapted to the circumstances of the province'.

Yet London was not entirely devoid of ideas, for in his Instructions of January 1775,[1] Carleton was given several crucially important hints as to the direction he should take in filling the gaps left by the act. These clauses cannot be ignored; the government was under no compulsion to insert them, and their presence suggests that, if Dartmouth and his colleagues were still not sufficiently confident to insert them in the parliamentary legislation, they were at least partially convinced of their desirability on the basis of the available evidence.

The two clauses in question were numbers twelve and thirteen. The first related to the legal establishment of the colony. While keeping the French law as the basis of civil law, Whitehall pointed out that:

> . . . it will be the duty of the Legislative Council to consider well . . . whether the Laws of England may be . . . at least in part the Rule for the decision in all personal Actions grounded upon Debts, Promises, Contracts, and Agreements whether of a Mercantile or other Nature; and also of wrongs proper to be compensated in Damages; and more especially where our natural born Subjects of Great Britain . . . may happen to be either Plaintiff or defendant in any civil suit of such a nature.

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[1] Shortt and Doughty, 2: 594-614.

Clause thirteen dealt with habeas corpus and went as far towards ordering its introduction as possible without doing so in as many words:

> Security to personal Liberty is a fundamental Principle of Justice in all free Governments, and the making due provision for that purpose is an object the Legislative Council of Quebec ought never to lose Sight of, nor can they follow a better Example than that, which the Common Law of this Kingdom hath set in the Provision made for a Writ of Habeas Corpus. . .

Moreover, the governor had no authority for regarding these as secret instructions to be brought forward at his own discretion. Article seven stated quite clearly that all articles 'wherein their /the council's/ Advice and Consent are mentioned to be requisite', were to be communicated 'forthwith'.

The governor and council then, were left with much to do, and it was clearly the government's intention that they should bear the interests of the old subjects in mind. On past experience though, there were dangers inherent in a form of government which the old subjects had described as arbitrary and despotic during the debates on the act. In 1766 for example, Carleton had contravened his Instructions by calling together only a few chosen members of the council to do business, and when two of those excluded, Irving and Mabane, complained, he took the wholly unconstitutional step of dismissing them without a hearing.[1]

But North and his colleagues had taken safeguards in the Quebec Act. The council was enlarged to 23 members (about double the normal size of colonial councils) appointed by the Crown, at least half of whom were necessary to make up a quorum for legislative business. This could only be transacted between 1 January and 1 May, except in emergency, and all ordinances had to be transmitted to England for approval

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[1] H.M. Neatby, Quebec, pp. 89-93.

or rejection within six months. That these did not in practice work as intended was due to unforeseen circumstances which arose almost immediately in North America, and also to the social and political divisions in Quebec which enabled the governor to divide and rule. It is certainly hard to see any alternative solution. An assembly was beset by many baffling problems; if either the old or new subjects held a majority the result could be as unacceptable and potentially tyrannical as any governor and council; one composed equally of French and English would be deadlocked. Moreover, American colonial experience had shown that the introduction and growth of representative institutions was accompanied by the rise of faction and party spirit, much of it directed against the royal authorities. Such a spirit already existed in Quebec, and to grant an assembly in these circumstances could only exaccerbate the immediate situation, and in the long run institutionalise and thus prolong the divisions (of which Dartmouth for one was growing heartily weary), thus endangering the security of the province. Given the situation in 1774, in Quebec and the Thirteen Colonies, and taking into consideration the nature of the information at their disposal, it is hard to see what else the North administration could have done.

By the same token, one can sympathise with their dilemma over civil law. The wholesale introduction of English law was clearly unthinkable in a colony where the majority depended on French laws for the security of their real and personal property. On the other hand, trade was largely in the hands of men reared under English commercial law, though perhaps four or five hundred Canadians still carried on a small scale retail trade; their interests too must be protected.

The problem was compounded by the nature of Canadian commercial law. In the first place, what was it? There seemed to be some doubt even among Canadians as to whether the contemporary code marchand had

been properly introduced into New France, or whether the utterly archaic coûtume de Paris was still in force. Professor Hilda Neatby, in the only full scale study of the legal problem in pre-1791 Quebec, has found that custom was important, but that it varied from district to district.[1] The main area in which French law appeared deficient to English eyes was the very important one in a credit-based economy, of debts - their collection, the question of privileged debts, and the seizure of the persons and goods of debtors. Under the proceedure of saisie conservatoire for example, a man's entire property could be sealed up for a trifling debt, and in a commercial community such stoppages could often lead to bankruptcies. Creditors too could suffer from the inconsistent enforcement of the very complicated gradations of privileged debts. In the opinion of the able London lawyer, William Grant, who was Attorney General of Quebec during 1775 to 1777, 'The French Laws are by no Means more favourable to Creditors than the English, they are rather the reverse', which worked to the disadvantage of the London as well as the Quebec merchants. Grant went on to make some more general criticisms of the French judicial system: 'In all French Courts of Justice it is Interest procures the decision, and the Notes of the Judges are openly solicited by the parties.' This would, he believed, give an unfair advantage to certain well-connected men such as his namesake, William Grant of St. Roc, the merchant; he was allied by his wife 'to most of the noblesse in the Country. There will be three or four such French Relations on the Council'.[2]

Yet on the whole one must agree with Professor Neatby that the

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[1] H.M. Neatby, The Administration of Justice under the Quebec Act (Minneapolis, 1937)

[2] P.R.O., C.O. 5/115, f. 25. In 1770, Grant had married the widow of the third Baron de Longueuil.

provisions of 1774 were better than the wholesale introduction of English laws, but that the Legislative Council should have been given the opportunity (as Whitehall had intended) of making alterations in favour of English law and legal practice.

The same judgement must apply to the recommendations about trial by jury and habeas corpus. The case of the old subjects in both was worthy of very serious consideration. Habeas corpus would probably have been welcomed by the Canadians once they had understood it, and it is hard to justify the denial of optional juries in cases between old subjects only.

If Britain's policy in 1774/75 was not deliberately reactionary, neither was it anti-commercial in intent. The government clearly expected the reasonable demands of the old subjects to be given serious consideration, and possibly granted within a short time. In the meantime they had included a sop to the merchants in the extension of Quebec's boundaries westwards to take in large areas of the fur trade south of the Great Lakes, and eastwards to embrace the Gulf fisheries, thus undoing the unpopular work of the 1763 Proclamation. (See map page 276, below). Both these measures had been sought after by the commercial class in Quebec for some years, and in 1773 both English and French had joined together to ask that the province be restored to its 'ancient limits'. The Quebec Act did this, and by introducing French laws into these areas helped to deter the merchants of the Thirteen Colonies who competed with the Quebecers in these regions.

Yet it would be true to say that in neither case were the Quebec merchants uppermost in the minds of ministers. The eastward extension, though it helped the Quebec-based fishery and provisioning trade, was intended primarily to benefit the merchants of south west England and the Channel Islands by removing the Gulf fisheries from the restrictive

control of Governor Palliser of Newfoundland. In the west, security considerations were the main concern. The province was extended to cover the Great Lakes, the area south to the confluence of the Ohio and Mississippi rivers, and north to the height of land which separated the lakes from Hudson Bay. The purpose of this, as expressed in the preamble to the act, was to remedy the omission of the 1763 Proclamation in leaving without civil government 'a large extent of country within which were several colonies and settlements of the subjects of France who claimed to remain there under faith of the treaty /~of 1763_7 '. Certainly, the upper country was badly in need of a known, uniform and well enforced system of justice. A number of British attempts in this direction had been rebuffed by the French settlers on the Illinois and at Detroit. The military government which prevailed was unpopular with them and the British traders alike. More important, the Indians were increasingly angry at the failure of the various colonies to enforce the trade regulations of 1768 properly. Their restiveness posed a serious security threat in the light of Pontiac's revolt in 1763 and the large troop reductions that had taken place in the interior in 1771. Moreover, without some form of established civil authority, settlers from the Thirteen Colonies might move westwards causing even more friction with the natives. The prevention of settlement had long been a feature of British policy, and Dartmouth believed that nothing could better discourage settlement than the extension of Quebec's boundary and French civil law into this area.[1]

Economic considerations were of course intimately bound up with security in this instance. An Indian war might be started by encroaching settlers or unfair trade practices, and any such disturbance would put

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[1] H.M. Neatby, Quebec, p. 134.

a temporary stop to the fur trade. Consequently, article 32 of Carleton's Instructions contained a plan for the management of Indian affairs and the control of trade, which once again was to be confined to specified posts under the supervision of the civil and military authorities.[1] The estimated annual cost of £20,000 would be a small price to pay for the prospect of uninterrupted peace.

Now Dartmouth was also well aware of the advantages to be reaped by the Quebec merchants by all this, and he told Carleton to impress upon them the government's attention to their interests in the new commercial possibilities thus opened up to them.[2] And indeed, the new western boundary, coupled with the effects of the Quebec Revenue Act,[3] were of great commercial benefit to the province in giving her, for the time being, a stranglehold over the fur trade, and in attracting a number of rich and talented merchants north to Canada.[4]

The Americans were badly affected by the measures of 1774. Writing from New York, Simon McTavish was of the opinion that 'this Bill will be of infinite hurt to our Trade'. If not repealed he foresaw no alternative but to break off his connection with New York and get his supplies from Canada in future.[5] Phyn & Ellice likewise

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[1] Shortt and Doughty, 2: 614-20

[2] Ibid., 2: 585-86.

[3] Passed in conjunction with the Quebec Act to provide for the civil establishment of the colony, the Quebec Revenue Act hit the Albany traders by placing a duty of 9d. per gallon on all rum imports into Quebec from the Thirteen Colonies. Almost all the rum used by these traders in the fur trade was purchased from Boston distilleries. The Quebecers could now buy rum duty free from Britain by the provisions of the act.

[4] Phyn & Ellice estimated that in 1775 those merchants who had recently left America for Canada accounted for some £30,000 worth of fur exports from Quebec. R.H. Fleming, 'Phyn & Ellice and Company of Schenectady', pp. 30-1.

[5] W.S. Wallace ed., Documents Relating to the North West Company (Toronto: Champlain Society, 1934), p. 47:

complained that the new policy was partial to Canada at their expense.[1] Isaac Todd decided to settle in Montreal for some time to come because he too thought the new boundaries would divert trade from New York to Canada.[2] The fur trading wealth and talent that was thus driven north was to prove of inestimable value to Canada's fur trade and to her economy in general,[3] and even if it was not wholly the intentional result of British policy, we can see that it is too facile to dismiss the Quebec Act as anti-commercial in one breath.

Indubitably, the programme of 1774/75 would have received a better press had it been implemented in full, in spirit as well as in the letter. But events in America prevented this and ensured that the Act was still-born; for in April 1775, one month before it was due to come into effect, the first shots of the American war were fired at Lexington, and on 4 September of the same year an invading American army crossed onto Canadian soil near Lake Champlain. The loyalty of the angry and disappointed merchants of Quebec was about to be put to the test.

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[1] P.A.C., Phyn & Ellice Papers, reel M-473, vol. 3, f. 161: Phyn & Ellice to Alexander and William Macomb, Jan. 1775.

[2] P.A.C., Edgar Papers, vol. 2, f. 466: Todd to Wm. Edgar, 28 April 1775.

[3] For the importance of the firm of Phyn & Ellice alone to the Quebec economy in general see Chapter 1, pp. 23, 35-36.

Chapter 3

'a time of Danger and Difficulty'

THE MERCHANTS AND THE AMERICAN REVOLUTION 1775-1783

By the summer of 1775 there was widespread disillusionment among the English-speaking population on the banks of the St. Lawrence.[1] Coming when it did, the American invasion proved a severe test of their loyalty to the Crown, especially for the New Englanders among them, for the Quebec Act had dashed all hopes of immediate reform. The traumatic experience of the American Declaration of Independence of July 1776 turned the colony into a base from which Britain might hope to reimpose her authority over the rebellious colonies to the south. As a result, the Quebec establishment came to look upon change of almost any kind as a potential threat to the internal peace and security of the province. In this barren soil, political agitation languished.

I

The first American incursions into Canada were really no more than small, unconcerted raids around Lake Champlain, resulting in the capture of forts Crown Point and Ticonderoga in May 1775.[2] But between then and September, when the invasion began in earnest, American agents were busy making contact with disaffected merchants in Montreal and Quebec and spreading their propaganda throughout the countryside. In

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[1] A.L. Burt uses the word 'disaffection' to describe the state of feeling among the old subjects. As will be shown in the following pages, this is too strong a word to apply to the great majority of old subjects in the province.

[2] For information about the period of the invasion I have relied mainly on G. Lanctot, Canada and the American Revolution 1775-1783 (Toronto, 1967); and H.M. Neatby, Quebec, pp. 142-55.

February, the merchants of the two towns had discussed, but rejected, a proposal to join the American non-importation agreement. In March, John Brown, a member of the Boston correspondence committee, was in Montreal where he was warmly received by Thomas Walker and John Blake - both members of the Montreal committee. On Saturday 1 April Brown held a secret meeting with the Montreal merchants at Lachine, and three days later there was another gathering at the Montreal Coffee House to choose two delegates to the Continental Congress which was to assemble at Philadelphia in May. Brown and Walker spoke strongly in favour of the scheme, but 'none of those present came into their way of thinking, and the Assembly broke up without anything being done'.[1] Their reason, apparently, was fear of the possible economic consequences and of the 'unlimited powers of the Governor'.[2]

Meanwhile, in the countryside American agents spread the gospel of liberty among the habitants, and so it was in an atmosphere of unease that, on 1 May, the Quebec Act came into force. Carleton had already aggravated the situation by keeping his Instructions secret so that the old subjects were unaware of the room left for local adjustment in their favour, and he proceeded to add insult to injury by nominating eight of the oldest, most conservative and least able of the seigneurs to the new Legislative Council. This bore out the worst fears of the old subjects, and upset a number of Canadians as well.[3]

If the Americans were unable to persuade the merchants to join the Continental Congress and non-importation, they did not despair of

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[1] P.R.O., C.O. 42/34, f. 128: Anon to Carleton, 7 April 1775.

[2] G. Lanctot, Canada and the American Revolution, pp. 38-9.

[3] P.A.C., Baby Papers, vol. 7, f. 3905: Baby to Pierre Guy, 27 April 1775.

obtaining more practical assistance in the form of money and information. The American commander, Ethan Allen, wrote to James Morrison[1] and the other friendly merchants of Montreal requesting ammunition and spirits; at the same time, James Price[2] handed over the first of many instalments of money to the invading armies. From Crown Point, Benedict Arnold was in touch with Thomas Walker from whom he sought information about British troop strength and movements.

If truth were known, Carleton's forces at this time were pitiful. He had no more than 800 regulars under his command, and on 9 June was forced to establish martial law and call up the militia. Despite threats and admonitions from the Church, the militia ordinance was met by a wall of neutrality from the Canadians, and initially, from the British merchants. Those of Montreal were especially slow in coming forward; Quebec City and its environs had been less affected by American propaganda, and were at the time in less danger of attack, and so both English and Canadians there at least declared their willingness to be enrolled.

All this time Carleton did nothing to prevent the Americans and their sympathisers from spreading their message throughout the countryside, and even went so far as to meet and talk with James Price on the latter's return from Philadelphia. It was not until October that the governor ordered the arrest of Thomas Walker who was carried off protesting the outrage to liberty.

On 4 September 1775, an American army of invasion some 2,000 strong crossed into Canada near Lake Champlain and began to march on

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[1] Though described as "friendly" to the Americans, Morrison did not in fact leave the province with them, but remained in business in Quebec. See Appendix B, below.

[2] Price was a Montreal fur trader who had come to Canada from the Thirteen Colonies.

Montreal. Carleton decided to reinforce the strategically important post at St. Jean, just south of the city, from which (if captured) the invaders would have a clear march to Sorel which commanded the road to Quebec. The British merchants of Montreal flatly refused to join the hundred or so Canadian volunteers in reinforcing the garrison at St. Jean, though they were by now prepared to defend the city itself.

On 25 September, a small detachment of Americans under Ethan Allen reached Longueuil, near Montreal, but after a farcical skirmish in which Allen surrendered after losing six men, the immediate threat to Montreal was removed. Confidence in British strength was momentarily restored, and on 2 October a declaration was issued opposing the invaders, who endangered the lives and property of His Majesty's faithful subjects. It was signed by most of the leading inhabitants, including all twelve members of the 1773/75 committees except Richard Huntley, Thomas Walker and James Price.

The situation was soon reversed. The loss of Chambly, and after a spirited resistance, St. Jean, on 2 November, was a strategic disaster which forced Carleton to abandon Montreal and retire to Quebec. On 12 November the inhabitants of Montreal presented General Montgomery with articles of capitulation signed by six Canadians and six British merchants - John Porteous, Richard Huntley, John Blake, Edward William Gray, James Finlay and James McGill. By no means all were rebel sympathisers; only Huntley and Blake eventually joined the Americans, while Gray had been one of the first members of the English-speaking community to enroll in the militia, distinguishing himself in the defence of the town. The inhabitants requested protection for their property, free exercise of the Catholic religion, freedom of trade, exemption from any obligation to serve against England, the return of prisoners and a promise that troops would not be billeted on them.

Montgomery agreed to most of their terms, in whole or in part, and on 13 November took possession of the town.

Montgomery left Montreal on 28 November and proceeded towards Quebec where an American force under Benedict Arnold was already encamped before the city. An attempt to raise an English militia there in July had met with disappointing failure, the business community in particular being conspicuous by its absence. When news of the fall of Montreal arrived, rebel sympathisers went so far as to draw up terms of capitulation; but at the same time details of the loyal professions of the British inhabitants at that place seems to have stiffened the resolve of others to defend the capital.[1] On 22 November Carleton ordered all who were not prepared to defend the capital to leave, and John and Aclan Bondfield, John Welles, Zachary Macaulay, Murdoch Stewart, Constant Freeman, Adam Lymburner and John McCord promptly did so.

The two American armies joined forces on 3 December and two days later the siege of Quebec began. Eighteen hundred soldiers, sailors and militia had been pressed into service in its defence. For their part, the besiegers (at times outnumbered by the besieged) were in no condition to carry on an effective blockade through the long Canadian winter; desertion, small pox and lack of supplies took their toll. Consequently, Montgomery and Arnold decided to make their move on the cold and stormy night of December 30/31, under cover of a blizzard. Their attack failed badly; Montgomery was killed and Arnold wounded in the leg. But Carleton did not have sufficient confidence in the raw, undisciplined troops under his command to press home his advantage, and the Americans were able to remain outside Quebec for the rest of the winter - though with increasing difficulty in the face of dwindling

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[1] P.A.C., Dartmouth Papers, vol. 6, f. 1537: George Pownall to ? , 23 Sept. 1775.

numbers, supplies and cash. James Price, the Montreal merchant, had furnished the invaders with an estimated £20,000 over the preceeding twelve months, but even his pocket was not bottomless. The Canadians, who had supplied provisions, grew disenchanted with the worthless paper money they were now forced to accept, and the Americans began, of necessity, to act more like conquerors and less like the liberators they claimed to be.

On 5 May the American commanders decided to abandon the siege, and the next day the first sail of a British fleet carrying 10,000 men, supplies and equipment, was sighted from the ramparts of Quebec. The rebels withdrew swiftly and with remarkable success. With them went James Price, John Welles, William Heywood, Thomas Walker and Joseph Bindon among others. By the end of June 1776, Canada was clear of Amercians.

II

The invasion was over, but it had been a near-run thing. It was your 'damned committees' that had made it so by undermining the loyalty of the Canadians, Lieutenant Governor Cramahé told Zachary Macaulay angrily. Gustave Lanctot has echoed his sentiments: 'Disaffection among the British element', he writes, 'almost made Quebec an American state'.[1] The merchants had their own view: 'Most People on this Side . . . owe their present Misfortunes to our G-v-r, the Quebec Bill & its Promoters'.[2]

Cramahé's remark was patently an excuse to find a reason for the disappointing lack of response from the Canadians to Carleton's

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[1] G. Lanctot, Canada and the American Revolution, p. 225.

[2] P.A.C., Dartmouth Papers, vol. 6, f. 1532: Paterson & Grant to John Strettell, 21 Sept. 1775.

call to arms, a situation which can be attributed to a variety of factors not the least of which were American cash and the obvious weakness of the British forces. The habitants, in their native shrewdness, were not prepared to declare themselves for a king who was in no position to defend them; even a wholehearted display of loyalty by the merchants would not have altered this. In fact, very few of the opponents of the Quebec Act assisted the invaders, and only seven of the twenty-one members of the Quebec and Montreal committees left the province with them - almost all of them from Montreal. 'With respect to the better sort of people, both French and English', wrote the traitor Moses Hazen, 'seven-eights are Tories, who would wish to see our throats cut, and perhaps readily assist in doing it'.[1] It is true that the English-speaking mercantile community was not exemplary in its display of loyalty; but neither was it subversive or disloyal when matters came to a head. A few merchants were active, some in support of the Crown and others of the Americans. Most though, took up a position of what can best be described as "loyal neutrality".

A majority of the merchants who were present in the settled part of the colony during the invasion were, undeniably, backward in coming forward. When Carleton called up the militia in June 1775 the response was minimal. A few were actively loyal: Malcolm Fraser and William Grant in Quebec, and Edward William Gray and Isaac Todd in Montreal were among the first old subjects to enroll in the militia. As if to refute Cramahé's accusation, all four had been members of their respective committees in the fight against the Quebec Act. Grant, one of the wealthiest and most prominent merchants in the colony, summed

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[1] Quoted in D.G. Creighton, Commercial Empire of the St. Lawrence, p. 66.

up their attitude when he declared that he was 'determined to stand or fall with the King's Government'.[1]

A few merchants, on the other hand, actively assisted the invaders. Carleton listed some 29 rebel sympathisers; a dozen or so were men of some import, the others of little consequence. It was a small fraction of the total mercantile community, and Professor Creighton is very likely correct when he concludes that, given the Americans' almost total control over the province for much of 1775-76, and the weakness of the British forces, most of the committed rebel sympathisers probably revealed themselves, so that Carleton's list is a fairly accurate indication of their true numbers.

The great majority of merchants however can be classed as loyally neutral. Their loyalty was based partly on sentiment and partly on the economic reality of Quebec's dependence on the empire and imperial markets. Their neutrality sprang from a very pragmatic and level-headed assessment of their own individual economic situation, rather than from questions of political ideology.[2] It is wrong to describe their ambivalence, as the governors so often did, to a deep and widespread infusion of American "republicanism" in their ranks.[3] Sympathy with American democracy there probably was, but it was not strong enough to overcome the economic arguments against rebellion. In the period before the signing of the

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[1] P.A.C., Dartmouth Papers, vol. 6,f. 1525: Wm. Grant to David Grant, 20 Sept. 1775.

[2] Professor Schlesinger has found that, on the whole, the merchants of the Thirteen Colonies did not ordinarily concern themselves with political questions except when their commercial interests were threatened, and that with the return of prosperity after the repeal of the Townshend duties in 1770, they became less and less radical. See A.M. Schlesinger, Colonial Merchants, pp. 29, 240-62. See also p. 47 note 2, above.

[3] For the attitude of Cramahe, Carleton and Haldimand in this respect, see p. 87 above, and pp. 120, 121 et seq., below. W.B. Kerr has concluded that there was a much stronger sense of loyalism among the Quebec than the American merchants at the time of the Stamp Act, for example. See W.B. Kerr, 'The Stamp Act in Quebec', English Historical Review, 47 (Oct. 1932), 648-651.

Declaration of Independence of July 1776, it was indeed possible to see the Americans (as they often saw themselves) as loyal subjects fighting against a tyrannical and unconstitutional government attempting to rob them of their traditional and inalienable rights as Englishmen. They were the barons of 1215 setting King John back on the path of constitutionality; they were the revolutionaries of 1688 fighting against despotism; they were sure that history and right were on their side.

But like the Canadians, the Quebec merchants saw the struggle as one between the Thirteen Colonies and the mother country only; it was not their battle, despite American propaganda to the contrary, and so they resented the American invasion of Canada. Writing to William Edgar[1] in September 1775 as Montgomery and Arnold lay encamped outside Quebec, Isaac Todd complained that it was 'Hard that the Americans should disturb us who have not taken any part in their dispute'.[2] Their unnecessary incursion had disrupted trade, and there was growing irritation at the 'New England Pepple' for causing delay and confusion in the flow of commerce. Such stoppages in trade put personal and business fortunes, already, in many cases, delicately balanced on a knife edge, in grave danger. Lawrence Ermatinger was 'in hopes the Invaders will soon be dealt with in the manner they deserve'.[3] As the conflict dragged on and the final break with Britain, signalled by the Declaration of Independence, drew nearer, opinion in Quebec seems to have hardened. Todd now referred to the 'Lawless Band of Rebels', and wrote

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[1] A Detroit fur trader who was partner in the firm of Macomb Edgar & Macomb who had control of the distribution of government Indian presents at Detroit in the 1780's.

[2] P.A.C., Edgar Papers, vol. 2, f. 490: Todd to Edgar, 24 Sept. 1775.

[3] P.A.C., Ermatinger Papers, vol. 1: Ermatinger to Meredith, 12 Oct. 1775.

bitterly:[1]

> Whatever the Americans say about Liberty, they execute every form of Tyranny. Friends of Liberty and America should hope for the defeat of those Violent people.

Chapman Abrams too was full of disgust in reporting that the "Yankees" had been driven out - but not before they had robbed and plundered many of those who had helped them; 'self-styled Liberty Boys!'[2]

Yet despite their irritation at the American invasion the merchants of Canada did not jump to the protection of the province. When Carleton called up the militia in June 1775 the merchants, with a handful of exceptions, ignored the call to arms; yet in the end very few failed to defend Quebec and Montreal. Early in September the Montreal merchants refused to march out to help in the defence of St. Jean; yet a couple of weeks later a company of traders had been formed to defend the Market Gate against Montgomery, and thirty of their number were involved in the sortie which led to the surrender of Ethan Allen's small band of rebels.

In Quebec too, the merchants rallied round when the crisis came. In July they had boycotted an attempt to raise an English militia in the capital, but when, on 22 November, Carleton ordered all who were not prepared to defend the town to leave, less than a dozen did so, and by no means all of them were rebels.[3] After the winter-long siege indeed, the Governor was full of praise:[4]

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[1] P.A.C., Edgar Papers, vol. 2, f. 542: Todd to Edgar, 12 Sept. 1776.

[2] Ibid., vol. 2, f. 524: Abrams to Edgar, 30 June 1776.

[3] Of those who left (see p. 86 above), Macaulay, Stewart, McCord, Freeman and Lymburner did not quit the province with the Americans in 1776 but remained in Quebec. It is quite possible that their main reason for leaving the capital was so as to be able to better look after their business affairs.

[4] P.R.O., C.O. 42/35, f. 10: Carleton to Germain, 14 May 1776.

> The Militias British and Canadian behaved with a steadiness and Resolution that could hardly have been expected from Men unused to Arms, Judges and other Officers of Government, as well as Merchants, chearfully Submitted to every Inconvenience to preserve the Town.

Lanctot is therefore wrong to see their reluctance to serve in July as 'a clear indication of their leanings'.[1]

The explanation for the behaviour of the mercantile body appears to have been quite straightforward and, as one might expect, pragmatic. As always, their first concern was the protection of their property and trade. So long as the enemy were many - sometimes hundreds - of miles away, they saw no reason to leave their businesses to engage in military exercises of dubious worth. John Welles, often regarded as a traitor because he left Quebec after Carleton's ultimatum, explained his reasoning most clearly:[2]

> The Colonies have it in their power to harrass our trade in the Upper Country and our agriculture by keeping us always in fear and therefore under arms. Neutral, or at most self-defence, is our Duty and Interest.

The invasion occured at a time of year when fur traders were busy organising the next year's expeditions, and they needed to be able to receive their goods on time. Wheat and flour mongers suffered from the disruption to agriculture caused by the presence of American troops who were in control of most of the countryside. Freedom to move about the province was essential to these merchants, but was impeded in these circumstances. In the early days of the invasion at least, the Americans were able to purchase part of the crop with hard cash, and the habitants were only too willing to sell to them on these terms.

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[1] G. Lanctot, Canada and the American Revolution, p. 99.

[2] P.A.C., Jacobs Papers (series 3), vol. 13, f. 1391: Welles to Ermatinger, 29 May 1775.

To make matters worse for the Quebecers, many London houses refused to send out any more goods until the fate of the province became clearer.

Clearly, the invasion made trade an even more precarious occupation than usual, thus rendering it essential that a man be doubly attentive to his business so that no opportunity to make a profitable transaction should be lost to a competitor. The case of three Montreal merchants illustrates the primacy of commercial calculations in their response to the invasion.

In June 1775, Carleton offered militia commissions to James Stanley Goddard, Jacob Jordan and John Porteous.[1] All three refused to enroll, declaring that, though ready to defend the city itself, they were not prepared to be called away from their families and businesses at every false alarm.[2] Carleton was displeased at the English for not setting an example to the Canadians, but the merchants' response is understandable. They could not reasonably be expected, for example, to march out to the defence of St. Jean, leaving their commercial concerns unattended to for an indefinite period. Nor were they willing to be called out at all hours of the day and night at the whim of some keen militia officer, for parades and exercises to no immediate purpose. But they were not traitors, and when a real threat appeared to the town they were ready to take up arms in its defence.

If resistance failed, then the merchants returned to commercial considerations. Among the Articles of Capitulation presented to Montgomery was the demand that 'trade in general, as well within the

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[1] Goddard was a fur trader who had been in the upper country with Alexander Henry in 1761. For notes on Porteous and Jordan see Appendix B, below.

[2] P.A.C., Shelburne Papers, vol. 66: Anon, 22 June 1775 (enclosed in Maseres to Dartmouth, 9 August 1775).

province as in the upper countries and parts beyond the seas, shall be carried on freely as heretofore'.[1] In February 1776, Joseph Frobisher led a delegation to the Continental Congress at Philadelphia to plead for the reopening of the fur trade.

We can see then, that commercial considerations played an important part in moulding the behaviour of the merchants. Professor Creighton though, goes farther, and argues that the particular type of trade in which a man engaged had a great bearing on the fundamental decision of whether he joined the rebels or remained loyal. Specifically he believes that the nature and dictates of the fur trade exercised a unique and powerful pull towards loyalism, a pull which was not to be found in Quebec's other trades.

Creighton examines the official list of rebel sympathisers and finds that, with the possible exception of Thomas Walker, none of those who joined the Americans was a fur merchant.[2] Most of those who did were, he says, professional men, army contractors or dealers in provisions - all occupations which were not uniquely Canadian. From this he proceeds to the unjustifiable conclusion that it was because the fur traders were engaged in the fur trade, which was distinctively Canadian in its economic and social characteristics and needs, that they remained loyal; and conversely he implies that it was because the other merchants were engaged in branches of trade that were not unique to Canada, but were also to be found in the New England and Middle Colonies, that they were therefore less "Canadian" and hence more inclined to favour the rebel cause. In his own words: 'It was the men whose business

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[1] G. Lanctot, Canada and the American Revolution, pp. 259-60

[2] In fact, James Price and John Welles (see Appendix B, below) were both engaged in the fur trade, although it is possible that the latter had by this time dropped out of it.

activities were least attuned to the distinctive commercial system of the north, who went over to the enemy', while 'the more thoroughly Canadian of the merchants /i.e. the fur traders/ had nothing to do with the whole affair.'[1]

The implication here is surely doubtful. The fur traders were, like all merchants, concerned first and foremost with trade, not with preserving the notion of a "Canadian identity"; they were not the forerunners of present day Canadian nationalists. The reason why the fur traders 'disappeared into the forest or faded into political obscurity' in 1775-76, while most of the other merchants took up arms in defence of Quebec and Montreal, was precisely that they were uniquely Canadian, and so had less, not more, to fear from American competition or the possible absorption of Quebec than the other merchants of the province, for whom this would mean submersion and extinction.

Certainly it is true that every merchant in Quebec stood to lose a great deal from the invasion; hence the widespread annoyance at the Americans. Quebec in 1775 was totally dependent on Britain for capital, credit, trade goods and shipping - the very wheels of commerce. More than the American, her economy was in an infant stage of development and needed the imperial link and the semi-protected markets of empire. She could not hope to survive the full force of unrestricted international competition. Her domestic market was small - one twentieth the size of the American; indigenous capital could not compare even with that to be found in New York, Boston, Philadelphia or Charleston, which were themselves heavily dependent on British capital and credit. Quebec had virtually no mercantile marine, while a substantial proportion of the British merchant fleet had been constructed in the Thirteen

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[1] D.G. Creighton, Commercial Empire of the St. Lawrence, p. 63.

Colonies. American secondary industries, such as steel and slitting mills and pig iron production, were starting to emerge; Quebec had only the tiny St. Maurice Forges. The colonists to the south could afford temporary non-importation agreements; Quebec had, of necessity, assiduously avoided every invitation to participate. In every imperial market Quebec faced often overwhelming American competition in the form of better, cheaper and more plentiful American goods. America might, but Quebec could not stand alone.

So it was that a representative group of Quebec merchants, meeting in one of the province's coffee houses at any time during the invasion, would all have been apprehensive about the short term consequences of recent events. By late September, Isaac Todd reported that trade was 'almost stopped' because of the shortage of cash; business generally was 'very dull'. Yet this was the time of year when the fur traders had to be preparing the coming season's expeditions, and badly needed rum and trade goods from Britain. The grain merchants were prevented from scouring the countryside for wheat by the presence of American troops. Exporters and retailers of all kinds feared that if the port of Quebec fell into rebel hands then non-importation would be extended to Canada. Those engaged in the fisheries, whether as provisioners or fishermen, as well as those in the south west fur trade, saw the prospect of the advantages so recently gained under the Quebec Act being snatched from their grasp if the Americans succeeded in their stated aim of undoing that measure. From an economic viewpoint therefore, no merchant in Canada could look with favour on the invasion. Those who went over to the enemy did so for personal reasons, the chief of which was their place of origin. It is significant that of Carleton's 29 listed rebel sympathisers, 23 were natives of the Thirteen Colonies, and all but one had lived there at one time or another. This strongly

suggests that place of origin, not the type of trade, was the most important single factor influencing the loyalty of Canada's merchants.[1]

But our representative group of merchants must also have been apprehensive about the possible medium and long term effects of the American invasion. Having previously rejected their neighbours' invitation to join in a fraternal union to overthrow the Quebec Act and the other "Intolerable Acts" of recent years, Quebec now found herself in the position of the retiring maiden forced to submit to the unwelcome attentions of her suitor. But the terms and duration of the proposed union were somewhat vague. The Americans had always feared the use of Quebec as a power base against them, and who knew but that they might be tempted to secure their position by forcing a more permanent relationship on Canada than she desired. In December 1775, Montgomery wrote to General Schuyler that 'we are not to expect a union with Canada, till we have a force in the country sufficient to ensure it against any attempts that may be made for its recovery'.[2] As time went on, the so-called liberators began to act more and more like conquerors. All the Quebec merchants could hope for was a speedy end to the dispute and the soonest possible restoration of the normal flow of commerce. Yet it was possible that the struggle would be a protracted one, and in the event of the worst happening and Quebec being absorbed by the Thirteen Colonies, the merchants who stood to lose least were those most "Canadian"

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[1] In the mild agitation which greeted the Stamp Act in Quebec in 1765, it was again colonial-born old subjects who were most active. See W.B. Kerr, 'The Stamp Act in Quebec'. V.D. Harrington has also attempted an analysis of the relationship of business occupation to loyalism or "radicalism" in New York, but has been forced to be very tentative on this; she is however more confident in associating official connections and British birth with loyalism. See, V.D. Harrington, The New York Merchant, pp. 349-51

[2] Quoted in D.G. Creighton, Commercial Empire of the St. Lawrence, p. 65.

of merchants, the fur traders.

Of course the fur trade, like every other, would suffer from any disruption of trans-atlantic trade; but in the event of Quebec's absorption all would not be lost. Canada's strong position in the world fur market would help to insulate her from the full effects of the ultimate disaster, just as America's strong position in the empire insulated her from the full consequences of independence after 1783. She provided some 65% of Britain's imports, five times what came from Hudson's Bay, the next largest supplier. Furs were manufactured in England into a valuable re-export to Europe, and it would have been economically worth Britain's while to keep the London fur market open to Canadian skins, whatever happened. If not, then the Continent would probably have been only too glad to receive furs direct from Canada rather than having to pay higher prices to Britain for the manufactured product.

We need to qualify this somewhat however, for within Quebec the south west merchants stood to lose far more than the nor'westers from the possibility of absorption. The trade to the far west and north west (based on Michilimackinac and Grand Portage) was probably sufficiently well established at Montreal by now, for it to have fought off American competition from Albany. Montreal's geographic position and the unique experience and expertise of the Canadians combined to make this so. The south westers (working from Niagara and Detroit) could however be in real danger of losing out to the Americans; Albany was geographically well placed, with good water communications to the upper country and a one month earlier spring opening down the Mohawk-Albany route. The south westers of Montreal had just been given virtual control of the Mississippi-Illinois-Ohio trade by the boundary extension of the Quebec Act; now there was a danger that if the Americans succeeded

in overthrowing the act, the Quebecers would be robbed of victory just as it seemed to be within their grasp. It may therefore be significant that, while the north west traders seem to have melted away during the invasion, a number of south west traders were active in resisting the rebels; all three fur traders who signed the Montreal Articles of Capitulation asking for freedom of trade, had interests in the old west and south west.[1]

The other, "less Canadian" merchants in Quebec - those involved in grain, lumber, fish, provisioning and distilling - had as much to lose in the short term, and even more in the long term if the worst came to pass. The reason was quite simple; they were not uniquely Canadian, but competed with the Americans in every major imperial market, from the fisheries to the West Indies, and almost always unsuccessfully. For them absorption meant extinction. American fish, wheat, lumber and provisions in the West Indies; provisions and rum in the fisheries; Albany rum in the fur trade; New England masts in the British market: everywhere they turned the Quebec merchants were beaten back by the produce of the Thirteen Colonies. Consequently, they would have benefited from the great imperial upheaval by which an independent America was excluded from these imperial markets. Even if this was unforseeable in 1775, they still had very strong reasons for resisting any attempt that might be made by American forces to annex Canada.

III

With the departure of American troops in June 1776, the invasion was over, merchants were once again able to travel freely about the

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[1] G. Lanctot, Canada and the American Revolution, p. 260. The traders concerned were John Porteous, James Finlay and James McGill.

countryside on their business, and trade returned to something approaching normal. All around the province however, war continued to rage, and its effects had great influence on the economic and political life of both Britain and Quebec for the next seven years.

For a few individuals in both countries, the conflict brought welcome opportunities for profit.[1] The chief beneficiaries were those lucky or influential enough to secure government contracts or subcontracts for the supply of money and goods of all kinds. In the west, recently brought under Quebec's jurisdiction, wartime government requirements for all types of articles soared. The value of goods sent west in 1777 was £176,665, and in 1783 it reached an all-time peak of £227,000.[2] In the ten months after November 1779 the single firm of Macomb Edgar and Macomb were able to dispose of £80,000 worth of goods to government - some four-fifths of the total purchases made during that period.[3] Todd & McGill disarmingly reported gross profits of over £20,000 on their merchandise account for the year 1777.[4] It was also a profitable time for the London houses who supplied this expanding market.

To finance this increase in expenditure the authorities at Quebec needed more and more money, and in the spring of 1778 Todd & McGill of Montreal offered to supply the British government's agents, Harley & Drummond of London, with £20,000 to £25,000 at Quebec in the ensuing summer.[5]

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[1] See also Chapter 1 above, pp. 35-6.

[2] W.E. Stevens, The North West Fur Trade, pp. 65, 68.

[3] A.L. Burt, Old Province, p. 304.

[4] P.A.C., Edgar Papers, vol. 2, f. 763: Todd & McGill to Edgar, 16 April 1779.

[5] P.R.O., T 29/47, ff. 60-1.

For others, the increase in the domestic market brought about by the presence, by 1780, of some 6,000 regular troops in Canada, encouraged them to indulge in speculation on a scale and intensity even greater than was usual in peacetime. Government purchases of provisions in 1779 alone amounted to some £55,000, and by 1780 had reached £80,000.[1] Drummond & Jordan managed to corner the market in wheat in 1778, while James Grant was said to have made a fortune from the sale of spruce beer. Others though, were less fortunate; after the war ended Joseph Frobisher found himself with £15,000 worth of unsaleable liquor on his hands.

But on the whole, with restrictions on free communications with the upper country, a semi-permanent ban on exports of wheat, flour and provisions and the disruption of trans-atlantic shipping, the war was not an easy time for most merchants in Quebec or Britain. It caused delays and uncertainties damaging to trade.

The free flow of commerce across the atlantic was the lynchpin of the Quebec economy, and British capital, credit and trade goods were the lifeblood of her trade; so it is only right that we should look first at this important, though neglected, aspect of the Quebec economy during this period. The merchants of Canada could not help but be affected by the fortunes of their London correspondents and their commercial decisions. The London houses too, were influenced by commercial and political developments in Canada. The effects of the war on trans-atlantic trade is the clearest illustration of the closeness of these economic links, and the interdependence of Quebec Montreal and London.

After 1778, when France entered the war, the British lost an

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[1] M. Brunet, La Conquête Anglaise, p. 82.

average of about 600 ships annually, and before the war's end almost 3,000 merchantmen had been captured or destroyed by the enemy. The Quebec fleet was not immune to these perils, and in the summer of 1780 the whole victualling fleet of fifteen ships was captured by the Americans off Newfoundland.[1]

If the fleet did arrive safely, it was frequently late. This was partly the result of having to await a naval convoy at Plymouth. The late arrival of the fleet hit both the Quebec and London houses. As James Morrison pointed out to Mark Gregory (of the London firm of Mark & Thomas Gregory & Co.), it was easier to sell £10,000 worth of goods arriving early in the spring than £4,000 worth in the late autumn.[2] In 1779, for example, the fleet did not arrive until September, which meant that the Quebec merchants found it almost impossible to raise enough money from that year's importation to pay their remittances to London, where the Canada merchants might find themselves in straits as a result.[3] The London Canada merchants estimated that delays in the sailing of the convoy in 1779, which meant that their goods did not arrive in Canada in time for the 1780 fur expeditions, had cost them some £400,000.[4] They complained to Lord George Germain, and at the same time petitioned the Admiralty for naval protection.[5]

There were at this time about a dozen London houses who between them controlled most of the trade with Canada. They were the firms of

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[1] G.S. Graham, British Policy and Canada, p. 38

[2] P.A.C., Lindsay-Morrison Papers, vol. 1, f. 465.

[3] P.A.C., Edward William Gray Papers, vol. 2, Gray to Hayton, 5 Sept. 1779.

[4] P.R.O., C.O. 42/41, f. 12: Canada merchants to Germain, 13 Feb. 1781.

[5] Ibid., f. 13: Canada merchants to Admiralty, 13 Feb. 1781.

Watson & Rashleigh, Robert Hunter & Co., John Fraser & Co., Davis Strachan & Co., Amos Hayton, Richard Morland & Co., John Strettell, David Grant & Co., Phyn & Ellice, John Shoolbred, Dunlop & Wilson, Murray Sansom & Co. and Mark and Thomas Gregory & Co.

Not all were in the same position to cash in on the opportunities of wartime. Without a doubt, the most influential partnership was that of Brook Watson and Robert Rashleigh[1], which not only carried on an extensive trade with Quebec, but exercised a powerful grasp over that of Nova Scotia as well.[2] On the eve of the invasion Watson was in Quebec collecting debts owed to the house, and managed to send home furs and bills worth over 40,000 louis before moving on to Nova Scotia which, as he put it, was 'very indebted' to Watson & Rashleigh.[3]

Watson had useful contacts and, it would appear, some influence in British government circles; the firm won a contract to supply naval stores to Canada, and their ships were hired to carry official supplies to Quebec. While in the colony in 1775, Watson had discussed the military situation with Lieutenant Governor Cramahé, who recommended him to Dartmouth in a consultative capacity. Watson was also in 'great habits with Sir Guy Carleton & very much trusted by him in his private concerns & in some matters of a public nature, particularly in Indian Affairs'.[4] In 1782 it was said that Watson had been appointed 'by the Interest of Sir Guy Carleton, Commissary General in America, wither Sir Guy is going as Commander in Chief'.[5] It may also have been more

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[1] See Appendix B, below.

[2] J.B. Brebner, The Neutral Yankees of Nova Scotia (Columbia, 1937).

[3] H.A. Verreau ed., L'Invasion du Canada: Collection de Memoires Recueillés et Annotés (Montreal, 1873), pp. 356-57.

[4] P.R.O., C.O. 42/42, f. 130: Livius to ?, 9 March 1782. Livius is not the most trustworthy witness about Carleton (see p. 132, above); but it is hard to imagine that he entirely fabricated these remarks, which were not particularly damaging, and we do know from the Smith diaries that Watson and Carleton were friendly - at least in the post war years.

[5] loc. cit.

than mere coincidence that, in September 1776, Carleton awarded the Canadian firm of Oreillat and Forêtier, who had heavy commitments with Watson & Rashleigh,[1] a contract worth £14,000 to supply Indian presents, doubtless purchased in London from none other than Watson & Rashleigh.[2]

James Phyn & Co. controlled the London end of a large and wealthy concern with interests throughout North America.[3] Based at first at Schenectady, near Albany, Phyn & Ellice moved to Montreal following the Quebec Act and the American non-importation agreements. Alexander Ellice & Co. and Robert Ellice & Co. were the firm's Canadian subsidiaries. Another member of the company, John Richardson, set up in partnership with John Porteous in Charleston, South Carolina, and shipped indigo, tobacco and rice to James Phyn in London. By 1784 James was receiving goods from all along the atlantic coast from Newfoundland to Florida, as well as from Jamaica and Grenada. The company's connection with Canada continued for many years, and Phyn Ellice & Inglis of London were major suppliers of the north west fur trade.

Another important London house was that of Robert Hunter & Co.[4] Hunter was Chairman, and the most active member, of the London Canada merchants committee. From his offices in Coleman Street he conducted an extensive trade with Canada. Sometimes he appears to have worked closely with another London company, Lewis & Blanchard, and the two concerns had a Quebec subsidiary, Hunter & Blanchard. Hunter's

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[1] H.A. Verreau ed., L'Invasion du Canada, pp. 356-7.

[2] Watson was also friendly with the Winslow family, and in July 1790 he secured a contract from Joshua Winslow, Deputy Paymaster at Quebec, to supply dry goods worth over £5,000. P.R.O., C.O. 42/88, f. 115 et seq.: contract of 19 July 1790.

[3] See R.H. Fleming, 'Phyn & Ellice'; and Appendix B, below.

[4] See Appendix B, below.

involvement in the Canada trade was heavy. Writing in 1775, Richard Atkinson (of Mure Sons & Atkinson, the government wartime contractors) observed that 'If I mistake not, his Existence rests upon the fate of the Province'.[1] Hunter claimed to have £6,000 worth of property on the Labrador shore alone, where he had been giving heavy financial backing to the fishery of the Quebec merchant Adam Lymburner.[2]

Less is known of the other London houses. Davis Strachan & Co.[3] were suppliers for the north west fur trade, while Dunlop & Wilson may have been the London offshoot of Colin Dunlop of Glasgow and James Wilson of Kilmarnock, who had been undertaking voyages to Canada since 1764.[4] David Grant was another London-based Scots firm, possibly connected with Robert Grant & Co. of London, which had a Halifax (Nova Scotia) subsidiary, and whose agent in Quebec was William Grant, the prominent merchant and councillor. John Shoolbred was mainly interested in the fisheries of Chaleurs Bay, but took to shipping arms and ammunition to Canada for the Indian trade during the war. Amos Hayton[5] had dealings with Samuel Jacobs, Edward William Gray, the Jews Levy Solomons and Samuel Judah, and the Canadian Etienne Augé, among others. Richard Morland & Co.[6] was the successor of the old firm of Price and Morland which had been interested in the Canada trade right after the conquest. Edward William Gray was their agent there. On Morland's death in 1779 the running of the house was taken over by one of the partners, Elias Lock.

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[1] P.R.O., C.O. 5/147, f. 9: Atkinson to John Robinson, 30 Dec. 1775.

[2] B.M. Addit. MSS., 21,697 (Haldimand Papers), ff. 95-7.

[3] See Appendix B, below.

[4] D.S. Macmillan, 'New Men in Action'.

[5] See Appendix B, below.

[6] See Appendix B, below.

Even though not all the London companies were as well connected as Watson & Rashleigh, the war still brought many of them opportunities for more business, especially with the expansion of the market in the upper country. Lawrence Ermatinger alone placed orders worth £9,000 with Davis Strachan & Co. in 1776.

But in general, the delays, uncertainties, losses and breakdowns in communication which inevitably occured in wartime, made life difficult for the London merchants, who had large amounts of capital tied up in a threatened, distant land, in which strange laws prevailed. Matters seem to have reached a crisis about 1778, with confidence in the City at rock bottom, and a number of firms reported to be on the verge of collapse. But the London Canada merchants reacted to events after 1774 in different ways.

For men like Robert Hunter, whose very survival depended on the fate of Canada, there was no alternative but to assist the government in every possible way. Hunter was therefore more than willing to hire his ships out to the authorities, even though at least one of them was lost. 'It is of much more importance to him that Canada should be saved', wrote Richard Atkinson, 'than anything that can happen to his ships.'[1] James Strachan, of Davis Strachan & Co. was equally willing to cooperate.

Not so Brook Watson. Like most of the Canada merchants he was annoyed with the ministry for its recent measures for Quebec, and when Thomas Hutchinson, the former Governor of Massachussetts, visited him in February 1776, he found Watson still 'much dissatisfied with the American measures; still laments the Quebec and American Fishery Bills'.[2]

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[1] P.R.O., C.O. 5/147, f. 7: Atkinson to Robinson, 28 Dec. 1776.

[2] P.O. Hutchinson ed., Diaries and Letters of Thomas Hutchinson, vol. 2, pp. 14-15.

Though Watson had written in October 1775 that the house needed every shilling it could get 'in these times of general necessity', the fate of Watson & Rashleigh did not wholly depend on Canada as did Hunter's for example, and Watson could afford to indulge his predeliction for criticism of officialdom. Richard Atkinson called on him late in December 1775, while the Americans were encamped outside Quebec:[1]

> I found him . . . very full of his own Importance & like other great men resolved to have nothing to do with measures which he is not allowed to guide. The Expedition is consequently absurd and nothing but sending a great army immediately will do any good. The niggardly Oeconomy of Government will destroy the country. He had told them so already and shall repeat it etc. etc. His ship shall not be thrown into the Hands of the Enemy . . . . She ought to be fitted out to carry Troops with safety, but not to carry a parcel of dirty Provisions.

In the event, although distressed, none of the big Canada merchants was fatally hurt by the difficulties facing them; as usual it was the smaller men who bore the brunt. The American invasion of Canada led to a nervous reaction among them. Writing from London in April 1776, Richard Woolsey expressed his pleasure at the news of Montgomery's defeat at Quebec in December 1775, but said that he would not ship any goods to Canada until the situation there was clearer.[2] This would appear to have been a fairly common reaction, for in September 1776 Simon McTavish in Montreal complained bitterly that 'I am very sensible of the treatment we have met with last year from our London Friends - but I shall put it out of their power to use me so for time to come'.[3] Entries from Britain at Quebec dipped sharply

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[1] P.R.O., C.O. 5/147, f. 9: Atkinson to Robinson, 30 Dec. 1775.

[2] P.A.C., Lindsay-Morrison Papers, vol. 1, ff. 4-5: Woolsey to Morrison, 20 April 1776.

[3] P.A.C., Edgar Papers, vol. 2, f. 550: McTavish to Edgar, 22 Sept. 1776.

from 64 ships (8,144 tons) in 1775, to 27 vessels (4,959 tons) in the following year.[1] The nadir seems to have come around 1778, before the practice of selling bills of exchange on credit on a massive scale enabled the Quebec merchants to place and pay for huge orders in London.[2] Private investment by the London merchants in the Quebec trade probably dropped in these years because of the risks and uncertainties, but the decline is masked in the trade figures by the huge quantity of goods imported by the government for the war effort. In the City, confidence was shaken by a series of spectacular failures. In April 1778, Amos Hayton reported the collapse of several London houses - Crafton & Colson, and Wakefield Pratt & Myers - and added that there was a crucial shortage of cash and a general lack of confidence in the business world. Even the bigger houses were in difficulties, and he hoped to conclude most of his Canadian affairs as soon as possible.[3] Among the Canada merchants there were rumours that David Grant & Co. had been tottering for some time, though Hayton stressed that he was not entirely sure of his information.[4] In Montreal, Todd & McGill had also been advised of the lack of business confidence in England, and the reluctance to send many goods to Canada.[5]

Clearly then, "when London sneezed Quebec caught cold". But besides the restraints on trans-atlantic trade, there were domestic restrictions on commerce which worried the Quebec merchants, both in

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[1] See Appendix A, below.

[2] See Chapter 5, pp. 164 et seq.

[3] P.A.C., Jacobs Papers (series 3), vol. 17, f. 2317: Hayton to Gray, 21 April 1778

[4] Ibid., ff. 2413-14: Hayton to Jacobs, 15 Aug. 1778.

[5] P.A.C., Edgar Papers, vol. 2, f. 725: Todd & McGill to Edgar, 1 Oct. 1778.

the west and in the heart of the colony.

Rather surprisingly perhaps, the fur trade appears to have suffered less from the actual hostilities than from the precautions of the Quebec authorities. Trade in the upper country boomed; exports of deer, marten and racoon reached high levels throughout the war. There seems to have been a slight slump in 1778/79, perhaps as a result of the crisis in the City and the introduction of restrictions on freedom of movement in Quebec the year before.[1] The value of trade goods sent west fell from £191,013 in 1778 to only £41,355 in the following year.[2] In London, Elias Lock estimated that the sale of furs in 1779 would be down 20% on 1778 in volume.[3] The years 1781 and 1782 also witnessed a temporary relapse, though by 1783 the recovery was complete and continued uninterrupted for three years.

Of course the mere number of pelts exported gives an incomplete picture of the economic situation for the Canadian fur merchants and their London suppliers. The price and quality of the pelts was very material, and varied considerably from year to year and between regions. In 1777 for instance, skins from Detroit made £10 per pack, those from Michilimackinac £15, and those from Grand Portage made £40 per pack, at the London sales.[4] Prices for north west furs fell by 35% over 1778 in 1779.[5]

Unfortunately, information on this is patchy and hard to come

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[1] See Appendix A, below.

[2] W.E. Stevens, The North West Fur Trade, p. 65.

[3] P.A.C., Jacobs Papers (series 3), vol. 54: Lock to Gray, 23 March, 1779.

[4] D.S. Robertson ed., An Englishman in America 1785: The Diary of Joseph Hadfield (Toronto, 1933), p. 109; W.E. Stevens, op. cit., p. 149.

[5] P.A.C., Edgar Papers, vol. 2, f. 777: Todd & McGill to Edgar, 28 June 1779.

by. It must also be borne in mind that, although the fur returns for 1775-1783 are greater than for the seven years before the war, they now included pelts which, before the American conflict, would have been exported through New York. Nevertheless, there can be no doubt that, even if the total fur catches were not demonstrably much higher than before, more of the trade was now passing through Montreal, to the pecuniary benefit of the traders there.

The most significant and exciting development in the fur trade (though not yet a large scale one) was the opening up of the far north west by a handful of dynamic and resourceful Montrealers, working through Grand Portage, on the western shore of Lake Superior. The war years saw the emergence of the North West Company, later to prove a fierce rival to the Hudson's Bay Company, with the semi-formal agreement of 1779, and the more formal one of 1783.[1] Despite appalling physical difficulties, human and geographic, the men who made up this famous company pushed farther and farther west. In 1775 some 23 canoe loads of Quebecers were expected to winter on the Saskatchewan, and by 1778/79 Peter Pond was wintering as far west as the Athabaska country itself. (See map opposite page 21 above).

If the war years were on the whole prosperous ones for the fur trade, they were not without their worries for the merchants of Montreal. Their concern stemmed mainly from the precautionary measures taken by the Quebec authorities in the face of the security situation.

During the years 1774-1796 the Indian Department in Canada exercised no direct control over the trade; this was left in the hands of the governor and council at Quebec. Political relations were the

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[1] W.S. Wallace, Documents Relating to the North West Co., pp. 4-9. See also Chapter 1 above, p. 22.

responsibility of the military commanders at the posts and, reflecting the views of their superiors, their chief concern was to keep the Indians loyal and happy for security reasons. With the entry of France into the war in 1778, fears grew of a Franco-American invasion of Quebec, and security came more than ever to dominate the official mind; and security meant delays that the fur traders could ill afford.

The most important, and to the fur traders the most irksome wartime restriction, was that imposed in 1777 by Governor Carleton prohibiting the use of private vessels on the Lakes, and continued by his successor, Governor Haldimand (1778-1784).[1] Only ships manned and armed by the Crown were allowed to navigate these waters. All arms and ammunition for the Indian trade and all the merchants' trade goods were to be put on board these vessels. In addition, licenses were required for all journies to the upper country, and for the sale of liquor to the Indians.

The ban on the use of private ships affected all traders. Though Michilimackinac could still be supplied by canoe up the Ottawa and French rivers (see map opposite page 11 above), it had come, like Detroit and Niagara, to depend more and more in recent years on privately owned merchantmen navigating Lakes Ontario, Erie and Huron. These ships could carry a greater quantity of trade goods more cheaply and safely than canoes or bateaux. With Carleton's ordinance, all these goods had to be sent on commandeered private vessels or on the King's ships, on which, naturally, the King's stores took priority. Though licenses were supposed to be granted in strict rotation, there were inevitable accusations of favouritism and some merchants experienced delays of up to a year in having their goods transported. Of course,

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[1] See Appendix B, below.

those lucky enough to have government contracts (for example, Macomb & Pollard and Macomb Edgar and Macomb) received preferential treatment in obtaining transport.[1] Many others though were less fortunate; at Michilimackinac, John Askin became quite distressed at his experiences:[2]

> My vessel from Detroit is arrived this morning, but instead of being loaded for me solely, She was obliged to bring the King's Stores & even other things, so that I only got in her some rum and flour . . ., and all my attempts are vain to keep my Engagements with those I have contracted with. My own Vessell is treated in the same manner as if she was paid by the Crown, if this continues rather than have the anxiety I have had this summer I will not contract with any persons. . . .

Yet on the whole, there were relatively few complaints while the war lasted. Most merchants seem to have resigned themselves, if not to the necessity, then to the inevitability in wartime of restrictions which were meant to prevent arms, ammunition and ships from falling into enemy hands. Nevertheless, they were not slow to complain vigorously, though politely, in the event of undue delays or favouritism. Both Carleton and Haldimand seem to have been aware of the real hardship their measures occasionally caused, and they were not entirely unsympathetic. In asking Carleton for some relaxation in the restrictions, Todd & McGill observed that 'he had allways Shewn the Greatest readiness to forward & assist Trade'.[3] Again, in 1782 Haldimand ordered that two large ships be entirely appropriated to carry merchandise.[4] It was not until after the war, when the restrictions continued for no

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[1] B.M. Addit. MSS., 21,699 (Haldimand Papers), f. 167: Foy to Mclean, 21 Aug. 1777.

[2] M. Quaife ed., John Askin Papers, vol. 1, pp. 154-55: Askin to McGill and Frobisher, 30 June 1778.

[3] P.A.C., Edgar Papers, vol. 2, f. 609: Todd & McGill to Edgar, 12 May 1777.

[4] B.M. Addit. MSS., 21,721 (Haldimand Papers), f. 253: Matthews to Todd & McGill, 23 Sept. 1782.

apparent reason, that the chorus of complaints grew louder.

However, despite their desire to forward trade, both Carleton and Haldimand had their doubts about the activities and loyalty of some of the merchants, and it was a suspicion that carried over from the economic into the political arena. Their initial apprehensions had their roots in the troubles of the early years of British rule,[1] and more recently in the behaviour of a minority of merchants during the American invasion; among the individuals who fell under a cloud were those men who had left Quebec City in November 1775, and their actions were held against them for years to come by certain members of the French party in the government. Joseph Frobisher's mission to the Continental Congress in February 1776 to ask for freedom of trade in the upper country, worked against him; when he later applied for a contract to supply the army with provisions he was refused on the grounds that 'his conduct has been a little suspicious'.[2]

After the invasion and the outbreak of war, official fears and suspicions were further aroused by the activities of a few. Lieutenant Governor Hamilton at Detroit caught several merchants trying to correspond with the Americans. Other traders disobeyed the wartime regulations. In the spring of 1779, impatient at the delays in issuing passes to the upper country, Joseph Howard took it upon himself to venture west without one, and when this was discovered at Michilimackinac, his goods were confiscated and permission for a pass refused the next season.[3]

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[1] See Chapter 2, p. 44 et seq., above.

[2] B.M. Addit. MSS., 21,699 (Haldimand Papers), f. 3: Haldimand to Cramahe, 12 June 1776.

[3] W.E. Stevens, The North West Fur Trade, p. 61. See Appendix B, below.

These were only isolated incidents though, and what really convinced Haldimand that there was a more general conspiracy afoot was the huge increase in the amount of goods being sent west 'at a time when the Natural Trade must necessarily diminish, from the Indians being employed in War'.[1] Backed up by reports from Lieutenant Governor Sinclair at Michilimackinac that only half the goods sent up were needed to buy all the available furs,[2] Haldimand concluded that 'Means were /being_7 found to Convey Supplies most wanted by the Rebels, into their Country . . . . '[3] Those who were not engaged in illicit trade with the enemy, it was thought, were selling their spare goods to the commanders at the posts at inflated prices. It rankled sorely with the Governor that many merchants appeared to be using the difficult situation in which the government found itself to their own pecuniary advantage. He believed that, by whipping up demand for presents among the Indians, the traders hoped to create a situation where the commanders at the posts could not meet the demand and were forced to buy direct from the merchants on the spot at inflated prices.[4]

Several incidents seemed to confirm this impression of rampant corruption at government's expense. One Niagara merchant, Pollard, when offered a supply contract, approached Undersecretary William Knox with the proposition that they add £6,000 to the bill, taking £3,000 each for themselves.[5] Then, in 1781, the scandal involving the firm

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[1] P.R.O., C.O. 42/40, pt. 1, f. 99: Haldimand to Germain, 25 Oct. 1780

[2] Ibid., f. 102: Sinclair to Haldimand (extract), 15 Feb. 1780.

[3] Ibid., f. 99: Haldimand to Germain, 25 Oct. 1780

[4] loc. cit.

[5] A.L. Burt, Old Province, pp. 305-6.

of Taylor and Forsyth broke[1], adding fuel to Haldimand's ire. In addition there was the indisputable fact that costs at the posts were soaring; those at Michilimackinac trebled between 1779 and 1781.[2]

Something had to be done, and in 1781 Haldimand acted by forbidding the commanders to buy direct from the merchants, and in future to order all they needed from London, through him. But he received the reply that local purchases were necessary for security reasons, and costs continued to mount. Though some of his own officers were engaged in trade in Indian presents on their own account, Haldimand blamed the merchants: 'The Rapacity of Traders and of others encreases in proportion to opportunities for fraud', he wrote in despair.[3] These men seemed to him to have no conception of the general good, only of their own. As he wrote to Germain:[4]

> The advancement of Trade should ever be an object of the first attention, unhappily the merchants trading to these parts do not Consider the Preservation of the Country necessary to that End, but blindly grasp at all Risks, the present Moment of making Fortunes.

It is difficult to assess just how far Haldimand was justified in his suspicions. Clearly some merchants were guilty of disobeying the regulations, some corresponded with the enemy, and some were guilty of corruption or profiteering. Yet there is no evidence of large scale trade with the Americans, and the guilt of Taylor & Forsyth was later found to have been less clear cut than it had earlier appeared to be.[5]

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[1] See Chapter 1, p. 36, above.

[2] A.L. Burt, Old Province, p. 304.

[3] P.R.O., C.O. 42/42, f. 18: Haldimand to Germain, 20 Oct. 1781.

[4] P.R.O., C.O. 42/40, pt. 1, f. 99: Haldimand to Germain, 25 Oct. 1780.

[5] H. Neatby, Quebec, p. 179. But, it is worth noting that popular rumour had it that Taylor had got very rich 'by cheating government'. See, L.B. Wright and M. Tinling eds., Quebec to Carolina in 1785-1786 by Robert Hunter junior (San Marino, 1943), p. 38.

Moreover, Sinclair was not a very reliable witness against the merchants as he appears to have been guilty of conducting a profitable trade on his own account, in connivance with the trader George McBeath,[1] at Mackinac.[2] It is quite possible that most merchants took the opportunity of the wartime imbalance between supply and demand for all kinds of goods to raise their prices, though they were having to pay more for them anyway as a result of higher insurance rates from Britain during hostilities; but whether they deliberately stirred up an insatiable demand among the Indians or not is another matter. A few incidents appear to have given Haldimand an exaggerated idea of the degree of treachery and corruption. He was a very conscientious officer in whose mind economy and security were the highest priorities of his administration. In 1782 he assured the Treasury that 'the Economy of the Public Money' had 'upon every Occasion influenced my Conduct Since I took upon me the Administration of the Province'.[3] The need for security in wartime had been impressed upon him in the forty-ninth article of his Instructions, which read:[4]

> And whereas the Merchants and Planters in our Plantations in America have in Time of War corresponded with Our Enemies, and carried Intelligence to them, to the great Prejudice and Hazard of Our said Plantations, you are therefore by all possible Methods to endeavour to hinder such Trade and Correspondence in Time of War.

The uneasy atmosphere existing between merchants and the political authorities in the west was also very evident in the heart

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[1] See Appendix B, below.

[2] Major De Peyster at Detroit may also have been guilty of similar activities. H.M. Neatby, Quebec, pp. 179-80; P.R.O., C.O. 42/43, f. 282: Haldimand to Richard Burke, 7 Nov. 1782.

[3] P.R.O., C.O. 42/43, f. 282: Haldimand to Burke, 7 Nov. 1782.

[4] Shortt and Doughty, 2: 611.

of the colony. In the economic field it centred once again on the attempt of some merchants to profit at the government's expense from the wartime increase in the demand for provisions, by cornering the market. 'Experience has but too much Convinced me', mourned Haldimand, 'that this Country abounds with men whose greatest study is to profit by the Public misfortunes.'[1]

The trouble began in 1777. In May, Carleton reported that the large supplies required for the troops had inspired some merchants to buy up wheat in large quantities, thereby creating an artificial shortage and forcing up prices. The council accordingly took action and passed an ordinance against the exportation of livestock, wheat, flour and biscuit, but by the autumn it was clear that these fears would not materialize and the ban was lifted.

A year later however, the council was again obliged to ban exports because of an attempt by Drummond & Jordan and others to corner the market,[2] and a partial failure of the harvest. The ban now continued for the rest of the war, but did not prove sufficient to ensure adequate supplies at reasonable prices, and in February 1780 it was proposed to fix the price of wheat and flour by law. However, a squabble arose in council as to whether or not this was equivalent to imposing a tax, which under the Quebec Act they were not allowed to do. By a narrow margin the council threw out the idea:[3] what else could one expect from a body 'one half of which at least was composed of Dealers in Wheat & Meal Mongers', observed a disgusted Haldimand.[4] He

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[1] B.M. Addit. MSS., 21,717 (Haldimand Papers), pt. 2, f. 150: Haldimand to Townshend, 25 Oct. 1782.

[2] See pp. 118-19 below.

[3] P.R.O., C.O. 45/3: Council Minutes, 24 Feb. 1780.

[4] P.R.O., C.O. 42/10, f. 24: Haldimand to Germain, 25 Oct. 1780. At least seven councillors were involved in the wheat and flour trade: Cuthbert, l'Evesque, Harrison, Allsopp, Caldwell, John Drummond and Grant.

was not deterred though, and managed to push through a severe, old fashioned but not very effective English law against forestallers and regratters. Militia captains and magistrates too were asked to enquire in their area to find out who was hoarding grain, but again, it would appear, without any great success. One way of getting round the ordinance was to claim that much of the wheat in one's store was the property of the habitants, who had sent it there for safe keeping.[1]

Speculation in wheat had always been a popular activity among the mercantile community, largely because of the price difference between Montreal and Quebec.[2] Two wartime factors increased its attractions in this respect. The first was the growth in demand as a result of the presence of large numbers of troops, and increasingly of loyalist families; the second was the fall in supply as a result of several poor harvests between 1779 and the end of the war. The subsequent imbalance created irresistible opportunities for profit which drew even some fur traders, such as Charles Grant, into the market for wheat.[3]

This speculation inevitably increased prices, and contrary to what Professor Neatby believes, there is some evidence that it was possible for one firm (or a small group of individuals working together) to defeat the usual free bargaining and corner the market. Writing in the autumn of 1778, Samuel Jacobs complained that the wheat market was almost monopolised by Jacob Jordan.[4] Events were to prove him correct.

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[1] B.M. Addit. MSS., 21,734 (Haldimand Papers), f. 344: Caldwell to Matthews, 1 Feb. 1782.

[2] F. Ouellet, Histoire Economique et Sociale, pp. 603-4.

[3] P.A.C., Jacobs Papers (series 3), vol. 19, f. 2584: Grant to Jacobs, 5 Feb. 1781.

[4] P.A.C., Jacobs Papers (series 3), vol. 18: Jacobs to ? (no date - autumn? 1778).

Jordan was a partner in the firm of Drummond & Jordan, who were army commissioners and remitters agents, and as such were in receipt of large sums of money. Jordan had always been interested in wheat, and in the spring of 1779 the firm were reported to have invested £15,000 of public money in wheat on their own account, concealing the deal under the names of two Canadians.[1] 'At that time', wrote Governor Haldimand later, 'there was not the least shadow of Scarcity, but in less than a fortnight the Price of Wheat was raised from 4/- or 4/6 to 6/- per Bushel and upwards.'[2] Clearly, the concentration of such large sums of money in a few hands could have seriously unbalancing effects on the immature and specie-starved economy of Quebec. It is also clear that this incident was the direct cause of the ban on exports of that year.

This sort of occurrence was the exception rather than the rule however, and though speculation led to price increases, it was not enough to create a shortage where none otherwise would have existed. The shortages were largely the result of bad harvests, though even in good years the situation was aggravated by the attitude of the habitants.

There were several poor harvests in the five years after 1779, though the evidence is often unclear or conflicting. There was a partial failure in 1779 and more general ones in 1781, 1782 and 1784. This is not entirely surprising; the harvests of the previous decade had been remarkably good on the whole, and it is possible that they had led to some measure of soil exhaustion. The increase in production of the 1770's had been based on the growth of the rural population, rather than on the surer foundations of technical improvements. It is

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[1] A.L. Burt, Old Province, p. 308. As a result, Drummond & Jordan were dismissed as remitters agents.

[2] P.R.O., C.O. 42/10, ff. 22-31: Haldimand to Germain, 25 Oct. 1780.

true though, that speculation accelerated the natural tendency for prices to rise in bad years; but even in good years the habitants contrived to create something of an artificial shortage by refusing to sell their crop to the merchants.[1] Samuel Jacobs reported that they were deluded into thinking that the longer they kept their wheat, the more they would get for it.

Behind this too, Haldimand saw more sinister motives. He noted that the 'most disaffected traders' had encouraged the habitants at Sorel and along the River Chambly (the most likely invasion route) to hold back part of their wheat, and he feared that this was to be used to supply an invading American army.[2]

While grain was the main object of the merchants' attentions, other goods which were in demand did not escape their notice. Haldimand remarked that 'a Spirit of Monopoly' seemed to 'pervade this Province'. In 1781 he reported angrily that:[3]

> The great profits made by the Wheat Monopoly in 1778 & 1779 have encouraged other Combinations with regard to Rum, Wine, Sugar and Coffee . . . . the Monopoly of Rum last Autumn did very considerably encrease the Public expense, for in a very short time, by that Means the Price of Rum was raised upon the Crown from four shillings and Six Pence per gallon to Seven shillings and Six pence.

The next year saw heavy speculation in spiritous liquors of all kinds, and another angry denunciation from the governor.[4] By the end of the war Samuel Jacobs was complaining of the way wholesalers put private

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[1] P.A.C., Jacobs Papers (series 3), vol. 3, f. 141: Jacobs to Marchand, 20 May 1783.

[2] P.R.O., C.O. 42/10, f. 22: Haldimand to Germain, 25 Oct. 1780.

[3] Ibid., f. 54: Haldimand to Board of Trade, 20 Oct. 1781.

[4] P.R.O., C.O. 42/43, f. 280: Haldimand to Townshend, 9 Nov. 1782.

before public interests.[1]

IV

Haldimand's distrust of the 'generality of merchants', prompted by their economic activities, was to prove damaging to their cause in the political field. In fact, there was relatively little organised political agitation by the merchants during the war - none of the committees or "secret cabals" of 1773-75, and only one petition, in 1778. The main battle had temporarily shifted to the council chamber in the Bishop's Palace , in Quebec.

The main reason for the merchants' almost total lack of political success lay, on the one hand, in the security situation in North America, and in the character of Governors Carleton and Haldimand; and on the other hand in the self-interested and suspicious actions of the merchants themselves.

Ever since 1767 Carleton had been of the opinion that Quebec would remain a French province 'to the end of time'.[2] The Quebec Act, which was largely his child, was designed to recognise and protect the French fact in Quebec. Carleton had placed his hopes for defeating the invasion on the Canadians, and if the response of the habitants had been a bitter disappointment, then at least the seigneurs and clergy, the chief beneficiaries of the act, had set a good example. Moreover, he had been given little reason to believe that the majority of the English-speaking inhabitants were any more responsible than he had ever thought them to be, and when, after the invasion, they began to indulge

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[1] P.A.C., Jacobs Papers (series 3), vol. 3, f. 122: Jacobs to Charles Grant, 3 April 1783.

[2] Shortt & Doughty, 1: 281-85: Carleton to Shelburne, 25 Nov. 1767.

in damaging speculation, and some even in correspondence with the Americans, his worst suspicions seemed confirmed.

Eventually, in June 1778, Carleton was replaced as governor by Haldimand, who soon showed himself just as determined to root out faction and party spirit in Quebec. Frederick Haldimand was a Swiss-born soldier, who had joined the British army and served for a brief time in Quebec after the conquest, in the district of Three Rivers (between Montreal and Quebec).[1] He later moved to Florida; but his most recent appointment had been in New York during the period of the pre-revolutionary troubles.. At first conciliatory, he later took a sterner line as hopes of a peaceful settlement disappeared, suggesting the use of foreign troops, the abolition of the New England governments and the closure of their ports.[2]

When he arrived in Canada to begin his term of office, Haldimand faced a difficult situation. The military outlook was bleak; it was a mere eight months since Burgoyne's disaster at Saratoga, and only a few since France's entry into the war on America's side; rumours abounded of plans for a Franco-American invasion to recapture Quebec. In view of the habitants' reaction in 1775/76, the prospect was an alarming one, and there were now doubts about the loyalty of the clergy were French troops to appear in the country.

Haldimand was very clear in his own mind that his first priority was to save Quebec for Britain. Lord George Germain had impressed

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[1] Creighton shows a singular lack of sensitivity and understanding in talking of Haldimand having 'hawked his military talents around Europe for decades with little concern for the colour of the flag so long as the colour of the money was right': D.G. Creighton, Commercial Empire of the St. Lawrence, p. 38. In fact it was quite common for men of Haldimand's standing to serve with foreign armies, as the Swiss did not have one of their own, and there was nothing degrading in it.

[2] The only full length biography of Haldimand is that by J.N. McIlwraith, in Makers of Canada, vol. 3 (O.U.P., 1926).

this upon him on the eve of his departure:[1]

> The Security and Defence of the Province must . . . be the primary object of your attention and His Majesty relies upon your zeal and Ability for employing the force under your Command, and exerting every other means in your power . . . for repelling any Attack from without or checking any turbulent disposition from within, that the very valuable and important Possession committed to your Care will be preserved intire.

It was a charge such as Haldimand could not ignore. He was a conscientious man with a very strong sense of duty, and a degree of probity unusual in public figures of the time. Though rather rigid and unimaginative, he was not really narrow-minded, and always retained a degree of sympathy towards the representations of the merchant community where it concerned itself with trade, not politics.

The merchants indeed, proved to be his biggest headache as that 'turbulent disposition from within' of which Germain had warned him. Haldimand believed he had very good reasons for distrusting many of the merchants. Some had blotted their copybook in 1775/76, and many more had proceeded to do so by their wartime commercial activities. He was quickly imbued with the prejudice of every governor since Murray against the Quebec merchants; he recognised that while on the one hand there were 'undoubtedly . . . many Merchants of honourable Conduct and who deserve well of Government', there were also 'many adventurers of Suspicious Circumstances as well as principles'.[2] On the whole though:[3]

> The generality of the Merchants here are not Such Men as You meet with in London, whose Honour is Superior to every Temptation, but are Young adventurers upon Credit who have all their Fortunes to Make and are not Solicitous about the Means.

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[1] P.R.O., C.O. 43/8, f. 148: Germain to Haldimand, 16 April 1778.

[2] P.R.O., C.O. 42/14, f. 8: Haldimand to Germain, 28 Nov. 1780.

[3] P.R.O., C.O. 42/43, f. 83: Haldimand to Shelburne, 17 July 1782.

They were politically and economically irresponsible and untrustworthy; too many had 'imbibed American Ideas and assisted in poisoning the minds of the Canadians'.[1]

Nevertheless, Haldimand had come to Quebec resolved to favour trade and 'distinguish the merchants who deserve it',[2] and if he came to the conclusion that they were few in number, he never closed his mind entirely to the real needs of commerce. At first indeed, his relations with the merchant community were quite cordial, for they found his straight-forwardness a welcome change from Carleton's air of distance. However cool the situation later became at high and public levels, there was always a steady stream of cooperation at lower levels between merchants and the authorities, and the governor was usually receptive to proposals which would help the flow of commerce without endangering security. In 1778 he promised to help the Montreal merchants find a convoy for their ships to England as a token of his concern for their trade. In 1782 he ordered two large ships to be put at the merchants' disposal to carry their cargoes across the lakes. Merchants were asked to transport soldiers to the upper country. Trusted individuals helped government in numerous ways: Richard Dobie's expertise was used in negotiations for the purchase of the seigneurie of Sorel for the Crown, and several 'merchants of credit' were asked to inspect the quality and quantity of the Indian presents on their arrival from England. These small instances of cooperation help to put the picture of merchant-government relations into better perspective than that provided by the political wranglings that took place in the Council

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[1] P.R.O., C.O. 42/39, f. 372: Haldimand to Germain (Secret & Confidential), 14 Sept. 1779.

[2] J.N. McIlwraith, Haldimand, p. 179.

Chamber, which have captured the most attention. Certainly, there was more than conventional politeness in some of the addresses to the Governor. A memorial from the British inhabitants of Montreal in 1781 referred to Haldimand's 'unwearied endeavours to protect our Trade';[1] in the same year Germain spoke of the 'general voice of approbation' surrounding his conduct of affairs in the province.

However, Haldimand parted company with the merchants over their political demands. He did not see or agree that there were any real commercial advantages to be gained from the political demands for jury trial, habeas corpus and English commercial law (the three main planks of the merchants' programme), and suspected ulterior motives behind the attempts to have them introduced. Merchants were the chief retailers of seditious American ideas in the colony, and he believed that this was just another attempt to insinuate "American democracy" into Quebec. Haldimand never lost sight of the fact that it was not only Quebec that was under attack from the Americans, but also the Quebec Act. He shared the enthusiasm of Carleton and the seigneurs for this measure, believing that it had saved Canada in 1775/76, and its preservation intact formed the basis of his military and political strategy. He best expressed this in a letter to Germain in October 1780:[2]

> The Quebec Act alone has prevented or can in any Degree prevent the Emissaries of France and the Rebellious Colonies from Succeeding in their Efforts to withdraw the Canadian Clergy and Noblesse from their Allegiance to the Crown of Great Britain. For this Reason amongst many others, this is not the time for Innovations and it Cannot be Sufficiently inculcated on the Part of Government that the Quebec Act is a Sacred Charter, granted by the King in Parliament to Canadians as a Security for their Religion, Laws and

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[1] Quebec Gazette, 15 Feb. 1781.

[2] B.M. Addit. MSS., 21,714 (Haldimand Papers), f. 125: Haldimand to Germain, 25 Oct. 1780.

Property.

He had little enough faith in the scruples of the 'generality of merchants' to believe that, once the act was modified in their favour, they would use it to undermine this security and, by weakening the loyalty of the Canadians, that of the whole province. This he had been ordered and was determined to prevent, even if it meant witholding his Instructions from the reformers on the Council. With a cloud of suspicion over their character and motives, the political outlook for the old subjects was bleaker than ever.

The focal point of political activity in the colony during the war shifted to the new enlarged Legislative Council. From its very first meeting, in August 1775, the members divided into two opposing camps - the reform party and the seigneurial party. The latter, with the powerful backing, overt or covert, of the governor, entrenched themselves behind the motto 'Je me renferme dans le Bill'. Quite contrary to Lord North's intentions the seigneurial party looked on the Quebec Act as an unalterable charter of Canadian liberties. The half dozen or so seigneurs formed an unthinkingly solid bloc of support for Carleton and Haldimand,[1] but the real leaders of the group were two old subjects, Cramahé and Adam Mabane, a judge who later became Haldimand's éminence grise. In addition they could usually count on the support of the merchant-judge, Thomas Dunn.[2] Conservative, like the governors, they were nevertheless not unthinking men. Like Carleton, they believed

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[1] Their numerical superiority meant that the seigneurs did not have to form their own coherent political programme of course, but they seem, nevertheless, to have been a singularly mediocre group of men, both in character and intellect. See, E.M. Arthur, 'French Canadian Participation in the Government of Canada 1775-1785', C.H.R., XXXII (Dec. 1951).

[2] For notes on Cramahé, Dunn and Mabane, see Appendix B, below.

that the French would for the foreseeable future compose a large majority of the province's population, and that their rights must therefore be protected from the vociferous English-speaking minority who had exhibited a frequent lack of moderation in their demands since the conquest. They were able to draw support for their ideas from a strain of thought which had some credence in British political circles, and which took the view that the merchants were not properly residents of the province, and their views were accordingly not entitled to be given the same weight as those of the Canadians. As the British Soliciter General, Alexander Wedderburn, put it: 'if persons have gone thither /to Quebec_7 in the course of trade they have gone without any intention of making it their permanent residence', so it was no hardship to tell them that Canadian law was the law of the land.[1]

The reformers for their part, were led by the aggressive merchant George Allsopp, and the milder, but persistent Hugh Finlay,[2] the Deputy Postmaster General. They could generally count on the support of the other merchants present - Edward Harrison, Colin Drummond and Alexander Johnstone.[3] In later years the group was augmented by the arrival of William Grant, who gained a seat on his appointment as Deputy Receiver General of Quebec in 1778, and for a short time by Chief Justice Livius and Attorney General James Monk.[4] Livius came to Quebec from New Hampshire where he had been dismissed for criticizing

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[1] P. Tousignant, 'Problematique Pour une Nouvelle Approche de la Constitution de 1791', R.H.A.F., XXVII (Sept. 1973), p. 183.

[2] See Appendix B, below.

[3] Little is known of Johnstone or Drummond. The latter was probably a partner in the firm of Drummond & Jordan, and Drummond boasted of his intimacy with the governor. For a brief sketch of Harrison see Appendix B, below.

[4] See Appendix B, below.

financial irregularities in the governor's administration. Monk's was a more interesting appointment. Born in Boston, Massachussetts, his parents moved to Nova Scotia while he was still young, and by 1774 he had risen to the post of Soliciter General of the colony. Unlike Livius, he had worked hand in glove with the governor, Francis Legge, becoming his "hammer of justice" in attacks on the financial administration of the old officer-merchant elite in the council and assembly.[1] If the authorities expected him to assist Carleton in rooting out faction in Quebec likewise, they were to be sorely disappointed.

Broadly speaking, the reform party favoured a greater degree of democracy in Quebec, or what the governors described by the loaded term "American democracy". But these men were not anti-British or disloyal to the empire, despite the attempts of Carleton and Haldimand to cast suspicion on their behaviour during the invasion.[2] They wished only to obtain for Quebec as free a government as was to be found in the other British possessions. In most English colonies, abuse of authority was avoided by a functional division of powers between executive and legislative; in French colonies it was a departmental division, the governor having the military, and the intendant the civil authority. In Quebec though, there was no division of either kind, and the governor came to control both the executive and legislative councils,[3] and through this the judiciary also, whose chief members

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[1] J.B. Brebner, Neutral Yankees, pp. 249-74.

[2] P.R.O., C.O. 42/19, f. 67: Carleton to Germain, 25 June 1778; C.O. 42/40, f. 294: Haldimand to Germain, 25 Oct. 1780.

[3] The tendency for the governor to try and control the council, often by appointing his own men, was also to be found in other colonies, for example Jamaica. See G. Metcalf, Royal Government and Political Conflict in Jamaica 1729-1783 (London, 1965), p. 25.

sat on the council.[1] In the American colonies public opinion was the strongest restraining influence on an autocratic governor, and it was best organised and expressed in the assembly;[2] but in Quebec there was no assembly.

If the reform group had good general grounds for anxiety about the structure of government and the possible abuse of power in Quebec, they had a more limited and specific political programme for which they fought continuously over the next eight years. It had three main planks: optional jury trial in civil cases, habeas corpus as part of the constitution, and the introduction of English commercial law.

Some scheme for optional jury trial would certainly seem to have been both practicable and desirable, and habeas corpus was an important part of the cherished rights of Englishmen. As for Canadian commercial law, George Allsopp attacked it as 'the most imperfect System in the World for a Commercial people'.[3] In private too, the merchants expressed their discontent. Richard Dobie wrote:[4]

> This Province is run by the Coutume de Paris overwhelmed with every kind of Confusion - Justice being administered by a Compound of English & French Laws & tinctured with the absurdities of both.

In his typically mild way, Samuel Jacobs mourned the fact that 'the Laws of the Country and the Decisions of the Judges thereupon are so very uncertain'.[5]

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[1] There was very general resistance to the exercise of power by the governor alone over the judiciary and courts, for example in Pennsylvania, South Carolina and New York. See, E.B. Greene, The Provincial Governor in the English Colonies of North America (New York, 1907), pp. 137-38.

[2] E.B. Greene, op. cit., p. 166.

[3] P.R.O., C.O. 45/3: Council Minutes, 6 March 1780.

[4] P.A.C., Edgar Papers, vol. 2, f. 596: Dobie to Edgar, 28 April 1777.

[5] P.A.C., Jacobs Papers (series 3), vol. 17, f. 2404: Jacobs to Hayton, 20 July 1778.

Whatever the merits of their case in these matters, as time went on the reformers began, quite rightly, to suspect that the governor had in fact been ordered by Whitehall to take action in these spheres, and they pressed him with increasing vigour to reveal his Instructions to the council.

For their part, Carleton and Haldimand would have none of it - or as little as they could possibly get away with. The only concession the reformers were able to achieve came in 1777 when the Council voted to allow English laws of evidence in commercial cases.[1]

The reason for the reformers' lack of success lay in the autocratic but very effective style of government, initiated by Carleton and passed on intact to his successor, and which is now known as the "system of the Generals". It was dictatorial and unconstitutional by nature, contravening both the letter and the spirit of the Quebec Act which it was designed to protect. It worked mainly because of the existing divisions in Quebec politics, which were mirrored by the split in the council, and which enabled the governor to divide and rule.

The tone for the rest of the war period was set at the very first council meeting, in August 1775. Carleton first witheld his Instructions and then specifically contravened them by opposing Chief Justice Hey's motion to introduce certain parts of English commercial law. In this he was solidly supported by the francophone majority. They again united to defeat the merchants' attempts to push through their three point programme in the next session in 1777. Apart from the one concession in favour of English laws of evidence, every attempt

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[1] The chief advantage of English laws was that they allowed a wider range of evidence than the French laws which would not admit any testimony which, on general principles, could be deemed unreliable. See, H.M. Neatby, Administration of Justice, pp. 44-46.

by the merchants to enact any part of their programme was voted down. Not until 1784 were the provisions for habeas corpus adopted, though even then not as part of the constitution, while optional jury trial in specific commercial cases came only in 1785.

Part of the reason for the antipathy which Carleton and Haldimand felt stemmed from the past behaviour of the merchant body itself. They remembered the wide political powers demanded by the Grand Jury in 1764,[1] and Carleton in particular recalled how, in 1766 and 1769, juries of merchants had thwarted the government's attempts to collect customs duties by refusing to convict their fellow merchants who had been sued.[2] Haldimand was of the opinion that:[3]

> The Clamour about the Trial by Juries in Civil Causes is Calculated for the Meridian of London; in Canada Moderate and upright Men are Convinced of the abuses to which that Institution is liable in a small community where the Jurors must be all Traders and very frequently either directly or indirectly Connected with the Parties.

As for English commercial law, Carleton foresaw enormous practical problems in trying to blend English and French laws in Quebec, and he would have agreed with Haldimand that 'regard is to be paid to the Sentiments and Manner of thinking of 60,000 rather than of 2,000, three fourths of whom are Traders and therefore Cannot with Propriety be considered as Residents of the Province.'[4] Carleton had seen the triumph of his philosophy in the Quebec Act, and was not willing to

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[1] A.L. Burt, Old Province, pp. 112-13.

[2] The colonial government in New York could not rely on juries of merchants to convict those guilty of smuggling or other such crimes. See, V.D. Harrington, The New York Merchant, p. 276.

[3] P.R.O., C.O. 42/10, f. 29: Haldimand to Germain, 25 Oct. 1780.

[4] loc. cit.

preside over its demise. Haldimand for his part believed that the concession of 1777 had been 'found by Experience adequate to Securing the Interests & Property of the Merchant'.[1]

On the last of the reformers' demands, for habeas corpus, Haldimand fobbed off the merchants and the British authorities with the excuse (genuinely held) that 'in Time of War and Rebellion it would be impolitic and . . . highly dangerous to attempt an Innovation of the Kind'.[2]

If neither governor was inclined to favour their cause, the reformers hoped to compel them to do so by forcing them to reveal their Instructions.[3] Chief Justice Livius and George Allsopp tried, and were ruthlessly struck down. In March 1778, Livius introduced a firm but polite motion in council requesting the governor to communicate 'such royal instructions as he may think proper to be disclosed to us'. The motion was defeated, and Livius acted less tactfully in April in laying down a motion protesting at Carleton's use of a "privy council".[4] The governor was furious at this undisguised attack on his methods and authority; within a few days Livius had been informed that he was no longer Chief Justice - itself an illegal act as the most Carleton could do was suspend a royal patentee. It was two months before he informed Germain of his action, which he claimed had been taken to

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[1] P.R.O., C.O. 42/10, f. 29: Haldimand to Germain, 25 Oct. 1780.

[2] Ibid., f. 30.

[3] The fact that the governor's Instructions were secret was a source of annoyance in many colonies. See, for example, G. Metcalf, Royal Government, p. 17.

[4] By an order of August 1776, taking advantage of a badly worded clause in his Instructions concerning the Executive Council, Carleton had formed a "privy council" of a few chosen advisers - Mabane, Cramahé and later judge John Fraser (see Appendix B, below).

prevent cabals and faction within the province.

Haldimand's treatment of Allsopp was scarcely less severe. The provocative merchant was already in bad odour for his disobedience of military regulations during the period of military rule in Quebec before 1763, and his connections with rebel sympathisers during the invasion had cast further (probably unjustifiable) doubts on his loyalty.[1] He was a constant thorn in the governor's side, persistently placing reform motions before the council, and entering written protests when they were defeated. He never missed an opportunity to attack the administration for its unconstitutional behaviour. In February 1780 he took up Livius' sword and twice proposed motions asking Haldimand to reveal his Instructions; on both occasions he was defeated. Three weeks later he entered a written protest in which he launched a wide-ranging attack on the whole constitution established by the Quebec Act. He drew attention to the defects of the court system, the irregularity of the judges' decisions and their want of legal training; he pointed out the deficiencies of Canadian commercial law and the total absence of any remedial measures since 1775; he condemned the role of the governor and council as a court of appeals, which placed the legislative, executive and judicial power in the same hands, in direct contradiction of the British constitution; finally he made the telling point that if Carleton had acted on his Instructions in 1775, then many of those who had been disaffected during the invasion would not have been so, and the political wrangles could have been avoided.[2]

Haldimand was angry, and wrote to Germain of Allsopp's character,

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[1] Allsopp had been the business partner of John Welles, and the brother-in-law of John and Aclan Bondfield; all three had left the colony with the Americans in 1776.

[2] P.R.O., C.O. 45/3: Council Minutes, 6 March 1780.

past misdemeanours and supposed rebel sympathies, but took no further action. He was under strong pressure at this time from the home government to reveal his Instructions. He had received Additional Instructions in March 1779 ordering him to end the "privy council" and disclose his Instructions immediately. He sidestepped the first by holding no formal executive meetings, and instead calling his intimates together on an informal basis. The second, he informed Germain, he very much regretted because of the security situation and the doubts he had about the loyalty of some councillors,[1] and he proceeded, without telling him, to ignore the Secretary of State's order. However, the following year he received new and categorical orders to reveal his Instructions or be dismissed.[2] So it was that, in 1781, the council came at last to learn what they should have been told six years before.[3]

It was a victory for the reformers that must have caused Haldimand anger and anxiety. For years the merchants on the council had opposed, on occasion successfully,[4] measures which he and Carleton genuinely regarded as essential to the welfare and security of the province. When therefore, in December 1782 at a meeting of the Executive Council, Allsopp accused the governor of going beyond his Instructions in granting a private lease of the St. Maurice Forges to his secretary, Conrad Gugy, Haldimand had had enough of his insubordination and decided to act. He suspended Allsopp from the council, ostensibly for his protest of March 1780, and justified his action in a letter to Thomas Townshend (Secretary of State for Home Affairs),

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[1] P.R.O., C.O. 42/39, f. 384: Haldimand to Germain, 26 Oct. 1779.

[2] Shortt & Doughty, 2: 722-4: B.T. to Haldimand, 10 April 1781.

[3] Interestingly, Germain seems to have laid most of the blame for the situation on Cramahé. In August 1780 he wrote that 'that province will never be properly govern'd till Mr. Cramahé is recalled.' In 1781 Cramahé was sent home, and in 1782 relieved of his office. H.M.C., Var. Collections VI, p. 169.

[4] e.g when Haldimand tried to fix the price of wheat; see p. 117 above.

pointing out that ever since his residence in Quebec Allsopp had been 'Factious and Turbulent', and that while he himself favoured freedom of debate in the council chamber, it should not be exercised 'in the Style and Language of sedition'. He concluded by dedicating himself to rooting out faction in Quebec and thwarting all attempts to divide old and new subjects. It was a sentiment with which Whitehall would wholeheartedly have agreed.

Outside the council chamber, by way of contrast, things were relatively quiet. There was a marked lack of the organised public agitation of previous years. In fact, there was in some quarters warm approbation of the governor's measures. An unsigned address from the British inhabitants of Montreal which appeared in the Quebec Gazette in February 1781 stated that, when the subscribers considered the sufferings of the Thirteen Colonies, they could not but 'acknowledge the blessings of a Constitutional Government', which they had the happiness to enjoy.[1]

The only petition of the period was that presented in April 1778 by a group of Quebec merchants then in London. Although it was a protest against the Quebec Act in general, it seems to have been made more in response to the distortion of the act by Carleton, and exhibited no awareness of the favourable clauses in his Instructions. It began by describing the harmony in which the new and old subjects had (apparently) lived before 1775, and went on to complain particularly of the omission under it of trial by jury and English commercial law. It then proceeded to criticise recent ordinances passed by the governor and council - in secret and ignoring their representations - especially that relating to the establishment of the courts, which gave indefinite

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[1] Quebec Gazette, 15 Feb. 1781.

power to the judges and favoured 'tedious and expensive' Canadian laws.[1]

As we might expect, economic grievances were not forgotten. The hindrances placed in the way of western trade came in for particular attention. The petitioners resented the need for a pass, and the powers of confiscation by the civil and military authorities on information supplied by informers who were rewarded with half the penalty; this caused delays that could give the Albany traders a great advantage if their trade was reopened.

The petition ended with an ominous note that must have alarmed the governor and confirmed his worst suspicions:

> These causes . . . have concurred to spread a general discontent throughout the Province . . . so far as to alienate the affections of his Majesty's subjects as to give great reason to apprehend a disposition in them to change their present form of Government, should such an opportunity unhappily offer.

Only the establishment of the free government promised in 1763 could restore confidence between the governor and the governed.[2]

The explanation for the precise timing of the petition is to some extent revealed in its contents. The recent ordinances of the Council were disturbing; Carleton's restrictions on freedom of movement to the upper country had been introduced in 1777, the "privy council" had been instituted the year before that, while most of the other facets of the "system of the Generals" were already clearly evident.

Externally, there were signs of an impending crisis in trans-

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[1] The only major change from the old ordinance of 1770 was that the court of King's Bench, which had applied English law, disappeared as a civil court. Now the Canadian court of Common Pleas had sole jurisdiction, with appeals to a court of appeal composed of the governor, lieutenant governor or chief justice, and any five councillors. See Neatby, Quebec, pp. 162-3.

[2] Shortt & Doughty, 2: 694-6: Petition of the Merchants for Repeal of the Quebec Act, 2 April 1778.

atlantic trade, with the London houses in financial straits and cutting back on exports.[1] Moreover, with the dispatch of Carlisle's peace commission to negotiate with the Americans, in April 1778, the day was perhaps not far distant when Whitehall would be in a position to review the Quebec Act, and the Albany traders would once more be free to travel west. It is also possible that the petition was meant to coincide with the change of governor, for Haldimand was due to sail for Quebec at any moment. Too little is known of the background to the petition however for there to be any certainty in this matter.

There is indirect information though on another very interesting aspect of the fate of this petition; it lies in the attitude of the London Canada merchants, or, to be precise, in that of their chairman and most active member, Robert Hunter.

Haldimand's papers contain a short but highly interesting series of letters between him and Hunter. How long the two men had known each other is a mystery, but they kept up a regular correspondence during the period of Haldimand's governorship. Haldimand had felt it his duty before going out to Canada, to get in touch with Hunter, 'the head of a number of respectable merchants very interested in Quebec'. One of the things they discussed was the political situation in the colony, and it seems clear that Hunter concurred with Haldimand's general philosophy that in the present situation there were 'unsurmountable difficulties' in framing new legislation.[2] Hunter agreed that, for the time being, martial was better than civil government, though

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[1] See p. 108 above.

[2] B.M. Addit. MSS., 21, 726 (Haldimand Papers), f. 176: Haldimand to Hunter, 24 Oct. 1779.

he hoped for the restoration of the latter when peace was fully restored.[1] Moreover, though he regretted them, he also agreed that temporary restraints on western trade were also necessary.

Fortified by the backing of so respectable a body of men, Haldimand could more easily face up to the complaints of the Quebec traders, confirmed in his belief that they were money-grubbing adventurers who would not suffer any lasting hurt from his measures.

Now while it is most unlikely that the London Canada merchants could have forced the British government into agreeing to the demands of the petition of 1778, it is possible that strong pressure from them could have prompted Whitehall to take action against the "system of the Generals" sooner than it did, thus meeting some, if not all, of the petitioners' requests. The fact that Hunter and his associates seem not only to have done nothing, but to have actually agreed in principle with the policy being pursued in Quebec, made it easier for North's ministry to lay the petition on one side - which is precisely what they appear to have done. Once again, the London Canada merchants had undermined the case of their Quebec correspondents by their unwillingness to embarrass government in times of difficulty. To Haldimand, the contrast between their attitude and that of the fortune seeking adventurers in Quebec must have been only too apparent. The 'Enemies of the Constitution' in the colony were once again proving themselves to be just that.

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[1] B.M. Addit. MSS., 21,732 (Haldimand Papers), f. 432: Hunter to Haldimand, 11 Dec. 1779.

Chapter 4

"Plus ca change, plus c'est la meme chose"

THE MERCHANTS AND THE PEACE OF 1783

'There are some catastrophes in the life of an individual or a nation', writes Professor Donald Creighton, 'which are so great that they cannot be duplicated; and, in the end, the Treaty of 1783 destroyed for ever the natural development of the Canadian commercial state.'[1]

Professor Creighton is right to see the Peace of 1783 as a long term watershed of the greatest significance in the economic and political development of Canada, and initially the Quebec and London Canada merchants shared his shattered and sorrowful disbelief at the terms negotiated by the British government. But in practice, the short term effects of the treaty (down to 1791), both on the trade of the west and on that of the interior of Quebec, were not very great, and if American independence did little to diminish, it also did next to nothing to enhance the economic importance of Canada, or the weight given to the views of the Quebec commercial class in imperial councils.

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The terms of the Peace of Paris, which were eventually signed on 3 September 1783, appeared to constitute one of the greatest acts of unnecessary generosity in British diplomatic history, and they left the merchants of Quebec and London open-mouthed with disbelief. The Canadian, J.F. Perrault, likened the loss of the upper country to 'the loss of our right arm', and in London John Blackburn found the situation

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[1] D.G. Creighton, Commercial Empire of the St. Lawrence, pp. 78-9.

so bitterly disappointing as to be ironical, observing that 'The Peace is made, & we the good and peaceable Subjects . . . must submit to it - but there never was such Blunders in any Negotiation since the Memory of Man - especially in the partition of Canada'.[1]

The clauses which caused the greatest furore were those concerning the new boundary between Quebec and the United States, and the trade of the upper country. The line dividing British North America from the newly independent states roughly bisected lakes Ontario, Erie, Huron and Superior, and proceeded from there to Rainy Lake and the Lake of the Woods (see map, page 276, below). In effect, on paper at least, every major fur trading post - Detroit, Michilimackinac and Grand Portage - was handed over to the Americans, who had been unable to capture any of them during the war. For the Montreal merchants, their chief hope of reducing the impact of this lay in the clause which set forth the principle that British and American subjects should enjoy free navigation of the Mississippi, and all the lakes and carrying places vital to trade, thus allowing the Canadian merchants free access to and from the upper country.

In practice however, the clause could easily be rendered valueless, for it was based, apparently, on the mistaken British idea that the Mississippi extended as far north as the new Canadian boundary.[2] In addition, the clause gave no permission to land goods on either the Spanish or American side of the river.

Estimates of how much of the fur trade Canada might lose varied, but all agreed it could be considerable. James McGill ventured to put it

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[1] P.A.C., Claus Papers, vol. 3, f. 211: Blackburn to Claus, 13 June 1783.

[2] This at least is the implication in G.S. Graham, British Policy and Canada, p. 116. He writes: 'The Great Lakes system had provided an easy mode of division in the eyes of statesmen who had studied doubtful eighteenth century maps, and whose carelessness had led to the assumption that the Mississippi was linked by the Red River to Lake Winnipeg.' There is no direct evidence of this, but Undersecretary Knox later wrote that Shelburne's knowledge of North American geography was not good, 'as all the world now knows'. W. Knox, Extra-Official State Papers (London, 1789), vol. 1, p. 25.

at £100,000 out of a total trade of £180,000,[1] while an anonymous memorandum of 1784 estimated that Canada would lose two-thirds of a trade valued at some £210,000.[2]

But such arguments did not sway Shelburne. Historians appear to be generally agreed that his grand design in negotiating the terms of 1783 was to divide the Americans from France and, by parting on amicable terms from the former colonies to pave the way for British involvement in a great empire of free trade in the interior of North America. As Professor Graham remarks:[3]

> It is obvious from the emphasis which was laid on the freedom of the Mississippi, that the particular trade of the back country loomed up as much more important than the interests of sundry British-Canadian fur merchants in the region of the St. Lawrence and Ohio. An appreciation of this fact . . . makes more intelligible the sacrifice of Canadian boundaries.

Shelburne and his supporters were well aware of the fact that only Britain was in a position to supply the material requirements of the ever increasing numbers of new settlers who were expected to surge west with the removal of imperial restrictions on settlement. In this new situation, Canada became important as a door to the interior because she commanded the mouth of the St. Lawrence river, a magnificent waterway to the heart of the continent. As George Pownall wrote in a pamphlet published in 1782:[4]

> The Province /~of Quebec_7 by the command which it hath of water-carriage . . . will be the market to,

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[1] E.E. Rich, Montreal and the Fur Trade, p. 54.

[2] P.R.O., C.O. 42/16, f. 8.

[3] G.S. Graham, British Policy and Canada, p. 46. Also, G.W. Brown, 'The St. Lawrence in the Boundary Settlement of 1783', C.H.R., IX (1928), 223-38. J.P. Wise, 'British Commercial Policy 1783-1794: The Aftermath of American Independence' (unpublished PhD. thesis, London, 1971) believes that dictates of internal politics in Britain and of international diplomatic advantage are equally as valid as anti-mercantilism in explaining the sacrifice of Canadian boundaries. He believes Shelburne wished to break the Franco-American alliance, and that in this context the boundary agreed on was essentially a compromise between that of 1774 and the Americans' original demand for a return to 1763. See Wise, op. cit., p. 18 et seq.

[4] G.W. Brown, op. cit., p. 226.

> and have the supply of, not only the Indians, but of all the inhabitants of the back countries, as they shall become settled by whomsoever they may

The Canadian fur trade was an expendible item in the pursuit of this higher end. Shelburne had long considered it a burden on the mother country[1] and estimated that it cost Britain £800,000 annually to maintain the territory it was proposed to surrender, and that, as imports of furs amounted to only £50,000 per annum, Britain would be saving £750,000 yearly under the terms of the treaty.[2] Besides, he believed that the Indians would continue to direct much of the fur trade through Montreal, and even that which the Americans captured would have to be carried on through London with British finance and trade goods.

Warning of the impending shock came with the provisional treaty which was signed in November 1782, and it spurred the London Canada merchants and the few Quebecers present in London at the time into frantic lobbying of ministers and officials. In January 1783 a delegation of six Canada merchants[3] waited on Shelburne and pointed out to him the potential uselessness of the concessions for free navigation of the Mississippi.[4] A week later a group of fur traders met with Richard Oswald, the government's chief negotiator in Paris, who assured them that there would be nothing to stop the Indians from bringing

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[1] See page 40, above; page 141 note 3, above.

[2] Shelburne had, of course, underestimated the real value of the fur trade - that is, not only the value of the skins imported and the manufactured re-exports, but also the value of trade goods sent out from Britain.

[3] Robert Rashleigh, James Strachan, Sansom (of Murray Sansom & Co.), and the Quebecers Alexander Ellice, Isaac Todd and Charles Paterson.

[4] P.R.O., 30, 8/346 (Chatham Papers), ff. 15-16: Merchants trading to Quebec, 31 Jan. 1783.

their furs over to the other side of the boundary or to prevent them from taking their goods 'over any part of America'. He claimed that the treaty provided full and adequate protection for their property, and assured them that the Americans genuinely desired free and friendly intercourse. Oswald believed that he had put the traders' minds at rest, and reluctantly agreed to their request to press for a recommendation of Congress for the protection of their property, provided they promised to inform the ministers that they were perfectly satisfied.[1]

The merchants though were not satisfied, for that same day eight of them[2] wrote to Thomas Townshend[3], the Home Secretary, outlining the severe losses they would incur from the boundary provisions. Though recognising that these could not now be changed, they asked that at least steps be taken to protect their property in the upper country.[4] To this end they wanted Britain to retain the posts for three years to allow them time to remove their goods if necessary, and after that to obtain firm guarantees for the free use of all lakes and carrying places.[5]

No promise to retain the posts was forthcoming however, for the Americans consistently demanded immediate evacuation, and writing

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[1] P.R.O., 30, 8/343 (Chatham Papers), pt. 1, ff. 38-40: Questions and Answers on the American Treaty, 6 Feb. 1783. This is Oswald's account of the interview. That given by several Quebecers 30 years later differed substantially; they told how Oswald had broken down and wept, confessing his ignorance of the value of the territories he had negotiated away. See G.W.Brown, 'Boundary Settlement', p. 233.

[2] Rashleigh, Hunter, Strachan, John Fraser, and the Quebecers Ellice, Henry Callendar, Todd and Charles Paterson.

[3] Later Lord Sydney: see Appendix B, below.

[4] P.R.O., C.O. 5/8, f. 391: British merchants to Townshend, 6 Feb. 1783.

[5] B.M. Addit. MSS., 21,885 (Haldimand Papers), f. 344: Regulations proposed by the Western merchants. Also, P.R.O., C.O. 42/73, f. 51: Montreal merchants to Dorchester, 28 Dec. 1790.

in March 1783, Robert Hunter was fairly doubtful if there would in practice be free and equal participation in the lakes and carrying places.[1] But, the outlook brightened momentarily when in April Shelburne's ministry fell on a vote of censure, to be replaced by the Fox/North coalition. Fox forwarded the merchants' memorandum to Hartley in Paris, and his "Memoranda for a Definitive Treaty" of June 1783 contained all those points requested by the western traders. But suddenly, in August, Fox sent Hartley proposals for a definitive treaty which he was told to give the Americans for final agreement, and which were almost identical to the original provisional articles of November 1782. It was agreed that the details of the questions of free communications, the civil and commercial rights of those living along the boundary and the evacuation of the posts by Britain, should be worked out in a separate commercial treaty, and on 3 September the peace was finally signed.[2]

First news of the terms left Quebec dumbfounded. Haldimand had received a copy of the provisional articles in April 1783 and immediately forwarded them to the merchants of Montreal. But gradually the initial shock wore off, and there were a few shrewd men who began to modify their views as to the extent of the impending disaster. Edward William Gray did not believe that the consequences would be as fatal as many feared, and felt that Quebec would continue to enjoy a considerable part of the fur trade.[3] James McGill was 'clearly of opinion that it must be a very long time before they /~the Americans_7

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[1] B.M. Addit. MSS., 21,735 (Haldimand Papers), f. 44: Hunter to Haldimand, 27 March 1783.

[2] W.E. Stevens, The North West Fur Trade, pp. 72-86.

[3] P.A.C., Gray Papers, vol. 2: Gray to Hayton, 21 July 1783.

can venture on the smallest part of our trade.'[1]

In the short run, their predictions were, by and large, proved correct, and it is remarkable that there appears to have been almost no attempt to pull out of the trade in those areas which were to be handed over. Indeed, the Albany trade, which had been declining for some years, failed to recover its former position, and the Canadian fur trade showed no marked signs of sickness. While the value of furs shipped to London in the last quarter of the century varied considerably, it probably averaged a very healthy £200,000, while Todd & McGill estimated the annual average value for the five years before 1794 at £250,000.[2]

On the face of it, the continuance of trade on such a large scale in the area south of the new boundary might seem surprising; but thoughtful men realised that in the short run the treaty of 1783 would probably change little. It was after all only a piece of parchment, and the new boundaries it laid down were only lines on a sheet of paper, with theoretical but little practical significance. The area south and west of the lakes was a vast wilderness which the Americans could not hope effectively to police or settle in the foreseeable future. Their fur trading organisation was in disrepair and had withered since 1774 as many able men moved north to Canada, and the Montrealers might reasonably have expected that preference would be given to them over the independent Americans in the supply of British finance and trade goods for the west.

Worst hit was the trade at Detroit, which fell slowly (though steadily) between 1784 and 1790. In the former year it was valued at

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[1] D.G. Creighton, Commercial Empire of the St. Lawrence, p.92.

[2] W.E. Stevens, The North West Fur Trade, pp. 68, 120.

£65,000; by the latter it had sunk to £40,000.[1] In 1789, George Forsyth[2] reported that the Indian trade there was much on the decline.

This decay was in part the result of the peace treaty and subsequent related events in the region south of the lakes. There was increasing, though as yet inconsiderable settlement, which led to friction with the Indians, disorder and war.[3] Inevitably, the fur trade suffered, for it ultimately depended on the willingness and ability of the natives to hunt. Todd & McGill wrote anxiously:[4]

> We . . . hope that the disturbence . . . in the Indian Country . . . may be at an end, but we fear there will for many years . . . be frequent interruptions. With respect to the Wabash trade we do not entertain favourable sentiments were Peace even assured, the easy communication with new orleans & the proximity to the Americans are strong temptations to people of loose principles when in debt to defraud their Creditors.

Only after Wayne's victory at Fallen Timbers in 1794 were peace and order restored, but by then the posts were on the point of being given up.

Indirectly connected with the new political geography of North America created by the Treaty of 1783 were the continued restrictions on the use of private vessels on the lakes enforced by the governor at Quebec for security reasons. They were not finally removed until 1788, and by delaying the arrival of the merchants' goods at the posts led to considerable anxiety and loss.[5]

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[1] W.E. Stevens, The North West Fur Trade, p. 106.

[2] A merchant at Niagara and partner in the firm of Taylor & Forsyth.

[3] Settlement was as yet almost wholly confined to the area south of Lake Ontario, in what is now upstate New York. (See map opposite p. 11 above).

[4] M. Quaife ed., Askin Papers, vol. 1, pp. 273-78: Todd & McGill to Askin, 20 Dec. 1786.

[5] See Chapter 5, p. 177, below.

On the other hand the decline of the Detroit trade was partly the result of factors that had nothing to do with the peace, for the area it served was the oldest fur trading region of all, and had for some time been showing signs of old age as fine furs became progressively harder to find. Thus the Peace of Paris did not cause the decline of the south west trade; rather it hastened the inevitable eclipse of the trade based on Detroit and Niagara as the centre of the Canadian fur trade.

Yet it would be wrong to overestimate the fall of the Detroit trade before 1791, for even in 1790 it accounted for almost 30% of the total value of returns. Moreover, a number of important men continued to ply the south west trade from there, for instance Todd & McGill and Charles Paterson[1], and despite the worries and difficulties the fears of a mass exodus were not realised. Trade passes issued in 1783 indicate a measure of confidence in the future: David Ross sent goods worth £4,000 into the region, Pollard & Street £12,000 worth to Niagara and John Gregory £17,500 to Detroit.[2] Moreover, there were now fewer traders in the region, so even though the value of returns was falling, the individuals who remained were possibly not much worse off than before in financial terms.

The decline of Detroit was more than offset by the bouyancy of trade at Michilimackinac, which enjoyed a brief heyday after 1783, and the rapid expansion of commerce in the far north west. The boundary provisions of the treaty did have the effect of diverting and concentrating the efforts of many dynamic and wealthy fur merchants on the

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[1] See Appendix B, below.

[2] P.R.O., C.O. 42/15, ff. 136-7. For a note on Gregory see Appendix B, below.

fabulous new riches of this area,[1] and its development in the next few years was the last and most dramatic fling of the Canadian fur trade.

Despite the discovery of an all-Canadian route to the north west, the traders preferred, and were able to continue, to operate unhindered through Grand Portage, and from its formal beginnings in 1783 the North West Company went from strength to strength.[2] By as early as 1785 Benjamin Frobisher estimated the value of the Company's property at Grand Portage at £50,000.[3] There was a brief period of fierce rivalry with the firm of Gregory, McLeod & Co.[4] culminating in the murder of John Ross (a trader employed by the latter) in the upper country in 1786/87. This incident led to the amalgamation of the two rival organisations into one large North West Company in the same year.

The north west attracted the resources and attentions of many of the biggest houses in Montreal and London - McTavish Frobisher & Co., Gregory, McLeod & Co., and Forsyth Richardson & Co. from Canada, and Phyn Ellice and Inglis, Dyer Allan & Co. and Brickwood Pattle & Co. of London;[5] and by the mid-1790's it had surpassed all the other branches of the Canadian fur trade in value.

It is ironic that the man the traders may have had to thank most for their continued prosperity and safety in the upper country was

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[1] In three days trading on the Athabaska in 1776, Henry and Thomas Frobisher bought 12,000 beaver skins and many otters and martens. Alexander Henry, Travels and Adventures, p. 381.

[2] In 1791, Patrick Campbell, a Scottish visitor, remarked that 'The Fur North West Trading Company in this town have the most lucrative business known in the mercantile line belonging to Britain'. See, Patrick Campbell, Travels in the Interior Inhabited Parts of North America in the Years 1791 and 1792, ed. H.H. Langton (Toronto: Champlain Society, 1937), p. 113.

[3] H.A. Innis, Fur Trade in Canada, pp. 247-48.

[4] See Appendix B, below.

[5] For notes on these firms see Appendix B, below.

their much maligned governor, General Frederick Haldimand. By his insistence on the importance of keeping the western posts and placating the Indians, he helped to delay the British withdrawal and thus performed an invaluable service to the fur merchants of Canada. British possession of the forts was vital, not only as depots for the fur trade, but for the security of their property in the west. In 1787 the Montreal merchants reported that there was owing to them about £125,000 from Cataraqui and Detroit, and £135,000 from Michilimackinac and Grand Portage, and the possession of the posts was vital to the recovery of these monies. Haldimand's influence in postponing British evacuation may have been greater than has generally been acknowledged. Immediate evacuation was one of the conditions for which the Americans had pressed most strongly during negotiations, and Haldimand's firm line at this time must have strengthened Whitehall's resolve considerably, for the governors of Quebec had always had an inordinate degree of influence over the affairs of their province in imperial councils. As early as October 1782 Haldimand was advising Townshend that, in the event of a cessation of hostilities, Niagara and Oswego should be retained for the security and trade of Quebec.[1]

Herein lies the reason for Haldimand's willingness to assist the merchants; for in this instance the dictates of commerce and those of security did not conflict but were in fact closely bound together. The governor realised full well the intimate connection that existed between the friendship of the Indians and the prosperity of the fur trade, and when the peace terms of 1783 became known, the friendship of the Indians was placed in doubt. They felt deeply wounded at the

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[1] B.M., Addit. MSS., 21,717 (Haldimand Papers), pt. 2, f. 153: Haldimand to Townshend, 25 Oct. 1782.

terms negotiated, which delivered them, Britain's faithful allies, into the hands of the Americans. Haldimand was aware of this and feared for the safety of the merchants in the upper country and even more for that of the defenceless loyalists newly settled around Cataraqui.[1] Pontiac's rising of twenty years before was still fresh in everyone's mind, and the fur merchants had impressed upon Haldimand the importance of keeping the fur trade going without interruption, and thus of retaining the posts. In April 1784 Charles Grant had written to him that:[2]

> In these troublesome times the least stop to the Indian Trade might be productive of very bad effects, even among the Savages who are at present our friends or neuter, who might on seeing no supply of goods immediately change sides and join the enemies of Government.

Consequently, Haldimand took action to protect the fur trade. In 1783 and 1784 he turned away delegations from Congress who had come to make arrangements for the transfer of the posts, and in August 1783 he had three bateaux from Schenectady turned back at Niagara and gave orders that any other Americans who came to trade with the Indians should receive similar treatment.[3] Haldimand's main concern may have beenwith security rather than the prosperity of the fur trade as such, but the effect of his actions was undoubtedly of very great assistance to the merchants, and it was with a real sense of appreciation that Robert Hunter wrote to him with thanks for all his efforts to secure the fur trade.

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[1] The present day town of Kingston, Ontario.

[2] Canadian Archives Report 1888 (Ottawa, 1888), p. 60: Grant to Haldimand, 24 April 1784.

[3] D.G. Creighton, Commercial Empire of the St. Lawrence, p. 92. Here again though, it is more likely that Haldimand acted from fear that American traders might incite the Indians to rise up than from a desire to protect the fur trade from their competition; but the effect of his action was still greatly to the advantage of the fur merchants of Canada.

II

The Peace of Paris was received with dismay by the fur traders, but the majority of merchants in Quebec - the distillers, wheat and flour mongers, provisioners and fishery men - saw it as opening a door into prized imperial markets in Britain, the fisheries, and above all the West Indies. Many now believed that the future of Canada lay in these fields and not, in the long run, in the fur trade. J.F. Perrault thought that 'L'agriculture seule nous offre des ressources',[1] and in London too the view prevailed among some of the Canada merchants that hopes for the future prosperity of Quebec were now founded on her agriculture.[2]

More importantly, Whitehall too attached some weight to the future of Canadian agriculture. In particular they hoped that Canada would be able to replace the Thirteen Colonies in the imperial trade triangle linking Britain, America and the West Indies, by supplying the Indies with wheat, flour, fish, lumber and provisions. If this hope materialized, it could add greatly to the consideration given to the voice of the Quebec merchants in economic, and perhaps political affairs.

Under the terms negotiated in 1783, the details of future Anglo-American commercial relations had been left to a separate treaty. The negotiations surrounding it were of great interest to the Quebec merchants, for only if Britain pursued the strict mercantilist line of

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[1] P.A.C., Baby Papers, vol. 9, f. 5709: Perrault to Perrault l'aine, 4 May 1783. Perrault feared however that many of the English-speaking merchants would not be prepared to put the necessary capital investment into agricutlure because it offered lower and slower returns than many other branches of trade.

[2] B.M., Addit. MSS., 21,735 (Haldimand Papers), f. 409: Hunter to Haldimand, 4 April 1784.

excluding the United States (now a foreign country) from imperial markets, could Canada hope to benefit from the American revolution. They knew that, despite the freer trade ideas of Shelburne and some of his colleagues, most of those in authority in Britain were still fundamentally mercantilists, and the traditional case was being strongly put by men such as Lord Sheffield and George Chalmers.[1]

The case for excluding the United States rested partly on the confidence expressed in the ability of British North America to supply the fisheries and the West Indies with all their requirements. It was a confidence which the Canadian interests exuded when they were questioned during the course of investigations into Anglo-American trade.

Not long after the signing of the definitive peace treaty, a committee of the Privy Council was set up under the chairmanship of Charles Jenkinson (Lord Hawkesbury), to gather evidence for the proposed commercial treaty. Before the committee questioned the Canadian witnesses, in March 1784, orders-in-Council had been passed allowing some trade between the States and the West Indies in British ships, and it was the job of the committee to assess the potential of Canada in taking over the Americans' role. The first witness to be called was Guy Carleton. The former governor pointed out that great economic damage would be done to British North America if the United States was allowed to continue to supply the West Indies, and on the basis of the exceptional wheat exports of the early 1770's, he optimistically forecast that within two or three years Canada would be

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[1] G. Chalmers, Opinions on Interesting Subjects of Public Law and Commercial Policy Arising from American Independence (London, 1784). Basing his arguments on imperial defence needs, Chalmers argued for the exclusion of American ships from the colonial trade, especially that with the West Indies, which he believed could be adequately supplied by Britain and her remaining colonies, and Ireland.

able to supply the West Indies with 200,000 to 300,000 bushels of wheat annually. Even more remarkably, he stated that with proper encouragement Nova Scotia could send all the lumber, livestock and fish that was needed, and in return take all the rum the West Indies had for export.[1] Carleton's rosy picture was substantially confirmed by the two London Canada merchants who were called in, Brook Watson and Robert Grant.[2] Watson also arranged a private audience with Thomas Townshend, now Lord Sydney and Secretary for Home Affairs,

at which he impressed upon the minister the importance of the remaining British colonies in North America, and the damaging effects of allowing American goods into the West Indies.[3]

In private, Watson also held forth against the attempts of the West Indian interest to free West Indian-American trade. They had informed the ministers that the islands absolutely depended upon the supply of cheap and plentiful American provisions, and argued strongly for the admission of their ships to the British Caribbean ports in the proposed commercial treaty.[4]

The confidence of the Canada interest was clearly misplaced; even convinced mercantilists like William Knox[5] had to agree that British North America showed no signs of being able to replace the

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[1] P.R.O., B.T. 5/1, ff. 27-29.

[2] Ibid., ff. 25-26, f. 38. Watson also shrewdly dropped the suggestion that if, in retaliation, the U.S. refused to admit British ships to carry their produce, then two free ports might be set up in Nova Scotia,(where Watson and Rashleigh had important commercial interests) to encourage the New Englanders to send their produce there.

[3] L.F.S. Upton ed., Smith Diary, vol. 2, 30 June 1784.

[4] V.T. Harlow and A.F. Madden eds., British Colonial Developments 1774-1834: Select Documents (Oxford, 1953), pp. 256, 257-8.

[5] Knox was until 1782 Undersecretary of State at the American Department. He helped draft the 1783 orders-in-Council against American shipping.

Thirteen Colonies in the short run, and that the United States would have to be called in temporarily.[1] In their final report on the West Indian interest's case, issued in May 1785, the committee for trade recognised the reality of the situation, while still upholding the theory and theoretical desirability of the traditional mercantilist line. They recommended that the States be allowed to send to the West Indies those unmanufactured goods which could not be supplied by Britain's various colonies, but in British built and manned ships.[2]

Their view was endorsed in the Act of 1788 regulating trade between British North America, the British West Indies and the United States, by which American lumber, livestock, flour, wheat and provisions were allowed into the West Indies in British built and manned ships, which could in return carry back sugar, molasses, coffee and cocoa, among other articles. The act was thus, for the time being, a recognition of two fundamental realities which events of recent years had done nothing to change: the first was that America was economically too important to be excluded altogether from the trade of the empire; and the second was that Canada was still too underdeveloped to play a major part in this system. The great hopes entertained by the Quebec merchants and their London correspondents were soon proved to be wishful thinking.

On paper, the hopes that Canada would be able to play her part in the imperial trade triangle appeared convincing. Ships carrying

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[1] W. Knox, Extra Official State Papers (London, 1789), Appendix XIII.

[2] V. Harlow and F. Madden, British Colonial Developments, pp. 263-65. Professor Graham believes, probably rightly, that this last provision was the most important to the British. Control of the carrying trade was seen by mercantilists as vital to the whole question of imperial defence, and this was a more important consideration than the potential of Canada. See G.S. Graham, Sea Power and British North America 1783-1820: A Study in British Colonial Policy (Cambridge, 1941), p. 31.

manufactured goods and West Indian rum and molasses would sail from Britain for Quebec where they would take on wheat, flour, biscuit, lumber and provisions for the West Indies; on their return voyage to the mother country they would be laden with Caribbean produce for the British market and for re-export.

The Quebec merchants therefore looked forward to greater commercial intercourse with the British West Indies as part of the triangular trade, and as a corollary they hoped for an increase in direct trade with the islands. The success of this new channel of trade was important to them. Reporting to a committee of the Legislative Council for commercial matters in 1787, the business community of Quebec City claimed that the best way to hasten the development of the colony was to find an 'advantageous disposal of our surplus produce abroad', and in their opinion a liberal intercourse with the West Indies was the best means of achieving this.[1]

But as it turned out, the post-war British trade regulations did little or nothing to effect this, or to alter Quebec's trading pattern significantly in any way. The growth of trade with the West Indies before 1791 was slow, and did no more than lay the foundations for future expansion.

The nature of the available evidence makes it very difficult to assess accurately the increase in trade between Quebec and the British West Indies after the war. Shipping and trade statistics for the years before 1786 list the West Indies under the same heading as Africa and southern Europe, making direct comparison impossible. Comparison with the pre-war years is of limited value because of the unusually large exports of wheat (mainly to the Caribbean and southern Europe) during

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[1] P.R.O., C.O. 42/11, f. 45.

the early 1770's, which distorted the normal size and pattern of Canada's export trade.

However, we can see quite clearly from the evidence at hand, that in the period 1786-1789 (for which good figures are available), that trade with the West Indies did not occupy an important position in the total overseas commerce of Quebec. During these years an average of only 12% of entries came from the Caribbean islands, while on average only 9% of total clearances from Quebec were bound there; and these figures include ships engaged in both the direct and triangular trades.[1]

The main reason which prevented Quebec from taking her place in the triangular trade was that British post-war trade regulations allowed American goods into the West Indies market. This meant in effect that, despite American independence, nothing had really changed from the pre-war situation in which Quebec had found herself largely unable to compete in this market with the produce of the Thirteen Colonies. As the Committee of the Council for Commerce pointed out in 1787, as long as the Americans were allowed to supply the British islands, Quebec would never get a foothold there.[2]

Direct trade with the Caribbean, 'the most natural that ever existed between two countries', was impeded by another British statute, the Quebec Revenue Act of 1774. By placing a duty of 6d. per gallon on direct imports of British West Indian rum into Quebec, Whitehall had

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[1] P.R.O., C.O. 47/80; G. Paquet et J-P. Wallot, 'International Circumstances of Lower Canada 1786-1810: Prolegomenon', C.H.R., LIII (Dec. 1972). Telling comparisons may be made with Quebec's trade with southern Europe and the rest of British North America in these years. The former region accounted for an average of 6% of entries and 24% of clearances, and the latter for 15% of ships entering and 24% of those clearing from Quebec. This helps to put the West Indies trade in its proper perspective, and underlines the failure of Quebec to grasp the opportunities of the post-war empire.

[2] P.R.O., C.O. 42/11, f. 41.

hoped to encourage a triangular trade in British ships by which Quebec received British manufactures and Caribbean produce from the metropolis and sent her own goods to the islands. For reasons which have already been explained, the measure did not have the desired effect, and it effectively stunted the growth of direct trade with the British possessions in the Caribbean.

Rum was to be the main element in this direct intercourse, for in a northern fur trading economy it was a necessity not a luxury. But, as John Young[1] (one of those engaged in direct trade after the war) observed, there was no point in Quebec merchants importing rum direct from the West Indies when they could get it more cheaply from Britain. The Quebec merchants had to compete with less expensive American rum in supplying the fisheries and the fur trade, and so could not afford to pay the extra cost of direct imports from the islands. Young told his listeners that the post-war trade in direct rum imports had been experimental in nature, and that it had proved, by and large, unsuccessful.[2]

What applied to rum applied also to molasses. By the Quebec Revenue Act, British West Indian molasses was subject to a higher duty than the same product imported via Britain, and was more costly than foreign West Indian molasses, so that Quebec distillers, faced with strong American competition, could not afford the cost of direct imports from the British Caribbean.[3]

The result of this was that the market for Canadian products in

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[1] See Appendix B, below.

[2] P.R.O., C.O. 45/11: Council Minutes, 25 May 1790. The post-war years also saw the growth of a domestic distilling industry in Quebec whose products helped to undermine the price of West Indian rum in the province. See, P.A.C., Gray Papers, vol. 3: Gray to John Fraser, 18 March 1787.

[3] In 1785 and 1786 Quebec distillers processed 252,410 gallons of molasses of which 203,370 had come from the foreign West Indies: J.P. Wise, 'British Commercial Policy', p. 146.

the Indies was reduced in turn.[1] This was an uneconomic and highly unsatisfactory state of affairs for the Quebec merchants, but the situation was slightly relieved when, in 1788, they were given permission to import rum, direct and duty free, to a value equal to that of the cargo sent out to the West Indies. Unfortunately, even this did not prove a spur to trade, for the wheat, flour and timber that Quebec sent out were bulky goods, while rum to an equal value took up only about half the space.[2] The next year therefore, a petition was presented asking that the principle be extended to cover not just one, but a number of voyages undertaken in the same bottom by an individual or company. But the British authorities were reluctant to encourage direct trade at the expense of a triangular intercourse in British ships.

In other fields too, the initial optimism for the future was soon dashed. Trial purchases of Canadian oak for the Royal Navy were said to compare unfavourably with the European species, and the timber trade with the mother country never thrived. Moreover, Canadian wheat was kept out of the British market by the operation of the Corn Laws.[3]

Quebec merchants were not able to capture even the trade in supplying the fisheries which lay on their doorstep. As early as 1785 there were complaints that American vessels were encroaching on their fishing grounds,[4] and in 1788, the very year steps were taken to exclude the Americans from supplying the Newfoundland fisheries, the

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[1] In 1786-87 Canada shipped to the Indies 1,451 barrels of bread (and the U.S. sent 15,789); 1·45m feet of lumber (U.S. 4·4m); 3·6m staves and shingles (U.S. 16·7m); and 7,554 barrels of flour (U.S. 95,406): J.P. Wise 'British Commercial Policy', pp. 79n, 81n. Yet, this was still a definite improvement on the pre-war figures; see pp. 17, 33 above.

[2] Two or three outward voyages from Quebec were needed to cover the value of one inward cargo of rum. Either the vessels importing rum had to operate ½ to ⅓ laden, or they had to pay duty on ½ to two-thirds of their cargo. One seasons trading, in 1788, served to convince the Quebec merchants of the impossibility of carrying on trade on this basis.

[3] See Chapter One, p. 26, above.

[4] P.R.O., C.O. 42/17, f. 236: Memo to Hamilton, 14 Sept. 1785.

Quebec harvest failed (and did so again the next year) so that the merchants involved in the provisioning trade had to inform the governor shamefacedly that they had no flour, wheat or biscuit for export, and that the Americans would have to be called in again.[1]

From the point of view of this study then, the most important result of all these failures and difficulties was that post-war developments before 1791 gave Quebec no new importance in the imperial economy, so that the economic and political views of her merchant community received no more weight or consideration in Whitehall than they had ever done.

III

The failure of Quebec's agriculture and lumber trades to respond to the challenge and opportunities of the post-war empire was by no means entirely their own fault, but lay to a considerable extent in circumstances beyond their control - the nature of the terrain, the power of American commerce, and the lack of encouragement from the imperial authorities.

Even those Quebecers who, in 1783, foresaw a bright future for the colony's agriculture, recognised that it needed encouragement and financial assistance if it was to mature and be enabled to compete in imperial markets. Hugh Finlay was confident that 'Canada is capable of producing a sufficiency of flower /sic/ to supply our West Indian Islands and the Newfoundland fisheries', but that '. . . . we must change the Canadian system of husbandry'.[2] The habitants must be

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[1] P.R.O., C.O. 42/63, f. 17: Flour and Biscuit merchants to Dorchester, 19 Nov. 1788.

[2] P.R.O., C.O. 42/18, f. 12: Finlay to Nepean, 7 Sept. 1786.

educated in modern farming methods, there must be regulations for quality control on exports, and public granaries at Quebec for storing such a perishable commodity as wheat.

Finlay also recognised that government bounties were necessary if Canadian lumber was to prove competitive in imperial markets, and Governor Haldimand agreed.[1]

But all such incentives and improvements required money, and under the terms of the Quebec Act the governor and council were given only very limited and totally inadequate powers to raise an internal revenue. Moreover, by the Act of Parliament of 1778, Britain had renounced her intention of levying internal taxation as a consequence of the American crisis. Clearly then, the case of the merchants for some constitutional reform in Quebec was considerably strengthened by the failure of the colony's economy to respond to the opportunities of the post-war years. William Grant forcefully put their case for reform in the light of the new situation to the council in April 1784:[2]

> The Late Revolution in American Government has deprived this province of almost every Resource, but Internal Commercial industry . . . . the minds of our Inhabitants must in future be turned to objects of Agriculture, Navigation and Commerce. And therefore it is that I look on Representation & Freedom in Government as absolutely necessary springs to give vigour and motion to the new Commercial machine.

The power of 'exciting to Industry' should, he believed, be lodged in the hands of those most likely

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[1] P.R.O., C.O. 42/16, f. 32: Finlay to Skene, 6 March 1784; P.R.O., C.O. 42/46, f. 156: Haldimand to Sydney, 29 June 1784. It would be wrong though to overestimate the short term ability of bounties to overcome the disadvantages of geography and strong competition with which Quebec was faced.

[2] P.R.O., C.O. 45/4: Council Minutes, 26 April 1784.

> to make Mercantile objects their principal occupation and study, Because living intimately connected with their respective and immediate Interests, the advice and participation of the Land-Holders, the Citizen and the Merchant, are become the more necessary to the present Legislature, that thereby it may acquire that Spirit of action of which it must otherwise be deprived.

It is a peculiar irony that while, on the one hand this economic failure of Quebec added strength to the merchants' case for some measure of internal reform, that on the other hand it added nothing in the short term to the weight accorded to their views in Whitehall, or to the likelihood of success. Indeed the Peace of 1783 and subsequent British trade legislation served, if anything, to highlight the relative economic unimportance of Quebec to the British empire. The most powerful branch of her economy, the fur trade, had been contemptuously dismissed by Shelburne and his associates, and even those who stood up in Parliament and denounced the boundary provisions of the treaty, did so, not from any real knowledge of or concern for the fur trade, but more from an instinctive aversion to any territorial sacrifice that was not absolutely necessary - and this the sacrifice of Canadian boundaries was not, in military terms at least.

If the British could so easily dismiss Quebec's most important trade, what hope was there of real concern and encouragement for her other, more lowly industries? Despite the glowing testimony of Carleton and the London merchants, neither the Committee of the Privy Council for Trade nor the other British officials concerned in drawing up the details of future Anglo-American commercial relations, can have held out much hope that Canada would be able to replace the Thirteen Colonies in the imperial trade triangle within the next few years. Indeed, as early as January 1783, more than a year before the investigation into Canada's potential had even begun, Shelburne's colleague, John Pownall (Under secretary for the colonies) had listed the two great aims which

he thought should govern any future commercial agreement with the Americans: the first was to remove the restrictions to which the subjects of the United States were now liable as aliens in their commerce with Britain and her possessions; the second was to continue to them, in return for other advantages, the concessions they had received while they were still colonies.[1] During debates on the American Intercourse Bill in March 1783, the main fears expressed about allowing the produce of America into the West Indies concerned the loss of the carrying trade and the damage that might be done to British and Irish commerce with the islands; there was scarcely a mention of the effects on British North America.

Even convinced mercantilists like Knox and Jenkinson admitted the necessity of temporarily allowing American produce into the West Indies, and there is no evidence that it was at any time seriously considered feasible to exclude the United States totally from Britain's atlantic trade empire. In the long term Quebec was important as the gateway to the interior of the continent, and even in the short run it was hoped to capture the commerce of Vermont (which had refused to join the Union) and direct it down the St. Lawrence. But the importance of Quebec lay in the St. Lawrence itself, and not in the merchants of Quebec and Montreal, and this added nothing to their leverage in the battle for change. Mere possession of Quebec was all the British needed to guarantee entry for their goods into the whole of the North American continent, and in the light of the American revolution, to grant an assembly and other of the merchants' demands seemed more likely to weaken than strengthen Britain's hold on Canada.

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[1] V. Harlow and F. Madden, British Colonial Developments, pp. 246-48.

In herself, Quebec was probably not much more important in 1783 than she had been in 1761 when Newfoundland had been considered more important and valuable than Canada and Louisiana together;[1] and we must surely conclude that the events of 1783 and after had shown that, in the short run, nothing had really changed for Quebec or her small merchant community.

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[1] G.S. Graham, Sea Power, p. 75.

Chapter 5

'Quebec is . . . become a little Boston'

THE POST-WAR ECONOMIC AND POLITICAL CRISIS IN QUEBEC 1783-1786

For the merchants of Quebec, the coming of peace in 1783 once again made reform possible, the post-war recession (intensified, as will be shown, by the action of Haldimand against Cochrane) made it pressing, and the influx of loyalists made it more likely. Economic and political issues were intimately bound together during these years, and after Haldimand's departure in 1784 especially, the struggle for reform became fierce as the clash of personalities and policies deepened. Although increasingly on the offensive in the council and the country, the reformers' failure to enlist the support of the loyalists for their petitions was a severe blow to their cause. It left them still a small, unrespectable and unrepresentative faction in Whitehall's eyes, and each succeeding petition and counter-petition only strengthened the determination of the British government not to be bulldozed into action. Instead, they dug in their heels, tried to root out faction in Quebec, and delayed further legislation until the "truth" about the situation in Canada could be ascertained.

I

The roots of the post-war economic recession can be traced back to 1779. It was in the autumn of that year that the government's remitters' agent in Quebec, the Honourable John Cochrane, first began to sell large quantities of bills of exchange to the local merchants on credit.

The practice of selling bills of exchange to colonial merchants

was not a new one, or unique to Quebec, for it was a convenient way in which to meet the needs of the commanders-in-chief in the colonies for cash, and enable the colonial merchants to make their remittances to London. The old method by which the commanders drew bills direct on the Treasury had proved unsatisfactory and was ended in 1767 when the firm of Fludgen & Drummond (later Harley & Drummond) were appointed government remitters. As such they were employed by the Treasury to see that the commanders-in-chief in Quebec and the other colonies were supplied with large amounts of ready money, thus, it was hoped, helping to stabilize the rate of exchange and avoid losses to government. The cheapest and best method for Harley & Drummond to carry out their contract was to sell bills on London through their agent in Quebec to the local merchants, who every autumn were clamouring for means to make remittances to their London correspondents. The money received from the sale of the bills was handed over to the governor and commander-in-chief (who in Quebec were one and the same person) by the remitters' agent. Thus both Harley & Drummond and the Quebec merchants were spared the risk of sending large amounts of specie across the Atlantic in wartime.[1] The potential danger lay in the practice, not introduced by Cochrane but accepted and pursued by him, of selling these bills on credit.

This too had its advantages however. Normally demand for bills was slack during the spring and summer months, and became overwhelming during the autumn when the merchants were scampering to make their remittances by the last ships home. The result was that Cochrane was starved of specie for most of the year when the government might be in

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[1] A.R.M. Lower, 'Credit and the Constitutional Act', C.H.R., VI (1925), 123-41.

need of ready cash. By selling on credit he found it relatively easy to raise money during the long periods of low demand and so supply the fast-accelerating requirements of the Quebec authorities for more and more funds.[1] For their part, the merchants were enabled to order and pay for huge imports to meet the bloated wartime demand for goods of all kinds.

Haldimand defended the practice, to which he had hesitantly given his blessing, by pointing out that since the war began the fleet had not usually arrived before late summer, thus making it impossible for the merchants to convert their goods into cash before October 25 when they were obliged to make their remittances; if Cochrane did not give them credit when they needed it most, he believed, they would not furnish him with money at other times of the year when bills were in low demand.[2]

Haldimand was fully aware that there were economic and political dangers involved. The sudden expansion of credit facilities could jeopardise the financial situation of many Quebec houses which were already being carried from year to year by their London correspondents, and could lead to dangerous overstocking of the Canadian market, with serious effects on prices as a result. Moreover, he felt sure that government would be blamed for this.[3] He also believed that the system had enabled certain merchants successfully to corner the market in

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[1] See Chapter 3, pages 114-16.

[2] P.R.O., C.O. 42/14, f. 8: Haldimand to Germain, 28 Nov. 1780.

[3] P.R.O., C.O. 42/44, f. 139: Haldimand to North, 14 June 1783. It was a common complaint in pre-revolution Philadelphia that the English merchants were too liberal in extending credit to local importers, especially those whose resources did not warrant it. The result, as in Quebec, was overstocking of the market, low prices and difficulty in selling goods. See A.L. Jensen, Maritime Commerce of Colonial Philadelphia, p. 128.

various goods which were in great demand.[1]

Politically too he thought he could perceive security risks:[2]

> The Merchants here to a man, as well as those in England, find their advantage in the necessity under which the Agent for the Remitters . . . has been to give Credit . . . . let the consequences of an Invasion of this country be never so Unfortunate, the first are Safe by means of the Credit, and the others are equally so even if their Correspondents should become bankrupts, So at all events the risk is for the Nation.

Nevertheless, Haldimand was at first prepared to condone the activities of Cochrane in the belief that it was the only alternative to the old system of drawing bills direct on London in his own name.[3]

But when, in 1780, Harley & Drummond found out what was going on, they wrote to Cochrane ordering him to stop giving credit at once; to ease his position they sent out some gold. Cochrane went to the governor and assured him that sale on credit was essential, but that in view of his orders he would now need Haldimand's personal authorization for continuing to use the system. Haldimand, aware of the dangers, was uneasy, but could see no alternative and wrote to the Treasury and Germain giving detailed reasons for his support of Cochrane's request.[4] But he decided to take precautions by laying down six strict conditions which Cochrane was to observe when selling bills on credit: he was to inform the governor of all applications to buy bills and state whether the applicant was a good risk; he was to inform

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[1] P.R.O., C.O. 42/42, f. 187: Haldimand to Germain, 5 March 1782.

[2] Ibid., f. 17: Haldimand to Germain, 20 Oct. 1781. There is no evidence to support Haldimand's fears however.

[3] Ibid.

[4] P.R.O., C.O. 42/14, ff. 8-9: Haldimand to Germain, 28 Nov. 1780. Haldimand later justified his decision on the grounds that between August 1779 and July 1782 only £46,000 had been sent out from Britain. If accurate, this was a paltry sum as army extraordinaries averaged over £300,000 annually between 1776 and 1782.

Haldimand also when interest on each debt was to begin, and fourthly was to take an obligation, payable on demand, whenever he gave credit; he was to tell the governor as soon as he had reason to suspect someone's solvency ; and lastly was required to submit a quarterly statement of each individual's account.[1]

Despite these safeguards, by October 1781 the governor was becoming nervous about the fact that he had had to give his personal approbation to a practice about which he was not entirely happy, and that he had still not received any authorization or instructions from the Treasury.[2]

In the late summer of 1782 however, Haldimand at last received his orders; they were that both the Treasury and Harley & Drummond strongly disapproved of selling bills on credit, and all pretext for it was supposed to be removed by the despatch of more gold. On 3 August 1782, Cochrane received orders from the governor to stop all credit sales, and in future to accept only cash in full.

The withdrawal of bills on credit, coupled with the first stirrings of a recession as peace approached, placed the Quebec merchants in an awkward position with regard to their London correspondents. Cochrane's policy since 1779 made a post-war recession almost inevitable once peace had punctured the inflated bubble of wartime demand in the colony. The Quebec and London merchants had fallen prey to the natural but shortsighted temptation to import huge quantities of goods into Canada to meet this demand. The single house of Brash & Lindsay alone had advanced goods and money worth over £170,000 sterling to the

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[1] P.R.O., C.O. 42/53, ff. 320-21: Restrictions of 12 June 1781.

[2] P.R.O., C.O. 42/42, f. 17: Haldimand to Germain, 20 Oct. 1781.

province between 1778 and 1783.[1] Watson & Rashleigh's investment had reached £70,000 to £80,000 in some years in the early 1780's.[2] Consequently when peace came and demand fell, the Quebec merchants found themselves heavily in debt to London, and at the same time unable to raise the money to pay off what they owed. In March 1782 McKenny & Caldwell owed Richard Morland & Co. of London £10,071; by May 1783 they were in debt to the tune of £22,470.[3] Shaw & Thompson were placed on the verge of bankruptcy by debts of £8,000 to Fraser & Co. of London, and even more to Anderson & Parr of the same place.[4] Benjamin and Joseph Frobisher found themselves with £15,000 (Halifax) worth of unsaleable liquor on their hands.[5] Writing to Gregory & Turnbull of London in October 1782, James Morrison ascribed his inability to make full returns that year to the withdrawal of credit by Cochrane and the sudden advent of peace, and predicted that many would suffer badly.[6]

The situation was critical, and it proved an immense problem to raise money or bills to make remittances. Wartime freight and insurance rates had made the goods more expensive than usual to import, and now they were selling for below first cost. Those who were obliged to sell for lack of any other remedy incurred great losses. The Frobisher

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[1] P.R.O., C.O. 42/52, f. 297: Investigation into courts, 20 Aug. 1787.

[2] Ibid., f. 187: Investigation, 30 July 1787.

[3] P.A.C., Jacobs Papers (series 3), vol. 47. The seriousness of McKenny & Caldwell's position may be gauged from the fact that the firm's total receipts in 1783 were only £17,710; their profit for the year was a mere £1,957.

[4] H. Neatby, Administration of Justice, p. 167. On 10 June 1784 the Quebec Gazette reported their bankruptcy.

[5] R.H. Fleming, 'McTavish Frobisher & Co. of Montreal'.

[6] P.A.C., Lindsay-Morrison Papers, f. 470: James Morrison to Gregory & Turnbull, 17 Oct. 1782.

brothers were forced to dispose of their large stocks of liquor quickly because they had reports that Shaw & Fraser had very big holdings on hand which they were proposing to sell at public auction; the result was that the Frobishers received only 1/9d. per gallon for spirits whose first cost to them had been five shillings.[1]

With everyone in the same position it proved very hard to raise money by trying to recover debts owed to one by fellow merchants. Moreover, Governor Haldimand had increased the burden by refusing to honour any bills drawn on the government by the commanders at the posts after his order of 1781 that in future all goods were to be bought in London through him, and not direct from the traders at the posts. Many prominent men suffered from this decision; Richard Dobie, Alexander Ellice, George McBeath and Simon McTavish were among the holders of Lieutenant Governor Sinclair's protested bills. Sutherland and Grant held protested bills from Captain Robertson for £6,000.[2] Levy Solomons lost between £2,000 and £3,000 because of non-payment of Sinclair's bills, and as late as 1786 holders of these protested notes were still, unsuccessfully, trying to obtain repayment.[3]

Even if money could be raised, the bills with which to remit it were now in short supply. As Edward William Gray wrote to Amos Hayton in October 1783: 'I never began a Letter with more reluctance than this, not having it in my Power to remit you the Money in my Hands . . . for want of Bills as there are not any to be got at present'.[4]

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[1] P.A.C., McTavish Frobisher Papers, vol. 1, ff. 37-39.

[2] P.A.C., Gray Papers, vol. 2: Gray to ?, 17 Oct. 1782. Sutherland and Grant went bankrupt in 1787.

[3] P.R.O., T 29/57, ff. 442-43. For a note on Solomons see Appendix B, below.

[4] P.A.C., Gray Papers, vol. 2: Gray to Hayton, 20 Oct. 1783.

It was in this situation of recession that existed in Canada by 1783 that Haldimand's decision to take legal action to recover the monies owed to Cochrane fell like a thunderbolt upon the mercantile community of Quebec, leaving them stunned and winded.

Haldimand had always been uneasy in his own mind about the sale of bills on credit, and particularly that he had had to give his personal approval to the practice without Treasury authority. When, therefore, he received categorical orders to stop credit sales and to recover the monies owed,[1] he proceeded swiftly to take action. He was in any case anxious to return to England on leave at this time, and was determined to leave Quebec in a financially sound position on his departure. So it was that he now approached Cochrane about collecting the outstanding debts for which he had made himself responsible. Cochrane tried to dissuade him, arguing that the merchants needed time to repay what they owed in view of the difficult economic situation, and when Haldimand pressed him further the unsuspected truth behind Cochrane's activities was revealed. He had neglected to follow the governor's safeguards of June 1781, failing to take obligations on many credit sales or to submit quarterly accounts. Moreover, he had continued to grant credit through the autumn of 1782, quite against orders, and furthermore had adjusted his books to make the governor responsible for the unauthorized debts contracted during these months. Even though the amount owed to Cochrane had been steadily reduced, from £464,668 in January 1782 to £102,000 by March 1783,[2] Haldimand

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[1] On 26 April 1783 Haldimand had received a letter from the Treasury ordering him to recover the money.

[2] P.R.O., C.O. 42/53, f. 320 et seq.: Brief drawn up by Jenkin Williams for Haldimand. Of this £102,000, over £71,000 was owed by the single firm of Shaw & Fraser.

was horrified and deeply shocked at the nature and extent of Cochrane's deception. He decided to seek legal advice. Cochrane tried again to dissuade him by pointing out that the debt was being steadily reduced, and when Haldimand refused to be moved[1] he let fall the final blow: the debts were technically due, not to the Crown, but to Cochrane himself, and he refused to sue unless Haldimand would include all bills issued on credit at any time.[2]

Haldimand, furious at the deception, was not prepared to accept Cochrane's advice, which would have meant that the government would be paid off slowly,along with Harley & Drummond, and that it would be paid from Shaw & Fraser's estate only on a pro rata basis. He approached Attorney General Monk who told him that he had no legal redress as Cochrane had taken no formal obligations and his open account was in his own name. The governor then turned to Jenkin Williams, the soliciter general of Quebec, who informed him that under French law he could sue Cochrane, and not his debtors, in the name of the Crown for breach of trust, with the amount Cochrane owed as damages. The money might be secured immediately by a writ of saisie arret[3] which would at once attach it in the hands of Cochrane's merchant debtors. Adam Mabane, a judge of the common pleas and leader of the francophile group in the council, strongly supported the plan.[4]

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[1] Shaw & Fraser had told him that they were unable to pay their debt, though they offered to make an assignment of their assets to this end. In the prevailing economic conditions however, sale of their estate was likely to realise only a fraction of its paper value. This consideration may have influenced Haldimand's decision to proceed against Cochrane and his debtors.

[2] H. Neatby, Quebec, pp. 184-5. Cochrane disingenuously told Haldimand that he was unable to separate those bills for which permission had been given from those for which it had not. Haldimand estimated the former at £70,000.

[3] Great confusion surrounded the use of writs of saisie, but in general terms a writ of saisie conservatoire was used to seal up a man's property, and one of saisie arret, that of his debtors also, pending the court's verdict.

[4] H.M. Neatby, Administration of Justice, pp. 183-87.

Action along these lines was soon taken, and those merchants owing money to Cochrane were forbidden to make any payments or to sell any goods except for cash until the case was concluded. Things moved swiftly after that, and the first judgement was given for Haldimand in August 1783.

The effects of the governor's action were immediate and serious, for there was hardly a merchant of standing in the whole colony who did not owe Cochrane money. In January 1782 for example, ten months before the credit system was finally suspended, John Grant had owed £7,222, Todd & McGill £14,657, Alexander Ellice £36,964, Simon Fraser junior £17,905, Benjamin and Joseph Frobisher £8,339, Adam Lymburner £25,307, William Lindsay £22,083, Robert Lester £11,999 - and these were only a few among a host of others great and small.[1]

Haldimand seems to have appreciated the difficulties of the merchants' situation. He warned the Treasury in June 1783 that:[2]

> The great Remittances which the extensive Credit from Mr. Cochrane, enabled the merchants here to make have led the Merchants of London into great Errors with Regard to the Trade of the Country and have engaged them to overstock the Country with Merchandise of every kind. Many failures are expected in Consequence, and it is much to be apprehended . . . that it will not be possible from the Stagnation of Trade to turn the Merchandise into Money.

The governor's analysis of the situation proved to be only too accurate, and it was made worse by the writs of saisie which he had obtained and which prevented Cochrane's debtors from paying out money, but which did not stop others from suing them for money owed. A ruinous series of private prosecutions ensued which left many of Cochrane's

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[1] P.R.O., C.O. 42/53, ff. 332-3.

[2] B.M. Addit MSS., 21,719 (Haldimand Papers), f. 49: Haldimand to Treasury, 1 June 1783.

less stable debtors bankrupt. More harmful was the damage done to firms which, given time, might have been able to repay their debts and survive with credit and reputation intact. It was this destruction of business confidence in Quebec and among the London Canada merchants which was perhaps the most damaging result of the case, for in a credit-based economy a man's reputation was all.[1] Even so prominent a firm as that of Benjamin and Joseph Frobisher almost had their standing in London destroyed when news reached there that all their assets had been attached in their hands under the writs obtained by Haldimand.[2] Richard Dobie, reputedly the richest man in Montreal, surprised an English visitor in 1785 by declaring that he would trust the savages much sooner than the English merchants would trust him.[3]

The suits surrounding the case continued to drag on until 1786 when a commission set up by Lord Dorchester reviewed the judgements against the merchants and reduced their outstanding obligations to government. Nevertheless, in 1787 the Frobishers still owed £9,000 and Shaw & Fraser £46,800.[4] It was not until 1789 that Joseph Frobisher paid off the last of his installments;[5] Matthew and Adam Lymburner, Simon Fraser and Alexander Gray were closing their accounts as late as

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[1] As "A.S." wrote in the Quebec Gazette in 1768, 'If a merchant's Character is ever so slightly blasted, unless he has a considerable Capital, the smallest Loss . . . would be 5 or £600 Halifax'. Quoted in H.A. Innis, Select Documents, p. 552.

[2] P.A.C., McTavish Frobisher Papers, vol. 1, ff. 37-9: Joseph Frobisher to Board examining Cochrane's affairs, 10 Jan. 1788.

[3] L.B. Wright and M. Tinling eds., Quebec to Carolina, pp. 34-5. For a note on Dobie see Appendix B, below.

[4] P.R.O., 30, 8/346 (Chatham Papers), f. 106.

[5] P.R.O., T 29/61, f. 519: Dorchester to Treasury, read 22 April 1790.

1790/1791.[1]

The dramatic events of 1783 proved but a prelude to the hard times to come. The exact duration of the economic crisis which ensued is not clear, and disucssion of it is to some extent artificially limited by the confines of this chapter; for it did not end suddenly in 1786/87 of course, but receeded gradually, unevenly but probably never totally before 1791. The decade 1785-1795 was in general one of falling prices, lower imports and exports and a shortage of specie even more acute than usual.[2] Nevertheless, the impression that filters through from the relatively small number of business papers that have survived is that, by about 1787, the worst at least was over. Retailers were probably the hardest hit and the last to recover from the over-abundance of imported goods, though those engaged in the other trades each had their own particular problems, and could not escape the effects of the general stagnation of trade and the shortage of money. All now found themselves squeezed between two opposing sets of creditors - the government on the one hand, and the London Canada merchants on the other.

Almost certainly the worst affected body of merchants in the colony were the retailers, men like John Antrobus, William Lindsay, John Lilly and James Cross[3] and many others who depended for their survival almost wholly on the sale of imported goods of all kinds, from manufactures and hardware, to cloth, candles and cordage. An English visitor to Quebec in 1785 was told by Lindsay that it was madness for the London merchants to ship goods to the retailers in the

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[1] P.R.O., T. 29/62, f. 422: Treasury Minutes 8 Feb. 1791; T. 29/63, f. 443: Treasury Minutes 12 Oct. 1791.

[2] F. Ouellet, Histoire Economique et Sociale, pp. 125-28.

[3] For notes on Antrobus, Lindsay and Lilly see Appendix B, below.

colony, 'as they are doing business almost at a certain loss. He /Lindsay/ would not trust one of them excepting Lilly. The goods are selling daily at 20 per cent under the prime cost', and trade was not expected to pick up before another two years were out.[1]

But retailers were not the only ones with problems. Spirits had been among the most popular articles of wartime speculation and the sudden advent of peace had found the market grossly overstocked. The speculators (the Frobishers and Todd & McGill for instance), as well as the distillers (for example William Grant, Jacob Jordan and Thomas McCord) could not but be affected by the inevitable fall in prices. Merchants in the Gulf and Labrador fisheries, such as William Grant and Adam Lymburner, experienced serious failures in 1782 and again in 1784.[2] Dealers in wheat and flour suffered from poor harvests in 1781, 1782 and 1784; although there was an improvement in the crop after that until 1788/89, wheat prices in the metropolitan markets were low, and in 1786 stood at only 1761 levels.[3]

Fur merchants too, experienced damaging delays and uncertainties as a result of the Peace of 1783 which brought unrest to the area south of the lakes. The years 1785 and 1786 appear to have been particularly difficult as a number of factors which afflicted the fur traders throughout the post-war years came to a head. Complaints about the continued restrictions on private navigation of the lakes welled up, and a concession allowing private canoes and bateaux on Lake Ontario

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[1] L.B. Wright and M. Tinling eds., Quebec to Carolina, p. 22: Quebec, 21 May 1785.

[2] P.A.C., Jacobs Papers (series 3), vol. 20, f. 2755: Wm. Grant to Jacobs, 29 April 1782; ibid., vol. 22, f. 3031: Grant to Jacobs, 10 June 1784.

[3] J. Hamelin et F. Ouellet, 'Le Mouvement des Prix Agricoles dans la Province de Québec 1760-1851', in C. Galarneau et E. Lavoie eds., France et Canada français.

proved of little value. There were complaints of partiality in allotting the use of government vessels, which any way were so busy carrying the government's stores that they had little room for the merchants' goods.[1] James McGill reported that returns from the Detroit area in 1785 were likely to be well down because of the late arrival of the trade goods there. The merchants at that place feared that, unless private vessels were allowed on the lakes, most of the trade of the southern region would fall to the Americans.[2] Many agreed with Hugh Finlay that 'How the safety of the Province is to be endangered by permitting decked craft to ply on the upper Lakes is past my comprehension.'[3] Then, in 1786, Lieutenant Governor Hope stunned the merchants by demanding immediate payment of the outstanding lakes freight charges - a sum totalling £29,419 (New York). When the merchants refused to pay at so short notice, Hope threatened legal action.[4]

In addition to the problem of lakes transport, 1786 saw an Indian war which reduced fur returns.[5] Moreover, low prices for skins in England put a damper on an increase in trade, and James McGill confessed to William Edgar that 'I should be happy were our /~Todd & McGill's_7 Interest in it less than it now is'.[6] In 1788 Joseph Frobisher reported that the North West Company intended temporarily to

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[1] P.R.O., C.O. 42/47, f. 255: Merchants to Hamilton, 2 April 1785.

[2] B.M. Addit. MSS., 24,322 (Misc. letters and papers), ff. 106-107: McGill to Hugh Finlay, 5 July 1785.

[3] Quoted, D.G. Creighton, Commercial Empire of the St. Lawrence, p. 97.

[4] P.R.O., C.O. 42/49, f. 230: Hope to Sydney, 24 May 1786; ibid., f. 233: Montreal merchants to Hope, 24 May 1786.

[5] P.A.C.,"S Series", vol. 30, f. 9617: Montreal merchants to John Johnson, 13 April 1786.

[6] P.A.C., Edgar Papers, vol. 3, f. 1069: McGill to Edgar, 4 April 1786. Edgar himself seems to have moved into what he calls the 'East Indian Business'.

contract rather than extend the scale of its operations in view of the poor state of the market.[1]

Behind all these difficulties lay a nagging uncertainty about the fate of the posts - if and when they would be given up to the Americans. James McGill inquired anxiously of Hugh Finlay in July 1785 if he knew whether they were to be surrendered that year, for he was much concerned.[2]

This general stagnation of trade, coupled with Haldimand's court proceedings, placed many on the verge of bankruptcy, and seriously impaired their ability to repay either Cochrane or the London Canada merchants, who complained frequently of the slowness of returns from Canada.

But the Quebec merchants were caught in a cleft stick and could do little. The situation of Samuel Judah of Montreal exemplifies well the plight of many. At the war's end, Judah found himself heavily in debt to the London house of Amos Hayton, and when Edward William Gray, the latter's attorney in Montreal, came to recover the debt, he found Judah's affairs in a much worse state than he had at first thought. Judah's debts totalled £31,747 and he had greatly over-valued his own assets, which he had reckoned at £40,040. Much of this Gray considered to be bad debts of one kind or another; Judah was owed £6,718 by Congress, in American paper, or by persons residing in the United States; a further £2,500 were bad Canadian debts. Gray also reported that the

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[1] P.A.C., McTavish Frobisher Papers, ff. 59-62: J. Frobisher to John Brickwood, 30 June 1788. The low level of prices was partly due to the war between Russia and China; the former took some 25% of fur re-exports from England.

[2] B.M. Addit. MSS., 24,322 (Misc. letters and papers), ff. 106-107: McGill to Finlay, 5 July 1785.

value of Judah's houses and lands had been hit by the fall in real estate values in Canada since the peace, and besides, there was already a mortgage on his house for £850. Matters had been brought to a head when Taylor & Forsyth could not be persuaded not to sue Judah for £3,777 which he owed them. In Gray's opinion, £500 was all that could be expected from the estate in the present circumstances, and he advised Hayton that his personal presence was required.[1]

By December, Gray had managed to raise £3,000 to £4,000 from various of Hayton's creditors, but now faced the problem that there were no bills available at any price with which to remit it.

Economic conditions in Canada showed no signs of immediate improvement, and the situation became so worrying that there appears to have been some tension within the ranks of the English-speaking business community. John Raymond inveighed against the Scottish merchant clan in Quebec City and their 'hidden, secret and devious' business methods, declaring that an Englishman was meant to rule over them. Few houses were able to keep on a good footing with London,[2] and Robert Hunter junior (son of the well-known Canada merchant) was appalled at what he saw: 'There's terrible work going on here', he wrote from Montreal in June 1785. 'Almost every day a bellman goes about to cry the goods, of people that are bankrupts, to be sold at vendue.'[3] 'Things are in the most wretched state in this province, he continued. 'People are breaking every day, and goods, of course,

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[1] P.A.C., Gray Papers, vol. 2: Gray to Hayton, 2 Feb. 1784.

[2] P.A.C., Jacobs Papers (series 3), vol. 22, f. 3035: Raymond to Jacobs, 12 June 1784.

[3] L.B. Wright and M. Tinling eds., Quebec to Carolina, p. 52: 17 June 1785.

selling at half their value.'[1] Edward William Gray, the sheriff of Montreal, confirmed the visitor's impression:[2]

> There have been so many capital and astonishing Failures in this Town lately, and in consequence so many public sales, that they have almost put a total stop to any regular Trade, and reduced the price of Goods far below the first Cost for ready Money, and the times are so very critical that it is extremely hazardous to sell upon credit.

When, in 1785, a group of London merchants arrived in person in Canada to recover the money owed to them, they 'rais'd such a Hurricane', according to Alexander Henry, 'which will Destroy most of the houses in this Town [Montreal] '.[3]

By this time naturally enough, many of the London Canada merchants were getting desperate because of the way remittances had almost totally dried up since 1783. Phyn & Ellice reported that:[4]

> Every person in the American trade is so distressed by the slowness of remittances & low price of produce, that money was never known so scarce, the consequence will soon be felt & many must sink under their present engagements.

There was also uncertainty about the details of the forthcoming Anglo-American commercial agreement and how it would affect Canada, and many houses were reluctant to send out goods until its terms were known. Investment in the Canada trade was cut back, and there were rumours in 1784 that only those able to pay would be receiving goods from England

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[1] L.B. Wright and M. Tinling eds., Quebec to Carolina, p. 52, 20 June 1785

[2] P.A.C., Gray Papers, vol. 3, Gray to Morland, 27 June 1785. The large quantities of goods offered for sale at public auction had the effect of diverting trade from the retailers' shops and lowering the prices they could expect to charge. See A.L. Jensen, Maritime Commerce of Colonial Philadelphia, pp. 122-23.

[3] P.A.C., Edgar Papers, vol. 3, f. 1022: Henry to Edgar, 23 June 1785.

[4] Ibid., f. 1020: Phyn & Ellice to Edgar, 15 June 1785.

that year.[1] In 1786 John & Robert Barclay refused many orders from Canada for this reason.[2]

To some extent this temporary reduction in imports was a good thing for it helped to restore a proper balance between supply and demand. But more serious than the temporary cut backs, was the permanent or almost total withdrawal of several London houses from the Canada trade as a result of the economic and legal/constitutional situation there. Robert Rashleigh told Pierre Roubaud in 1785 that he had withdrawn all his funds from Quebec, and Brook Watson's old trading partner appears in future to have concentrated his resources primarily on Nova Scotia.[3] In 1788 too, Dyer Allan & Co. informed the directors of the North West Company that they wished to give up their share of supplying the north west trade.[4]

The case of Richard Morland & Co. illustrates well the predicament and reactions of many of the London Canada merchants in these years. One of their largest debtors was McKenny & Caldwell[5], whose debt in 1783 totalled over £22,000. Morland & Co. asked for repayment of at least £13,800 that year - a totally impossible sum - and by the summer of 1785 McKenny & Caldwell had only been able to reduce what they owed to £17,580.[6]

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[1] P.A.C., Jacobs Papers (series 3), vol. 22, f. 3035: Raymond to Jacobs, 12 June 1784.

[2] P.A.C., Gray Papers, vol. 3: Gray to J. Fraser, 15 May 1786.

[3] P.R.O., C.O. 42/20, f. 190.

[4] P.A.C., McTavish Frobisher Papers, ff. 59-62: J. Frobisher to John Brickwood, 30 June 1788. The other suppliers of the trade, Brickwood Pattle & Co., were reluctant to take on the whole business and so Dyer Allan's share went to Phyn & Ellice. Dyer Allan may have had to withdraw for financial reasons; they appear to have been large suppliers of Shaw & Fraser and would have been hard hit by that firm's plight as a result of Haldimand v Cochrane. P.R.O., C.O. 42/18. f. 105.

[5] See Appendix B, below.

[6] P.A.C., Jacobs Papers (series 3), vol. 47: McKenny & Caldwell Accounts, March 1782 to June 1785.

Morland's first reaction to the failure of remittances from Canada was to raise his commission from 2½% to 3½% in 1783, a move that did little to help either him or McKenny & Caldwell, and in March 1784 the Quebec firm still owed £20,135. Morland complained that the smallness of their returns had placed him 'on the edge of a possible fatal precipice', in consequence of which he felt unable to ship them any more goods until their debt was paid.[1] Within a month Morland wrote that in view of the change in the state of affairs in Canada the firm had decided to contract its business there, and in future would deal only with those who were punctual in making returns.[2]

The Quebec economy never fully recovered before 1791 from the traumatic experience of these years; its immaturity made it too vulnerable to outside influence and meant also that its resistance to any malaise was low. But by about 1787 the worst seems to have been over. The year before, Dorchester's commission had reduced the amount of the original judgements obtained by Haldimand against Cochrane's debtors. Even if it took several years for some of them to pay off their debts, at least the immediate pressure on them and their resources was relieved.

It was by the late summer of 1786 that James Morrison had managed to pay off the bulk of his £9,000 obligation to Gregory & Turnbull of London, and he felt confident that trade would soon revive provided the upper country was retained. By 1788 he had entered a new and more profitable branch of trade - the sale of spirits. The previous

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[1] P.A.C., Jacobs Papers (series 3), vol. 49: Morland & Co. to McKenny & Caldwell, 10 March 1784.

[2] Ibid., Morland & Co. to McKenny and Caldwell, 2 April 1784.

years had left their mark however, and he vowed never again to sell on credit; in future 'cash will be the thing'.[1]

And it was in 1787 too, that Edward William Gray at last contrived to obtain bills (for £1,270) for Richard Morland & Co. He even reported good prices for some items which were now coming into short supply, though money too was still scarce.

II

The impact of Haldimand's proceedings against Cochrane was not confined to the economic sphere alone, but linked together closely the whole question of commercial improvement with that of political and constitutional reform in Quebec. The case highlighted all that seemed to be wrong with the existing constitution as established by the Quebec Act, and roused opinion as almost nothing else could have done. It showed just how far the executive had progressed towards achieving control over the judiciary, in defiance of the most fundamental tenets of the British constitution; it demonstrated how easily in these circumstances French laws could be turned to anti-commercial purposes; and it convinced the merchant community that the governor was a narrow military man who either did not care or did not understand the needs of commerce. There was now strong feeling that Haldimand, and with him the whole "system of the Generals" must go,[2] to make way for representative government by means of which the business community could make Quebec safe for commerce. An assembly would not have

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[1] P.A.C., Lindsay-Morrison Papers, f. 509: Morrison to Amos Hayton, 10 July 1786.

[2] While Haldimand's action had made him exceedingly unpopular in commercial circles in Quebec, there is some evidence that the merchants also blamed Cochrane for what had happened. Writing in 1787 Joseph Frobisher for one referred to Cochrane's 'misrepresentations'. P.A.C., McTavish Frobisher Papers, vol. 3, ff. 10-13.

acquiesced as the council had done in the way Haldimand had proceeded against Cochrane, first seeking advice from Mabane, and then allowing him to sit in judgement over Cochrane's debtors; only an assembly could provide the financial encouragement and protection needed if the economy was not to be sold down river in the forthcoming commercial treaty with America, as it had been by the Peace of 1783. An assembly therefore, with power to introduce English laws and legal practices, was now more than ever the first essential.

For their part, the supporters of the Quebec Act (now more and more on the defensive) rarely missed an opportunity to insinuate that it was Cochrane's debtors who lay behind the agitation for reform, hoping thereby to wipe out their debts to government. The degree of political turbulence that ensued was fully as great as the economic turmoil which the colony was witnessing and cannot be separated from it.

The first manifestation of the new determination among the reformers came in the autumn of 1783 when a delegation led by William Dummer Powell and two Canadian fur traders, Jean-Baptiste Adhémar and Jean Delisle, left Quebec for London with a petition for an assembly. It asked for the repeal of the Quebec Act, representative institutions, habeas corpus as part of the constitution, English commercial law and optional juries. Canadian law on real estate, dower, marriage settlements and inheritance was accepted, but the request for 'men of jurisprudent learning' on the bench was a calculated provocation to the leaders of the official party, Mabane and Judge John Fraser.

Haldimand refused to approve the proceedings, reaffirming his support for the Quebec Act as adequate and acceptable to the mass of

Canadians. At the same time he set about undermining the reformers' chances of success in several letters to North, in which he set forth his own political philosophy and cast aspersions on the character and motivation of the reformers. He spoke of confusion and illegality surrounding the organisation of support for the petition, and told North that he considered the fact that Adhémar had written a circular letter to the captains of the militia 'a dangerous Innovation, and an imitation of the Conduct which the Seditious in the neighbouring Colonies had held at the Commencement of the Rebellion.'[1]

Once again Haldimand stressed the need to secure the loyalty of the Canadians if Quebec was to remain British, in order to effect which:[2]

> The Authority of Government must be Strengthened . . . . in order to keep this Country dependent upon Great Britain no change should be made in the Act of Parliament which regulates it . . . . Alterations ought to be made with prudence and discretion, and no doubt the Legislative Council will do it at the proper time [3]. . . . The Saving by having a House of Assembly £12,000 pr. Annum cannot be put in Competition with the many and bad consequences which would attend the measure.

Aware that Maseres had shrewdly advised the old subjects to secure the support of the loyalists, Haldimand now assured North that they had suffered too much from assemblies to want to see them established in Quebec,[4] thus undermining one of the reformers' best arguments.

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[1] B.M. Addit. MSS., 21,717 (Haldimand Papers), pt. 2, f. 170: Haldimand to North, 14 Oct. 1783.

[2] Shortt and Doughty, 2: 735-37: Haldimand to North (Private), 24 Oct. 1783.

[3] Haldimand had shrewdly told North of his intention to introduce habeas corpus at the next session of the legislative council.

[4] Shortt and Doughty, 2: 738: Haldimand to North, 6 Nov. 1783. This was, of course, only Haldimand's personal opinion, and an incorrect one at that.

The governor then attempted to damage the credibility of the petitioners with insinuations which were not new, but were nonetheless very effective in the current circumstances, and illustrate how commercial and political considerations were bound together as part of a continuing strand in Quebec's development. He informed North that:[1]

> In Proportion as they have been Enemies to their Country since the Commencement of the Rebellion, have been lukewarm to its Interests, or have participated in the depredation and abuse which have been made of the Public Money, they are found in encouraging Petitions against the Constitution of the Province as established by Law.

Playing upon the traumatic experience of recent years he hinted that 'Some wish a form of Government, which may prepare the People for an Union with them [the Americans].'[2] He did not hesitate to point out that William Dummer Powell, who would soon be arriving in England with the petition, was a native of Boston and had lately returned from there. Haldimand was prepared to admit that some of the petitioners were men of good conduct and moderation,[3]

> Who have been led into the Business from an Apprehension that in Case there is no authority in the Legislature here to impose taxes or Levy duties, the Americans may by some clause in the Commercial Treaty be enabled to hurt the Commercial Interests of the Country.

Haldimand also contacted Robert Hunter in London to whom he voiced his disapproval of the petition, hinting at the stand he hoped and expected the London Canada merchants to take on it:[4]

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[1] Shortt and Doughty, 2: 735-37: Haldimand to North (Private), 24 Oct. 1783.

[2] B.M. Addit. MSS., 21,717 (Haldimand Papers), pt. 2, f. 170: Haldimand to North, 14 Oct. 1783.

[3] P.R.O., C.O. 42/45, f. 4: Haldimand to North, 14 Oct. 1783.

[4] B.M. Addit. MSS., 21,727 (Haldimand Papers), f. 233: Haldimand to Hunter, 2 Nov. 1783.

> I have to regret that they [the Quebec merchants], neglectful of their True Interests are busying themselves in Making and Transmitting Petitions from which little or no good can result. They flatter themselves that the Merchants in London who trade to this Country will take an active part with them and will embarrass the King's Ministers at the time when they are making Regulations conducive to the Safety of the Province and its utility to Great Britain, with schemes of Government ill adopted for these purposes. I hope you and the other Merchants will discourage such attempts.

It was a shrewdly directed shaft, and by reinforcing old prejudices and sowing the seeds of new ones Haldimand had prepared the ground well, and when there appeared a Canadian counter-petition which showed the great division of opinion in Quebec, Powell, Adhémar and their associates were as good as beaten. Hunter was reluctant to move in support of their petition because Adam Lymburner and several other of his old friends at Quebec had not signed it, and he himself was not yet convinced that the province was ripe for a great change.[1] William Smith, soon to be appointed chief justice of Quebec, was shown the document by Thomas Powis M.P.[2], who introduced it into the Commons; he noted that it came from the protestants only and thought it partial in several particulars.[3] Most important of all, Lord Sydney, a conservative by temperament, swallowed Haldimand's views and his bait about bringing in habeas corpus, and declared that he was satisfied that any further relaxation of the powers of government in the present state of the province, would be 'extremely detrimental to its true interests', and that 'these propositions have been brought forward by designing men whose attachment to this Country appears to me to be

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[1] B.M. Addit. MSS., 21,735 (Haldimand Papers), f. 409: Hunter to Haldimand, 4 April 1784.

[2] See Appendix B, below.

[3] L.F.S. Upton ed., Smith Diaries, 12 Aug. 1784.

very doubtful'.[1]

Though the petition of 1783 achieved nothing, it is interesting as providing yet another example of how economic problems could not be separated from political and constitutional ones in Quebec. The events leading up to the petition are unclear - certainly the coming of peace made the renewal of agitation more likely - but Haldimand for one believed that commercial considerations lay behind it, and even if we cannot accept his account of the reformers' motivation in toto, there can be little doubt that commercial problems (in so far as they can be separated from political and constitutional ones) played a most important part. Two things in particular lay at the root of the agitation. The first was the legal action taken by Haldimand in the Cochrane affair, which resulted in the first judgement in the governor's favour in June 1783; and the second was the uncertainty about the terms of the impending commercial treaty with America, under which it was feared that Quebec's interests would be sacrificed as they had been in the Peace treaty. An assembly with powers to raise money for the encouragement of exports through bounties and to levy protective duties on imports, was considered to be the only answer to the grave problems facing the domestic industry and overseas trade of the colony.

The effects of Haldimand's legal proceedings though was the greatest spur to the renewal of agitation, in which Cochrane himself played an active and 'very essential part'.[2] None, not even the

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[1] P.R.O., C.O. 42/46, ff. 49-50: Sydney to Haldimand, 8 April 1784. Sydney's last remark is a tribute to the effectiveness of the official "propaganda" which had been emanating from the Château St. Louis since the conquest.

[2] P.A.C., Powell Papers, vol. 1, f. 340: Monk to Powell, no date (autumn 1783).

Canadians had escaped the shock of its reverberations, which affected new and old subjects alike and was perhaps the one thing that could have united them. For years there had been disillusionment in certain circles of Canadian society about the workings of the Quebec Act. Many in the middle ranks - lawyers, merchants and notaries - were irritated at the new power and prestige which the seigneurs had acquired under it; but it may have been the shock of Haldimand's action that at last pushed them into the arms of the British reformers in Quebec, and this may explain why merchants, such as Pierre Guy, Pierre Forêtier and **Jacques** Perrault were prominent among the still small numbers of Canadian reformers.[1] There were of course inevitable accusations that they were either Cochrane's debtors or else owed money to the old subjects, who were using this as a lever to force them into signing the petition; but these were no more than unsubstantiated insinuations.

Nevertheless, it is true that the Canadian reform group was not large or united. Adhémar and Delisle had been sent to London not only to achieve political redress, but to ask for French priests for Quebec, and for many the latter was more important. Jacques Perrault had tried, but failed to unite opinion on the instructions to be given to the two emissaries on civil government. Unity on the question of the priests was easier to obtain, and by his own admission it was not until he had failed to move the British government on this question that Adhémar was finally convinced of the need for an assembly.[2]

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[1] For notes on Guy see Appendix B, below. Another reason why Canadian merchants may have come to favour an assembly was their greater contacts with the old subjects in the course of business.

[2] H.M. Neatby, Quebec, p. 197. Adhémar stayed in London till the summer of 1786, though Delisle went home two years earlier. The Canadians evidently felt the need to have one of their own in London to look after their interests.

But the new subjects were not unique in their disunity. The letters of Attorney General James Monk reveal that the old subjects too were divided by personalities and policies. Writing to Powell at Montreal in the autumn of 1783, Monk told how it seemed impossible to get agreement among the Quebec committee. Apparently William Grant and Robert Lester had 'succeeded to overturn and defeat unanimity' in the capital. Their reason, in Monk's view, was that they thought it demeaning that Quebec, as the capital of the colony, should have to accept the lead from Montreal (the 'Inferior part of the Province') in drawing up the details of the petition. Consequently, when the petition from Montreal arrived for perusal by the Quebec committee, Grant and Lester tried to decimate it by moving that several very important clauses be struck out or modified. They proposed to 'leave out the Idea of <u>qualification</u> of the members, & ask only for a House of Assembly, as that would admit of Catholics', to omit the clause respecting the judges and that concerning the introduction of English commercial laws. 'In short', wrote Monk, 'if any Petition was to be deemed proper, it seemed to be one that would oppose itself to, & defeat the Montreal one'. Monk's attitude to Grant in particular was one of considerable hostility; he found it extraordinary that the committee had ever agreed to admit to their meetings a man who had declared he would not put his name to any petition. It would appear that Grant, who was on the point of sailing for London to report to the Treasury on his activities as Deputy Receiver General of Quebec, wanted to be charged with chief responsibility for organising support for the petition in London, in place of Francis Maseres,[1] and Monk

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[1] Monk speaks of the 'invidious resentment' of some leading men against Maseres, so that 'he is opposed violently'. P.A.C., Powell Papers, vol. 1, f. 247.

urged **Powell** to get the Montreal petition to Quebec as soon as possible, before Grant had time to organise a counter-petition in the capital.[1]

Their disappointment in 1783 though only served to encourage the reformers to new and greater efforts. As it transpired, the petition of that year was only the prelude to a furious burst of political energy that was to be released late the following year in the largest, most comprehensive and most important petition to appear since the conquest. The petition of 24 November 1784 was the practical basis of the reformers' programme until the Constitution Act of 1791.

Haldimand was anxious to return home at this time, but he was far from prepared to wash his hands of Quebec. True to his word, he did begin to relax the wartime rigour of the "system of the Generals" by introducing an ordinance for habeas corpus into the council in April 1784; but it was a limited measure that did not satisfy the old subjects, who wanted habeas corpus as a right, as part of the constitution, not as a privilege to be granted every two years by a vote of the council. Under the chairmanship of Lieutenant Governor Henry Hamilton the debate was unusually fast and free. The reformers, led by William Grant, took the opportunity to introduce a motion in support of the petition of 1783. Haldimand was displeased that this relaxation of the system should have been made the occasion for the introduction of 'declarations of Right and other Matters foreign to the Subject', which appeared to him to 'breath a spirit not unlike that which actuated some of the public Assemblies in the other

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[1] P.A.C., Powell Papers, vol. 1, f. 340 et seq. At the end of this letter, interestingly enough, Monk asks Powell not to tell anyone that he has written to him - 'say Cochrane or someone has written to you'.

Colonies at the beginning of the late Troubles'.[1] It seemed to confirm information he had received that certain councillors (including the lieutenant governor) had secretly encouraged the petition of the previous year,[2] and it convinced him (if he needed convincing) of the dangers of constitutional alteration except of the most considered and limited kind. Time had only increased his admiration for the good effects of the Quebec Act.[3]

But Haldimand's time was near, as his request for leave had been granted. Yet it was with a sense of unease that, in mid-November 1784, he sailed for England, leaving Quebec in the hands of Lieutenant Governor Henry Hamilton.[4]

Haldimand had good reason to doubt his successor's attachment to the old system. Hamilton, though an old soldier, was now a civilian (the first to govern Quebec) and he had imbibed many of the attitudes of that breed. His political philosophy reflected this:[5]

> If anything can . . . hasten the disaffection of the Canadians to the British Government /he wrote to Sydney/ it is the idea which some few men entertain and which seems to govern their reasonings and actions, that a military system alone . . . can retain the people of this colony in their allegiance. An enquiry into the character consequence and unbiased disinteredness of these few persons . . . would satisfy your Lordship that they cannot have the confidence of the people at large, wanting fortune, activity, information and public spirit.

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[1] P.R.O., C.O. 42/46, f. 155: Haldimand to Sydney, 29 June 1784.

[2] Ibid., f. 206: Haldimand to Board of Trade, 6 May 1784.

[3] P.R.O., C.O. 42/47, f. 126: Haldimand's Letters of Instruction to Hamilton, 14 Nov. 1784.

[4] See Appendix B, below.

[5] Shortt and Doughty, 2: 777-80: Hamilton to Sydney, 20 April 1785.

He recognised that the old ways were rapidly being left behind by the changes which Quebec had witnessed since the war, especially the loyalist immigration, and expressed the wish that 'the Canadians should participate with the old subjects in all the advantages of the English constitution'. In this Hamilton was nearer to the reformers' position than any governor before of after, and to them his attitude towards political activity came as a breath of fresh air:[1]

> I receive all applications from the highest to the lowest. I wish to render Justice to all. If petitioners are not heard, how shall abuses be reformed! - if I have not the confidence of the people at large, I shall be a stranger to their discontents, till they break out in murmurs and it may then be too late to apply a remedy.

The heady wine of freedom soon intoxicated the old subjects, and within a week of Haldimand's departure meetings were being held to organise a new, large and comprehensive petition.

On 24 and 30 November the advocates of reform gathered at Montreal and Quebec; from these meetings emerged the petition of 24 November 1784 which remained the basic charter of the reform party down to 1791. Though precipitated by Haldimand's departure, the underlying causes of the petition were those of 1783, and the two documents are similar in fundamentals.

The main call, once again, was for representative institutions, and a detailed Plan for a House of Assembly was drawn up, though it was kept separate from the petition and was not presented to the British government until 1789. The scheme envisaged a house of up to 70 members, the towns of Montreal and Quebec having thirteen representatives each, and that of Three Rivers, two. City electors were to have property valued at £40 sterling, and country voters land of at

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[1] P.R.O., C.O. 42/47, f. 234: Hamilton to Sydney, 20 April 1785.

least one and a half acres in front by 20 in depth, of which the voter had the absolute property. Candidates on the other hand, had to have real estate in the form of land or houses, with a yearly rental value of £30 sterling. The assembly itself, meeting at least once a year between January and May, was to have freedom of debate and sole power to originate taxes or other money raising laws.[1]

The Plan was kept separate from the petition itself which opened with the by now traditional reminder of the promise of an English constitution made in 1763. It went on to argue that the immigration of old subjects which had been envisaged then and which had prompted the promise, had now come to pass with the arrival of the loyalists; the grant of an assembly would complete their happiness and amply demonstrate His Majesty's care for them. The proposal was for a triennial assembly composed of both new and old subjects, and a council of 30 or more, appointed for life or during residence.

Canadian law on landed estates, marriage settlements and the like was to be continued along with English criminal law, but subject to alteration by the Quebec legislature. English commercial law should be introduced, again with room for local adjustments. Habeas corpus should be made part of the constitution, and there should be optional juries in all civil suits. The assembly was to have power to elect sheriffs, and the governor was to be forbidden to suspend any civil or judicial officer, or create any new offices without the consent of the council. Judges were to hold office for life, subject to good behaviour, and all motions for their removal had to come through the assembly. Finally, in view of the proximity of the

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[1] Shortt and Doughty, 2: 753-54: Plan for a House of Assembly, November 1784.

United States and the care needed in framing internal legislation for trade and agriculture, it was proposed to give the assembly the power to lay the necessary taxes and duties for the protection and encouragement of commerce, as well as for the maintenance of civil government.[1]

It was in many ways a fascinating document. A number of its clauses had appeared in almost every petition since the conquest, for example those relating to jury trial, habeas corpus and English commercial law. Others were the product of the abuses of the "system of the Generals", especially those relating to the suspension of officers and the independence of the judiciary.

More novel were the detailed proposals drawn up for the assembly, and in this context the observation of an anonymous commentator is interesting; he remarked how 'such as have acquired landed Property in the Province' were among the strongest proponents of representative institutions.[2] The eagerness with which many of the old subjects who came to Canada after the conquest purchased various kinds of real estate - houses and lots in the towns and anything from farms to seigneuries in the countryside - is a phenomenon about which historians have occasionally remarked, but which none has yet fully attempted to investigate and explain. For men with money to spare, real estate was a natural outlet for surplus capital; it might provide social prestige and perhaps even agricultural profits for some. In addition it was good security for the advancement of credit from London, and as such was a useful asset in a merchant's commercial transactions; indeed a number of Quebec merchants seem to have

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[1] Shortt and Doughty, 2: 742-46: Petition for House of Assembly, Nov. 1784.

[2] B.M. Addit. MSS., 21,885 (Haldimand Papers), f. 346 et seq.: Anon, Opinion upon the Repeal of the Quebec Act (no date).

ended up mortgaging their estates to their London correspondents. This sort of investment in land was natural, but it was not common for any but prosperous colonial merchants to invest much money in land (especially in an agriculturally backward colony like Quebec with its "feudal" tenure system), and only a handful of merchants in Canada can have had surplus capital which could not be more profitably employed or which was not needed in trade. The initial movement towards land in the colony is understandable in view of the anticipated inflow of old subjects after the conquest;[1] but when this did not materialize we might have expected to find a move away from land. However, the property columns of the Quebec and Montreal Gazettes reveal a steady stream of activity in the real estate market. William Grant was a prosperous businessman and considerable landowner; by 1788 he had acquired control or a part share in six seigneuries. Others like him included George Allsopp, Adam Lymburner, Thomas Dunn, John Antrobus, David Alexander Grant, Jacob Jordan, Simon Fraser senior, George Davison and the firm of Davison & Lees. More surprising is to discover smaller men such as Matthew McNider, James Curchod and Zachary Macaulay investing in land. Macaulay had, among other property, land at Cap Rouge about 160 square acres, as well as three houses in Quebec and a plot of land 160' x 80' in extent.[2]

In the absence of more research it is impossible to give a full and accurate assessment of the psychology behind the interest of

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[1] Ouellet finds that within the first decade of British rule, old subjects had purchased 24 seigneuries, 3 part seigneuries and 10 arrière-fiefs. See Ouellet, 'Le Régime Seigneuriale dans le Québec 1760-1854', in C. Galarneau et E. Lavoie eds., France et Canada français, p. 168. In 1787 the merchants of Quebec estimated that they owned property worth over £368,000 in the districts of Quebec and Montreal: P.A.C. "S Series", vol. 32, f. 10416.

[2] Quebec Gazette, 8 Aug. 1782, 9 Jan. 1783, 4 May 1786.

so many merchants in land. But we may tentatively extend the hypothesis that for some at least, especially those like Grant, Lymburner, Allsopp and Macaulay who were politically aware and active, ownership of land was thought to be the road to political respectability and, through a seat in the assembly, an avenue to political power when representation was finally granted. Some credence is given to this by the fact that, in its tentative plan for an assembly drawn up in 1769, the Board of Trade specifically stated that those who stood for country seats would have to have a seigneurie, either in their own or their wife's right.

But not everyone shared the blithe confidence of the merchant reformers that the commercial interest, or even the old subjects in general, would automatically dominate an assembly if one were granted. Significantly, one of those who was beginning to have doubts was Hugh Finlay, one of the staunchest advocates of just, well-considered but substantial reform. Commenting on the call for an assembly of November 1784 he wrote:[1]

> For my own part, I do believe most seriously that the Province is not under circumstances to render a House of Assembly beneficial or pleasing to the People; I think that there would be but few of His Majesty's Ancient Subjects returned. A House composed of New Subjects (perhaps led in their deliberations by the Clergy) would be but ill-fitted to make laws for a commercial country. I know the old Subjects flatter themselves that English merchants will be returned to represent the towns, and that they would have influence enough to carry whatever wholesome laws they might propose, but that is far from being a clear case . . . . The British born subjects settled here, and the Loyalists who have lately come into the Province (say seven or eight thousand) will never be at rest until they obtain an Assembly, but

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[1] P.R.O., C.O. 42/17, f. 2: Finlay to Skene (?), 14 Jan. 1785. Finlay's arguments were echoed by George Pownall, Secretary of the province, and a supporter of the Quebec Act with some alterations in favour of commerce. P.R.O., C.O. 42/16, f. 82: George Pownall to John Pownall (extract), 11 Nov. 1784.

> they must in reason agree that it can never be just for the lesser number to insist on a Constitution disagreeable to a Majority of the People.

It was not long before those claiming to represent the "Majority of the People" issued their counterblast to the petition of 24 November. While agreeing in principle to the clauses favouring English criminal law and habeas corpus, and those calling for an independent judiciary and a reduction of the governor's powers of suspension, they had major criticisms to make of the central plank - the demand for an assembly. They wanted to know what proportion of new to old subjects there would be and, as in 1783, claimed that the war had left them with insufficient money to pay the taxes an assembly would levy. They argued that the proposed power of local alteration completely destroyed the guarantee of Canadian laws of property and inheritance, and might also lead to English commercial law being turned to their disadvantage. As for jury trial, it was thought to work against the interests of the poor habitant who could not afford to leave his crops unattended.[1]

An assembly was the core of the reformers' demands; but it was also potentially the most emotive issue and one which the opponents of reform did not hesitate to exploit. As Finlay remarked, despite the old subjects' assumption that a majority wished to be represented, probably not one Canadian in fifty had even thought about an assembly, so alien was it to all he knew, and were it proposed to him 'he would readily declare his incapacity to Judge of the matter'.[2] In this situation of ignorance it was easy for the opponents of the

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[1] Shortt and Doughty, 2: 758-62.

[2] P.R.O., C.O. 42/46, f. 292: Finlay to Nepean, 22 Oct. 1784.

petition to frighten the inhabitants with exaggerated tales of the taxation an assembly would entail; it was an effective argument to use with a people who, even under French rule had never known taxation on a regular basis. From Quebec, Finlay reported that it was said that supporters of the Quebec Act in the district of Montreal had gone about telling the habitants that a house of representatives 'would lay a pot tax - tax their windows, chimneys, horses, cows, sheep and their lands'.[1]

The reformers had been afraid that the question of taxes might arise,[2] and when it did they knew the battle was well and truly joined. A lengthy denial was issued attacking the insinuations of their opponents.[3] In the coming months Quebec was to witness the most sustained and intense bout of canvassing since the conquest, as more people than ever before were approached by both sides in an effort to prove to Whitehall, through sheer weight of numbers, that they and not their opponents represented majority opinion in Quebec. The original petition of 24 November, carried from house to house for over seven weeks, was signed by 850 British and 1,500 Canadian inhabitants. Francois Baby[4] assured Haldimand that only the lower sort of people had put their names to the document, while the opponents of change had been the more respectable elements, and almost the only ones to stay loyal in 1775.[5]

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[1] P.R.O., C.O. 42/17, f. 1: Finlay to Skene (?), 14 Jan. 1785.

[2] B.M. Addit MSS., 21,866 (Haldimand Papers), f. 16: Finlay to Roubaud, 11 Nov. 1784.

[3] E.A. Cruikshank, 'Genesis of the Canada Act', pp. 185-6.

[4] See Appendix B, below.

[5] P.A.C., Baby Papers, vol. 9, f. 5222: Baby to Haldimand, 10 Jan. 1785. Although signatures continued to be collected those who signed constituted a fraction of the total population of perhaps some 3,000 to 4,000 old, and about 100,000 new subjects in the heart of the colony.

There were also suggestions, as in 1783, that those Canadians who had signed the reform petition had done so under pressure from British creditors in Quebec.[1] In reply, the reformers accused some seigneurs who opposed them of using illegal methods of obtaining the signatures of their habitants for the counter-petitions.[2]

The rush to secure names continued for a year or so and was attended by a constant barrage of accusations and counter-accusations alleging various kinds of irregularities. Even where there was no outright coercion however, there may have been deliberate misrepresentation. Mr. Nelson, the schoolmaster at Three Rivers, and all his loyal pupils, put their names to the reform petition after being assured that it was pleasing to the government.[3] Inevitably, many many others must have signed either from ignorance or with only a partial understanding of the issues involved. As the Montreal committee reported, 'Credulity, the eldest daughter of Ignorance' had spread quickly among the lower classes.[4] Surveying the goings-on from the council chamber in Quebec, Hugh Finlay concluded that 'The country people who have signed one or other of the Petitions, have been wheedled by their English friends, or intimidated by orders

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[1] P.R.O., C.O. 42/17, f. 103: Extract from a document by "Vos Vrais Amis Canadiens", encl. in Finlay to Skene (?), 10 Jan. 1785.

[2] Anon, State of the Present Form of Government of the Province of Quebec (London, 1789), pp. 175-76: A New Method of Procuring Signatures to the Petitions practised by the Promoters of the Counter-Petitions.

[3] P.R.O., C.O. 42/17, f. 196: Holland to Roberts, 9 Nov. 1785.

[4] P.A.C.,Baby Papers, vol. 9, f. 5256 et seq.: Montreal Committee to the London Committee, 28 Feb. 1785.

sent through their commander in the Militia line'.[1]

There is no way of substantiating these accusations; some may have had their roots in fact, but were probably then distorted and exaggerated in the telling. Both sides had a vested interest in blackening the character of the opposition, and it would have been surprising had there not been this exchange of abuse.

The presence of a large number of Cochrane's debtors among the reform leaders was certainly not surprising, especially as there was hardly a merchant of substance who did not fall into this category. A more interesting fact to emerge from a study of those who took a directing part in the political activity of 1784 is that quite a high percentage of them were retailers - those who, after 1783, had been hardest hit by the overstocking of the Quebec market.[2] Robert Lester, John Purss, John Antrobus, Nicholas Bayard, Matthew McNider, John Jones and William Wilson all carried on a significant retail business.[3] Their presence does seem to illustrate, once again, the connection between economic conditions and political activeness at the individual level.

Another point to arise is that several members of the committees were agents for prominent London firms who stood to lose heavily from

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[1] P.R.O., C.O. 42/17, f. 101: Finlay to Nepean, 10 Jan. 1785. Letters circulating in London at this time alleged that St. George Dupré and François Baby, the militia colonels at Montreal and Quebec, had displayed their military authority to frighten the Canadians out of signing the reform petition: P.R.O., C.O. 42/20. f. 154: Roubaud to Nepean, 15 April 1785.

[2] See pp. 175-76, above.

[3] Of those who were present in Quebec in 1773/75, Lester, Purss and Bayard did not at that time take a leading part in organising opposition to the Quebec Act. For notes on Lester, Antrobus, Bayard, see Appendix B, below.

the stagnation of trade in Quebec. Richard Dobie, John Barclay and his partner John Shoolbred were all agents of the house of John & Robert Barclay; Richard Lester was an agent for Phyn & Ellice, also of London. It may be that they had been urged to seek legal reforms which would facilitate the recovery of the large sums owed to their employers by merchants in Quebec.

It was early in the New Year that these men and their fellow delegates, representing both new and old subjects,[1] presented the petition of 24 November to Lieutenant Governor Hamilton for approval, describing the signatories as men 'of real Property or deeply interested in Trade'. On 24 February, Perrault l'ainé announced the departure of the emissaries who were to carry the petition to England.

In London, partisans of both sides were beginning to plan their coming campaigns. Mabane, Baby and other members of Haldimand's party kept the absent governor informed of events in Quebec in a series of gloomy dispatches. In the other camp, William Smith dined with Robert Rashleigh, and found there a table of English Canadians very free against Haldimand. They expected the reform petitions to arrive from New York at any time. Smith also received a visit from William Grant, who was in London at the time about his accounts as Quebec's deputy receiver general. He gave Smith more detailed information on the contents of the petition which made the future chief justice uneasy; he felt it went too much into particulars, and though basically sound, would not be granted. Grant confided to Smith that in his opinion such a disappointment of the colony's hopes would be its ruin,

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[1] Of the 16 old subjects, all but one can definitely be identified as merchants; 14 of the 21 new subjects were also certainly merchants, and the rest notaries or seigneurs. P.R.O., C.O. 42/47, f. 183: Petitioners to Hamilton, 3 Jan 1785.

though he did not forsee an immediate revolt in consequence because of the habitants' detestation of American republicanism.[1] At length, on 14 April, the Committee of London Canada merchants, armed with petitions and instructions from their counterparts in Quebec and Montreal, wrote to Lord Sydney requesting an interview.

Thomas Townshend, Lord Sydney, was by nature and temperament a conservative man. He had not greatly impressed William Smith when the two men had met:[2]

> Lord Sydney has a bad Utterance, & but a moderate Understanding. I should imagine him very unfit for his present Station. His thoughts are on the Surface, very scattered. He seems to be candid, he is reputed to be honest, but I can't believe him industrious or vigilant, certainly not profound; and he wastes Time at all his Audiences by talking himself, and upon subjects not relating to Business.

Sydney may perhaps be forgiven if his mind wandered from the fiercely perplexed and perplexing problem of Quebec, about which he was starved for reliable information. It had been decided that no decision could be reached until Haldimand had arrived in London. The minister himself was of the opinion that the question was an urgent one, and wrote to Pitt that the fate of Canada depended upon it.[3] By February 1785, when Smith, Grant and the London merchants were beginning their preparations, Sydney was reported to be 'much occupied with the Quebec arrangement'; Haldimand was with him frequently. It was said that the minister himself favoured the introduction of English government there - but very gradually and always with an eye for the rights of the Canadians.[4] But by March, discussion of the affairs of

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[1] L.F.S. Upton ed., Smith Diary, vol. 1, p. 202: 23 Feb. 1785.

[2] Ibid., pp. 152-3: 23 Oct. 1784.

[3] A.L. Burt, Old Province, p. 427.

[4] Upton, op. cit., p. 194: 11 Feb. 1785.

Quebec was beginning to take second place to the question of Irish trade.[1]

This was not a particularly surprising development. To Pitt, the latter was much more important, and , as petition followed petition from Quebec, Sydney's earlier sense of urgency vanished under the weight of uncertainty; the arrival of a petition from the loyalists at Cataraqui during the summer, asking for a separate district and English laws, added another dimension to the problem. Letters circulating freely in London in the spring of 1785 spoke of a revolution in Canadian attitudes so that they were now become Englishmen;[2] others though, contained assurances that most Canadians opposed the reform petition and supported the principle of the Quebec Act.[3]

American independence had made satisfaction of the different parties in Canada important if discontented elements were not to cast envious glances towards the democratic government of the States and be tempted to follow their example. But how was a balance to be obtained between new and old subjects in Quebec? In Britain there was a widespread antipathy towards assemblies. It was widely felt that one of the main causes of the American revolution had been an imbalance of power between the various branches of the colonial governments as they had existed, with too much authority concentrated in the hands

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[1] In 1779, Parliament had passed legislation allowing Ireland freedom to trade with British colonies in America, Africa and the West Indies, but they were still excluded from the carrying trade in colonial produce between Britain and Ireland. In 1785 therefore, Pitt sought to remedy this and other defects by an economic union of the two lands in return for an Irish contribution to imperial defence costs, to be drawn from the Irish Hereditary Revenue, under permanent provisions. This proved to be the main stumbling block in negotiations which dragged on until August 1785. See V.T. Harlow, Founding of the Second British Empire, vol. 1, pp. 558-616.

[2] B.M. Addit. MSS., 21,866 (Haldimand Papers), f. 53: Roubaud to Nepean, 15 April 1785.

[3] Ibid., 21,736 (Haldimand Papers), f. 19: Hope to Haldimand 22 Jan. 1785.

of the assemblies and too little in those of the representatives of the Crown. At this distance in time it is difficult to appreciate just how traumatic an experience the American revolution had been for Britain. The independence of the Thirteen Colonies meant not only the loss of her most valuable possessions, but it was also the first successful colonial revolt against a mother country in the history of any European colonial power. As a result, there was little enthusiasm for establishing an assembly in Quebec which might send that colony the way of the others. Besides, Canada presented an almost unique problem; Whitehall had felt able to grant representative institutions to the newly created province of New Brunswick in 1784, but in Canada there were two parties, both claiming to represent the majority opinion in the country. The precedents for representative government in these circumstances were not encouraging. When assembly rule had been introduced in Grenada (the other French possession handed over in 1763) there had been immediate clashes, with the Protestant members walking out as the Catholics took their seats. Governor Macartney had arrived in 1776 to find party feuds between Scots, English and French, with the former the most violent in their anti-Catholicism. These disputes continued until the French temporarily re-captured the island in 1779. Grenadan experience then, tended to suggest that an assembly only exacerbated and entrenched party divisions and factional spirit.[1] At the very time when the Law Officers of the Crown in England were looking into the whole question of the legality of the 1768 order in Grenada allowing Catholics into the council and assembly, it was difficult to take a decision on the

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[1] B.P. Dervas, The History of the Island of Grenada 1650-1950 (Grenada?, 1964), pp. 71-4.

future government of Quebec.

In these circumstances, the eradication of party spirit in Quebec rapidly became more important to Sydney than consideration of the petitions; it seemed to be an essential prerequisite to any change, and in mid-April Undersecretary Evan Nepean[1] hinted that new officers were to be appointed to Canada, 'not tinctured in the Parties of the Colony'.[2]

Smith, who was frequently in touch with Sydney and Nepean during these months about his hopes of going out as Carleton's chief justice in Quebec, kept in constant communication with interested parties in London, especially Brook Watson and Carleton, informing them of developments in official policy as they came to his ears. Watson, like Carleton, seems to have been opposed to giving Quebec an assembly immediately;[3] his main concern, not surprisingly in view of recent events in Quebec, was to see good and well administered laws prevail there,[4] and he impressed this upon Sydney in several meetings with the minister.

Watson's position was probably broadly shared by most of the London Canada merchants. By April they had received instructions from the committees in Canada, who promised them more signatures. Heeding Maseres' advice they intended, once the ice broke, to go to Cataraqui to canvass for loyalist support. They meantime suggested that the best line of attack for the Londoners would be one against arbitrary

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[1] See Appendix B, below.

[2] L.F.S. Upton ed., Smith Diary, vol. 1, p. 214: 14 April 1785. That same month Sydney wrote to Hamilton telling him to use his 'utmost endeavours' to 'allay the heats and dissentions' in Quebec. P.R.O., C.O. 42/47, f. 161.

[3] Upton, op. cit., p. 217: 17 April 1785.

[4] Ibid., p. 219: 21 April 1785.

government and for the rights of Englishmen.[1]

The London merchants swung into action on 14 April, the same day that they had requested an interview of Sydney. At seven o'clock that evening they held their first meeting of the new campaign. Pierre Roubaud sent a report of what had taken place to Nepean the following day:[2]

> Mr Paterson opened the meeting, by a long speech complaining of the impropriety of the business they were charged with . . . . He said that merchants loaded with their own mercantile affairs, were quite unqualified for the management of civil and political transactions [3]. . . . The instructions which they had received from their constituents . . . laid them under the necessity of admitting Mr. Maseres as their president . . . . Mr. Paterson said that such a submission was much injurious to the honor of the members of the comittee, as if their abilities were distrusted as insufficient.

After a long and tedious discussion it was decided to write to Maseres

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[1] P.A.C., Baby Papers, vol. 9, f. 5256 et seq.: Instructions to the London committee, 28 Feb. 1785.

[2] P.R.O., C.O. 42/20, ff. 158-59: Roubaud to Nepean, 15 April 1785. As Roubaud is our only surviving source for the activities of the Canada interest in the coming months, some assessment of his reliability as a witness is necessary. Under New France he had been a Jesuit missionary, but had turned Protestant after the conquest. Murray had sent him to London to provide the government with information, and he spent the ensuing years doing this and trying to eke out an existence from the various rewards of making himself useful to ministers. In some ways then, he is not the ideal source of information; Sydney apparently thought him a dubious character, though he found him useful as a source of news. During his long sojurn in London Roubaud had built up some useful connections, and though opposed to their cause, he had kept in touch with at least one of the reformers in Quebec - Hugh Finlay. There is no way of knowing how close to first hand Roubaud's account of events was, but even if we recognise that his political bias may have led him to exaggerate the split in the Canada interest, for example, his reports have the ring of authenticity and contain some impressive detail. Moreover, there would seem to be no good reason for him to have falsified his story, especially as Sydney must have had other means of verifying what Roubaud told him. On the whole then, it seems reasonable to accept the broad outline of Roubaud's account as containing a substantial measure of truth.

[3] Paterson feared that government displeasure might be incurred. Reporting to the Quebec reformers, Maseres remarked that most of the Canada merchants had commercial dealings with the government.

inviting him to accompany them when they went to see Sydney. Maseres though, took exception to this cool invitation as he had been told he was to lead the negotiations.

Roubaud's account provides a fascinating insight into the attitudes of the London merchants and the rift that was developing between them and Maseres and his associates - notably Thomas Powis M.P. and Pierre Du Calvet.[1] After the arrival of the 1784 petitions, Maseres and Powis, independently of the London merchants, had drawn up their own petition, less precise and wide ranging than that of 24 November, and had presented it to Sydney. The merchants now decided that, as it contained only half the demands of the Quebec petition they could not, in fairness to their friends in the colony, support it, deciding instead to present the Quebec petition in its original and unaltered form.[2]

However, Maseres was not the only one who was worried by the breadth of content and degree of detail in the Quebec reform petition. When William Smith discovered that the letters from Canada threatened a petition every six months until reform was granted, he urged Watson to advise a proper address so that Sydney, who disliked the particularity of the reformers' document, would not be offended.[3] Maseres and Smith were to be proved correct in their assessment of the harmful effects of appearing to try and push the government into action.

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[1] Du Calvet was a wealthy Montreal merchant who was at this time preparing a civil suit against Haldimand for wrongful arrest and detention in Quebec during the war.

[2] B.M. Addit. MSS., 21,866 (Haldimand Papers), f. 53: Roubaud to Nepean, 15 April 1785. Maseres' petition asked for trial by jury, habeas corpus, independent judges, an end to the governor's use of suspending powers, an enlarged council with appointment by the King only. It formed the basis of the draft bill introduced by Powis and discussed by the Commons in April 1786.

[3] L.F.S. Upton ed., Smith Diary, vol. 1, pp. 218-9: 17 April 1785.

The meeting of the London merchants with Sydney on the 20th proved fruitless. The minister told them frankly that the petition asked what the Crown could not give; the merchants asked to have what could be granted, and to Sydney's argument that Canada was a conquered country and that the rights of the Canadians must be protected, they replied that it was fast filling with English-born subjects. Leaving the interview dissatisfied, the merchants adjourned to a nearby tavern where they penned a letter to Pitt asking to know his intentions towards Quebec.[1] The Prime Minister's reply, received on the 23rd, said that he needed first to consult his cabinet colleagues.[2]

On the same day, 23 April, Powis met Pitt, who admitted to him that he had been so busy with national affairs that he had not yet had time to read over the Quebec petition, but that he would do so at once and give his answer in a week. Maseres was sceptical when he learnt of this, pointing out that Pitt had told him the same thing the previous July about the petition of 1783. If the Prime Minister failed to live up to his word this time, then he thought the Quebec business should be brought up in Parliament the following week.[3] In the meantime, Maseres and Powis decided to exhort the London merchants to present their petition, and Du Calvet was sent to hurry them along. He was to suggest also that, for the information of M.P.'s, the letters of instruction from Quebec and Montreal should be published, and furthermore that they should jointly solicit the help of their allies of 1774, the City of London.

But there had appeared, Roubaud noted, a 'spirit of Moderation'

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[1] L.F.S. Upton ed., Smith Diary, vol. 1, p. 220: 22 April 1785.

[2] P.R.O., C.O. 42/16, f. 322: Roubaud to Nepean, 26 April 1785.

[3] Ibid.

and of 'submissive respect to the desires of Government' among the members of the committee of London merchants:

> Mr. Adhémar and his friends representing that such an application should be looked upon by the Ministers, not only as a distrust of their protection but as a formal and positive opposition to their sentiments, on that representation the application to the Lord Mayor and aldermen was rejected.

The proposal to publish the instructions was thrown out on the same grounds.[1] Finally it was resolved to await further communication from Pitt before taking any further steps, and they adjourned sine die because Hunter, Ellice and Phyn had gone to Bath for a fortnight. On hearing the news a weary Maseres declared himself tired of the Canada business.[2]

However, events moved more quickly than had been anticipated, for on 30 April Powis received news from Pitt that he would introduce Maseres' petition into the Commons on 5 May. Maseres at once sent Du Calvet around to ask Adhémar to plead with the London merchants to present their petition immediately, expressing his anger that they had not done so before. Adhémar left for the Quebec Coffee House where he met Hunter. They consulted together and Du Calvet received the frosty reply that if Maseres had a message for them he should write them a letter; for themselves, they could not act against the resolution of the last committee meeting, which was to wait for an answer from Pitt. Du Calvet carried the message to Maseres who peremptorily refused to write to Hunter and Adhémar, whom he accused

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[1] P.R.O., C.O. 42/16, f. 330: Roubaud to Nepean, 29 April 1785.

[2] Ibid., f. 336: Roubaud to Nepean, 1 May 1785.

of treason against their constituents.[1]

Eventually, two weeks later on 17 May, the committee of merchants again approached Sydney for an interview; the outcome of their meeting was a decision not to take any further steps on the Quebec petition except under Sydney's instructions. Roubaud reported that Maseres and Du Calvet were furious at Adhémar who was the force behind this resolution, and said that Powis had laid aside all Canadian affairs for the time being.[2] With the Irish question still unresolved and the summer recess drawing near, there seemed to be no alternative but to sit back and prepare for the next session of Parliament.[3] To Jacques Perrault in Montreal, Du Calvet wrote in disgust that he saw nothing but indolence and inactivity on all sides, from the committee, the ministry and Parliament.[4] The question arises as to just how far Du Calvet's anger was justified, and if a united Canada interest could in fact have achieved anything worthwhile before Parliament broke up for the summer.

On reflection it is hard to see that much could have been achieved in concrete terms before the House rose. The Irish question was considered more important, and nothing could have changed this short of proof positive that there was an immediate threat to Britain's hold on Quebec. There was strong party spirit in the colony to be sure, but no evidence of anything more dangerous at the moment. The

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[1] P.R.O., C.O. 42/16, f. 338: Roubaud to Nepean, 1 May 1785. Adhémar privately confessed that he and Hunter believed there was nothing they could do given the absence of several leading merchants, and especially because the petitions were not approved of by all in Quebec.

[2] Ibid., f. 344: Roubaud to Nepean, 21 May 1785.

[3] Pitt had told Powis and Maseres that, given the lack of good information about Quebec opinion, the government would need the summer to gather more facts.

[4] P.A.C., Baby Papers, vol. 9, f. 5301: Du Calvet to Perrault, 15 May 1785.

Canada interest had no levers, economic or political, with which to pressure the government into action; Canada was economically unimportant and there was not much interest in Quebec affairs in the ministry, Parliament or the country at large. In the absence of such a lever, the attempts of the reformers in Quebec to try and use sheer weight of numbers to force the pace, and the willingness of the London merchants to back them in this, was simply a case of smoke without fire. Sydney's reaction was to dig in his heels and delay. He shared the view expressed by Germain in 1774 that merchants had no business meddling in political matters, and he resented the way in which the Quebec petition went into details; it was for the government to assemble the facts and draw its own conclusions as to what needed to be done and how best to do it. From a tactical viewpoint therefore, the London Canada merchants might have been better advised to support something like Maseres' more moderate, less detailed programme, and their decision to stick by the petition of 24 November instead, was an important and not very helpful one.

If legislation could not have been achieved by the summer of 1785, it is quite possible that, given a united front, the Quebec interest could have helped to formulate in Sydney's mind the basis of a definite policy for reform in Quebec. After all, Sydney was not totally averse to all reforms. As it was, by early spring the ministry had virtually made up its mind to shelve the Canada question until a new governor (by now almost certainly Carleton) could be sent out to report back.[1] In this respect, the division in the Canada interest was significant. The one thing Sydney wanted to hear (and something he had not yet received) was a firm, clear, united voice on Quebec

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[1] Shortt and Doughty, 2: 805-8: Sydney to Hope, 6 April 1786.

affairs. The Canada interest might have provided this. If instead of seeing Sydney separately, they had gone together, armed with the outlines of a plan of reform, they might have been able to persuade the minister to commit himself to some specific, if limited, changes, in favour of English commercial law for example. Their division only made it easier for the government to decide to postpone all changes for the time being.

At the same time that their hopes were being dashed in London, the ascent of Henry Hamilton to the Château St. Louis was giving the reformers new confidence and vitality in Quebec itself. In the council, as in the country at large, they were now increasingly on the offensive, encouraged by the fact that Hamilton's favourable eye was upon them.

So it was that in the spring of 1785, against a background of intense political activity in the province, the merchants at last achieved their long-sought goal of having optional jury trials in all cases involving contract and damages.[1]

The strains imposed on the party structure within the council by Haldimand v Cochrane were highlighted when, at the same session, Thomas Dunn moved that the use of writs of saisie be forbidden as being detrimental to commerce. Though a judge, a moderate and an upholder of the philosophy of the Quebec Act, events had loosened the cement binding him to the seigneurial party, and with the support of the merchant/reformer group on the council he failed by only one vote to achieve his objective. The merchants also suffered only a narrow

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[1] It was not a total victory however. The French party defeated three proposals - that English laws of evidence be used in all jury trials, that the charge to the jury be recorded and preserved, and that English law be used in all commercial cases. In practice, the judges (through ignorance and/or intent) ensured that the system did not work well, and in the next two years there were only 9 jury trials in Quebec district and only 2 in that of Montreal, in commercial cases. See, H.M. Neatby, Administration of Justice, pp. 212, 235.

defeat on another proposal - for the registration of all deeds giving title to real estate, as a means of giving greater security in the collection of debts and the advancement of credit.[1] It was felt by a majority of 9 to 6 that this would be unfair to the Canadians who owned most of the real property in the colony. Nevertheless, the scent of change, if not total victory, was definitely in the air.

His opponents identified Hamilton as the root cause of this new spirit, by encouraging motions in direct contradiction of the instructions left him by Haldimand. Alexander Davison reported that Hamilton's greatest allies in this were those who:[2]

> either owed large sums of money to Government on account of Bills drawn by Mr. Cochrane . . . or holders of Bills drawn by Lieutenant Governor Sinclair on General Haldimand . . . and who are the most Inveterate Enemies of the General on account of his Frugality of the Public Money.

He reported that the largest of Cochrane's debtors, Simon Fraser of Shaw & Fraser, was being kept informed of British thinking on the governance of Quebec by Hugh Finlay.[3]

The supporters of the Quebec Act resisted change strongly, but as long as Hamilton was in charge and Haldimand's future return as governor was uncertain, it was with the desperation of men who saw the approach of defeat. François Baby, Adam Mabane and Alexander Davison (a merchant who was to secure a seat on the council through Haldimand's influence) wrote to the absent governor of events in Quebec.

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[1] Many merchants had extended credit to Canadians against security in the form of land, only to find when they came to recover their money that, unknown to them, others already had a prior claim on the real estate involved.

[2] P.R.O., C.O. 42/17, f. 203: Davison to Nepean, 25 June 1785. Mabane told Haldimand that there might soon be a deliberate attempt to increase the cost of government in Quebec so as to drive the British into granting an assembly, for purely financial reasons.

[3] P.R.O., C.O. 42/19, ff. 212-13: Davison to Sydney, 25 June 1785.

They reported that 'every means have been employed to create confusion, & to acquire popularity, at the expense of the Interests of Government & the destruction of Subordination'.[1] Mabane also complained that, in general, there were too many "Yankees" in positions of influence in the country,[2] and he and likeminded men were becoming more and more desperate for news that Haldimand would be returning to Quebec before it was too late. In an effort to redress the balance of opinion crossing the Atlantic, Finlay was driven to impress upon Nepean that 'Whatever opinion may have been conceived by some Military Characters of the insignificance of men in a mercantile line, I can assure you that many of the best informed people in this Province have been bred in a Compting House.'[3] It was a much needed reminder.

The renewal of the militia ordinance at the 1785 session of council was the occasion for another pitched battle between the supporters and opponents of the Quebec Act. The militia laws had long been a bone of contention, and in 1785 the issue centred on whether the corvée provisions were now too strict for the new peacetime conditions. Finlay's attempt to bring in amendments was beaten, and Hamilton made no secret of his disappointment. The committees at Montreal and Quebec were moved to protest and, in a strongly worded petition which Hamilton put before the council, they argued that corvées could only be justified in wartime. A number of instances of supposed injustice were cited to back up their contention. Their

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[1] P.R.O., C.O. 42/17, f. 180: Mabane to Haldimand, 2 June 1785.

[2] Mabane cited as examples Attorney General Monk, Isaac Ogden the Clerk of the Council, and William Smith, soon to arrive as chief justice, a position which Mabane wanted and thought he deserved for his years of service to government.

[3] P.R.O., C.O. 42/17, f. 63: Finlay to Nepean, 26 Sept. 1785.

supporters on the council argued for clearly defined statements on statutory services, pay, punishable offences and the provision of food and clothing. They were opposed by Judge John Fraser and others, while in the Quebec Gazette, Colonel Henry Hope published a strongly indignant letter condemning the aspersions cast on himself and his fellow officers.[1] The whole affair was seen by supporters of the constitution as another very serious attempt to promote insubordination and to undermine the established order and security of the province, for the militia was regarded as absolutely essential to the preservation of the colony against American ideas and emissaries.[2]

The government party did not have to wait long for the removal of Hamilton. The lieutenant governor was in bad odour in Whitehall for not only failing to stamp out party spirit, but (judging by the letters Haldimand was receiving) for actually encouraging it. The pretext for his dismissal came over a dispute about the lease of the King's Posts, which was itself tainted with this same spirit.

The King's Posts (Malbaie, Tadoussac, Chicoutimi, Iles Jérémie and Sept Iles) were fur trading stations which, under the French regime had been kept in government hands and leased out to individuals or groups of merchants for an annual rent. After the conquest they were taken over by the British authorities and in 1762 Murray had leased them to Thomas Dunn and John Gray for one year, with an option for a further 14 years if the deal met with Whitehall's approval. For £400 a year Dunn, Gray and their associates could carry on trade with

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[1] H.M. Neatby, Quebec, pp. 201-2.

[2] P.A.C., Baby Papers, vol. 9, f. 5314: Baby to Haldimand, 5 June 1785; Ibid., vol. 10, f. 5579 et seq.: Anon to Dorchester (no date) - encl. in St.-George Dupré to Baby, 20 Nov. 1786.

the Indians at these posts for their own profit.

In 1785, when the whole question of renewal came up again, the leaseholders were William Grant, Dunn and Charles Stewart. Haldimand had decided before he left not to renew their lease; he disliked Grant's politics and suspected that, while deputy receiver general, he had tried to cheat the government. He had decided to grant the lease to two loyal and trustworthy merchants, George and Alexander Davison, in conjunction with John Lees and François Baby, and before his departure had forbidden Hamilton to make any other arrangement. Once in London he had persuaded Sydney to accede to his plan and the minister's letter arrived in Hamilton's hands on 21 May 1785.

But the lieutenant governor had already got wind of its contents through the private gossip of some of Davison's jubilant friends. Believing Dunn and his associates had been unjustly treated in not being given advance warning or the option of renewal, he took it upon himself to pre-empt the secretary of state by renewing the old lease on 18 May, after being assured by Monk that this was legal.

The Davisons were furious and Alexander wrote indignantly to Nepean. He accused Hamilton of being totally under the thumb of those notorious and subversive reformers Monk and Finlay, and managed to convince Sydney that Hamilton had in fact known of the secretary's intentions before he renewed Dunn and Grant's lease.[1]

The political undertones of the affair were many. Grant was the reform leader on the council while the Davisons were strongly connected with the French party; they had used Haldimand's influence to try and secure the contract and hoped for his return as governor. Grant on the other hand may have relied on Brook Watson, for whom he

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[1] P.R.O., C.O. 42/17, f. 202: A. Davison to Nepean, 25 June 1785.

was an agent in Quebec, and who wanted Carleton to go out.[1]

Be that as it may, Hamilton soon received his marching orders, and with scarce time to pack his bags he left Quebec in disgrace on 2 November 1785, less than a year after taking over the reins of government. Even his political opponents found a kind word for him; Samuel Holland, who had worked with every governor since Murray, wrote that 'No governor nor lieutenant-governor before him ever acquired so much popularity'.[2] Hope too, who now succeeded Hamilton as lieutenant governor, recognised his good qualities and asked that he be found a post where he could use them.

Hope's administration was also to last less than a year - until 23 October 1786. He recognised from the start that his was only a temporary appointment, and that his job was to end the factional spirit that existed in the council and the country at large, and he dedicated himself fully to this end and to the maintenance of the Quebec Act.[3] With Hamilton's departure the hopes of the reformers were momentarily dashed and they found themselves in a limbo, waiting to see whether Haldimand or Carleton would now come out as governor. In this situation attention switched once again to London, where the summer recess was over and Parliament was once more in a position to consider Canadian affairs.

In large measure the hopes of the reformers hinged on getting the support of the loyalists. By 1785 some 40,000 of these folk had

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[1] L.F.S. Upton ed., Smith Diary, vol. 2, p. 71n. It was also rumoured that Hamilton's friendship with Lord Sheffield, an opponent of the government in the Lords, was a further reason for his fall: P.R.O., C.O. 42/17, f. 48: Finlay to Wm. Grant, 9 Aug. 1785.

[2] Quoted in H.M. Neatby, Quebec, p. 204.

[3] Shortt and Doughty, 2: 793-96: Hope to Sydney, 2 Nov. 1785.

left the United States, approximately 30,000 for Nova Scotia and New Brunswick, 1,000 for various places in the older part of Quebec and 5,500 or so for the new districts west of Montreal, around Cataraqui.[1] The reformers saw in this the clinching argument for their cause. The loyalists provided that substantial immigration of old subjects to counter-balance the French population that had been looked for in 1763 but which had not until now materialized. Having been brought up under representative institutions, it was argued, they would naturally wish to see such a form of government established in Quebec as it had been in Nova Scotia and New Brunswick.

But in fact, the Cataraqui loyalists had already presented a petition, in April 1785, in which they asked for the English system of land tenure and English laws; they made no direct mention of an assembly beyond a request for a 'liberal' system of government. More ominously for the Quebec reformers, they had asked to be created into a separate district under a lieutenant governor and council subordinate to Quebec.[2] In the following months the Quebecers were alarmed to learn that Pitt was in fact looking into the possibility of dividing the province. This could be fatal to their hopes, for the number of loyalists then remaining in Quebec would be totally insufficient to swing the argument in their favour. Hence it was vitally important to organise a joint reform petition.

During the summer months therefore, the committees had acted on the suggestion of the London merchants and approached the loyalist leaders with a more moderate and generalised petition. They were

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[1] A.L. Burt, Old Province, pp. 359, 363.

[2] Shortt and Doughty, vol. 2, pp. 773-77: Petition of Sir John Johnson and the Loyalists, April 1785.

disappointed to find that the loyalists felt that by signing it they might prejudice any chance of success for their petition of April 1785, and thought it best to wait for a reaction to that before signing anything else.[1]

The committees now wrote to London with the news, in the knowledge that there was no immediate prospect of a joint effort with the loyalists, and that Hamilton's dismissal could only mean that Whitehall did not look favourably on substantial changes in Quebec's constitution at that time. Nevertheless, they would be patient,[2]

> for we cannot allow ourselves to think that the good sense of the British Senators will for ever continue the unwise and disgraceful difference which at present distinguishes this Province from all the other Colonies belonging to Great Britain.

They asked for the continued support of the Canada merchants, together with that of London and 'the other great Commercial Towns . . . to preserve this province, now the most valuable on the Continent of America belonging to the British Empire'.[3]

The committee of London Canada merchants met at the New York Coffee House in January 1786 and drew up a representation to the ministry on the 'deplorable' state of Quebec. This document covered all branches of the colony's commercial life, from trade with Vermont to intercourse with Spain and Portugal, and on the question of the laws and constitution reiterated once again the argument that the

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[1] P.R.O., C.O. 42/49, f. 35: Montreal Committee to Canada merchants, 2 Nov. 1785. Thus the loyalists managed to avoid the tactical error of appearing to try and force the pace with Whitehall.

[2] Ibid.

[3] Shortt and Doughty, 2: 803-5: Quebec merchants, 9 Nov. 1785 (encl. in letter from the Quebec committee, 8 Feb. 1786). This letter shows once again how the reformers misread the British situation. Quebec affairs elicited very little interest at all either inside or outside Parliament.

present mixture of French and English laws rendered their debts and property insecure. The losses sustained since the peace had ruined many and had gravely affected business confidence and credit. From the information they had received from Quebec it appeared to them that an assembly was the solution to the commercial and constitutional ills outlined in their paper, and they believed that a majority in the colony were of the same mind.[1]

On 13 February the London merchants met Sydney. The unfortunate minister and his colleagues, confused by the widely conflicting reports and the evidence of party strife emanating from Quebec, had already decided that they could do nothing without further information. Sydney eventually lost his temper with the merchants and 'wondered what business they had respecting the appointment of Governors etc'.[2]

Nothing more is heard from the merchants, but in April 1786 Powis at last introduced Maseres' moderate petition into the Commons in the form of a draft bill.[3] He stressed that it did not ask for total change, but only greater personal liberty, which would lead to no security risk. In reply, Pitt argued that many people in Canada did not want what the bill provided for, and he reaffirmed the administration's intention of waiting until Carleton had reported back before making a decision. Watson, equivocally, applauded the spirit of Powis' motion, but said that the Quebec Act had saved Canada and had been necessary at the time. At the end of the debate, a typically small house decided by a vote of 21 to 68 to reject the

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[1] P.R.O., C.O. 42/19, f. 28 et seq.: Canada merchants to Sydney, 24 Jan. 1786.

[2] L.F.S. Upton ed., Smith Diary, vol. 2, p. 53: 15 Feb. 1786.

[3] Shortt and Doughty, 2: 767-73.

bill, and with that, for the moment, the reformers' hopes died.

It was on 22 October 1786, armed with his loyal friend Chief Justice William Smith, and with Instructions to obtain 'full & authentic information' on the real feelings of the inhabitants, that Guy Carleton (now Lord Dorchester) sailed into the harbour at Quebec, the new Boston of British America.

Chapter 6

'my Constituents wish to receive . . . a new and complete constitution'

THE MERCHANTS AND THE STRUGGLE FOR THE CONSTITUTION ACT 1787-1791

In 1787 the politically aware in Quebec knew that the commercial/constitutional struggle in the colony, now a quarter of a century old, was entering a decisive phase, and accordingly the rhythm of political activity beat faster. The initial impression created by Dorchester and Smith was pleasing to the reformers and their spirits rose. But it gradually became clear that the governor was no longer the man of energy, confidence and decision that he had once been, and that, in the crucial theatre of operations in London, the Canada interest were far from being vigorous, forceful and persuasive enough either to break down the barrier of ignorance and apathy in the public and parliamentary arenas, or to shake the determination of Whitehall officials to do whatever was necessary to secure the rights and loyalty of the Canadians, even if it meant sacrificing the hopes of the old subjects.

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Dorchester's arrival in Quebec was greeted with qualified approval and cautious optimism by many - both reformers and supporters of the Quebec Act. Richard Dobie expressed his confidence in the governor's good intentions, though fearing that he was too susceptible to 'french fawning and flattery'. On the other side, St. George Dupré reported that 'Les sitoiens en General sont dans une grande satisfaction

et une véritable joie de ravoir notre encient Général'. Before he left England, the London Canada merchants had arranged an elegant dinner in his honour attended by some 70 guests. Among those present were Robert Rashleigh, Brook Watson, Alexander Ellice, former lieutenant governors Henry Hamilton and Hector Cramahé, and John Cochrane. The reformers also had high hopes of William Smith, who was friendly with both Watson and Carleton, and who had had frequent contacts with visiting Quebec merchants in London during the preceeding eighteen months.

Several actions served to increase the standing of both men in the eyes of the reform party following their arrival in Canada in November 1786. For the first time, a governor constituted committees of council to report on a wide variety of topics, from the Militia, the High Roads and Communications, to Commerce and Police. They were authorized to consult with and sound out the opinion of merchants and other citizens before and not after legislative action was taken. It seems that most merchants welcomed the opportunity to influence policy-making in the colony. Some were sceptical about the exercise, but Peter Langan probably spoke for the majority when he approved of the consultation with the business community and expected their views to carry some weight in the council. The merchants certainly made full use of the occasion to give vent to their ideas on a wide range of commercial matters to the Committee on Commerce and Police. They pressed for incentives to increase trade to and from the West Indies, in particular through a re-assessment of the relative duties on imports of rum and molasses from different parts of the world, and measures to reduce American competition and guarantee Quebec a stable market for her produce in the Caribbean. They praised the trade in wheat and wine with Spain and Portugal as a profitable branch of commerce which

enabled them to make remittances to London, and asked for further encouragement by allowing direct trade between Quebec and the Iberian peninsula.[1] They stressed the advantages to both Quebec and Britain of a free trade with Vermont, especially when it was remembered that she had 'no other outlet to the Sea but the Richelieu and the St. Lawrence; and no other mart for their raw materials and Exports, than that which Britain may think proper to assign.' Equally important was that trade with the upper country should be free and unfettered except where regulations were needed to prevent monopolies and unfair trade practices. They also emphasised the need for public granaries and markets for the province's wheat, as well as regulations for quality control.

But the merchants did not confine themselves to points of commerce, and took the opportunity to press home the political message behind all this. They stressed the need for bounties on exports, for bridges, prisons and granaries, pointing out that these things cost money which could only be raised through an assembly. They also reiterated their complaints about the unsuitability of the Canadian commercial code and their case for English laws and proceedure.[2]

The evidence submitted to the Committee on Commerce showed that political awareness was still very much alive, and the commission which Dorchester set up to inquire into the outstanding debts in the Cochrane affair pleased the merchants and added fuel to the party fire.

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[1] Under the Navigation Act of 1663 direct trade from Europe to the colonies was not allowed, all goods having to be sent to Britain and there trans-shipped, to ensure British control of the carrying trade.

[2] The evidence submitted to the committee is to be found in P.R.O., C.O. 42/11, ff. 40-68. Supporters of the Quebec Act quickly denounced the legal/constitutional representations made by the merchants: C.O. 42/87, f. 332: Finlay to Nepean, 15 March 1787.

The commission was composed of three men, two of whom it appeared, were not the most impartial of judges; William Dummer Powell had been Cochrane's attorney and instrumental in organising the 1783 petition, while James McGill had been a business associate of the former remitters' agent. Their decision to reduce the sums owing was welcomed by the merchants but hotly denounced as a gross sacrifice of public interests by their old opponent Adam Mabane.[1]

But the act which really set the political cauldron boiling came from the new chief justice, William Smith. He had already earned the suspicion of the francophile party by the fact that, though a loyalist, he had somehow managed to retain his American estates. Moreover, he had earned the particular enmity of Mabane who had held out hopes of himself becoming chief justice as a reward for years of loyal service to successive governors. He was bitterly disappointed to find his aspirations dashed by a man whose political outlook differed so materially from his own.

Both men were daily concerned with the law of the province, and it was here that the storm arose. Within scarcely a month of arriving in Quebec, Smith set the province alight by his ruling in the case of Gray v Grant that it had never been the intention of the Quebec Act to deprive the inhabitants of the colony of English laws in cases where both suitors were old subjects. 'It is as necessary', he wrote, 'to have express words to take away the English Laws from English men as to grant the old Canadian law to Canadians.'[2] Smith realised the significance of his decision and wrote to both Evan

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[1] H.M. Neatby, Administration of Justice, p. 194.

[2] L.F.S. Upton, The Loyal Whig: William Smith of New York and Quebec (Toronto, 1969), p. 174.

Nepean and Brook Watson explaining his position on the matter.[1] Mabane and his fellow judges lost no time at all in publicly refuting Smith's interpretation of the constitution.[2] The old subjects were, of course, delighted with their new-found champion; 'I found the English took to me with confidence', recorded Smith with satisfaction.[3]

The Smith ruling provoked an immediate reaction from the new subjects. Within a matter of weeks they had drawn up and presented a petition to Dorchester asking for just and exact execution of their laws, laws which had established the titles of their estates and families, the peaceful enjoyment of which had been granted to them by the Capitulation of 1759.[4] A few days later Mabane was heard to boast at the Baron's Club that 'he had driven away three Lieutenant Governors & Chief Justices & should think it strange if he could not do it again'. Sir John Johnson bluntly told him that it was high time, for the King's interests, that he was sent to the Highlands of Scotland. Smith recorded his own thoughts in his diary: 'These Kings of the Country are impatient at the Loss of the Sceptre they have held so long and set up the cry of Innovation to disturb if they cannot govern'.[5]

The reaction of Mabane and his associates to Smith's dramatic

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[1] L.F.S. Upton ed., Smith Diary, vol. 2, pp. 212-14: 2 Jan. 1787; p. 161: 4 Jan. 1787.

[2] P.R.O., C.O. 42/51, f. 274: Finlay to Nepean, 15 Jan. 1787.

[3] L.F.S. Upton ed., op. cit., p. 162: 7 Jan. 1787.

[4] Shortt and Doughty, 2: 911-12: Petition to Dorchester from the New Subjects at Quebec, 19 Jan. 1787; ibid., pp. 923-5: Petition of the New Subjects at Montreal, 3 Feb. 1787.

[5] L.F.S. Upton ed., op. cit., p. 167: 28 Jan. 1787.

intervention in the legal establishment of the colony was to be expected, and they worked strenuously to rouse Canadian opinion.[1] More disturbing for the old subjects was the effect it appears to have had on several of the reform-minded Canadians; at least two of them, Juchereau Duchesnay and Philippe de Rocheblave, wrote to Dorchester against the chief justice's interpretation of the constitution.[2]

It was against this background of growing unease that Smith took the opportunity to try and have his ideas enacted into law at the council session of spring 1787. The ordinance on the courts of justice was now due for its biennial renewal, and Smith proposed to replace it with a new one. This would have substituted a modified version of the English term system for the weekly sittings of the court of Common Pleas (which had never been suited to the long, complicated commercial cases before it); it proposed safeguards in the use of writs of saisie (which Dunn had tried to abolish in 1785); and most important of all it would have established the use of English law in cases between old subjects only.

The seigneurial party countered with an ordinance tabled by Paul Roch St. Ours, the precise terms of which are unknown, but which would have renewed the old ordinance with the exception of the two important concessions achieved after great exertions in 1777 and 1785 - the one in favour of English laws of evidence and the other allowing optional juries in certain commercial cases.[3]

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[1] P.A.C. Claus Papers, vol.4, ff. 139-44: P. Langan to D. Claus, 18 Feb. 1787; ibid., ff. 145-52: Langan to Claus, 17 March 1787.

[2] B.M. Addit MSS., 21,736 (Haldimand Papers), f. 282: Matthews to Haldimand, 12 Feb. 1787.

[3] H.M. Neatby, Quebec, pp. 212-13.

The council threw out Smith's bill, which its supporters proceeded to circulate among the merchants who requested, and were granted permission, to appear before the council to put their case. They engaged Monk and a loyalist lawyer, Isaac Ogden, to address the councillors on their behalf, and on 14 April Monk delivered a six and a half hour denunciation, not just of St. Ours' bill, but of the whole legal and judicial establishment. Smith was highly impressed with the performance; 'This day', he wrote, 'will be the Epoch of the total Subversion of that Tyranny and disorder from which the Country has never been free since the Conquest in 1760.'[1]

Dorchester felt that the nature and extent of Monk's charges left him with no choice but to set up an investigation into the administration of justice in the colony. Smith seems initially to have favoured the idea, and the question arises as to how far (if at all) he and Monk were in league to deliberately expose and discredit the judges. Certainly there was no love lost between them and Mabane. We have already seen that Mabane had reasons for disliking Smith, and Monk had several for wishing to see Mabane disgraced. Besides the fact of their political differences, Mabane had advised Haldimand to reject Monk's advice in the Cochrane affair in 1783; he had also been instrumental in delaying the payment of Monk's fees for work done for government, and furthermore had reduced his income by transferring part of his work to the politically reliable soliciter general, Alexander Gray.[2]

While his opponents linked Smith with Monk in a plot to discredit Mabane, the chief justice's own diary gives the impression

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[1] L.F.S. Upton ed., Smith Diary, vol. 2, f. 177: 14 April 1787.

[2] H.M. Neatby, Quebec, pp. 213-14.

that he was merely using the threat of an investigation as a political bargaining counter to secure Mabane's consent to his proposed judicial ordinance, but that he had been foiled by the unexpected breadth and depth of Monk's actual speech, which made an inquiry almost inevitable. If this is was indeed his plan, then he gravely underestimated Mabane in thinking that the stern Scot would meekly bow out and implicitly admit his "guilt" by agreeing to Smith's plan. The former confidant of governors seemed still to have considerable confidence in his strength, judging by his outburst at the Baron's Club two months earlier, and it would be surprising had Smith not perceived this.

If Smith's role and intentions are not immediately clear, there were apparently others who wished to use the investigation as a political weapon.[1] After conversations with William Grant and John Collins[2], both councillors, Smith came away with the impression that their prime objective was to discredit the judges, and Mabane in particular.[3] The course of the inquiry itself amply confirmed that it was not simply an impartial investigation into the administration of justice, but was in fact part of the continuing battle for constitutional reform.[4] In the days before the enquiry began Monk held talks with several attorneys of the Common Pleas, especially Thomas Walker of Quebec[5], and it is interesting to note that many of those merchants who testified to having heard complaints of the uncertain and incompetent administration of justice had done so through Walker. There may

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[1] Monk wrote: 'Our Investigation of the Courts, Judges and Records are the great groundwork of reform & Political Good'. P.A.C., Powell Papers, vol. 1, f. 317: Monk to Powell, 7 June 1787.

[2] See Appendix B, below.

[3] L.F.S. Upton ed., Smith Diary, vol. 2, pp. 177-78: 16 April 1787; ibid., pp. 181-2: 20 April 1787.

[4] With a decision apparently imminent in England, the battle was at a crucial stage.

[5] P.A.C., Powell Papers, vol. 1, f. 317: Monk to Powell 7 June 1787.

have been nothing beyond a quite justifiable desire to gather information and co-ordinate the prosecution, but the judges did not think so and tried to prove there were more sinister motives behind the meetings of the two men.

The three judges who came in for particular attack were Mabane, John Fraser and Hertel de Rouville,[1] and sixteen cases were cited to prove that they were biased, incompetent or both. In the case of Dauime v Gugy it was alleged that the judge had refused to allow the latter's witness to contradict the former's on the grounds that to do so would be to countenance perjury by one side.[2] In the suit of Campbell v McGill, Fraser (the latter's attorney) had acted as advocate for the plaintiff, arguing that Campbell's character was so good that he could not possibly be wrong in his evidence. Hertel de Rouville's reputation for insobriety was firmly latched onto by the prosecution, and Gray, the sheriff of Montreal, found it difficult to wriggle round the question put to him:[3]

> This Deponent does not recollect to have heard that Mr. Judge Rouville did sit in the Court in the execution of his duty when intoxicated with Strong Liquors, but he hath frequently heard that his conduct and behaviour was different in the afternoon to what it was in the forenoon, being much more talkative.

The judges countered strongly and tried to discredit the opposition witnesses with loaded questions about their behaviour in 1775/76,[4] their involvement in the Cochrane affair, and by suggesting

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[1] For notes on the three judges, see Appendix B, below. The conduct of the other judges, Dunn, Edward Southouse and P.M. Panet, does not seem to have occasioned much complaint, though Southouse was well known for his ignornace of the law.

[2] P.R.O., C.O. 42/19, ff. 142-48.

[3] P.A.C., Q 30, vol. 2, f. 348: Evidence of Ed. Wm. Gray.

[4] P.R.O., C.O. 42/52, ff. 362-3: Examination of John McCord and Adam Lymburner, 8 Oct. 1787.

to one witness that Monk had been financially rewarded by Cochrane for his efforts in 1783.[1]

There can be little doubt but that the administration of justice was in need of reform and that it was often unpredictable. But the investigation went far beyond what was necessary to ascertain the truth, revealing personal vendettas and exposing the proceedings as a political as well as a legal exercise. As one correspondent in the Quebec Herald later lamented, 'the battle was not fought with a thing as it ought to have been, but was maliciously fought with men as it ought not to have been'.[2]

Yet the inquiry of 1787 did serve to highlight many of the things that were wrong with the current legal and judicial system in Quebec; and for the most part they were material complaints deserving of attention and remedial action.

The complaints centred on three broad areas of the administration of justice: the uncertainty of the laws, their erratic enforcement by untrained judges, and the lack of rules of conduct in the courts themselves.

The uncertainty surrounding the French civil code which had been established as the law of the colony in 1774, is one of the best attested of the reformers' grievances, and because commercial cases were often very complicated the merchants were among the heaviest sufferers from this situation. By the later seventeenth century, the old French commercial code, the coûtume de Paris, had become largely obsolete and had been replaced in France by Colbert's code marchand

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[1] P.R.O., C.O. 42/52, f. 135: Examination of John Antrobus, 24 July 1787. Antrobus denied this, but admitted that Cochrane had had several thousand pounds of Monk's money in his hands for some months, free of interest.

[2] H.M. Neatby, Quebec, p. 218.

in 1673. But, though better, even the new code had important defects which the eminent legalist, Emilien Petit, listed as lying in the important fields of debt collection, mortgages, the seizure of persons and goods, and privileged debts, and he drew particular attention to the difficulties facing European firms with interests in the colonies.[1]

Yet the situation in post-conquest Quebec was even more precarious, for Canadian lawyers could not agree on whether or not the code marchand had been properly introduced into New France; certainly it had not been registered by the conseil supérieur. It was therefore possible that the antiquated coûtume de Paris was still in force.

In addition to this fundamental confusion it appeared that custom, varying from district to district, was an important part of the legal system of New France. One such custom concerned the use of writs of saisie to obtain provisional seizure of goods at the start of a suit, but the proceedure governing their use was swathed in a cloud of uncertainty.[2] Confusion also surrounded the rules governing bills of exchange, promissory notes and the other forms of paper money, as well as the gradation of debts and registration of titles to real estate - all matters of the utmost concern to merchants in a credit-based economy.

Furthermore, by the French laws the practice of holding a debtor to bail until judgement was not allowed;[3] the fact that juries were not used was also considered an important defect by the British merchants;

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[1] H.M. Neatby, Administration of Justice, p. 17

[2] At least one Canadian lawyer, François Cugnet, denied their legality. See Neatby, op. cit., p. 15.

[3] H.M. Neatby, op. cit., p. 26.

the question of costs was entirely arbitrary - both the amount and who was to pay them; and French bankruptcy laws were too inflexible to allow a distinction between unfortunate and fraudulent debtors.[1]

In Professor Neatby's opinion, many of the complaints about the administration of justice could have been avoided had the British merchants been able, from the start, to associate the Quebec Act with 'prompt and efficient justice and a not too flagrant disregard of their interests'. But in view of what has just been said, prompt and efficient justice would seem to have been almost impossible to achieve. It is doubtful whether even trained judges could have rendered the situation entirely satisfactory.

Nevertheless, it is true that from ignorance (none of the judges had legal training), incompetence or deliberate intention, the judges of the Common Pleas did manage on a number of occasions to make a mockery of justice and judicial proceedure. Both Mabane and Fraser appear to have allowed personal prejudice to govern some of their decisions, while Rouville was plainly legally incompetent even when he was not incapacitated by his fondness for the bottle. In cases where Mabane presided it was necessary to choose one's lawyer with care; Alexander Gray was on good terms with the judge, but Thomas Walker decidedly was not. The same applied to Fraser and Rouville. The latter required all pleadings before him to be in French, even where both parties were British, and despite the fact that he spoke English. Rouville's afternoon decisions were notoriously unpredictable, due to his fondness for a drink with his lunch.

The establishment of and rules of conduct of the courts themselves added to the confusion. Under the Quebec Act the courts were

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[1] H.M. Neatby, Quebec, p. 215.

to sit one day a week for cases up to £10 and a further day for suits over that amount. This contributed to the situation where some lawyers boasted that they could make a case last for three years.[1] The merchants would much rather have had the English term system which provided for daily sittings at fixed sessions, and which would have reduced the time they were forced to spend in court away from their businesses.[2] As it was, the district of Montreal, which had many more commercial cases than Quebec, had fewer court days for cases over £10, and unlike their counterparts in Quebec, the Montreal judges would not grant extra court days to meet the demand.

The actual conduct of the courts themselves was governed by no rules other than that one lawyer could not abuse another without the court's permission. Judges, clerks and suitors frequently passed loud comments on the proceedings. Robert Hunter junior, a visiting Englishman, was astounded at what he saw: 'I never saw so much impudence . . . . Both an avocat and a witness spoke as impertinently to their judge as one puppy would to another in England'.[3] The judges themselves set a poor example; Rouville and Southouse frequently disagreed openly, and the Canadian once left the courtroom in a violent passion.[4]

The written records of cases before the courts were very bad indeed, and often prejudiced the chances of success if the case went

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[1] H.M. Neatby, Administration of Justice, pp. 110-11. Since 1770, when J.P.'s had been deprived of their powers to try cases under £10, the burden on the Common Pleas had increased greatly.

[2] The term system was in fact introduced in 1787.

[3] L.B. Wright and M. Tinling eds., Quebec to Carolina, pp. 52-53: Montreal, 18 June 1785.

[4] H.M. Neatby, op. cit., pp. 104-5.

(as often happened) before the court of Appeals. This body, comprised of members of the council, also had little legal training. Its French members applied French and its English members English law, and the numerical balance between the two groups varied almost daily. In a high percentage of cases the English group prevailed and the verdict of the Common Pleas (which under the Quebec Act used French law) was reversed.[1]

Without examining every commercial case that came before the courts it would be impossible to get an accurate picture of the real extent of the merchants' grievances. The fact that the judges were not required, and did not usually give, reasons for their decisions, adds further complications to the task. Nevertheless, given the confusion and uncertainty that prevailed (not to mention the personal antagonism), it would be surprising if there were not a considerable number of cases in which justice was not strictly done, and Professor Neatby concludes that this was indeed so, especially in the district of Montreal. It is her opinion that the inevitable result of a system which called for the application of an unknown law, by untrained men, in a factious community 'where primitive affairs were mingled with the intricate transactions of merchants . . . was that the rule of law often broke under the strain and was replaced by the arbitrary authority of individuals'.[2]

Now while it would be hard to quarrel with this summary, it is perhaps worth looking again at some of the sources of evidence on

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[1] The arrival of Smith made matters worse if anything, because of his views on the constitutional position of English law. It was calculated in 1790 that nine out of ten judgements in the district court of Common Pleas of Montreal during the previous two years or so, had been reversed on appeal. P.A.C., Gray Papers, vol. 4: Gray to Hunter, 14 Jan. 1790.

[2] H.M. Neatby, Administration of Justice, p. 348.

this topic and trying to put the Quebec situation in a wider perspective. In this context it is worth noting what the prominent reformer Adam Lymburner had to say about the courts of the United States after a visit there in 1785: 'The courts of justice in Canada, bad as they are, are noble ones in comparison of the courts in general of the United States.'[1]

The first point to be made is that much of the evidence presented against the judges cannot be proved and should be treated with caution. Those who provided it, like Thomas Walker, were usually personal or political enemies of Mabane and his colleagues, and in general the testimony of an unsuccessful suitor is not to be trusted.

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[1] L.B. Wright and M. Tinling eds., Quebec to Carolina, p. 48. Judging by a recent article by the legal correspondent of The Times, Marcel Berlin, which appeared in that newspaper on 9 January 1974, the present day legal system in Hong Kong provides some remarkable parallels to later eighteenth century Quebec. Berlin writes:

'Many practising lawyers in Hongkong believe that the administration of justice in the colony is in an appalling state. There is a lack of confidence in the judiciary . . . . Lawyers feel that the British government is turning a blind eye to a situation . . . that would not be tolerated in Britain . . . . The laws and legal system of the colony, while based on the English example have developed differently. One view on this is because colonial administrators have . . . attempted to suit the system to the particular social and economic structure of the colony rather than unthinkingly impose possibly unsuitable English proceedures.

'The approach is not universally accepted. Its detractors claim that while Hongkong is today an economically successful, sophisticated and advanced society, it is still being run according to the principles applied to Britain's other past and present colonies, which were and are comparatively less advanced.

' . . . . Laws are being passed (or rather rubber stamped because there is no elected, only nominated members of the legislative council), and procedures brought into operation that would never be accepted in Britain.

'In addition there are virtually no provisions for a shorthand note . . . to be made of the proceedings. Thus a transcript of a district court case is rarely available, making it extremely difficult to bring an effective appeal against the verdict.'

Naturally such men felt aggrieved at the decision of the court, and the fact that the judges did not give legal reasons for their decisions clearly increased the opportunities to accuse them of inconsistency or bias. It was unfortunate for the judges that their hardest cases were often those concerning their political opponents, the merchants.

Professor Neatby points out that a number of merchants did everything in their power to settle out of court rather than risk the uncertainties of a trial. A number of men,(admittedly only a few, but including some of the prominent merchants in the colony such as John Lees and John McGill) claimed that they had never had occasion to use the courts, preferring to settle out of court. Now this may well suggest that the situation was highly unsatisfactory; but it may also suggest that the actual hardship caused was not as great as has been supposed. Working on the assumption that, when it came to the crunch, no merchant would agree to suffer a loss rather than take a defaulting debtor to court, one can only assume that Lees, McGill and others who came rarely, if ever, to court, had managed to get satisfactory settlements out of court - and doubtless faster and cheaper too. If conditions were really as intolerable as Monk and his associates claimed, it is strange to find Robert Ellice taking Pierre Forêtier to court over £21, or Joseph Howard going to law over £12, or William Kay or John Paterson over £17.[1]

An important source of complaint from those who did go to law concerned the use of writs of saisie. Though sometimes useful, they could cause considerable commercial damage in the business community; but Professor Neatby is forced to admit that, even in the district of

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[1] P.R.O., C.O. 42/53, ff.7-15: Actions above £10 in the court of Common Pleas (Montreal), 1780 and 1786. There are many other examples of suits brought for similarly small amounts.

Montreal (where justice was particularly unsatisfactory) probably only few merchants of any standing were ruined by a writ of saisie.[1] True, there was always the danger that they would be used to ill effect, but in practice the existing records for 1780 and 1786 show that the number of cases in which writs of saisie conservatoire and saisie arrêt were invoked constituted only a small percentage of the total number of summonses, and on some of these occasions their use was probably beneficial.[2]

It was generally asserted that the real complaints about the courts had only begun in 1783/84 when the post-war recession and the Cochrane affair combined to make commercial conditions precarious. John Lees and James Grant both made this point, while Adam Lymburner told Pitt in 1788 that:[3]

> From the period when the Quebec Bill first began to operate until the Peace of 1783, the Mercantile Business of the Country was in such a flourishing state that the Merchants had seldom occasion to apply to the Courts of Justice. But the stagnation of Trade, and the immense losses which the peace occasioned, produced so many actions on the Courts, that the Subjects then severely felt how inadequate . . . the Custom of Canada was to the regulation, and deciding of Mercantile Transactions.

There is clearly a good deal of truth in Lymburner's statement, but it is worth remembering that, in the district of Montreal, there were in fact more summonses served in the Common Pleas in 1780 than in 1786, in cases over £10. If the unsuitability of the courts was as evident as was claimed in 1787, one would have thought that this would

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[1] H.M. Neatby, Administration of Justice, p. 97.

[2] In Quebec district, writs of saisie were issued in less than 1% of all cases in 1780, and just over 3% in 1786. The figures for Montreal were 5% (1780), and 10% (1786). H.M. Neatby, op. cit., pp. 92-93n.

[3] P.R.O., 30, 8/346 (Chatham Papers), ff. 124-7: Lymburner to Pitt, 24 Jan. 1788.

have manifested itself earlier than 1783/84. What Lymburner was possibly really objecting to (though he would not admit it) was not the system of justice as a whole, but rather the deficiencies of French law in the fields of writs of saisie and the inadequacy of the bankruptcy laws, for the figures for both bankruptcies and the use of writs rose appreciably after the war.[1]

To the merchants, an important part of the remedy lay in the introduction of English commercial law. But it has often been overlooked that there was no clear corporate body of law called "English commercial law" at this time. Lord Mansfield, the English chief justice, was only starting to lay down the guidelines separating English law from the wider body of the law merchant of Europe. Many of his rulings were applicable to specifically English situations and could not be easily transferred to Quebec. As the lawyer William Grant pointed out, English and French commercial laws were nearly the same, and he pinpointed the real weakness of the coûtume de Paris as lying in the area of insolvency - a problem best dealt with by the local legislature. This view was endorsed by the attorney general of England, who argued that the situation did not therefore require the wholesale introduction of English laws.[2]

Moreover, it would have been difficult to justify the imposition of all of English commercial laws on the still considerable number of Canadians who engaged in trade. Hugh Finlay estimated that there were some 500 Canadian retailers alone at this time. In addition, the mass

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[1] This is the impression gleaned from the Quebec and Montreal Gazettes, which provide an incomplete, though probably basically accurate picture of the situation. But it should be remembered that, for all their criticisms of French law, the British in Quebec did not want English bankruptcy laws there because they were too strict in an economy where laxity of payment was inevitable.

[2] The attorney general based his opinion in part on conversations he had had with the London Canada merchants.

of the population was made up of new subjects, who though not merchants themselves, could not help but become involved in cases with British merchants and retailers from time to time.[1] In such cases, were commercial laws to be invoked, and if so where was the line to be drawn between the realms of commercial law and the Canadian laws of property (which even the old subjects accepted as the law of the land), in a country where real estate was often used as security in commercial transactions? The problem was complicated by the fact that the coûtume de Paris dealt mainly, not with commercial regulations at all, but with matters of property; and it was this very law which the old subjects proposed to abolish and to replace with English commercial laws. But this could not be done without violating the guarantees made to the Canadians in the Capitulation of 1759, in 1763 and again in 1774.

Despite all these qualifications however, it is not intended to deny that there were many legitimate causes for complaint in the field of the administration of justice. Our purpose has been to show that the solutions and issues involved were neither as clear cut nor as simple as was then, and has often since been supposed. The question has been dealt with at some length because it did indeed constitute arguably the strongest and most justifiable plank in the reform programme. The London Canada merchants certainly thought so, for in conversations with Sydney and the attorney general it was the need for known, well enforced laws (especially bankruptcy laws), and for good gaols, and not the need for an assembly that they stressed time and

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[1] In 1780, in the district of Montreal, 43% of all cases over £10 in the Common Pleas involved Canadians only; in 1786 the figure was 41% . For Quebec district the percentages were somewhat lower but still significant: 26% in 1780 and 27% in 1786. P.A.C., Q29, vol. 3, ff. 1007-11; Q30, vol. 1, ff. 11-27.

again. They welcomed the investigation of 1787, and in June of that year laid a memorandum before Sydney outlining their heavy losses and the precarious situation of their property in Quebec from the want of a proper system of laws.[1] Several firms, including Watson & Rasheligh, were induced to cut back their investment in the Canada trade as a result of the legal situation.[2]

But in launching so wide-ranging and personal an attack on the judges, Monk had done neither himself nor the merchants a service. The lord chancellor told Sydney that the evidence collected suggested 'no observation worth your Lordships reading',[3] and Monk's failure to substantiate his charges may have been largely responsible for his (temporary) dismissal as attorney general of Quebec in 1789. Once again, the merchants had pressed the British authorities too hard and too far in their frustration and eagerness to obtain reform; once again a less ambitious and more considered inquiry might have served them better.

II

The voluminous files of the investigation were dispatched to England, there to die a quiet death. Sydney rebuked Dorchester and Smith for sending back so unmanageable and undigested a report. The merchants though, confident that the report contained many justified accusations which they wished to support, and knowing that Pitt had

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[1] P.R.O., C.O. 42/51, f. 296: Canada merchants to Sydney, 26 July 1787.

[2] P.R.O., C.O. 42/52, f. 187: Investigation into the Courts, 30 July 1787: Evidence of William Goodall. Heavy losses were almost inevitable in the post-war economic situation, but the Cochrane affair added greatly to the feeling against French laws among the Londoners.

[3] P.R.O., C.O. 42/19, ff. 174-5: Lord Chancellor to Sydney (no date).

promised to review the Quebec question in Parliament in 1788, were anxious to have a representative in London to make sure their views were well known and understood. Besides, there was continuing concern over the colony's economy. The fate of the upper country was still uncertain; clearances from Quebec had dropped by 20% on 1786; and the effects of the post-war crisis lingered - specie was short and trade dull overall.

In this situation the decision of the Treasury to allow the London firm of Mark & Thomas Gregory to send prize liquors to Quebec at only one quarter of the normal duty triggered off an immediate reaction in the colony. The amount involved, some 45,000 gallons, was only a fraction of the colony's total imports annually, but the concern with which the affair was regarded in Montreal and Quebec is good proof of the delicate state of the local economy, and provides a further excellent illustration of how commercial grievances could spark off the renewal of political agitation.

First to react were the merchants of Quebec City who, on 31 July petitioned the legislative council to take action to prevent the ruin of their trade, and complained that, as no confidence could be had in the security of the laws, they feared a possible repetition of the event. Dorchester told Sydney that the importation would be injurious to the economy and warned that this sort of occurrence provided fuel for the seditious people working against the government.[1] He also believed that it was behind the decision which was now taken to send Adam Lymburner to England to renew agitation on behalf of the

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[1] P.R.O., C.O. 42/51, f. 143: Dorchester to Sydney, 18 Aug. 1787.

petition of 1784.[1] As he informed Nepean:[2]

> This measure I understand was suddenly taken up on Monday last, partly owing to the privilege granted to Messrs. Gregory & Co. of importing foreign Spiritous liquors at 9d. per gallon less than established by act of Parliament, which, it was observed at the time the first cargo arrived, could not have taken effect, had there been a House of Assembly in the province.

That the affair was of more than passing concern to the merchants can be seen by the fact that article five of Lymburner's Instructions were specifically concerned with it.[3] Article three in the abstract of his brief which Lymburner presented to Pitt on arriving in London, mentioned that he was to pay 'particular attention' to the 'recent importation of prize liquors'.[4] The Gregory affair was also discussed at a gathering of the London Canada merchants,[5] and Lymburner also brought it up again at his first meeting with Pitt, who assured him that the export order had been an oversight.[6]

Yet, important as the Gregory incident had been in providing a spur to action, Dorchester realised that there were other, more general and fundamental reasons for Lymburner's mission. The reformers

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[1] Lymburner's prominence in the agitation surrounding the Constitution Act has been seen as an offshoot of his involvement in the Cochrane affair. (See A.R.M. Lower, 'Credit and the Constitution Act', p. 140). While it is true that Lymburner took a long time to pay off his debt, a more likely reason for his being sent to London is his friendship with the chairman of the Canada merchants, Robert Hunter. (See Chapter 3, p. 105, above). The merchants needed one of their own number in London because of the virtual withdrawal of Maseres from the scene, perhaps as a result of his experiences in 1785/86.

[2] P.R.O., C.O. 42/51, f. 182: Dorchester to Nepean, 24 Oct. 1787.

[3] B.R.H., ILIII (1937), p. 690 et seq.: Instructions of the Canadian committee at Montreal, 26 Nov. 1787.

[4] P.R.O., 30, 8/346 (Chatham Papers), f. 116.

[5] P.A.C., Allsopp Papers, ff. 150-54: Lymburner to Quebec Committee, 1 Jan. 1788.

[6] Ibid., ff. 154-56: Lymburner to Quebec committee, 6 Jan. 1788.

hoped to obtain what had been asked for in 1784, and to support their more recent complaints against the administration of justice. Lymburner's despatches home also revealed continuing concern about the details of the future commercial relations of the empire with America.

Lymburner reached England on 7 December 1787, and five days later a group of London Canada merchants met at Hunter's offices in the City.[1] The chief topic of conversation (apart from the Gregory affair) was the news that the bill allowing the United States to provision Newfoundland was to be renewed. Lymburner pointed out the importance of this to Quebec and persuaded his audience to concentrate their attentions for the moment on defeating the bill. After the meeting broke up, Lymburner, Dyer, Brickwood, Strachan, Inglis, Gregory and Hunter called on Lord Hawkesbury (the President of the Committee for Trade) about the Newfoundland bill. Lymburner presented figures to show that Quebec could supply the fisheries with ample flour and biscuit, and Hawkesbury promised that they would be heard before a Commons committee.

The following day, Lymburner and three of the London merchants made an important visit to Sydney.[2] To their inquiry that they hoped that the government now had all the necessary information on Quebec, Sydney replied that he had indeed had several letters from Dorchester which he would read and show to his fellow ministers. Lymburner came away a little despondent however; 'I am afraid our business will

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[1] Those present were Alexander Ellice, John Paterson, Hunter and his business associate Blanchard, John Fraser, John Brickwood and James Strachan. Two Quebec merchants, William Lindsay and Alexander Auldjo were also present. (See Appendix B, below). Brook Watson dropped in while passing, and Mark Gregory was admitted once the affair of the prize liquors had been discussed.

[2] All the London Canada merchants had been invited, and Lymburner was clearly disappointed that so few had turned up.

be slow', he wrote. 'Our London friends have so much private business to attend to and the Ministry would wish, I believe, not to be troubled with our affairs.'[1]

On 24 January, Lymburner presented Pitt with a copy of his letters of instruction as well as a long memorandum stressing that a majority of both old and new subjects were united in their desire for change. He laid particular emphasis on the reform petitions of the new subjects, and their similarity to those of the old subjects on the questions of an assembly, English commercial laws and judicial reform. He rejected claims that the old subjects were contemptible in either wealth or property, and impressed upon Pitt the great commercial benefits that would accrue to both Britain and Quebec under a more liberal system of government.[2]

Within a fortnight, a group of merchants trading to Quebec had taken the next step in the intensifying campaign and presented Sydney with a reminder of the government's promise to take Quebec affairs under consideration that year; they pointed out the 'immense losses' they had sustained as a result of the defects in the colony's constitution, and requested to know what the government's intentions were.

Reviewing these events several days later, Lymburner admitted that not much progress had been made, and indeed, they had been surprised and dismayed to learn, after Hawkesbury's assurances, that the Newfoundland trade bill was to be read a second time without the Canada interest being heard. The prospects of any improvement in the situation seemed remote as the trial of Warren Hastings was soon to

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[1] P.A.C., Allsopp Papers, ff. 150-54: Lymburner to Quebec committee, 2 Jan. 1788.

[2] P.R.O., 30, 8/346 (Chatham Papers), ff. 124-7: Lymburner to Pitt, 24 Jan. 1788.

begin,[1] and would divert attention from the affairs of Quebec.[2]

On 21 February, Sydney sent Hunter a message in which he frankly admitted that more information was needed and expected from Dorchester, and that until it had arrived there could be no decision on Quebec.

Cracks now began to appear in the unity of the Canada merchants. Lymburner was all for pressing ahead and presenting the petition of 1784 to the Commons, but he was surprised and disappointed to find 'a great deal of Opposition' among the London merchants. Many were absolutely against going as far as that petition went, but Lymburner eventually prevailed and Powis laid the document before the House in March 1788. Six hundred copies were printed, and one sent to each M.P. together with a card requesting his attendance at the debate. Lymburner personally waited on many members. But, despite his feverish activity he was not hopeful of doing more than lay the foundations for the future, because of the ignorance of Canadian affairs which he found in London. One good piece of news he was able to report: his representations on the Newfoundland bill had been heeded and Quebec was to be given a fair trial in supplying the fisheries. He pleaded with his Quebec friends to do all they could to prevent monopolies and keep prices low.

The Quebec petitions were debated in May. The House went into committee and Lymburner was called to the bar where he outlined the defects in the administration of justice. Sadly, he was met by a wall of blank, uninterested faces; there was a good deal of inattention

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[1] Hastings was a former governor of Bengal who was eventually impeached by the House for alleged maladministration in India.

[2] P.A.C., Allsopp Papers, ff. 154-56: Lymburner to Quebec committee, 6 Feb. 1788.

during his speech, and not one question was asked when he sat down.[1] During the debate, Powis condemned the government of the colony as despotic, and argued that it was unjustifiable to deny an assembly to Quebec while giving one to New Brunswick. Moreover, it placed a further financial burden on Great Britain. Fox rose to complain of the delay in reaching a decision, and rejected Pitt's argument that, given the divisions in the province, an assembly could be disastrous. The prime minister quite rightly pointed out that Quebec was different from New Brunswick, and that until more information was forthcoming the government would again have to postpone discussion of the Quebec question. Lymburner reported that 'Mr. Pitt was as roughly handled and closely pinned down as ever he was in that House'[2], but his first-hand experience of parliamentary debates on Quebec was limited and his interested eye would naturally tend to see the force in the opposition's arguments while remaining blind to the valid points made by Pitt. The prime minister was no doubt handicapped in his performance by the lack of information at the government's disposal because of Dorchester's unhelpful reports, and this would tend to put him on the defensive in debate. In the event, he agreed to meet the opposition's demand for a further debate early in the winter session, by which time he hoped to have heard from the governor.

Yet, looking back on the events of the previous six months, Lymburner must have found it hard to swallow his disappointment. Apart from the one success over Newfoundland trade (soon to be nullified by a crop failure in Quebec), nothing concrete had been achieved, and everywhere he turned there was ignorance and apathy. Even among the Canada merchants private business came first, and a number of them exhibited that

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[1] P.A.C., Allsopp Papers, ff. 170-73: Lymburner to Quebec committee, no date (circa May 1788).

[2] H. Neatby, Quebec, pp. 250-51. Brook Watson introduced a supporting petition from the City of London and made a brief speech in which he laid more stress on the introduction of English laws than of an assembly. In this he was following the pattern of the other Canada merchants. Despite Lymburner's lobbying, the debate was attended by only 143 M.P.'s. See E.A. Cruikshank, 'The Genesis of the Canada Act', pp. 210-19.

attitude of moderation and deference towards government which Roubaud had noted three years earlier, and which had indeed been a feature of their behaviour from the first years of British rule in Quebec. In this context Sydney made a very revealing remark in a private letter to Dorchester:[1]

> The merchants who trade to Quebec naturally take part with their British Correspondents. But in the few conversations I have had with them, they have restricted their complaints almost entirely to the want of Gaols and Officers to secure their Debtors, hinting however that they would like to have the English Commercial Laws prevail.

Clearly, the London Canada merchants were either selling their Quebec correspondents short, or else they were failing lamentably to get their point across.

But the reformers might equally well (as Fox did) have blamed Dorchester for the further frustrating delay with which they were now faced. His Instructions had contained a clear charge that he was to obtain 'full & authentic' information on the real feelings of the inhabitants on constitutional change.[2] This information was now needed quickly if the government was to have some plan ready by the winter of 1788. In June 1787, Dorchester had sent home his first report, but it was scarcely what Sydney had been looking for. It began with a startlingly banal statement that there were great differences of opinion on the question of an assembly and that the "English party" had lately increased in strength with the arrival of the loyalists. Sydney certainly did not need to be told this; he wanted concrete suggestions, but these Dorchester was unable to offer beyond the need for any proposed changes to be fully explained to the Canadians beforehand.[3]

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[1] P.R.O., C.O. 42/51, f.45: Sydney to Dorchester, 17 Sept. 1787.

[2] Shortt and Doughty, 2: 813-15: Draft of Instructions to Dorchester, 1786.

[3] Ibid., pp. 946-48: Dorchester to Sydney, 13 June 1787. The governor did make one new suggestion-that land be reserved to the Crown in Quebec for the creation of an aristocracy. The idea was later taken up by Grenville.

Sydney wrote back to assure the governor that no immediate changes were proposed, and that this knowledge should enable him to guide the servants of the Crown in their future proceedings. But Dorchester's next dispatch was scarcely more helpful than his first. He merely laid down the principle which he believed should govern any constitutional changes in Quebec: the people of Canada must be given a sufficiently liberal government so that they would have much to fear and little to gain from separation. Dorchester ended with a comment that must have brought a wry smile to Sydney's face: 'whatever is proper to grant', he wrote, 'should be granted without delay'.[1]

After the attack on the government's dilatoriness during the debate of May 1788, Sydney wrote again to Dorchester, this time more urgently. He pointed out that the Quebec question would come up again early in the next session, and that the government wanted as much information as possible on who was for and who against an assembly, and how wealthy and numerous each side was. Sydney recognised that this would be a task of some magnitude, but that it was very desirable that the ministers should hear from him as soon as possible before the Christmas recess, so as not to be forced to avoid the question a second time.

On receipt of this letter Dorchester and Smith set to work on a reply. Most of the work was apparently done by Smith, and the governor followed his advice closely, except to tone down his disparaging remarks about the seigneurs and omit [illegible] those concerning the desirability of a united government for British North America.[2]

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[1] P.R.O., C.O. 42/51, f. 205: Dorchester to Sydney, 8 Nov. 1787.

[2] Smith had for some time been an advocate of continental government in America. His experience of the troubles of the 1760's and 1770's had convinced him of the need for a union of the colonies under the Crown and a continental parliament. He later extended these ideas to British North America, which he hoped to turn into a showcase colony to which the discontented in the States might turn with envy. To balance the democratic element Smith proposed a governor-general (preferably Dorchester) with wide military/constitutional powers, and a generally monarchical and aristocratic form of government. See L.F.S. Upton, The Loyal Whig; and H. Neatby, Quebec, pp. 207-09. Smith also sent his views on the Canadian seigneurie

The final report contained very general descriptions of the distribution of old and new subjects in Quebec's seven districts, and proceeded to a brief analysis of the differences of opinion which prevailed. The commercial elements in Montreal and Quebec were identified as the chief proponents of change; the habitants' lack of education, the seigneurs felt, would leave them open to bad counsel, and they were generally ignorant of the issues involved. Dorchester also believed that fear of taxation was a strong motive behind the opposition to an assembly.[1] It may have been the fullest dispatch to date, but it contained little that was new and scarcely any definite recommendations.

Various explanations have been advanced for Dorchester's lack of decisiveness, including that of ill health. Perhaps the most likely explanation, and also the simplest, is that he, like Sydney, was confused by the changes that had taken place in the colony since the war. As an architect of the Quebec Act he naturally retained a feeling for the Canadians and a conviction that their rights and liberties must be protected. On the other hand it was impossible to deny that the old subjects had increased in number, wealth and influence. In 1775 the issue had been clear cut: Quebec was threatened and must be protected by every necessary step. But the situation had changed and the colony found herself in new internal and continental circumstances. Dorchester summed up his dilemma by pointing out to Sydney that 'Suddenly to introduce volumes of unknown laws for the disposal of property, appears to me neither wise nor just; on the other hand it was never the intention of the Quebec Act to shut the door against every alteration'.[2]

. . . note 2 contd. from p. 250:
to Watson, probably intending that he should pass them on to ministers or use them himself in debate. There is no evidence that Watson did either.

[1] Shortt and Doughty, 2: 958-60: Dorchester to Sydney, 8 Nov. 1788.

[2] P.R.O., C.O. 42/61, f. 123: Dorchester to Sydney, 14 Oct. 1788.

Yet, despite Dorchester's unhelpfulness, the germs of a programme were beginning to grow in the minds of Sydney and his colleagues. If the reformers and Adam Lymburner (now preparing once again to set sail for England) had known what Whitehall was contemplating, they would have been profoundly worried.

Though Sydney had told Dorchester in September 1787 (as Lymburner was preparing for his first mission) that there were no plans for immediate alteration of Quebec's constitution, he had in mind certain principles which would guide him in reaching his eventual decision. In the first place he was quite clear that the rights and views of the Canadians must be attended to in all things.[1] So, on the question of introducing English commercial law he wrote:[2]

> The Canadians have a right to retain, if they chose it, the Laws guaranteed to them by the Capitulation, and . . . the merchants who trade with them ought to content themselves with the Laws of that Country.

As for an assembly, he foresaw growing demands for one, but thought it would be very difficult to draw up an unobjectionable plan in the present circumstances.

Even more alarming, had the reformers known of it, was that Whitehall now seemed to be virtually decided on the division of Quebec. In the months after the loyalist petition of April 1785 the Pitt administration had begun seriously to consider this possibility, and the news had been greeted with concern by the mercantile community in Quebec, including those who, like Alexander Davison, were of the seigneurial party.[3] Dorchester's Instructions of 1786 had mentioned

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[1] Shortt and Doughty, 2: 863-5: Sydney to Dorchester, 20 Sept. 1787.

[2] loc. cit.

[3] P.A.C., Sydney Papers, ff. 15-17: Alexander Davison to Townshend, 9 July 1785.

that division might be an expedient move, and he had been told to report back on how best to execute it. In April 1787 the western loyalists had presented another petition and Sydney's letter to Dorchester in September of that year contained the observation that 'All the Disputes seem to tend to a division of the Province.'[1] Within a year, the details of the scheme were beginning to emerge, and Sydney wrote that it was proposed to draw the boundary at the western edge of the seigneurie of Longueuil, which lay immediately west of Montreal. The King intended that the new province should enjoy free and common socage and a ten year remission of quit rents, as in Nova Scotia and New Brunswick, and that, in general, English laws seemed best.[2] Dorchester's considered opinion was that the western loyalists were only ready for county status, but that if division was determined upon then he favoured an assembly and English laws.[3]

While Dorchester and the home government were deciding how best to partition the colony, Lymburner and his friends were having troubles of their own in Quebec.

With a decision on Canada promised for the following year and with continuing economic troubles in the colony,[4] the committees at Montreal and Quebec were once again preparing instructions for Lymburner who was to return to England where his presence would be essential in

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[1] Shortt and Doughty, 2: 863-5: Sydney to Dorchester, 20 Sept. 1787.

[2] Ibid., pp. 954-8: Sydney to Dorchester, 3 Sept. 1788.

[3] Ibid., pp. 958-60: Dorchester to Sydney, 8 Nov. 1788.

[4] In addition to the continuing effects of the post-war recession, several new factors were causing concern, particularly the low price of furs in London and crop failures in Quebec in 1788 which led to very severe distress, and a marked slackening of trade and the circulation of specie.

the coming months. The new subjects were also aware that a decision was near and had recommenced their petitioning.[1] But a crack was now beginning to appear in the fragile unity of the British and Canadian reformers in the colony. A meeting of the French and British committees in late October 1788 broke up in discord over the question of whether or not Lymburner was to be instructed to press for the restoration of papal supremacy in spiritual matters, and whether or not the religious orders in Quebec should be given back their ancient lands and establishments.[2] Lymburner was reluctant to leave for England in these circumstances, and unity was eventually achieved on the central question of an assembly. But in many ways it was a superficial unity. Monk noted that Lymburner's freedom of action was now limited by his need to keep the support of the Canadians on these issues,[3] and some of the new subjects felt that they should have their own representative in London to safeguard their interests. In 1787 and 1790 Jacques Perrault expressed the opinion that 'Il me sembloit dangereux d'avoir un agent si éloigné & si peu au fait de nos usages & coûtumes qu'il avoit lieu de penser qu'il faverisoit les Anglois dans les différences qui existoient entre eux et nous'.[4]

The potential for discord had always existed in the alliance

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[1] The Canadian petitions of 13 Oct. 1788, 24 Dec. and 31 Dec. 1788, and the reformers' counter-petitions of 1 and 5 Dec. 1788 contained few new arguments, but centred mainly on attempts to prove that one side or the other had the greatest proportion of the colony's wealth on its side. The calculations involved were dubious and complex, and were intended to impress a British Parliament still dominated by landed men. See Papers Relative to the Province of Quebec (Quebec, 1791), pp. 103, 104-7, 127-8, 138-44.

[2] L.F.S. Upton ed., Smith Diary, vol. 2, p. 242: 24 Oct. 1788.

[3] P.A.C., Monk Papers, ff. 75-83: Monk to Maseres, 3 Nov. 1788.

[4] P.A.C., Baby Papers, vol. 10, f. 5872: J.F. Perrault to Perrault l'ainé, 18 Oct. 1787.

of new and old subjects since the Quebec Act. The difference between the two groups, though often hidden, was fundamental; both sides wanted an assembly, but for different reasons. The ultimate aim of both the old subjects and the British government was the assimilation of the Canadians. In the early years of British rule both the old subjects and Whitehall had imagined that this could be achieved fairly rapidly, but first London and then the British in Quebec had come to realise that the process would take time. But they never gave up hope of seeing the Canadians accept British laws, institutions and eventually absorb the British way of thinking so that they became as Englishmen. On a visit to Canada in 1785, Robert Hunter junior had met with a group of old subjects in Montreal (including Adam Lymburner) and they had discussed the petition of 1784. The young Englishman had come away convinced that it would be the means of 'the English language being universally talked here, and of the lawyers pleading in that tongue. . . . they will have English colleges and . . . all the children, French as well as English will go to them'.[1] Lymburner, not untypically, considered many of those aspects of their life and culture which the Canadians prized,as 'prejudices' to be weeded out gently.[2] In the council in 1784, William Grant had advocated the introduction of habeas corpus on the grounds that it would make Englishmen of the Canadians; and for all the commercial benefits which it might bring, an assembly, no less that the introduction of habeas corpus, was an instrument by which the political anglicization of the Canadians could be achieved.

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[1] L.B. Wright and M. Tinling eds., Quebec to Carolina, p. 51: Montreal, 16 June 1785.

[2] R. Christie, A History of the Late Province of Lower Canada, vol. 1 (Quebec, 1848), pp. 78-9: Lymburner to the House of Commons, 23 March 1791.

But it must be dominated by the old subjects or it could be a curse. Monk wrote to Maseres that:[1]

> His /Lymburner's/ mind seems to rest upon attaining the House of Assembly . . . on almost any terms, and supposed it will work the Reform. He counts highly upon the Influence of the Commercial Interest to get the English returned . . . and to hold a majority. I am satisfied he depends too much on that supposed Influence and it is of too much Importance for a Legislature to depend on. A House of Assembly unlimited in its power, unsecured to the Protestant Interest, the King's Old Subjects, would be a Real Curse to the colony, and what Great Britain ought never to grant.

But the Canadian reformers, for the most part, saw the need for an assembly in quite a different light. To them it was to be an instrument for the preservation of their laws, which they believed to be insufficiently protected at present by the legislative council. Juchereau Duchesnay for one favoured an assembly but at the same time declared himself very attached to Canadian laws, and recognised that the introduction of certain English commercial laws would partially destroy the security offered to Canadians by their own laws.[2] Sooner or later this basic conflict of interests was bound to emerge, and in 1787/88 signs of disagreement were starting to appear.

Nevertheless, having achieved a semblance of unity, Lymburner left for England in November 1788, and early in the New Year wrote back with the alarming news that the division of Quebec was definitely part of the government's plans.[3] He intended to oppose such a move, but

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[1] P.A.C., Monk Papers, ff. 75-83: Monk to Maseres, 3 Nov. 1788.

[2] P.A.C., Baby Papers, vol. 10, f. 6036 et seq.: Duchesnay to Baby, 7 Dec. 1788. In 1787 Pierre Guy told the judicial investigation that he had signed the 1784 reform petition as well as the recent one for the retention of Canadian laws, because the predominance of old subjects on the council made these laws insecure. Some 400 others were reported to have done likewise: P.A.C., Baby Papers, vol. 10, f. 5824; ibid., f. 5632: J.F. Cugnet to Lavaltrie, 1 Feb. 1787.

[3] The Quebec merchants may have suspected this and tried to pre-empt the government, for in the autumn of 1788 they again approached the loyalists about a joint petition - once more without success.

wanted further instructions on this point. But here again, there could be no unity between old and new subjects. For the latter, division was a god-send for it would ensure that they were in a comfortable majority in any assembly. Jacques Perrault reported that:[1]

> Les Anglois ici ont envie que nous nous opposions fortement au partage que l'on veut faire de la province . . . . Ils se servent du prétexte que le commerce en soufira beaucoup mais il est aisé de voir qu'il n'y a pas d'autres raisons que l'influence qu'ils perdront dans l'assemblé par le manque de plusieurs membres que ces districts devoient fournir.

But in any case there was little that Lymburner could do in England in 1789, for with the Regency Crisis caused by the King's temporary insanity the previous autumn, interest in Quebec evaporated. Fox and his colleagues who had supported the Quebec petitions in 1788 were now likely to form a new government under the friendly eye of the Prince Regent, and Lymburner feared that they would turn luke-warm. As for the London Canada merchants, 'their influence I am afraid will not afford us much support, they are not numerous', and some indeed, had been diverted by the party wrangles in England. Hunter, Watson and Brickwood were all strongly pro-Pitt and had been active in securing an address from the City of London in his favour. This had displeased the Foxites and the unfortunate Lymburner found that difficulties increased at every turn.[2] Nevertheless, he remained in London and when, in June 1789, Sydney was replaced by William Grenville,[3] Lymburner lost no time in waiting on him with information about Quebec.

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[1] P.A.C., Baby Papers, vol. 11, f. 6190 et seq.: J.F. Perrault to Perrault l'aine, 2 Aug. 1790. Again in January 1791, Lymburner wrote to Perrault that he was disturbed to see that the Canadian committee 'n'a pas approfondit l'affaire plus sérieusement'.

[2] P.A.C., Allsopp Papers, ff. 174-6: Lymburner to John Blackwood, 3 Feb. 1789.

[3] See Appendix B, below.

Grenville worked energetically during the summer reading and assimilating the mass of papers on Quebec which Sydney had left him. He assured Dorchester that a decision would be made in the summer of 1790, and that until then he must put off coming home on leave and stay at his post. The speed with which the new minister grasped the complex issues which had baffled Sydney and Dorchester for so long, and came up with a plan, was indeed remarkable.

By as early as late August 1789, Grenville had sketched out some ideas which he sent to Lord Thurlow, who had been attorney general of England at the time of the Quebec Act. Thurlow admitted that it had been some time since he had had occasion to think about Quebec, and that many things had changed; but he went on to make some very perceptive remarks about the lessons to be drawn from American independence. It was his belief that the Thirteen Colonies had been insufficiently dependent upon Great Britain. They had been kept on too light a rein, and when the mother country had tried to tighten up the Americans had taken this as a shocking innovation. He therefore wanted to preserve the greatest possible degree of British influence in the executive branch of the colony's government, as being the only point of contact with the mother country. So far, Thurlow's ideas correlated well with those of Grenville. The Lord Chancellor though did not share Grenville's enthusiasm for a hereditary colonial aristocracy in Quebec as a means of creating a reservoir of loyalty that would ensure that Quebec did not go the way of the American colonies. He feared that to give permanent prestige and power to a group of families might result in their becoming an independent interest.[1]

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[1] V.T. Harlow and F. Madden eds., British Colonial Developments, pp. 192-3: Thurlow to Grenville, Sept. 1789.

In October 1789, Grenville sent Dorchester a series of papers in a letter marked private and secret. They contained a discussion of the various arguments in the petitions and counter-petitions from Quebec, and the draft of a bill to ammend the constitution.[1] The basic premise from which Grenville worked was that the neighbourhood of the United States made it doubtful whether the people of Quebec would long acquiesce in their present form of government. He decided that some change was therefore necessary and that it was better to grant it now, when it would be taken as a favour, rather than wait until it was extorted. The ultimate object of any changes was to put off for as long as possible the inevitable day of Canadian separation, in the meantime rendering the imperial connection as advantageous to Britain as possible, without injury to the colony.

The means by which the imperial connection was to be maintained and made fruitful was by assimilating the constitution of Quebec as nearly as possible to that of Britain. In the case of the loyalists in Upper Canada this was fairly straightforward; Lower Canada however posed more of a problem. Grenville had inherited from Sydney a proposal to continue the conciliar form of government there,[2] but he soon changed his mind, and the first draft of his bill contained provisions for an assembly in both provinces. He had thoroughly reviewed the arguments both for and against an assembly, and two especially seemed to him important. One was the reformers' contention that an assembly was necessary to support the civil government of the colony through taxation. Grenville estimated that Quebec cost Britain over £100,000 a year

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[1] Shortt and Doughty, 2: 969-1002.

[2] V.T. Harlow, Founding of the Second British Empire, vol. 2, p. 754.

(exclusive of military expenditure)[1] and given the fact that in 1778 Britain had renounced her intention of levying internal taxes in her colonies, the financial argument was a particularly strong one. Against it however, was to be placed the fear of the new subjects that the old subjects in Quebec would dominate the assembly. Grenville's answer to this was to divide the province.

Other elements by which the Quebec constitution was to be assimilated were to allow grants of land in free and common socage to help promote a British social order, and to avoid the mistake made in America by creating a colonial aristocracy with an intermediary role between the governor (the Crown) and the assembly (the people), as in the British House of Lords. To achieve this it was proposed that the legislative council be appointed for life, with no pay, and that marks of honour might be given to its members. Dorchester was sceptical of the stability of hereditary honours in a colonial society where they were liable to fall into decay almost overnight, but Grenville was firmly convinced of the desirability of the idea and it was incorporated into the final draft.

On the question of laws, Grenville, like many before him, quickly saw the difficulty of blending Canadian and English laws. But he was anxious to do something for the old subjects, who controlled most of the trade of Quebec. He therefore suggested that Parliament ammend the commercial laws of Canada before an act was passed; but his plan came to grief over the fact that there was no self-contained body of English commercial law that could easily be transferred to Canada.

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[1] This figure would appear to be a gross over-estimate, but the most important fact is that Grenville appears to have thought it to be accurate.

He was accordingly forced to abandon the idea with some regret.[1]

There was little comfort for the merchants therefore in Grenville's bill. An assembly they would get, but one dominated by the new subjects. English commercial laws were out, and Grenville did not consider many of their other requests to be justified: the demand for the assembly to elect sheriffs went against the British constitution; the present state of the legal and judicial administration did not justify judges holding office during good behaviour; the proposals for reforming the appeals court were rejected; and the complaints about justice he considered to have arisen more from uncertainty about than defects in the laws. In general Grenville felt that the degree of freedom proposed under the petition of 1784 was inconsistent with the existence of a dependent government.

Grenville's ideas were so complete that all he required from Dorchester was the insertion of a few details concerning the number of members in each assembly and council and the qualification of voters and candidates.[2] Dorchester 's reply was received in April 1790, too late for action to be taken that session, and the bill was laid aside for the rest of the year as a general election, the Nootka Sound crisis with Spain, and a commercial agreement with the Dutch in the Far East intervened.

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[1] Shortt and Doughty, 2: 1024-7: Grenville to Dorchester, June 1790. But the British authorities, as in 1774, did not rule out the possibility that parts of English law might soon be introduced. In September 1791, Dundas (Grenville's successor) wrote to Dorchester that 'the modes and Practises of the English Law in all cases, may, by degrees, become . . . acceptable, and, by a proper mode of proceedings be gradually introduced into the Province'. But even then, great care should be taken not to deprive the Canadians of their laws without their consent. P.R.O., C.O. 43/10, f. 105: Dundas to Dorchester,16 Sept. 1791.

[2] Grenville had found the reformers' Plan for an assembly of 1784 liable to 'great objection'. Dorchester's proposals for a lower Canadian house of 30, 4 each from Quebec and Montreal and 2 from Three Rivers, would have placed the old subjects, who were concentrated in the towns, in a clear minority.

But at last, in February 1791, Grenville's bill was introduced into the Commons, and it was taken into consideration in March. Several London Canada merchants presented an address against those clauses which put the affairs of merchants into the hands of new subjects who were attached to the old, French, anti-commercial laws. They proposed calling Brook Watson to verify their assertions, but he declined.[1]

Adam Lymburner though, was only too eager to condemn the bill's shortcomings. His speech at the bar of the House on 23 March 1791 was a lengthy one and contained an impassioned defence of the commercial group in Quebec against the oppressive actions and beliefs of the landed interest. As such, it was not likely to succeed in a House of Commons still dominated by propertied men.[2]

Lymburner began by describing the economic poverty of New France and traced the limited progress made since then by the old subjects who had come to Quebec after the conquest. He stressed that this improvement was entirely due to the efforts of the commercial interest, by whose exertions 'a wonderful change' had been wrought.

On the other hand, he strongly maintained that the advance of the colony had been held back by the 'despotic' form of government under which it laboured. 'We have had to encounter numberless Difficulties', he claimed, 'which the Pride and Insolence of a Set of Men, whose minds were corrupted by the Exercise of despotic Power, have thrown in

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[1] Watson's reticence may have been due to an unwillingness to embarrass the government, of which he was a strong supporter.

[2] See P. Tousignant, 'Problematique Pour Une Nouvelle Approche'. He makes the valid point that to understand fully the act of 1791, one must not ignore the political-social vision of its framers. The petitioners in Quebec understood this, and hence their detailed property calculations. Tousignant also noted that Pitt's attempt to increase the representation of London, and to give seats to Birmingham, Leeds, Sheffield and Manchester in 1785, was defeated.

our way'.[1] He had no hesitation in saying that commerce, not land, was the only road to wealth in Quebec, and that there were now among the merchants of the colony:[2]

> Those whose movable fortunes are perhaps equal, if not superior to any of the Seigneurial Estates; and who, from the Employment and Support they give to thousands of People, have infinitely more influence in the Country than the Seigneurs.

But, as in the American colonies, the landed interest had an inordinate amount of influence in the government of the colony, and used it to oppress the commercial element. The result was that the country lay exhausted under the burdens of the Quebec Act; the public buildings and prisons were in decay, and court houses, roads, bridges and schools were badly needed. 'In short', he declared, 'the Country is reduced absolutely to a State of nature'. This had occasioned heavy losses, not only to Lymburner's constituents, but to English merchants as well:[3]

> Ask the Merchants of London trading to that Country, in what situation that trade has been for the last Twelve or Thirteen years. They will tell this Honourable House that it has been extremely heavy and ruinous; that several of their body have been totally ruined by the Losses which they have met with in That Country, and all of them have suffered considerably in their Fortunes; that the Trade is still heavy.

If only Quebec were to be given a free and 'liberal' form of government. then commerce would thrive, the merchants of Quebec and England would benefit, and Britain could at last be relieved of the financial burden of supporting the civil government of Canada.

But the proposed act did not establish such a form of government.

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[1] P.R.O., C.O. 325/7, ff. 19-20.

[2] Quoted in Tousignant, 'Problematique Pour Une Nouvelle Approche', p. 192. Watson could have confirmed Lymburner's portrait of the Canadian seigneurie from Smith's information, but there is no evidence that he did so.

[3] P.R.O., 325/7, f. 19.

Lymburner particularly opposed the division of Quebec as a fundamental evil. The country had already been mutilated in 1783, and he assured members that neither the loyalists nor the inhabitants of Lower Canada welcomed further division. Unity was essential for their security, and moreover, the two provinces were united by many ties, individual and commercial. Through the St. Lawrence, Lower Canada would control the trade of the upper province, and probably levy taxes on her commerce. But would the upper province approve of being taxed by the lower? In addition, Upper Canada, with its thinly scattered population, would be too poor to support its civil government, the whole burden of which would fall on Britain.

The important commercial element in Lower Canada (and in Britain too) would still be subject to the anti-commercial laws of Quebec, and to the regressive influence of the landed interest, whose power was to be increased by the proposal to confer hereditary honours on some members of the legislative council. There was also a danger that the governor would use his power to draw up the electoral map of the assembly to add further weight to the landed interest.[1] 'My constituents', he concluded, 'wish to receive from the British Parliament a new and complete Constitution, unclogged and unembarrassed with any laws prior to this period.'

The debates which took place during April and May were not remarkable for their fruitfulness and were famous only for the fact

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[1] P.R.O., C.O. 325/7, f. 17. One of the advantages Lymburner foresaw from keeping Canada united was that the settlers of Upper Canada would initially be too busy to send their own delegates to the assembly in Quebec and would instead elect merchants and others from Montreal and Quebec to represent them, because they were connected to them in business and were therefore interested in their prosperity. See C.O. 325/7, f. 10. It is also noteworthy that the electoral property qualifications proposed in the Plan of 1784 were markedly higher than those passed in 1791. This would have had the effect of disfranchising many of the new subjects, thus ensuring that the old subjects were over-represented in the assembly.

that they witnessed the end of the life-long friendship between Fox and Burke over the question of republicanism and the French Revolution. The opposition attack centred on the undesirability of dividing Canada, both from a commercial viewpoint, and because it was felt that this would retard the assimilative process. Fox also condemned the lack of liberty in the government; if Canada was to be preserved to Britain then she must not be made to feel constitutionally inferior to the Americans. He therefore deplored the influence of the Crown (both direct and as exercised through the governor), for example in the appointment of councillors, who ought to be truly independent of both the governor and the assembly if they were to be effective mediators.

But Pitt was adamant that the only way to reconcile the jarring interests in Canada was by division,[1] and he was confident that experience would show the Canadians that English laws were best. He also defended the power of the Crown and the proposal to create a Canadian aristocracy as essential parts of the bill's overall purpose to give Quebec as British a constitution as possible. On only two points did he relent; he agreed to increase the size of the lower Canada assembly from 30 to 50 members, and to reduce the length of sessions from seven to four years. Eventually, on 18 May 1791, the Constitution bill was given its third reading, and received the royal assent in June.

For three months or more after that, Lymburner continued his efforts to get parts of the bill amended to ensure that the commercial interest received substantial representation in the new assembly and, if possible, to change the government's mind about division. But his efforts were all to no avail, though he had 'persevered beyond what

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[1] He was supported in this by Watson during the debate of 11 May.

perhaps any other Person holding such a reputable Deputation would have done'.

III

Lymburner had asked for a 'new and complete constitution'; what he had received was far from being that and was a bitter disappointment. The Quebec Revenue Act remained in force until the colony should levy sufficient duties of its own, and the Quebec Act, apart from the clauses relating to the powers of the governor and council, remained solidly established as the basis of the constitution. The Constitution Act, in its concern for the rights of the Canadians and its ultimately assimilative aim, differed not at all from its contentious predecessor. J.B. Brebner has gone so far as to say that the Constitution Act:[1]

> . . . did not . . . show any signs that the American Revolution had changed in the direction of greater self-government, British ideas about how the North American colonies should be treated. In 1791 all of the North American colonies had governments of the most authoritarian pre-revolutionary type, with executives as independent as possible of the representative assemblies, and appointed legislative councils to balance the assemblies in legislation.

To some extent Brebner's judgement is not realistic and fails to do justice to the act. In the context of British thinking on the underlying causes of American independence, any substantial move in the direction of greater self-government for the colonies was hardly to be expected. Men such as Grenville, Thurlow and William Smith all laid the blame for what had happened in the Thirteen Colonies on the fact that there had been, not too much, but too little real British influence in the colonial governments. To this extent, the actual

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[1] J.B. Brebner, The North Atlantic Triangle (New Haven, 1945), pp. 66-7.

provisions of the act of 1791 were probably influenced more by the American than the French Revolution.[1]

Moreover, in some ways the act was a bold experiment when one considers the troubles which had surrounded assembly rule in Grenada. At a time when the French there were being excluded from all participation in government, those in Dominica were under suspicion, and those in Martinique were still subject to a conciliar form of government, the introduction of an assembly into Quebec was a vexed question, especially one which was to be French dominated. To this end Canada had been divided, leaving several thousand British subjects a small minority in a "French" province. These two features - division and the introduction of an assembly - were the most important and novel parts of the act; but without the first, the second could probably not have been contemplated.

Historians have generally agreed that the financial imperative was the main factor behind the decision to grant Quebec an assembly, and there is no doubt that this was so - though it was also seen as an assimilative tool through which the Canadians would come, by practical experience, to recognise the advantages of British laws and institutions. But for Grenville at least, the spectre of having to pay out large sums for the upkeep of the civil government in Quebec was a decisive argument. By the act of 1778 Britain could not have raised these monies by parliamentary taxes in Quebec, so the only alternative was to raise them through an assembly, or possibly the council. To him the choice

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[1] It was the need to ensure that Quebec did not look with envy at the American constitution which cropped up time and again in British thinking. Though Grenville thought that 1791 was a good time to give Quebec a new form of government, because the French were occupied with internal problems, there is no evidence that he decided to grant Quebec an assembly because of the move towards democracy in France itself.

did not lie between taxation and no taxation (as it seemed to the Canadians to do), but between taxation by a nominated council or an elected assembly; Grenville thought that the latter would prove more popular and acceptable to the colonists.

But it is an important and perplexing question as to whether Grenville would have imposed an assembly on Quebec had it proved impossible to divide the colony satisfactorily. It is hard to conceive that he would have done so. The dangers of seeing too great a degree of planning and consistency in imperial policy are well known,[1] but it is evident that ever since the conquest the British government's main concern had been to secure the Canadians in the rights and privileges guaranteed to them at the Capitulation. Hence there had been no assembly in 1774; the Canadians must not be ruled by what was reportedly a largely disreputable minority of old subjects, but at the same time they were not sufficiently trustworthy to be given control of such an institution themselves. The financial imperative for an assembly does not seem to have been regarded as important; only with Grenville does it come to the fore. Yet Grenville too exhibited the same concern for the Canadians' rights and was equally aware of the threat that might be posed to these rights by a British-controlled assembly.

The other constant feature of British policy had been the rooting out of faction in Quebec; this had ruled out the possibility of trying to balance new and old subjects in an assembly both in 1791 and 1774. The only solution was division. As Pitt said, division was the most important part of the bill, on which everything else hung. It provided the best means of reducing the factious and acrimonious disputes that

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[1] See, for example, D.L. Mackay, 'Direction and Purpose in British Imperial Policy'.

had bedevilled Quebec politics for so long. It left the Canadians in a large majority in the lower province, thus enabling Britain to introduce an assembly which would ensure protection for their rights and liberties, relieve Britain of her financial burden, and help assimilate the Canadians to British ways. But division was only possible because of the relatively small number of loyalist immigrants who had settled in the heartland of the old province of Quebec. Most were grouped west of Montreal around Cataraqui. In the last analysis, it was the convenient geographical distribution of the loyalist population which enabled Quebec to be divided, and it is at least debatable whether Pitt and Grenville would otherwise have felt able to introduce representative institutions. Certainly to do so would have required great heart-searching, and a retreat from two very important and well established tenets of British thinking on Quebec.

The act was thus a severe disappointment to the old subjects who had fought so long and hard for those things which they not only regarded as their birthright and as having been promised to them in 1763, but as essential to their present and future economic well-being. The citizens of Montreal, who generally would have preferred to be part of Upper Canada, found little cause for rejoicing.[1] The new constitution was ushered in in a relatively quiet and subdued atmosphere. The citizens of Quebec though, managed to put a braver face on their disappointment. On 29 December 1791, a Constitution Dinner was held at Franks' tavern at which 150 of them drowned their sorrows with toasts to the King, the new constitution, the Glorious Revolution of 1688, Adam Lymburner, the Quebec and Montreal committees and their English

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[1] P.A.C., Lindsay-Morrison Papers, f. 595: Morrison to ?, 17 Nov. 1791; Montreal Gazette, 19 Jan. 1792.

allies, and many others.

But the sober reality of the situation was that, in 1791 as in 1763, they found themselves still a small minority, controlling important sectors of the economy, but still powerless to direct the political destiny of the country which they had made their home. Such was their disappointment that it must have seemed that, to their fellow Britons across the atlantic to whom they had looked for succour and support, they were indeed 'an Object of no great Moment'.

Conclusion

Between 1774 and 1791 the old subjects in Quebec had fought with determination and persistence for reforms in the colony's constitution, but with only a limited degree of success. It was ironic, and in some ways typical of their experience, that the most fundamental concession to be made in this period, the introduction of an assembly, should have been granted less in the interests of the old subjects, who had been its chief advocates, than in those of the Canadians, who for the most part did not want it. Taking our stand in 1791 we can look back over the preceeding twenty years and try to bring together some of the main reasons behind the failure of the British minority to achieve their commercial and constitutional objectives.

Two fundamental and unalterable realities in the condition of Quebec were at the root of the old subjects' disappointment. One lay in the underdeveloped condition of Quebec herself, and the other in the circumstances of her acquisition and retention.

The economic immaturity of Quebec and her consequent economic insignificance in the imperial economy, proved an insurmountable obstacle to a largely mercantile British minority whose political demands were to a significant degree based on and made in response to commercial grievances. Unlike the merchants of the Thirteen or Britain's West Indian colonies, the Quebec merchants could not use their own economic strength or the influence of powerful commercial and manufacturing interests in Britain, to put pressure on the imperial authorities. When faced with colonial representations, the British government put British and imperial interests first, so there could be small hope for the Quebec merchants in their attempts to obtain preferential treatment

in the markets of the fisheries and the West Indies, over their rivals from the Thirteen Colonies, which were Britain's most valuable possessions and, even after 1783, a vital participant in imperial trade. Their one success, over Newfoundland in 1788, came because it was in imperial interests that Quebec, rather than a foreign power, should supply the fisheries if she seemed capable of doing so. But by the same token, it was not in British interests to allow the Quebec merchants any considerable degree of direct commercial intercourse with the West Indies or southern Europe, however much they might claim that this was essential to Canada's prosperity. Deprived of the encouragement and protection in imperial markets that alone would have helped to develop her domestic industry, Quebec's economy grew slowly and was only marginally more significant in imperial terms in 1790 than it had been in 1760. Consequently, the position of the Quebec merchants had altered little.

The second reality which faced the old subjects was the fact that Canada was a conquered country, and that it had been retained for security not economic reasons. It contained, moreover, a sizeable and well established population of a European culture which Britain recognised as being worthy of some respect. This, combined with the fact that France still had colonial pretensions in North America and might try to recapture the colony, ensured serious consideration for the rights and wishes of the Canadians by the imperial authorities, even against the demands of her own subjects in Quebec.

The outlook for the old subjects was not bright, and it grew dimmer with the disturbed situation which soon arose in North America and reached a critical point in the years 1775 to 1783 when the Americans invaded Canada and the French joined in the struggle against Britain on the side of the rebellious colonies. Security considerations dominated

official thinking; the time was not yet ripe for change. The trauma of American Independence continued to disturb the minds of officials in Quebec and Whitehall for years after any real danger to Canada had passed.

The merchants themselves were in part responsible for this state of affairs. Though a majority were undoubtedly loyal to the Crown and empire, the treachery of a few coupled with the self-interested commercial activities of many more, helped to harden the attitudes of the nervous Quebec authorities against them and their cause. Only when the needs of commerce and the dictates of security did not clash, as with the retention of the Western Posts after 1783, could the merchants look for satisfaction. The political alienation of the governors from the 'generality of merchants' was sufficient to prove very damaging to their cause, for the views of Murray, Carleton and Haldimand carried more weight in Whitehall than most other colonial governors could boast. The British therefore came to look on the majority of the old subjects, not as merchants in the sense in which that word was used in Britain, but, for the most part, as feckless adventurers, devoid of principle and wholly unfit for the exercise of political power and responsibility. It was inconceivable that they should be given power over the French majority; but on the other hand, the events of 1775/76 suggested that the Canadians themselves were not yet ready to rule.

In this situation, and confronted by a barrier of apathy towards Quebec in British government circles, the task of the Canada interest in London was awesome. They were seen as the representatives of a shady minority and were themselves few in number and for the most part of little influence. They lacked parliamentary strength and stood isolated from the other colonial interest groups. Devoid of all the

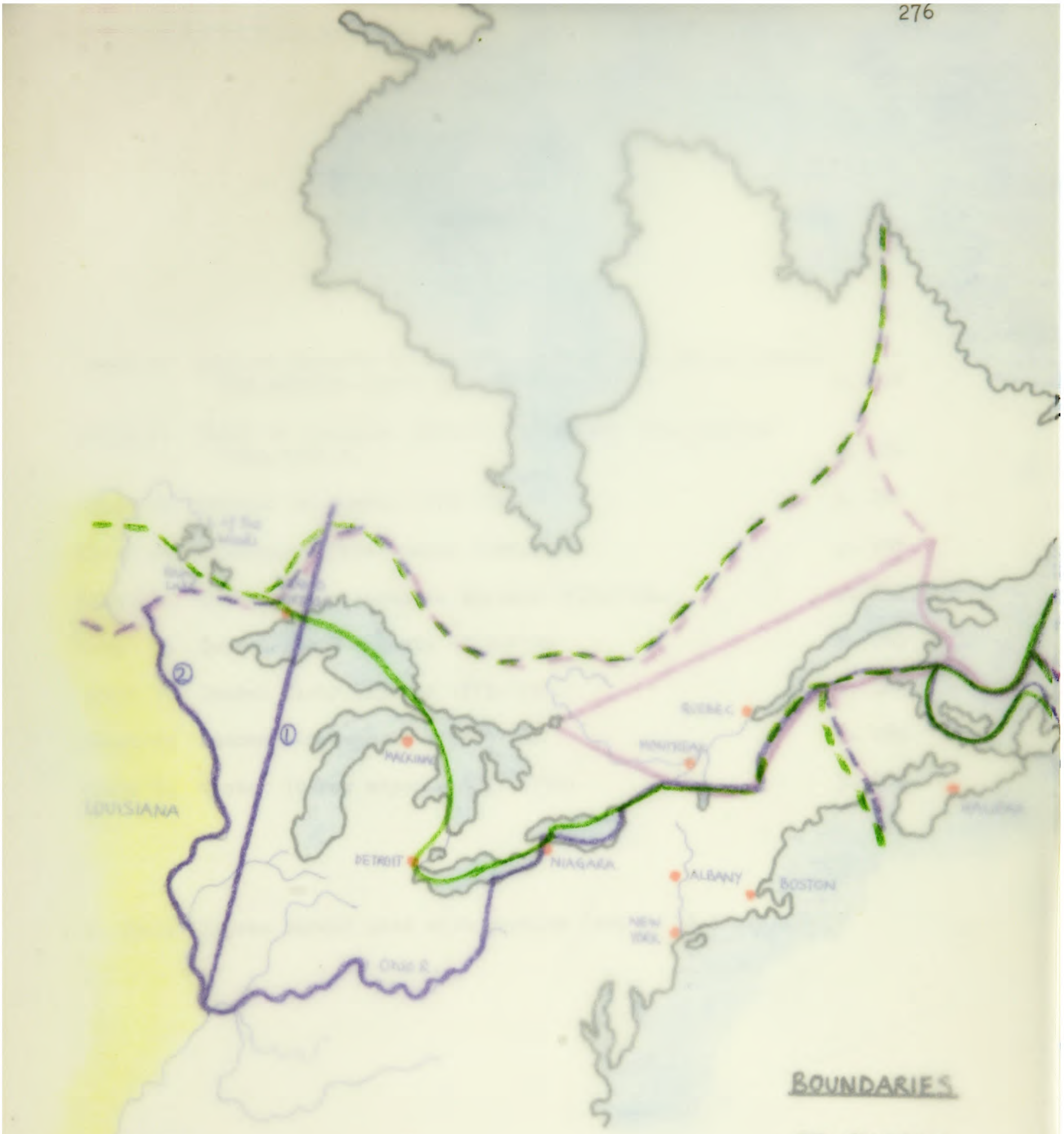
prerequisites for a successful colonial interest, they found themselves unable to agree on questions of policy and tactics, and so failed to win even those limited concessions for which they could reasonably have hoped. Too often they undermined the Quebec merchants by their cautious moderation and diffidence, though in 1785/86 they made the opposite error of giving their support to a petition that was so detailed and wide-ranging that it displeased ministers. It can perhaps further be argued that the Canada interest were guilty of a tactical error in relying on the parliamentary opposition, rather than on government supporters, to back up the Quebec petitions. Not only was this displeasing to ministers, but it put strong government supporters such as Hunter, Brickwood and above all Brook Watson M.P., in an awkward position. Furthermore, the opposition were rarely committed to the Quebec cause and, as in 1788, were liable to melt away when changes in the British political scene made support for the old subjects unnecessary or tactically unwise.

But the old subjects too were guilty of tactical mistakes and poor judgement. The shift in emphasis from the rights of Englishmen to the needs of merchants, especially marked after 1783, though natural, was perhaps unwise. Such a change would probably elicit less (certainly no more) support in a parliament dominated by landed men, while in government circles we have seen that there was a tendency to disapprove of merchants meddling in politics, and even to regard them as temporary residents (and therefore second class citizens) of Quebec, whose "rights" could in consequence be more easily set aside or subordinated to those of the Canadians.

Frustration drove the old subjects into another mistake - the attempt after 1784 to bludgeon Whitehall into reforms by sheer weight of numbers and intensity of pressure. To this extent the Canada interest

was right in its appreciation that, especially without outside support (for example from the loyalists), such pressure was hollow and likely to be counter-productive; and with Sydney at least this proved to be so: pressure led to inaction and a determination not to be pushed. Like the American interest in the early 1770's, the Canada interest found its work impeded by the bad reputation and immoderate demands of their colonial constituents. Unity, moderation and firmness was likely to be the only successful combination of ingredients for even limited reform.

A variety of factors then - the political and economic unimportance of Quebec and the resulting weak position of the Quebec and London Canada merchants; British concern for the security of Quebec and the rights and wishes of Canadians; the divisions within Canada and among the London merchants; the influence of the governors and the bad character they gave the generality of merchants in Quebec; the tactical errors of the petitioners and their London allies - all combined to ensure that their demands went largely unfulfilled during the first, troubled quarter century of British rule in Quebec.



BOUNDARIES

OF QUEBEC:

1763, 1774, 1783

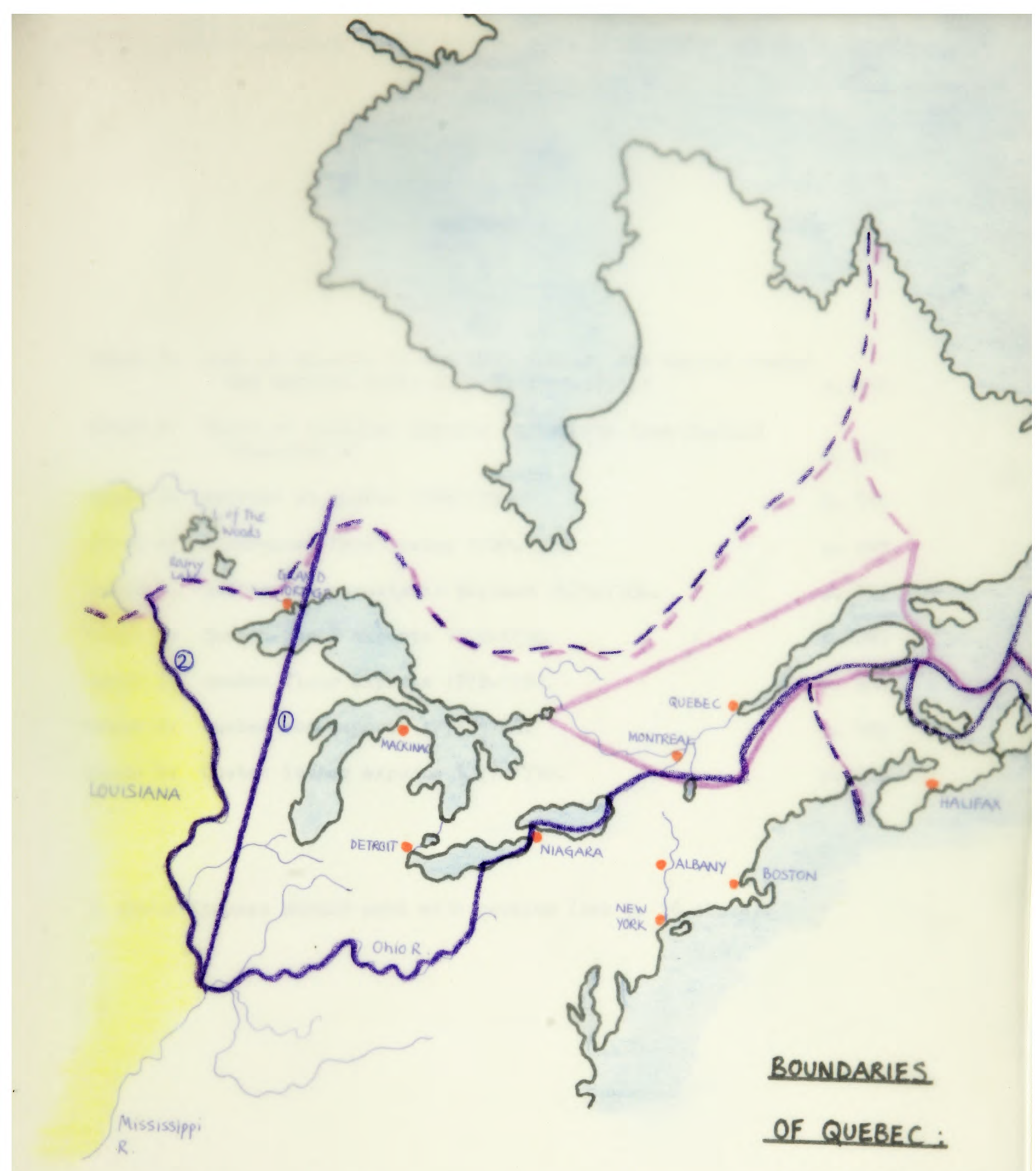
1763
1774
1783

① Quebec Act Boundary

② Boundary by Carleton's Commission.

Definite Boundaries

Indefinite Boundaries



BOUNDARIES OF QUEBEC: 1763, 1774, 1783

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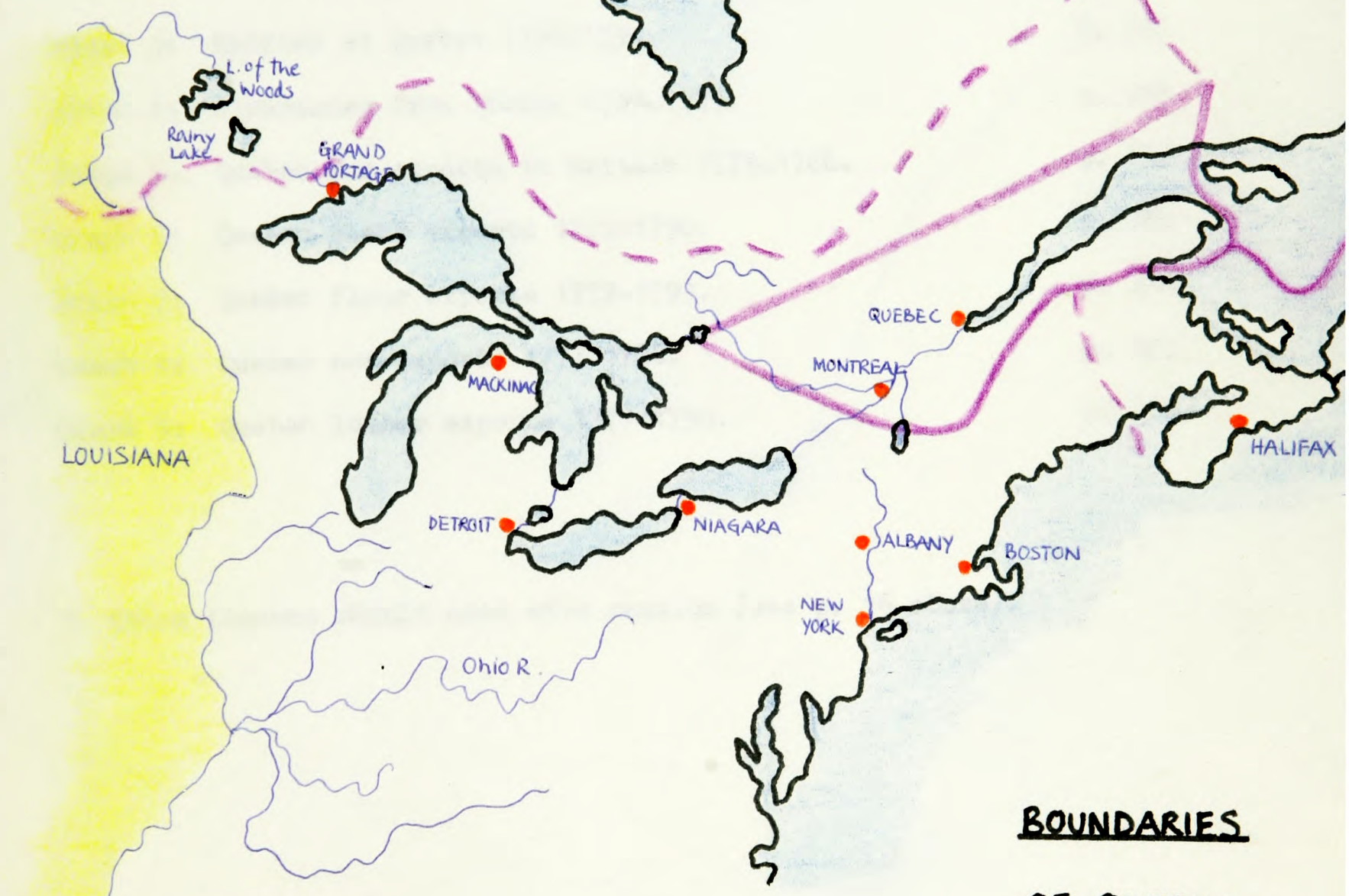


BOUNDARIES OF QUEBEC: 1763, 1774, 1783

1763
1774
1783

① Quebec Act Boundary

② Boundary by Carleton's Commission.

Definite Boundaries

Indefinite Boundaries

APPENDIX A

Graph 1: English Exports to the West Indies, the United States and British North America 1783-1795.* p. 278

Graph 2: Value of Canadian Exports to/Imports from England 1768-1792.* p. 279

Graph 3: Entries at Quebec 1768-1791. p. 280

Graph 4: Clearances from Quebec 1768-1791. p. 281

Graph 5: Quebec fur exports to Britain 1773-1786. p. 282

Graph 6: Quebec wheat exports 1772-1790. p. 283

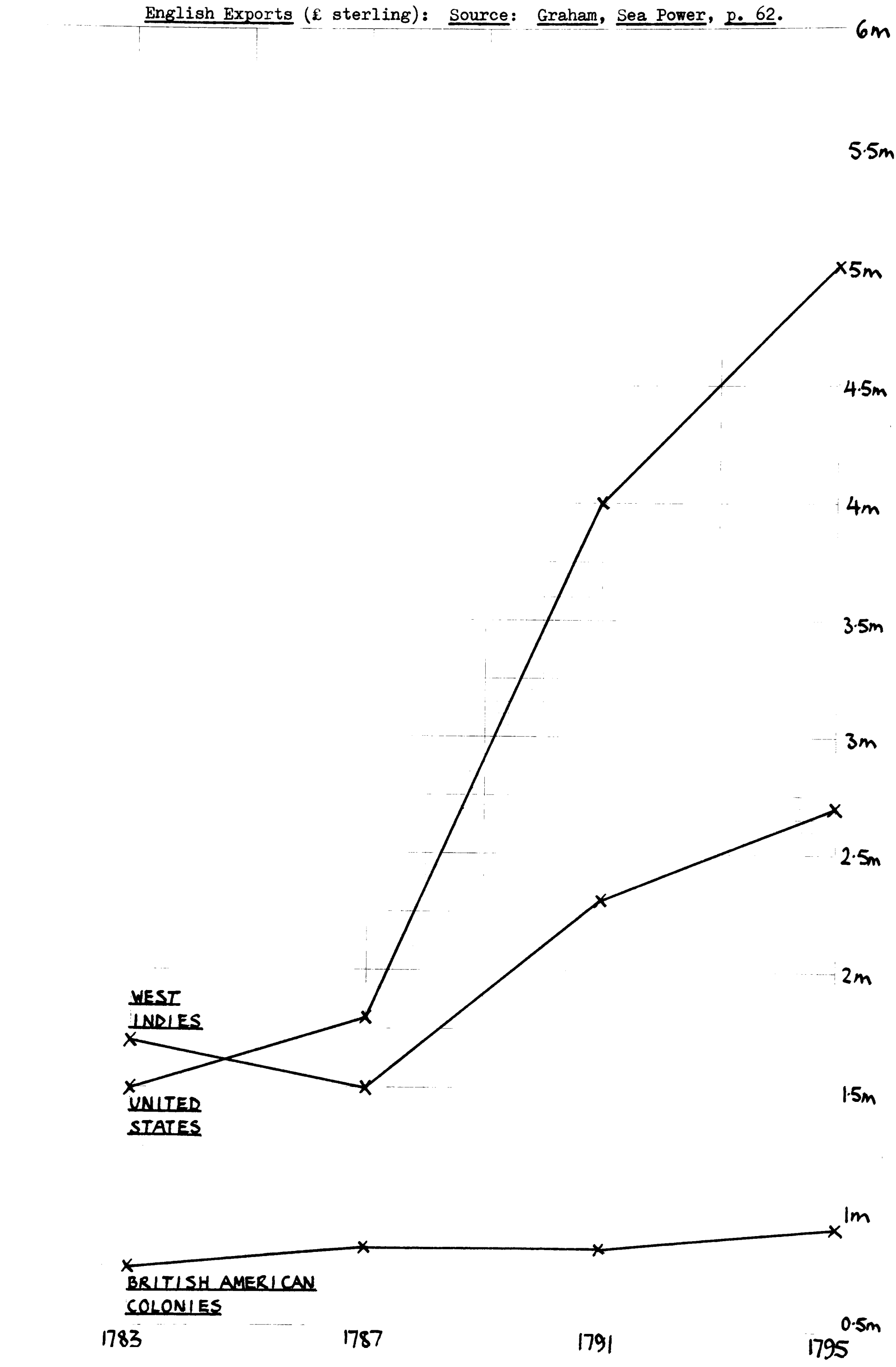
Graph 7: Quebec flour exports 1772-1791. p. 284

Graph 8: Quebec cod exports 1773-1786. p. 285

Graph 9: Quebec lumber exports 1777-1790. p. 286

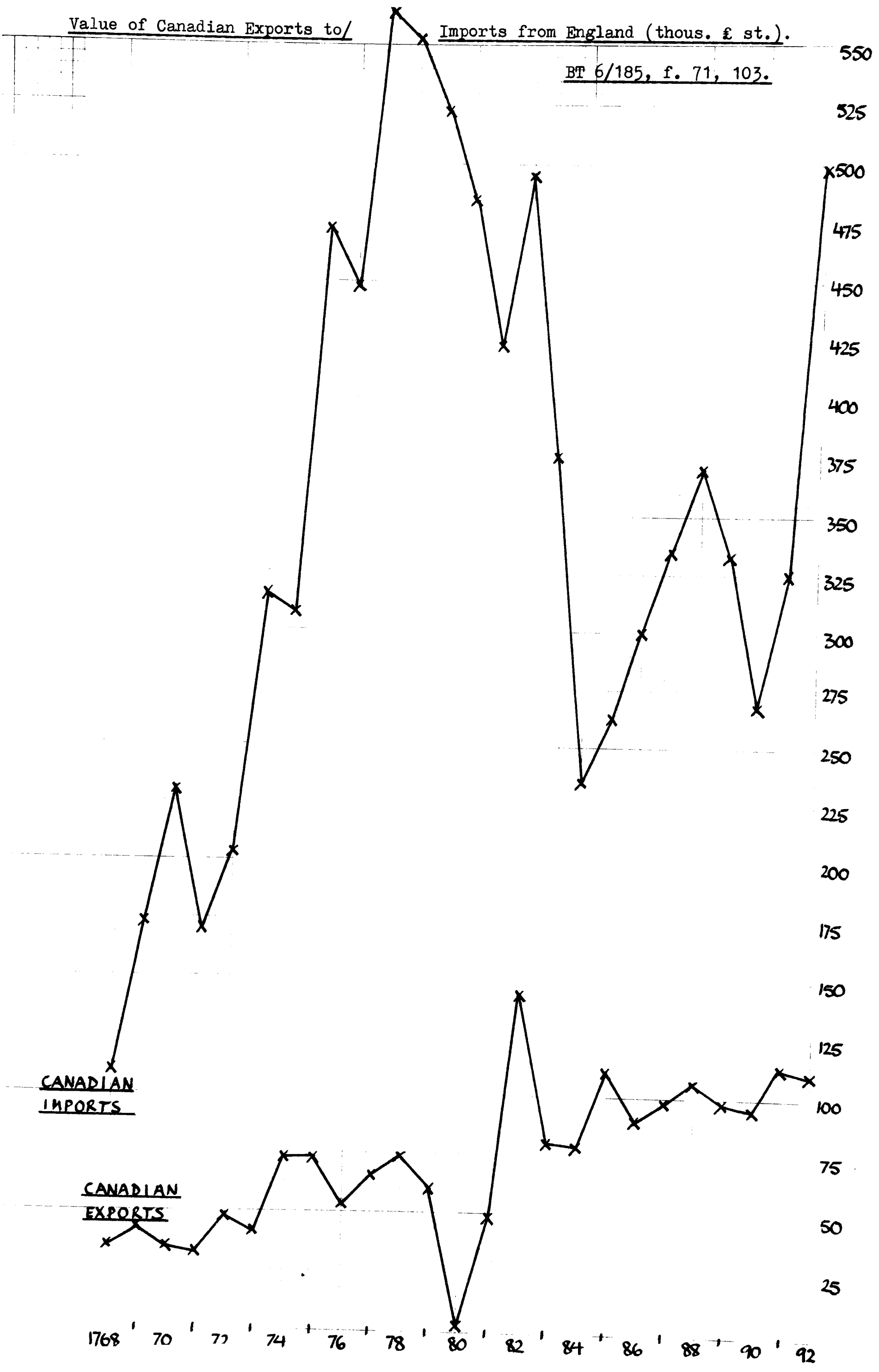
* These figures should used with caution (see p. 16 above).

English Exports (£ sterling): Source: Graham, Sea Power, p. 62.

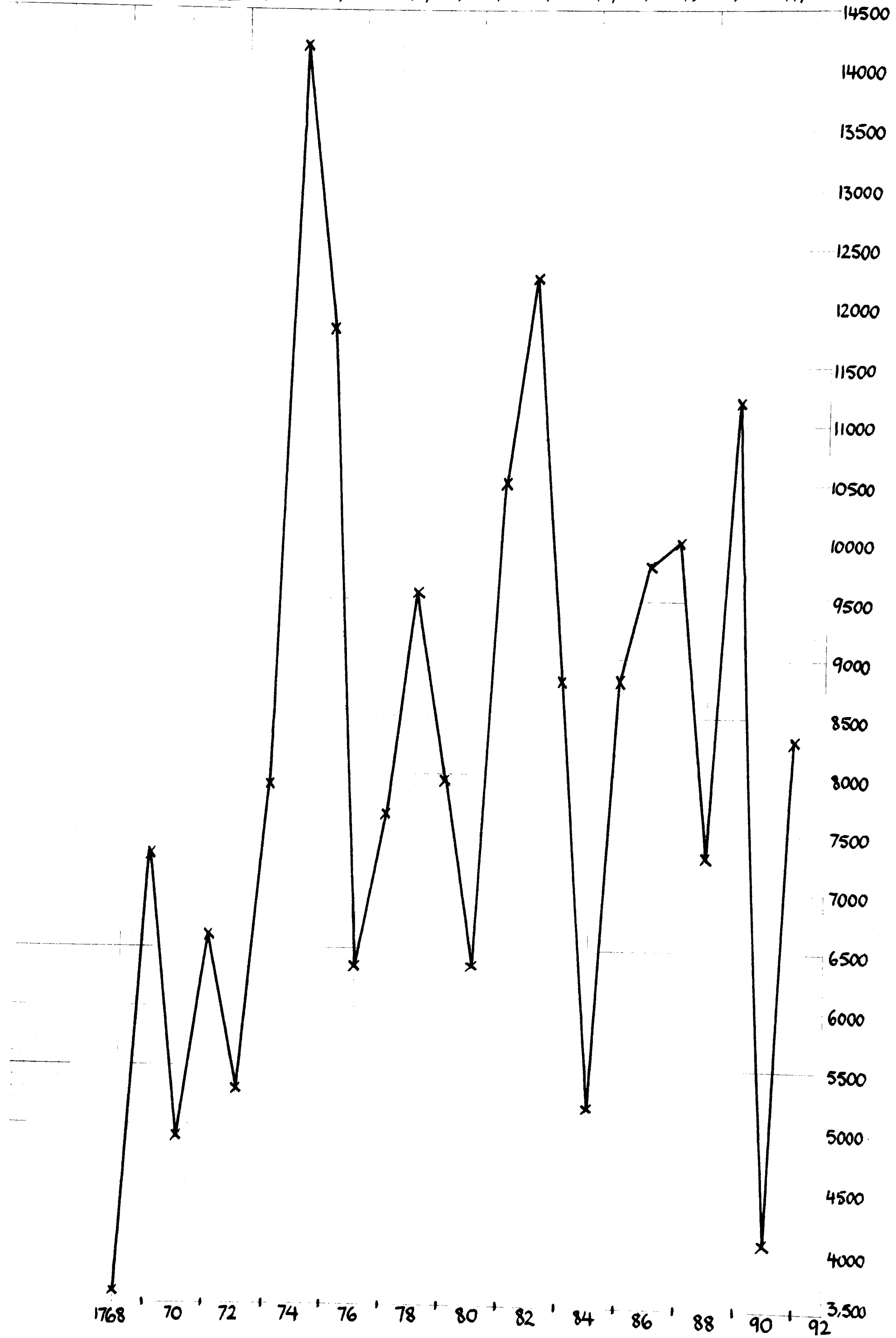


Value of Canadian Exports to/ Imports from England (thous. £ st.).

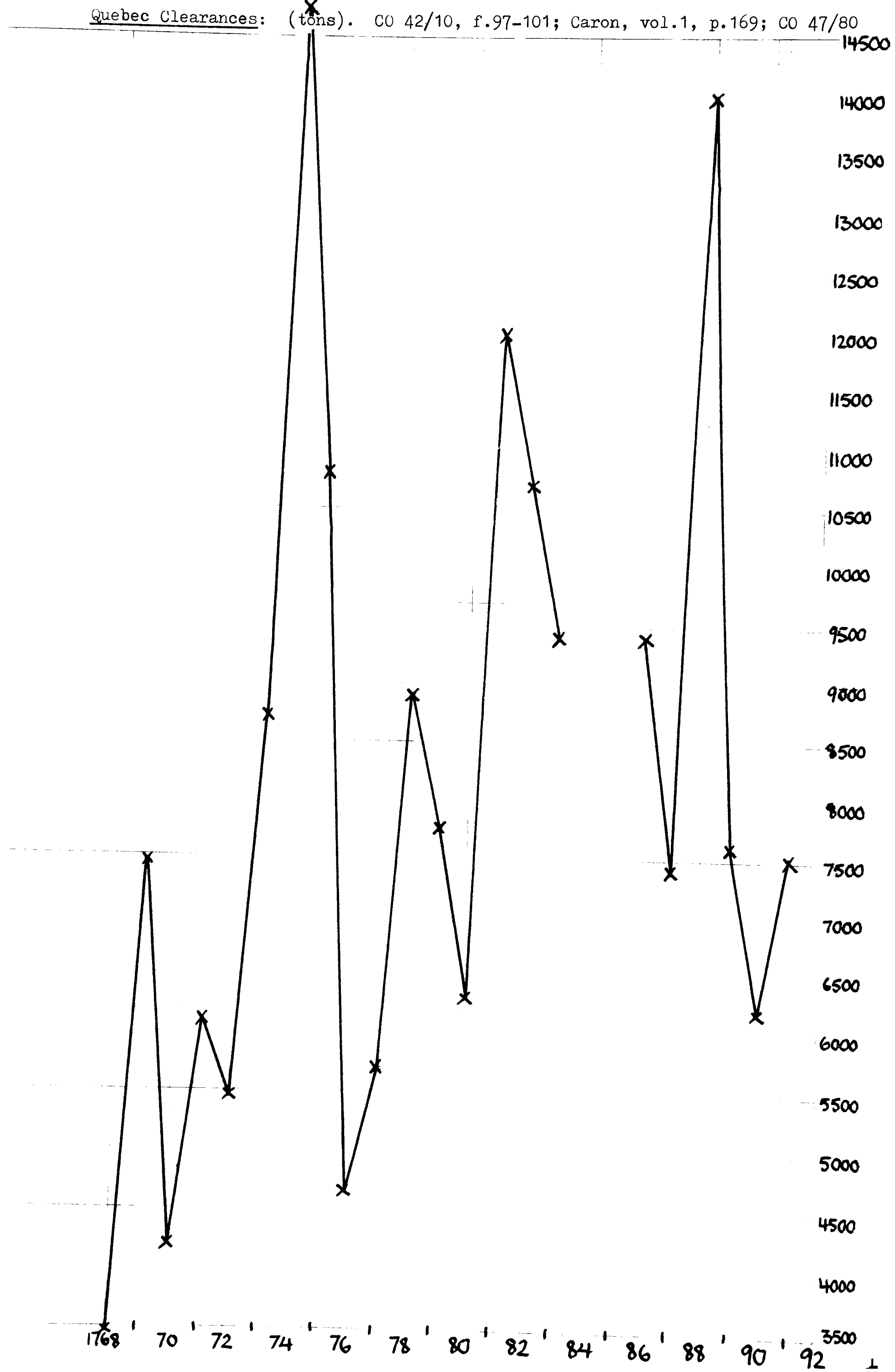
BT 6/185, f. 71, 103.



Quebec Entries: (In tons). CO 42/10, f.76-82; CO 42/11, f.79-80; CO 47/80.

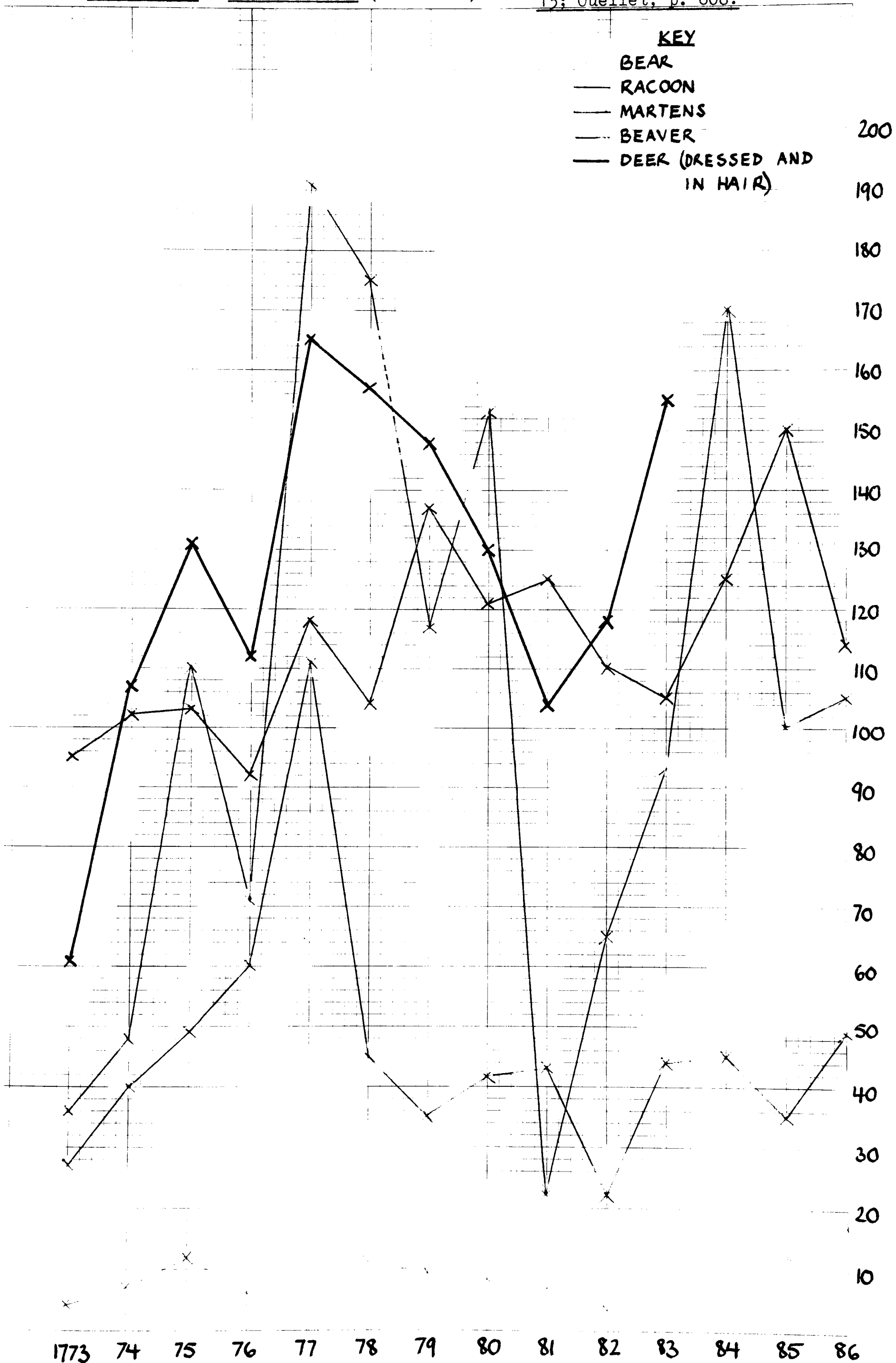


Quebec Clearances: (tons). CO 42/10, f.97-101; Caron, vol.1, p.169; CO 47/80

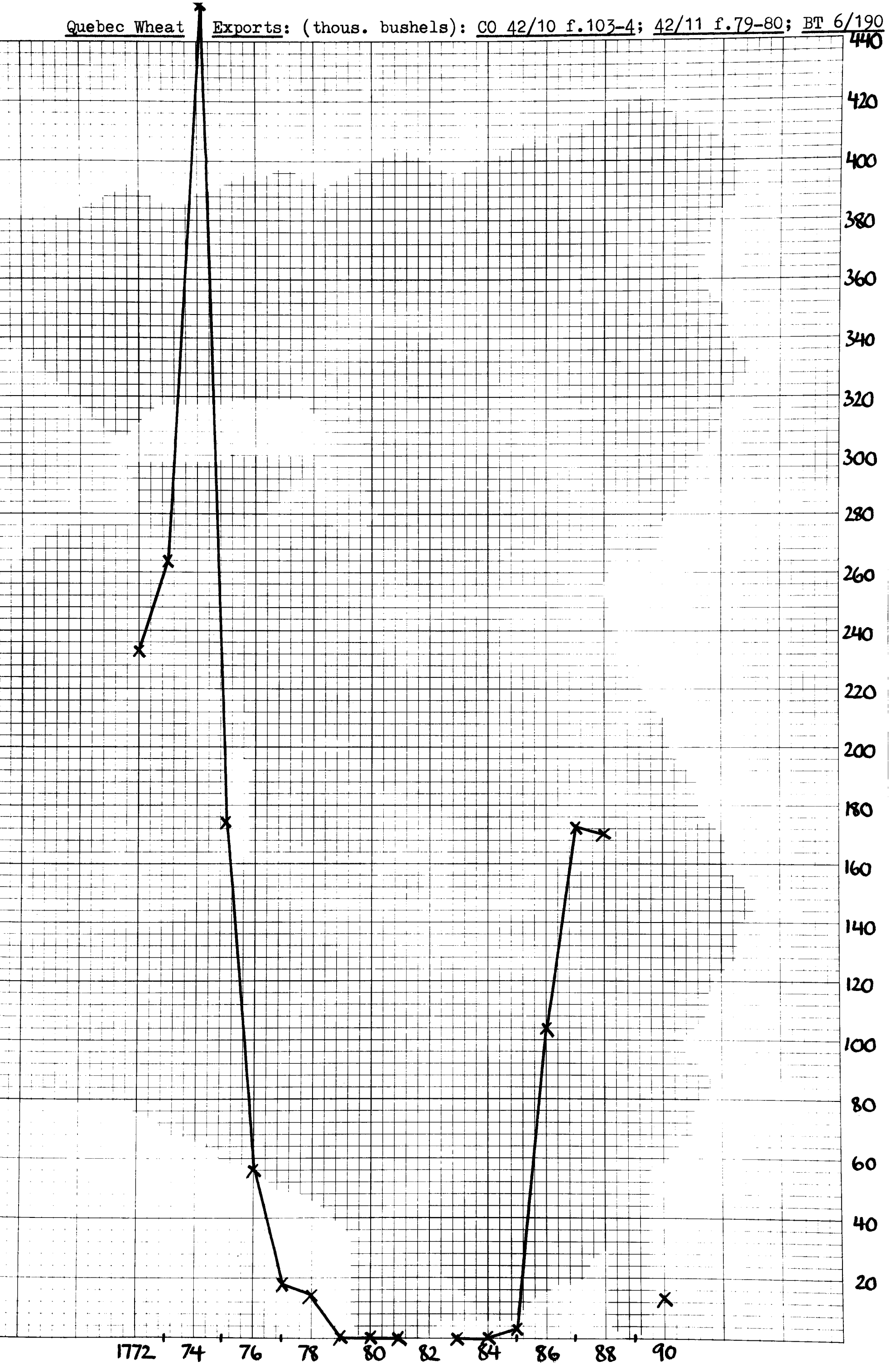


Fur Exports: Canada - G.B. (thousands).

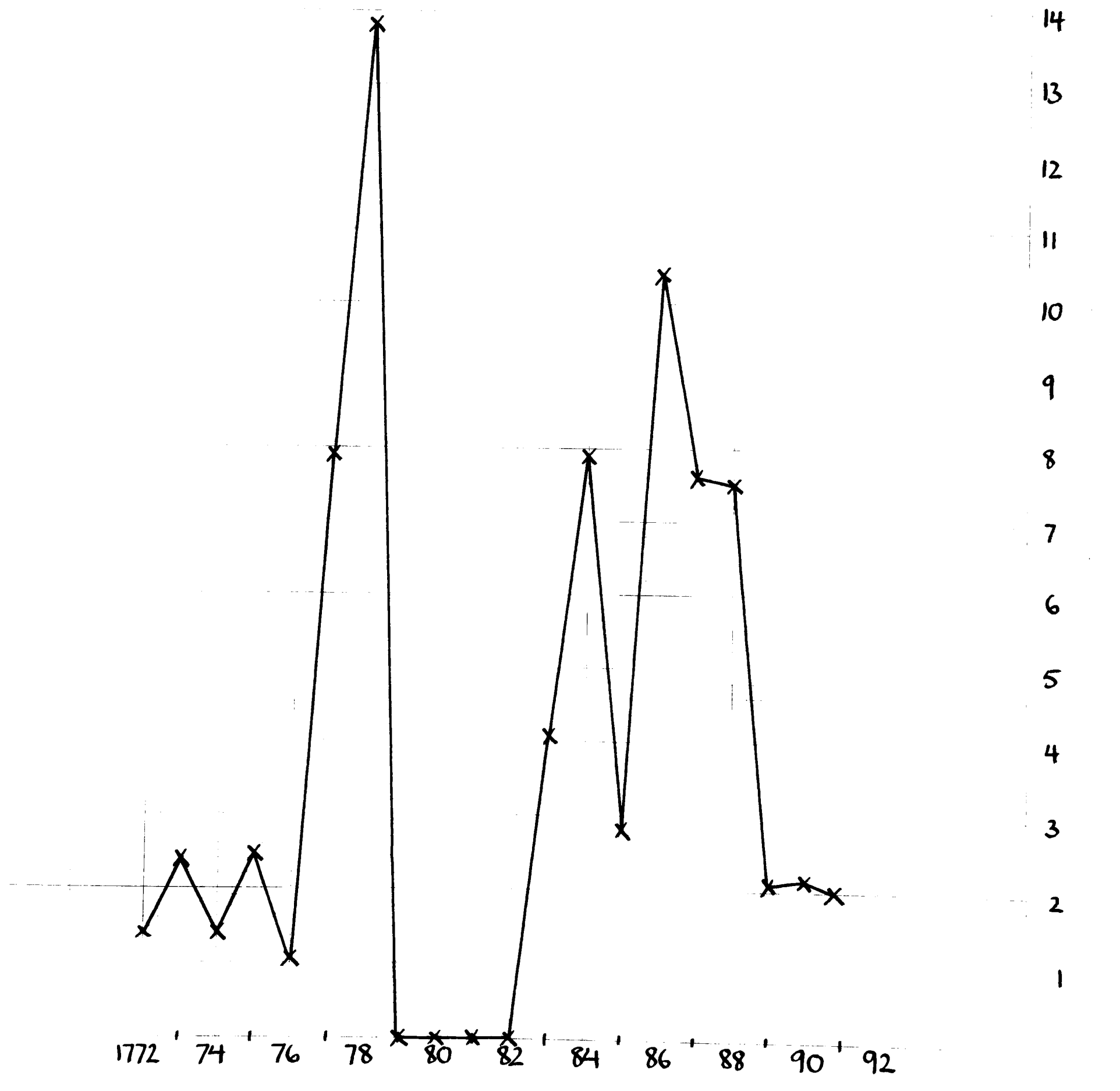
Can. Arch. Report 1888; B 201 p.12-13; Ouellet, p. 608.



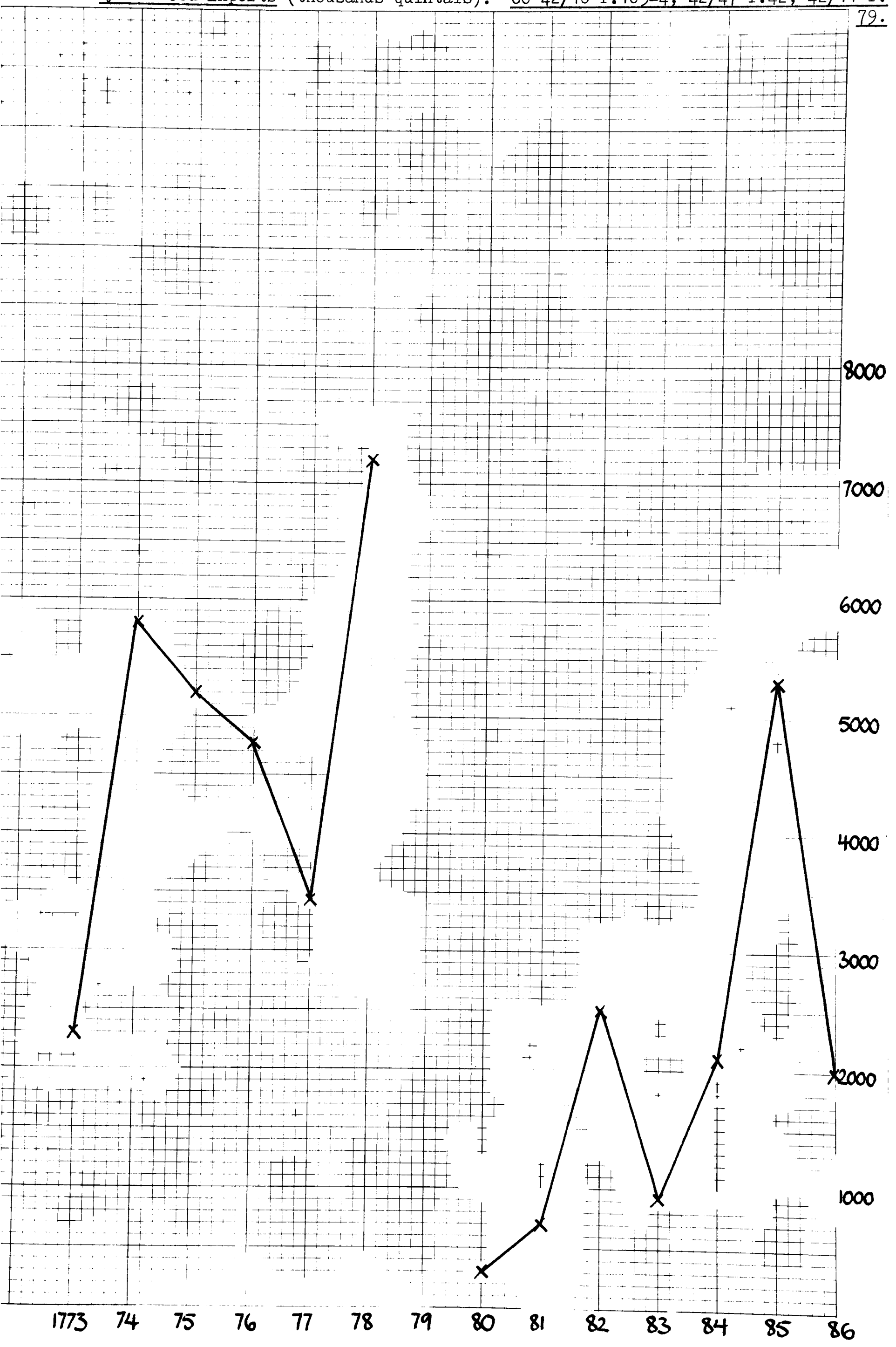
Quebec Wheat Exports: (thous. bushels): CO 42/10 f.103-4; 42/11 f.79-80; BT 6/190



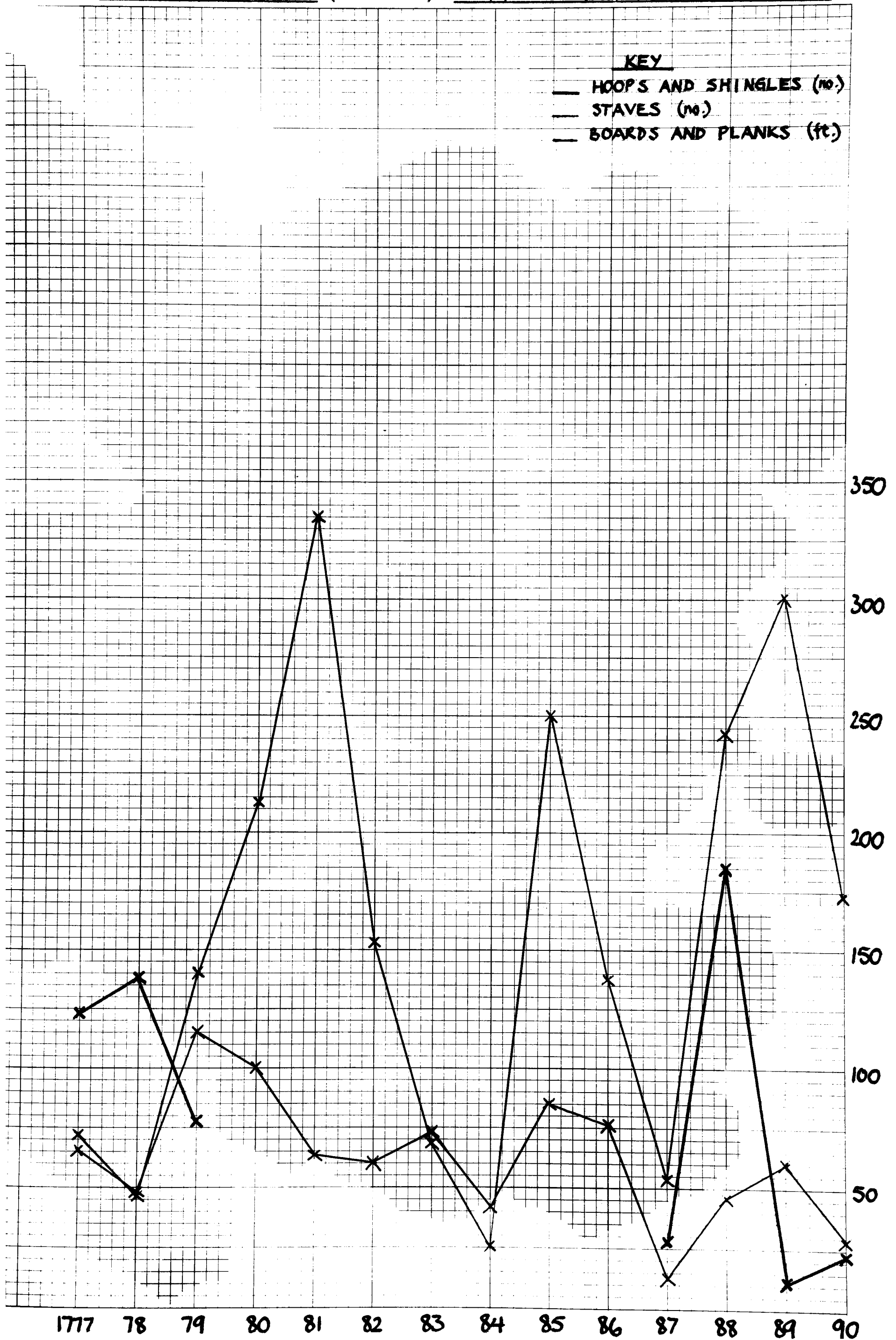
Quebec Flour Exports: (thous. barrels): CO 42/10 f.103-4; 42/47 f.42; 42/11 f.79-80; BT 6/190.



Quebec Cod Exports (thousands quintals): CO 42/10 f.103-4; 42/47 f.42; 42/11 f. 79.



Quebec Lumber Exports: (thousands): CO 42/10 f.103-4; 42/47 f.42; BT 6/190.



APPENDIX B

Note: Until the appearance of the relevant volume of the Canadian Dictionary of National Biography the standard work is still W.S. Wallace ed., Macmillan Dictionary of Canadian Biography (3rd edtn., Toronto, 1963), though it is far from flawless, especially for this early period of Canadian history. However, the biographical sketches which follow have been culled from a much wider range of primary and secondary material, which it would be impossible to list here.

Allsopp, George (fl. 1761-1806). A merchant of Quebec City who came to Canada from Bristol in 1761, and engaged at various times in fur (with Edward Chinn, q.v.), potash (with John Welles (q.v.), Samuel Jacobs (q.v.) and James Stewart), the St. Maurice iron forges and above all in the wheat and flour trades. For a number of years he had the supply of the biggest fishery company at Chaleurs Bay, though his flour business seems to have floundered temporarily in the later 1780's and he was in some financial straits because of the post-war recession, taking a long time to settle his debts to the estate of Samuel Jacobs and the London firm of Amos Hayton (q.v.). He was a considerable landowner, having possession of the feifs of Jacques Cartier and Auteuil, though part of his property was mortgaged to Watson & Rashleigh of London (q.v.) for whom he was an agent in Quebec. In 1792 he applied for a further 62,000 acres of land at the mouth of the River Bécancour. His political career was turbulent. In the early days of British rule he was one of the chief agitators among the British minority, coming into frequent conflict with the military authorities. He was active in prosecuting the case against Governor Murray, and in pressing for greater democracy

in Quebec. Though appointed deputy secretary, registrar and clerk of the council in 1766, Governor Murray refused to admit him, and he only took up his offices in 1768. In 1775 he became a legislative councillor and soon emerged as the chief opponent of the "system of the Generals" under both Carleton and Haldimand, until his removal in 1783; he then retired from political life. His friendship and business connections with Welles and John and Aclan Bondfield earned him the probably unjustified reputation of being an American sympathiser during the invasion of 1775/76. Though a strong democrat, Allsopp was probably not disloyal to the Crown or empire. He died in 1806 at Cap Santé, Quebec.

Antill, Edward (fl. c. 1763-1776). A native of New Jersey, Antill came to Canada in the early days of British rule and practised law at Montreal. A member of the Montreal committee of 1773/74, he assisted the Americans during the invasion and left the province with them.

Antrobus, John (1756-1820). A merchant of Quebec City, first appearing there in the 1780's as a grocer. He carried on a sizeable retail trade, and also engaged in provisioning the fisheries and the West Indies. He was a member of the 1784 Quebec committee and continued as such until 1791.

Auldjo, Alexander (fl. 1777 -). Came to Canada in 1777 as a merchant. In 1785 he is found sending goods to the upper country. Though not in Canada for the 1784 petition he declared his support for its aims, and in 1787 was a member of the Montreal committee of merchants which reported to the committee of council on commercial matters. In 1796 he was elected to the Lower Canada assembly as the member for Montreal East.

Baby, Francois (1733-1820). A prosperous merchant of Montreal. He served in the defence of Canada against the English in the Seven Years War, but took an oath of loyalty to the English Crown after the conquest, and served in the militia in the defence of Quebec in 1775/76; in 1781 he was appointed adjutant-general of militia for the province. In 1773 he was chosen by his fellow countrymen to present their views to the British government, and, like many of them, he was pleasantly surprised at the concessions to the Canadians contained in that measure. He became a strong supporter of the act, though annoyed that he himself had not been given a post on the council or as a judge as had many less able and influential men. Eventually, in 1778, he was appointed to the Legislative Council where he became an active, if not slavish, supporter of Carleton and Haldimand. In 1791 he was appointed to the Executive and Legislative Councils of Lower Canada. He died in Quebec in 1820.

Bayard, Nicholas (fl. 1773 -). A retail merchant at Montreal, specializing in wines and groceries. He signed the petition of November 1773 to Cramahé, and was a member of the 1784 committee which drew up the petition of that year. He was also one of the relatively small number of merchants who declared in 1787 that they had never had a case in court.

Brickwood Pattle & Co. A London firm of merchants who supplied the North West Company through McTavish Frobisher & Co. (q.v.) in the 1780's. In 1783, John Brickwood, one of the partners, had been active in lobbying ministers against the terms of the Peace. The firm was also active in 1786 and 1788 in support of the Quebec petitions for reform when they came before Parliament, though at the same time Brickwood was active in securing support for Pitt's administration in the City.

Carleton, Sir Guy, first Baron Dorchester (1724-1808). Born at Strabane, Ireland, he was commissioned in 1742 and served with Wolfe at Quebec in 1759. He was appointed lieutenant governor of Quebec in 1766 and in 1768 became its governor, returning to England in 1770 to advise the government on the Quebec Act, and afterwards resuming his post until replaced by Haldimand (q.v.) in 1778. In 1782 he was made commander-in-chief of the British forces in America, and as such oversaw the evacuation of the loyalists from New York. It was at this time that he worked closely with Brook Watson (q.v.) who was commissary general of the British troops in the same place. In 1786 he returned to Quebec as Lord Dorchester and governor of the colony. In 1796 he returned to England and private life, and died there in 1808.

Chinn, Edward (fl. c. 1762 -). Chinn came to Canada in the early days of British rule, establishing himself as a fur trader at Montreal. He worked, at various times, in association with Allsopp (q.v.) and Alexander Henry (q.v.). In the 1767 fur returns he is listed as a trader journeying to the country around Lake Superior. Like many such men, he appears to have been a turbulent character, and in 1762 was fined £13 for insulting and attacking Ensign Nott during the period of military rule in Canada.

Collins, John (c. 1760-1795 fl.) First came to Canada with Wolfe and by 1760 had established himself as a merchant at Quebec. In 1765 he was appointed joint surveyor general of Quebec with Samuel Holland. In 1775 he was made a legislative councillor and became one of Carleton's "privy council". He died at Quebec in 1795.

Cramahé, Hector Theophilous (1720-88). Born of a French refugee family

who settled in England in 1740, Cramahé joined the British army and served at Louisbourg in 1758 and at Quebec the following year. In November he was appointed to the military council at Quebec, and at the end of the military regime in Canada became a member of Murray's council. On Carleton's return to England in 1770 he took over the administration of the province as the senior member of the legislative council until the governor's return in September 1774, when he became lieutenant governor. In 1782 he returned to England and was relieved of his office.

Davis Strachan & Co. A London company whose first involvement in the Canada trade can be traced back to the early 1770's when they are to be found supplying Lawrence Ermatinger (q.v.) with goods for his trade. In 1778 they signed a petition to the British government from those concerned in the Gulf and Labrador fisheries. They were among the more active of the London Canada merchants during the political agitation of the 1780's. (See also James Strachan).

Dobie, Richard (1731?-1805). Born in Scotland he came to Canada c. 1772 and established himself as a merchant at Montreal, where, by the 1780's, he was described as 'the principal merchant and inhabitant'. He appears to have engaged primarily in the fur trade, being found as a partner of James McGill in 1786; he also worked in cooperation with Phyn & Ellice (q.v.). He was regarded by the governors of Quebec as one of the more reputable merchants in Canada, and assisted in the inspection of Indian presents and the purchase of the seigneurie of Sorel by Haldimand for a refuge for the loyalists. Dobie also acted as an agent for the London house of John and Robert Barclay & Co. Politically he does not seem to have been too active, though he was a member

of the 1784 and 1786 Montreal reform committees. He died at Montreal in 1805.

Dunn, Thomas (1729-1818). An English merchant who came to Canada during the period of military rule. His commercial ventures were varied. In 1764 he and John Gray were awarded the lease of the King's Posts and he was also one of the lessees of the St. Maurice iron forges. His real estate holdings were substantial and included the seigneuries of Mingan, St. Armand, Missiskoui, Anticosti and Mille Vaches. Dunn further held a variety of official positions. He was a councillor continuously from 1764, a judge from 1775, acting deputy receiver general of Quebec (1770-1777) and paymaster general of the navy department in Canada (1775-81). He was a member of the executive and legislative councils of Lower Canada and president and administrator of the province from 1805-7 and in 1811. His business undertakings combined with his official emoluments enabled him to acquire a 'handsome fortune'. Politically he generally supported the governors, Carleton and Haldimand, though the post-war recession convinced him that some reform was needed in Canadian commercial laws. He married a Canadian, Henriette Fargues (née Guichard) and died in Canada in 1818.

Dyer Allan & Co. Another of the small group of London Canada merchants. Exactly when they first engaged in trade with Quebec is unknown, but they appear to have been suppliers of the Quebec firm of Shaw & Fraser during the war, finding themselves in difficulties after 1783 as a result of that firm's grave plight. Their main concern was in the fur trade, and they were among the London houses who argued against the terms of the 1783 Peace. They supplied the north west fur trade through McTavish Frobisher & Co. (q.v.) when they withdrew, possibly because of financial

problems which afflicted almost all the Canada merchants in the post-war years. Dyer Allan were also among the more active firms during the political events in London during the mid and later 1780's.

Ellice, Alexander (1743-1805). A Scot who emigrated to New York in about 1765, and purchased a partnership in a fur trading firm at Schenectady for under £1,000; the company later became known as Phyn Ellice & Co. (q.v.). In 1774 the worsening crisis in America and the terms of the Quebec and Quebec Revenue Acts led to the removal of the firm's headquarters to London, and Alexander went to Montreal to look after their affairs in Canada, soon establishing himself as one of the leading fur merchants in Canada. In 1779 he returned to England leaving the company's affairs in the hands of his younger brother Robert Ellice (q.v.). As a member of the powerful concern of Phyn & Ellice (later Phyn Ellice & Inglis), Alexander Ellice built up a substantial fortune which he estimated on his death to be in the order of £430,000. A large part of this consisted of land, of which he owned 280,000 acres in the seigneurie of Beauharnois and neighbouring townships, most of it purchased during and after the 1790's. Years later his son justly boasted that Ellice 'had supplied a great part of the capital by which the whole North West trade was conducted'.

Ellice, Robert (d. 1790). Younger brother of Alexander Ellice (q.v.), he was taken into the firm of Phyn & Ellice of Schenectady in 1768. From 1779-1790 he was in charge of the company's Montreal offices, working under the name of Robert Ellice & Co. (q.v.), though in 1787 he was also made a partner in the London parent company of Phyn Ellice & Inglis.

Ellice, Robert & Co.. The Canadian branch of Phyn & Ellice of London (q.v.) from 1779-1790, Robert Ellice & Co. were concerned in both the south and north west fur trade. In 1783 they bought out the Detroit firm of Graverat & Visgar, but their efforts to extend their trade in this area were hindered by the uncertainties of the post-war situation in the area south of the Lakes. Phyn & Ellice also used Robert Ellice & Co. to supply the North West Company, through McTavish Frobisher & Co., and George McBeath (q.v.) and Peter Pond; they also furnished goods to that organisation's rivals, Gregory McLeod & Co. (q.v.) from 1785-87. By the late 1780's though, the firm seems to have been in some straits as a result of the unfortunate extension of their activities in the south west. John Inglis, a partner in the London parent company, wrote in 1788 that their upper country concerns had lately 'run riot in ruin & distraction'. As one of the most respectable and substantial mercantile houses in Canada, Robert Ellice & Co. were entrusted by government with contracts for the supply of goods at the upper posts during the war, the payment of Butler's Rangers, and the monies for compensating the loyalists in the upper country. With the death of Robert Ellice in 1790, the firm's business was continued by two partners, John Richardson (q.v.) and John Forsyth (q.v.) under the title of Forsyth Richardson & Co.

Ermatinger, Lawrence (fl. c. 1763-1789). A Swiss merchant who probably came to Canada from England in the early days of British rule. He engaged in the fur trade, was declared bankrupt in 1770, but later re-established himself. He appears in the fur trade licenses between 1779 and 1783 as a trader to Grand Portage, being supplied largely by Davis Strachan & Co. (q.v.). He also appears to have dabbled in the wheat market. His name is to be found on the petition of 1770, that of

1773 to Cramahé, and that of 1774 to Dartmouth. He was a member of the Montreal committee of 1773/74. He died in Montreal in 1789.

Finlay, Hugh (1732-1801). Born in Scotland, he came to Canada about 1760 and settled at Quebec. From 1774-1799 he was deputy postmaster general of British North America. A member of the legislative council from 1775-1791, he supported the "English" party consistently, and was a leading voice in pressing for well considered but substantial constitutional reforms along the lines outlined in Carleton's Instructions of 1775. He remained unquestionably loyal in 1775/76, and ten years later was still a member of the colony's militia.

Finlay, James (fl. 1765-1797). A fur trader who came to Canada in the first days of British rule. He was one of the first old subjects to winter in the upper country and to reach the Saskatchewan country; as a result he was elected a member of the Beaver Club in 1785. From 1773-1783 he was the partner of John Gregory (q.v.), and seems then to have retired from the fur trade and settled in Montreal, where he became a Commissioner of the Peace and Inspector of Chimneys (an important post, for the risk of fires was very great). Like many others, he seems to have been in financial difficulties after the war, and Edward William Gray estimated that because he had so many old and bad debts, it would take 3 to 4 years to pay off his creditors, who would probably not receive more than 8/- in the pound. Finlay was not particularly active politically, though he was a member of the 1773 Montreal committee. He died in Montreal in 1797.

Forsyth, John (fl. 1762-1837). A Scot, related to the Phyn family, he came to Canada in 1779 and joined Robert Ellice & Co. of Montreal as

an apprentice. With the winding up of Robert Ellice & Co. (q.v.) in 1790, Forsyth and his cousin John Richardson (q.v.) formed the company of Forsyth Richardson which took over Ellice & Co's. business as the Canadian subsidiary of Phyn & Ellice of London (q.v.)

Fraser, John (fl. 1764-1795). Of Catholic Highland stock, he came to Canada as paymaster of the British forces in Montreal, where he married a Canadian and became a strong champion of the rights of the Canadians. In 1764 he was made a judge of the Common Pleas, and in 1775 was elevated to the council where he put his support for the Quebec Act to good practice, earning as a result, admission to Carleton's "privy council" of trusted advisers. He came under strong attack from the reformers during the judicial investigation of 1787 for his bias and ignorance of the law; he seems to have been popular though with the Canadians, fifty of whom petitioned for his restoration to the bench in 1777 after he had been removed following his capture by the American invaders. Professor Neatby judges him to have been overbearing, irritable and very conscious of his own dignity, though at the same time incorruptible, devoted to duty and knowledgeable of Canadian law and custom. He appears also to have dabbled in trade, for Edward William Gray (q.v.) is found selling some wine and spirits for him at Montreal in the 1780's. He died in Canada in 1797.

Fraser, Malcolm (1733-1815). A Scot who served at Louisbourg in 1758 and Quebec in 1759. He was one of the first old subjects to buy land, purchasing 2,000 acres at Malbaie in 1761 from Governor Murray, and a further holding on the Ile d'Orléans in 1779. Though the secretary of the Quebec committee of 1773, he remained totally loyal during the invasion, and was still a militia member in 1787. He died in Quebec in 1815.

Frobisher, Benjamin (1742?-1787). Born in Yorkshire, he came to Canada in 1760 and by 1765 is found in the fur trade in partnership with John Welles (q.v.), and later with James McGill (q.v.). In 1778 he joined Frobisher & Co. which his brothers Thomas and Joseph (q.v.) had earlier founded. By the 1780's he had retired from active involvement in the upper country trade, and took charge of the firm's Montreal business until his death in 1787. As a member of Frobisher & Co. he was active in setting up the North West Co.

Frobisher, Joseph (1740-1810). Born in Yorkshire, he came to Canada c. 1760 and first went west in 1768. With his brothers Thomas and Benjamin (q.v.) he was a partner in Frobisher & Co. Thomas died in 1778 and Benjamin in 1787, whereupon Joseph went into partnership with Simon McTavish (q.v.), and McTavish Frobisher & Co. (q.v.) became one of the great Canadian fur trading concerns. Like many others, Joseph found himself in some difficulties in the post-war years; as one of Cochrane's debtors his credit in London suffered a severe though temporary blow. He and Benjamin also lost heavily on their speculations in liquor with the coming of peace, an activity that did not endear him to Governor Haldimand. Frobisher retired from business in 1798.

Germain, Lord George (1716-85). Joined the army as a young man, and became an M.P. in 1740. He served in Ireland 1751-6 as first secretary to the Lord Lieutenant. In 1759, at the battle of Minden, he was accused of cowardice and dismissed the service, though never accepting his guilt. Returning to politics, he became a follower of Lord North, serving as Secretary of State for the Colonies from 1775-82 and Lord Commissioner of the Board of Trade from 1775-79. He favoured coercion of America. He appears to have been a man of above average ability.

Grant, Charles (fl. 1773-1784). A Scot who came to Canada and engaged chiefly in fur, and was the author of a report drawn up for Governor Haldimand in 1780. Grant is also found selling timber and speculating in wheat and spirits. He was a member of the 1773 Quebec committee.

Grant, William (of St. Roc) (1741-1805). A Scot who came to Canada c. 1763 as agent for Robert Grant & Co. (London), and became one of the leading merchants in Quebec. Initially interested in the fur trade, he attempted to purchase the trading rights of the very profitable post of La Baye (Michigan) from the Marquis de Vaudreuil, in the face of great opposition from the others involved in the fur trade. Until 1785 he was one of the lessees of the King's Posts when his contract was ended because of political disagreements with Governor Haldimand. He appears in the fur trade licenses in 1783 and supplied the needs of government at the upper posts during the war. Increasingly however, his interests focused on the interior of the colony. He was a substantial landowner, with a whole or part stake in six seigneuries, as well as property in Quebec City. He was also one of the largest flour millers and distillers in the country, and engaged in the fisheries as well. Edward William Gray (q.v.) is found selling West Indian rum, coffee and linen for him in Montreal in the 1780's. In 1778 he was elevated to the legislative council where he became the leader of the reform party after Allsopp's dismissal in 1783. For this, and because of apparent deficiencies in his accounts as deputy receiver general of Quebec (1777-84), he earned the distrust of the governors, and was not appointed to the Lower Canada council in 1791 - though he was elected member of the assembly for the Upper Town of Quebec from 1792-1805. He was active in petitioning for English laws and isntitutions in 1773-75 and 1778, and was on the Quebec committee in 1773. Though supporting its aims, he refused to sign the

petition of 1784, thus earning the hostility of several leading reformers. He appears to have wanted always to direct whatever he was involved in, and in 1764 was described by Governor Murray as 'a conceited Boy'. Francis Maseres though seems to have thought him 'a very sensible man', who had 'a great deal of knowledge of trade as well as many other subjects'. Depsite his considerable property and wide ranging commercial interests, it is possible that Grant died insolvent, for his seigneuries were put up to auction on his death in 1805.

Gray, Edward William (1742-1810). Born in England, he came to Canada in 1760 and in 1765 was appointed notary for the Montreal region. In 1776 he became sheriff, and it may have been as a result of this that he came to do quite a lot of work as an agent for various London firms such as Amos Hayton (q.v.), Brook Watson (q.v.) and Richard Morland & Co. (q.v.). He also sold goods on commission for merchants of Quebec City. He was a member of the Montreal committee of 1773, but was also one of the first old subjects to enroll in the militia during the invasion.

Gregory, John (1751?-1817). Born in England he went to Canada in 1773, where he engaged in fur. From 1773-1783 he partnered James Finlay, and when the latter retired in 1783 Gregory took in Normand McLeod of Detroit. Gregory & McLeod (q.v.) formed the backbone of the opposition to the North West Co. between 1783 and 1787, though in the process of this debilitating competition, Gregory suffered losses, and by the late 1780's owed Robert Ellice & Co. (q.v.) some £9,000 st. Eventually, in 1787, Gregory McLeod & Co. amalgamated with their rivals, and from 1795 to 1806 Gregory was a member of McTavish Frobisher (q.v.).

Gregory McLeod & Co. The successor to the partnership of John Gregory

and James Finlay, Gregory McLeod became the chief rivals to the North West Co. between 1783 and 1787. They managed to secure the services of some very good traders, such as Peter Pangman and John Ross. It was the murder of the latter in the upper country in the winter of 1786/7 that led to the amalgamation with the North West Co. in that year, though Gregory McLeod had suffered heavy losses and their continued survival was in some doubt.

Grenville, William Wyndham (1759-1834). Youngest son of former prime minister George Grenville, he entered the House in 1782 and served as Irish secretary during 1782-3. In Pitt's first administration he was paymaster general, and in 1786 became vice-president of the committee of trade. In 1789 he was appointed speaker of the Commons and in June of that year replaced Sydney (q.v.) at the Home Office, where he drew up a new constitution for Quebec. In June 1791 he became secretary for foreign affairs. During the French Revolution he supported Pitt's repressive measures. Industrious and honourable, he had a great capacity for business. He was alarmed at revolutionary events abroad and favoured repression at home.

Guy, Pierre (1738-1812). Born in Montreal, he was a merchant who engaged in fur. He became a J.P. and, in 1786, a lieutenant colonel of the militia. In 1794 he was appointed to the legislative council of Lower Canada. A friend of François Baby (q.v.) he was, unlike Baby, a prominent Canadian reformer in the 1780's, helping to organise the 1784 petition; however he favoured an assembly only if dominated by the Canadians, seeing in such a body a guarantee for the rights of his people.

Haldimand, Frederick (1718-91). A Swiss born soldier who served with various European armies before joining the British. As a member of the Royal American Regiment he took part in the invasion of Canada in 1758. In the period of military rule in Canada after the conquest he took charge of the district of Three Rivers, returning to England in 1765. His next assignment was in Florida and from there he moved to New York during the pre-revolutionary period. Here he took an increasingly stern line with the discontents, returning to England in 1775. In 1778 he went out to Quebec as governor, determined to preserve the province and to uphold the constitution against the attacks of the American rebels. His conscientious and rigidly dutiful approach led him into conflict with the reformers in the colony whom he saw as potential rebels. He continued the authoritarian form of government instituted by Carleton until he returned to England in 1784. Two years later he was replaced as governor by Carleton (now Lord Dorchester, q.v.). He died in his native Switzerland in 1791. Though his conservatism and perhaps excessive caution earned him the emnity of the British minority in Canada, Haldimand was a man of unusual probity and a high sense of duty. His care for the loyalist refugees in Canada shows him to have been a much more human and humane person than his foes gave him credit for.

Hamilton, Henry (fl. 1758-1796). Served in the English army at Louisbourg, Quebec and Montreal (1760). In 1777 he was appointed civil governor of Detroit, and following his unsuccessful attack on Vincennes in 1778-9 he was captured by the Americans. Freed in 1781 he returned to England and was sent back to Quebec as lieutenant governor in 1783. He administered the colony from November 1784 to November 1785 during Haldimand's absence, showing himself favourable to the reform party. Recalled in

ill favour he was appointed governor of Bermuda in 1788 and died in Antigua in 1796.

Harrison, Edward (fl. 1765-95) A Quebec merchant who engaged in the fur trade in the early 1760's, but later concentrated mainly on wheat, sending cargoes of provisions to the West Indies in the 1780's. In 1775 he was appointed to the council, where he often, though not always supported the merchant/reform party; like the other wheat mongers he earned Haldimand's distrust by voting against attempts to fix the price and secure a supply of wheat during the war years. He signed the 1770 petition for an assembly, but does not appear to have taken any active part in politics outside the council chamber after his elevation there. He served in the defence of Quebec during the American invasion and was a captain in the militia in the late 1780's. Seigneur of La Grosse Ile, he died in 1795.

Hayton, Amos. A London merchant trading to Canada. Among his correspondents were Samuel Jacobs (q.v.), Edward William Gray (q.v.) and Levi Solomons (q.v.). He appears to have suffered considerably from the post-war trade depression in Quebec, and at least one of his major debtors, Samuel Judah, went bankrupt. The letters of his agent, Edward William Gray, reveal the seriousness of his position. Hayton was one of those London merchants to invest in land in Quebec. In 1779 he was trying to sell his land at Heron Island, and with Gray, St. Luc and Jacob Jordan (q.v.) he owned land around the 'Bay of Funda'.

Henry, Alexander (fl. 1761-). First appears in the Albany fur trade in the period of the Seven Years War, during which time he supplied the troops and followed them down to Montreal in 1760. Following the

conquest he engaged in the Canadian fur trade, and was one of the first old subjects to winter in the upper country (1761/2). He spent most of the next 15 years there and so was not in Quebec for the agitation over the Quebec Act. Much of the period 1776 to 1781 he spent in Europe, returning to Montreal in 1781 with a handsome competency. He took up there as a general merchant, but did not abandon the fur trade, conducting his business through agents and clerks in the upper country. He was also a dormant partner in the North West Co. until 1791 when he left off to concentrate on his activities as a general merchant.

Heywood, William (fl. 1773-75). An obscure figure. He was one of the Montreal committee in 1774 and met the American envoys Woolsey and Brown at Lachine in April 1775 to organise a propaganda campaign. Originally from the Thirteen Colonies he was a leading supporter of the invaders and left Canada with them in 1776.

Howard, Joseph (fl. 1764-97). A Montreal fur merchant who came to Canada from America soon after the conquest. In the late 1770's he is found trading to Michilimackinac, but he was not a member of the 1779 North West Company. He was an agent for Watson & Rashleigh (q.v.). Not very active politically, Howard claimed to agree with the 1784 petition though he did not sign it. He was a rather turbulent character, being arrested in connection with the attack on Thomas Walker (q.v.) in 1764.

Hunter, Robert (1742-1812). A leading London Canada merchant and chairman of their committee. His business depended almost wholly on Canada and consisted mainly in shipping dry goods and in involvement in the fisheries. In 1785 he bought the seigneurie of St. Louis and its cod

fishery 300 miles below Quebec, and he also gave considerable financial help to the fishery of his friend Adam Lymburner (q.v.). Hunter's personal and business circumstances are unknown but he was wealthy enough to give his son a gentleman's education, including the Grand Tour. During the war Hunter seems to have agreed with Haldimand's strict rule in Quebec, but in the 1780's he was the most active of the Canada merchants in the struggle to secure constitutional reform.

Huntley, Richard (fl. 1773-75). An almost total enigma, he was a member of the 1773 Montreal committee and one of the signatories of the terms of capitulation presented to Montgomery in 1775. He appears to have left Canada with the rebels.

Jacobs, Samuel (fl. 1770-c.1785). A merchant at Terrebonne near Montreal specializing in wheat, though in the early 1770's he had been associated with Allsopp and John Welles in potash. By caution and continual attention to his business he appears to have kept his head above water in the difficult post-war years, though it was about this time that he died.

Jordan, Jacob (fl. 1767-1796). A Englishman who came to Montreal and set up as a merchant, meeting with some considerable success. In the late 1760's he is found retailing the produce of the St. Maurice iron forges there, but his main concern was with wheat and flour, and he established a flour mill on his seigneurie at Terrebonne. During the war he managed to secure lucrative contracts from the government for supplying wheat and transport. With John Drummond he became government army contractors and remitters' agents until their dismissal in 1779. Jordan was also a member of the Montreal Distilling Co. Never prominent

politically, Jordan was nevertheless appointed to the Lower Canada legislative council in 1792, and continued a member until 1796, when he died.

Lees, John (fl. 1764-91?). A Scot who came to Canada and engaged in the fur trade, becoming assistant storekeeper general to the Indian department. A J.P., he was one of the 1773 Quebec committee and was active in the fight against the Quebec Act. It is generally thought that he never returned to Canada after a visit to England in 1774, but became an excise collector in Scotland. However, a John Lees (who may have been his son) does appear in Quebec during the post-war period as a partner in the firm of Davison & Lees, government contractors and lessees of the King's Posts from 1785. He was a captain in the Quebec militia and owner of the seigneurie of Gatineau from 1795. He also reported that he had declined signing the petitions of 1783 and 1784.

Lester, Robert (fl. 1775-88). A Quebec merchant, active in the defence of the town in 1775/76. He dealt in grain, and exported flour and biscuit to the West Indies after the war. In 1783 he was, with William Grant (q.v.), one of those who came under attack from James Monk (q.v.) for opposing the Montreal petition. He is found however as a member of the 1785 Quebec reform committee. Like many others he showed some interest in land, receiving a grant in the townships of Sorel (1787) and Milton.

Lilly, John (fl. 1763 -). One of the oldest established merchants among the old subjects in Montreal, he carried on a retail trade, though he sometimes sent goods to the upper country as well. He signed both the 1773 and 1784 petitions. During the post-war period he was said to

be one of the sounder merchants financially among the Montreal retailers.

Lindsay, William (fl. 1778 -). A Montreal merchant who may have been connected with the London house of Brash & Lindsay who invested heavily in the Canada trade during the war. He signed the petitions of 1778 and 1784; was a member of the Quebec militia in 1787; and is found in trade with the West Indies in the late 1780's.

Livius, Peter (1727-95). Born in England in 1727 he was a lawyer who went to New Hampshire as Chief Justice and there quarreled with the governor. Returning to England in 1772 he was vindicated and made a councillor of the colony. In 1775 he became a loyalist judge at Montreal, and in 1777 became Chief Justice of Quebec. He soon came into conflict with Carleton over the nature of his administration, was suspended by the governor and returned to England. He was vindicated once again, but never returned to Canada.

Lymburner, Adam (1745?-1836). A Scot who came to Canada sometime in the 1770's to take charge of his brother's business there following his death by drowning, in 1775. He was one of those who left Quebec City after Carleton's ultimatum of November 1775, though there is no evidence that he was an American sympathiser; but this action was still held against him for many years. Politically he was active, signing the 1773 petition to Cramahé; he did not take a prominent part though in the activity of 1773-75, and it was only in the post-war years that he emerged as one of the leading reformers, undertaking trips to England in 1787 and 1788 to support the old subjects' case in the deliberations surrounding the 1791 Constitution Act. In 1791 he was appointed to the executive council of Lower Canada but did not

present himself for admission until 1799 - and was then refused admission. His commercial activities are not well documented; he is listed as a trader to Grand Portage in 1785 (sending goods west rather than going himself); in the later 1780's he is to be found engaged in trade with Newfoundland (flour and biscuit), with Cadiz (lumber and wheat) and with London (dry goods, wines, furs and groceries) - often in conjunction with Robert Hunter (q.v.) . But his main interest was probably in the fisheries, and in this he received substantial backing to the tune of £6,000 and more from Hunter, with whom he was good friends. He died in London in 1836.

Mabane, Adam (1734-92). A Scot who came to Canada as a surgeon's mate with Wolfe. In 1764 he was appointed to the legislative council and was made a judge of the common pleas. He was dismissed from the council by Carleton in 1766 for opposing the governor's use of a "privy council", but was reappointed in 1775. He became, under Haldimand especially, the leader of the French party in the council, and a member of the "privy council" which Haldimand took over from his predecessor. As such Mabane earned the hostility of the reform party who took the opportunity of the 1787 investigation into justice to attack him fiercely. In later years Mabane became increasingly bitter as his expectations of advancement to the chief justiceship were dashed by William Smith. Though appointed to the executive council in 1791, he never took his seat.

Macaulay, Zachary (fl. 1758-86). Served at Louisbourg and Quebec in 1758/9, afterwards settling in Quebec City as a merchant. His interests included lumber, potash, and the fisheries, and he also owned quite a few plots of land in the area in and around the capital. He was polit-

ically active; he signed the 1770 petition for a general assembly, and as a member of the Quebec committee was in London during the winter of 1773 to oppose the Quebec Act. Though he left Quebec City after Carleton's ultimatum of November 1775, his name does not appear on the list of disaffected old subjects, and there is no evidence that he sympathised with the invaders. After the war he may have moved to Machiche, where he contracted to supply timber for the fortifications there. The exact date of his death is not known, though the Quebec Gazette of 5 November 1789 refers to the 'late' Zachary Macaulay.

McBeath, George (1740?-1812). A Scot who emigrated to Canada soon after the conquest, and engaged in the fur trade. He first wintered in the upper country in 1766/7, and took part in some of the earliest ventures to the North West. In 1775 he partnered Simon McTavish (q.v.) and from 1779 to 1783 was one of the partners in the original 16 share North West Co. In 1787 he sold one of his shares to McTavish Frobisher, and in 1792 the other to Alexander Mackenzie. From 1793-6 he was a member of the Lower Canada assembly. His later years though were clouded by a series of financial reverses, stemming in part from his having continued to supply lieutenant governor Sinclair at Michilimackinac with goods after Haldimand's order of 1781 that such practises were to cease; consequently he lost heavily through the governor's refusal to honour Sinclair's bills, and in 1786 was declared bankrupt.

McCord, John (1711-93). Born in Antrim, he came to Canada soon after the conquest as a retailer of spirits. Commercial hardships seem to have prompted him to political activism, and he led the agitation of 1768/9, signed the 1770 petition, and was a member of the 1773 Quebec committee. He left Quebec City on Carleton's ultimatum in 1775, but is

not listed as having left the province with the Americans.

McGill, James (1744-1813). Born in Glasgow he went to the American colonies as a merchant and came to Canada from there sometime in the early 1770's, probably as a result of the growing American crisis. He was one of the forerunners of the North West Co., being party to a joint stock arrangement in 1775, and about this time formed his long lasting partnership with Isaac Todd (q.v.). Todd & McGill were never partners of the North West Co. however, and from 1781 seem to have concentrated on the south west trade, though with some apprehension. McGill's partnership with Todd ended in 1813. McGill was on the 1773 Montreal committee and was active in fighting the Quebec Act. He was a commissioner of the peace from 1782 and was one of those who received a section of land in Sorel township in 1787, though as a general rule he did not think merchants should keep too much money from their trade by investing in property. He was one of the relatively few merchants who, in 1787, could not recall having ever had a lot of cases in the courts of the province; he could recall only 3 in the twenty-one years he had had business in Montreal. He died in Montreal in 1813.

McKenny & Caldwell Montreal merchants who found themselves in serious straits after the war, with large debts to their London suppliers, Richard Morland & Co. (q.v.); they at last broke in December 1785, and were only able to pay 7/6 in the pound. Their main interest was in the Indian trade, and Edward William Gray attributed their predicament to bad debts, bad luck and inexperience. McKenny had inherited the business only in 1779 on his uncle's death, and at first his fondness for good company led to extravagance, but he soon saw his error. Gray wrote: 'I have great reason to think he is a very honest young Man, as well as his Partner Mr. James Caldwell.'

McTavish, Simon (1750-1804). A Scot who engaged in the Albany fur trade in the early 1770's, but moved to Montreal in 1775. From there he took part in the trade to Grand Portage, though primarily as an organiser and not a winterer in the upper country. On the death of Benjamin Frobisher (q.v.) in 1787 he and Joseph Frobisher (q.v.) joined forces to form McTavish Frobisher (q.v.). McTavish probably acquired a goodly fortune in the course of his trading, and was reported to be a man of free tastes, with a great love of life.

McTavish Frobisher & Co. A partnership between Simon McTavish and Joseph Frobisher formed in 1787 which soon became one of, if not the most influential fur trading concern in Canada, and for many years the virtual directorate of the North West Co.; they not only held a controlling interest in the shares of the Company, but controlled also the supply and organisation of the Company's expeditions. William Grant referred glowingly in 1790 to the 'persevering genius' of McTavish Frobisher, likening their achievements to those of the 'immortal Cook'.

Maseres, Francis (1731-1824). Born in London of Hugenot parents, he was educated at Cambridge and called to the bar in 1758. In 1766 he went to Quebec as attorney general returning in 1769 to England where he advised the government over the Quebec Act. He was broadly favourable to the case of the old subjects for limiting those parts of French civil law to be retained, though he did not believe Quebec was yet ripe for an assembly - certainly not one in which Catholics were to be allowed to sit. During the years 1773-75 and again in the mid-1780's Maseres acted for the Quebec reformers in London, but seems to have become disillusioned by his experiences, and does not figure in the agitation over the 1791 Act.

Monk, Sir James (1745-1826). Born in Massachussetts, his family moved to Nova Scotia in 1749, and in 1774 Monk rose to become soliciter general of the colony and the member of the assembly for Yarmouth. In 1776 he was appointed attorney general of Quebec and soon became involved with the reform party there in its attacks on the autocratic "system of the Generals". He played an active role in the petitioning of 1783, and his attack on the judges in 1787 was responsible for the investigation into justice of that year; it may also have been the cause of his temporary dismissal in 1789. He was appointed attorney general of Lower Canada in 1792, and died in Cheltenham.

Morland, Richard & Co.. Richard Morland & Co. were the successors to the London house of Price & Morland who had engaged in trade with Quebec soon after the conquest. On Richard's death in 1779 the running of the firm was taken over by his brother William, and Elias Lock, one of the partners. The company was badly hit by the post-war recession in Quebec, one of their chief debtors being McKenny & Caldwell (q.v.), who went bankrupt in 1785. Edward William Gray was one of their agents in Canada.

Morrison, James (fl. c. 1763-1807). He began as a Montreal fur trader in the 1760's a built up a large business as a general merchant there. During the invasion he was referred to by the Americans as one of the merchants friendly to their cause, but he signed the declaration of October 1775 opposing the invaders, and did not leave Quebec with them. However, his brief involvement with the Americans harmed his business fortunes, and by the late 1770's his affairs were 'in a very poor way.' He had been unfortunate in the choice of business partners, and with the advent of peace found himself heavily in debt to Gregory & Turnbull of London; in 1785 he was declared bankrupt, but within a couple of

years had re-established himself in trade, mainly in spirits, and had paid off his London debt. He died in 1807.

Nepean, Sir Evan (1751-1822). Entered the navy as a clerk. Was made an undersecretary of State in Shelburne's administration in 1782, and continued as secretary to Lord Sydney under Pitt. In 1794 he was appointed undersecretary for War; in 1795 secretary for the Admiralty; and in 1812 became governor of Bombay.

Paterson, Charles (fl. 1770-88). A fur trader who was on the Saskatchewan in 1770, and with Henry (q.v.) and Holmes on the Assiniboine in 1775/76. As a partner of John McGill, he held a two sixteenths share in the North West Company agreement of 1779, but he does not appear among the shareholders in 1783. He also went into partnership with his brother, Allan, in 1780, and for the first three years they lost over £1,000 annually, but cleared a good profit after that. He then became a director of the Michilimackinac Co. operating on Lake Michigan, where he drowned in 1788.

Perrault, Joseph Francois (1753-1844). A fur trader until 1781 when he set up his own business in Montreal, without success. He turned to law and was called to the bar in 1790. He was one of the few Canadians who appears to have favoured some measure of constitutional reform in the Quebec Act period.

Phyn & Ellice. The partnership of James Phyn and Alexander Ellice who from 1767 operated a substantial fur trading business from Schenectady. Isaac Todd (q.v.)was their Montreal agent until 1774 when the firm left Schenectady, Phyn going to London to set up headquarters there, and

Ellice to Montreal. The firm soon established itself as one of the wealthiest and largest fur trading concerns in Canada, standing security for sums of up to £45,000 for one season's trade goods. Their Canadian subsidiaries were Alexander Ellice & Co. until 1779, Robert Ellice & Co. (1779-90), and Forsyth Richardson & Co. from 1790 onwards. Through these firms they supplied not only the North West Co. and their rivals Gregory McLeod & Co., but had interests in the south west trade also. From 1787 the company became known as Phyn Ellice & Inglis after John Inglis, one of the members, was taken into partnership. Phyn & Ellice were among the merchants who lobbyed ministers against the terms of the 1783 Peace, and they were also quite active in the political activities of the 1780's. (A good company history is to be found in R.H. Fleming, 'Phyn & Ellice of Schenectady').

Porteous, John (fl. 1761-89). Came to America from Perth and took part in the fur trade from Detroit, where he worked as agent for Phyn & Ellice (q.v.). Sometime before the American Revolution he went to Montreal, and is found on the committee there at the time of the Quebec Act. He later became a J.P., but appears to have gone to New York after it had been occupied by the British, and then left for Scotland in 1783, returning in 1788/89 to settle in Little Falls, N.Y.

Powis, Thomas, 1st Baron Lilford (fl. 1774-). Perhaps the most consistent supporter of the Quebec reformers in Parliament, especially in the 1780's, Powis was a typical country gentleman, with no desire for office, and claiming to be independent of party. He generally opposed the government, and declared himself to be against parliamentary reform. During the American war he at first opposed America, but increasingly found himself out of sympathy with North's administration. A good

speaker and formidable debater, his talents were made full use of by the Rockingham opposition to North, and under Shelburne he was offered, but refused office. In May 1783 he spoke strongly against Pitt's proposals for parliamentary reform and against Fox's East India Bill, and it was during the sessions of 1783/84 that he achieved his greatest influence; after 1785 he did not enjoy the same position he had done. He came increasingly to oppose Pitt as he clung to office during his first ministry. However, he went over to the administration after the French Revolution.

Price, James (fl. c.1766-76). A Montreal fur trader and native of the Thirteen Colonies, he was a supporter of the Americans in 1775/76, lending them an estimated £20,000. He was also a member of the 1773/4 Montreal reform committee.

Rashleigh, Robert . A London merchant and partner of Brook Watson (q.v.).. Little is known of him, but he may have been one of the Rashleigh's of Fowey, Cornwall, who controlled the parliamentary seat there. He seems to have left Watson in about 1782 to form his own company, and to have moved the centre of his attentions from Quebec to Nova Scotia in the difficult post-war years. He died in 1787.

Richardson, John (1755-1831) A Scot who was the nephew of James Phyn of Phyn & Ellice (q.v.) he went to America in 1773 and joined that firm. In 1787 he entered Robert Ellice & Co. (q.v.) and together with James Forsyth (q.v.) took over its business on Robert Ellice's death in 1790. Forsyth,Richardson & Co. became an important fur trade supply house, for the north west trade especially. Richardson represented Montreal in the Lower Canada assembly from 1792-96 and 1804-8. He was appointed to

the Executive Council in 1804 and the Legislative Council in 1816. In 1817 he was one of the founders of the Bank of Montreal.

Rouville, René Ovide Hertel de (1720-93). In New France he had been a judge of the district of Three Rivers and a member of the conseil supérieur , and in 1777 was appointed a judge of the court of Common Pleas at Montreal. Among his contemporaries he had the reputation of being a drunkard, and a haughty and not very astute man, and his appointment to the bench was widely greeted with scorn. Professor Neatby judges him to have been haughty and overbearing, but not wholly inefficient. He was one of the judges who came in for attack in 1787.

Solomons, Levi (fl. 1760-89). One of the earliest Jewish traders in Canada. Francis Maseres described him as of 'very good character', and as having, with three other Jews, carried on a large trade in North America, furnishing provisions to the army among other things. The disturbances in the upper country in 1762 and 1763 had ruined him, and he was declared bankrupt. But he re-established himself and continued in fur until 1782, in which year he suffered another reverse, to the tune of £2,000 to £3,000 through the non-payment of Sinclair's bills. He reappears in 1789 advertising that he had established a snuff factory in Quebec City.

Strachan, James (fl. 1775-86). A member of the London firm of Davis Strachan & Co. (q.v.), he was an 'old experienced seaman in those parts /~Quebec_7. He commanded an armed Sloop at Louisbourg the last war & was at the taking the place the war before'. He was one of the chief sufferers through the non-payment of Sinclair's bills.

Strettell, John (fl. 1766-86). A member of Dyer Allan & Co. (q.v.) of London, he was concerned in the Canada trade from an early date. He was one of the executive committee of Canada merchants set up in 1765, and in 1766 was prominent in preparing the case against Governor Murray. He was also fairly active in the petitioning in London in the mid-1780's.

Sydney, Thomas Townshend, Baron (1733-1800). A Whig from his family connections, he was a Chathamite opponent of Grenville, and became a lord of the Treasury under Rockingham. In 1767 he was made joint-paymaster of the forces and a privy councillor, but resigned in 1768. He opposed North, and returned to office in 1782 as Secretary at War under Rockingham. On Rockingham's death, he supported Shelburne against Fox, and when the former won, became Home Secretary and nominal leader of the Commons, in which capacity he defended the 1783 Peace. In that year he was elevated to the peerage, and in December, somewhat reluctantly accepted the Home secretaryship under Pitt, and was replaced in 1789, having lost his reputation and vigour. Sydney was never a man of more than mediocre talents, and probably achieved his elevated position on account of his family fortune and connections. He took little further part in politics after 1789.

Todd, Isaac (1743?-1819). Came to Canada soon after the conquest, and in the 1770's is found as a trader in Montreal, engaged in the Indian trade. He cooperated with Phyn & Ellice (q.v.) and was their agent in Montreal, and kept them informed of political events in Canada in 1773/75, being a prominent member of the Montreal committee and strong opponent of the Quebec Act; he was however, one of the first old subjects to enroll in the militia against the Americans, and his loyalty was never in question. His partnerhsip with James McGill was an influential

one, and they managed to obtain some lucrative commercial business during the war years. An original partner in the 1779 North West Co., but Todd & McGill withdrew to concentrate on the south west trade in 1784. They met with some difficulties in this, and Todd was one of the Quebec merchants who lobbied ministers against the 1783 Peace. Todd was instrumental in the union of the North West and XY Companies in 1804, and on McGill's death in 1813 he retired from business.

Walker, Thomas (fl. 1752-85). An English merchant who went to Boston in 1752 and on to Montreal in 1763, where he engaged in the fur trade. In 1764 he was made a J.P. and that same year was attacked by unknown assailants and deprived of his ear. He joined the Americans in 1775 and left Quebec with them. He was a turbulent character, with the reputation of being able to make enemies easily.

Watson, Sir Brook (1735-1807). The leading Canada merchant in many ways, certainly the most influential, Watson had been sent by his parents to America as a young man, and had lost a leg to a shark while swimming in Havana harbour. He spent some time in Nova Scotia before returning to England in 1759 where he joined the prominent Nova Scotia merchant, Joshua Mauger, in trade. Sometime in the early 1770's he went into partnership with Robert Rasheligh (q.v.) and the firm came to control much of the trade of Nova Scotia. Watson had also had interests in Quebec from the period of the conquest however, being one of those who speculated in Canadian paper money, and one of the first lessees of the St. Maurice forges. In 1776 there were rumours that he intended to apply for an exclusive trade to the north west, and during the war the company's trade with Canada grew considerably, to some £70,000 or £80,000 a year in several years. On his appointment as

commissary general of the British forces in America in 1782, Watson temporarily left off trade, taking up again in about 1785/6. Watson's influence in the last quarter of the eighteenth century was considerable. He was at various times an M.P. for the City of London (1784-93), Sheriff of London (1785-6), a Director of the Bank of England (1784-6; 1787-9; 1790-3), a prominent member of Lloyds underwriters from 1772, Deputy Governor of the Bank of England (1805-7) and Lord Mayor of London (1796). His personal fortune on his death was estimated at between £40,000 and £50,000. He was not a very active member of the Canada interest, but had the most influence with government, by whom he was consulted on a wide variety of North American matters. In Parliament, he spoke infrequently and often contradictorily , voting generally with the government, of whom he was a supporter. He died in East Sheen, Surrey, in 1807.

Watson & Rashleigh. One of the largest of the Canada merchant houses, their wartime investment in Quebec was considerable, but the experiences of the post-war years led them to substantially reduce their investment in Canada. The company was formed in the early 1770's by the partnership of Brook Watson and Robert Rashleigh (q.v.). The company became known as Robert Rashleigh & Co. in 1782 following Watson's temporary withdrawal from trade, but the partnership resumed in 1785/6, until Rashleigh's death in 1787, when it became known as Brook Watson & Co. The company's agents in Quebec included several well known merchants, among them Joseph Howard (q.v.), George Allsopp (q.v.) and William Goodall (a legislative councillor, who later became a partner in Brook Watson & Co.). The firm also had a dominating part in the trade of Nova Scotia.

Welles, John (fl.1765-75). Came to Quebec in the early days of British

rule. In 1765 he is found in fur with Benjamin Frobisher (q.v.), and was later associated with Allsopp (q.v.) and Samuel Jacobs (q.v.) in potash, and with the former also in wheat exports. He was a friend of the rebel sympathiser Thomas Walker (q.v.), a member of the 1773 Quebec committee, and one of those who left the city in November 1775. He seems to have left Canada with the Americans.

Williams, Jenkin (fl. 1761-1819). A Welsh lawyer who came to Canada c. 1761. He was appointed clerk of the council (1776-91), and in 1782 soliciter general of Quebec. In 1792 he became a judge of the Common Pleas and in 1794 of the King's Bench. In 1801 he was made an honorary member of the Executive Council, and the following year a member of the Legislative Council. In the 1770's he seems to have been quite active politically, being a member of the 1773 Quebec committee and a signatory of the petitions of 1773-75; but he does not appear to have signed or supported any of the later petitions of 1778 or the 1780's.

Young, John (fl. 1783-). Came to Quebec in 1783 and set up in partnership with Simon Fraser junior, engaged in trade with Newfoundland, New Brunswick and above all the West Indies. He testified to the council about the failure of the experimental trade with the West Indies in the post-war period. In 1792 he was elected to the Lower Canada assembly.

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