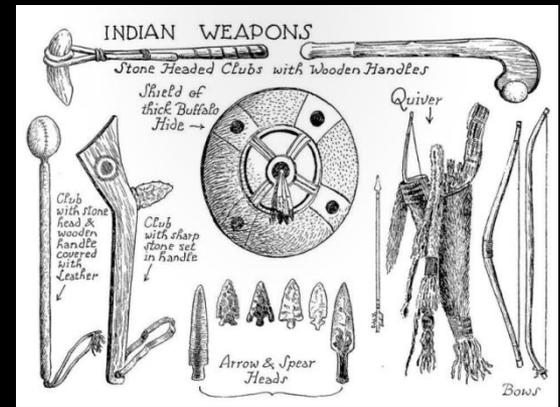
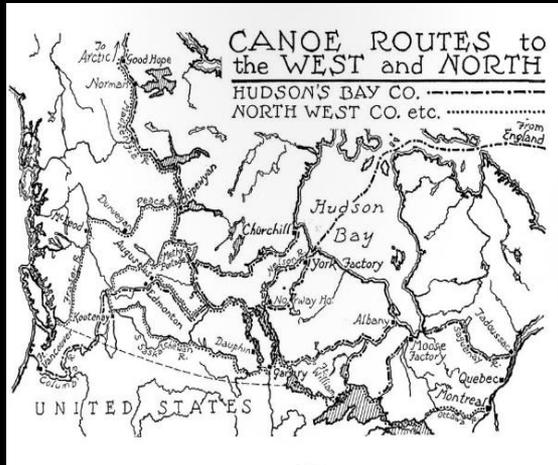


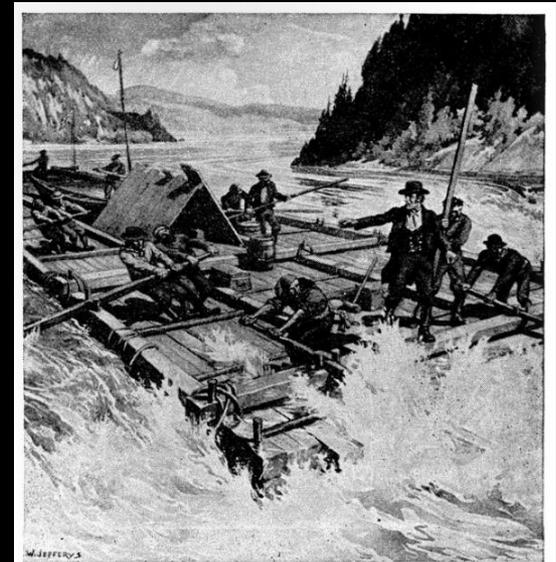
# Chapter 2 – Economy & Development



MUSEUM McCORD MUSEUM



INDIAN TRADING FURS, 1785  
35

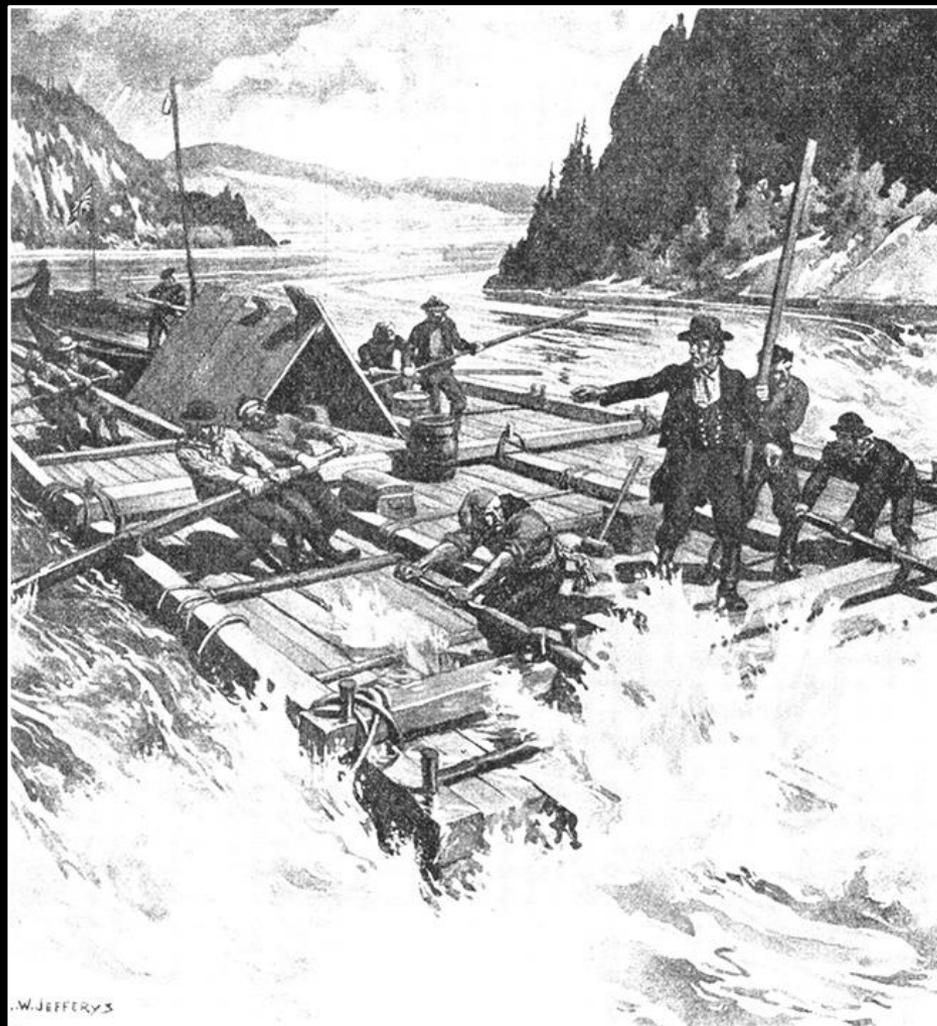
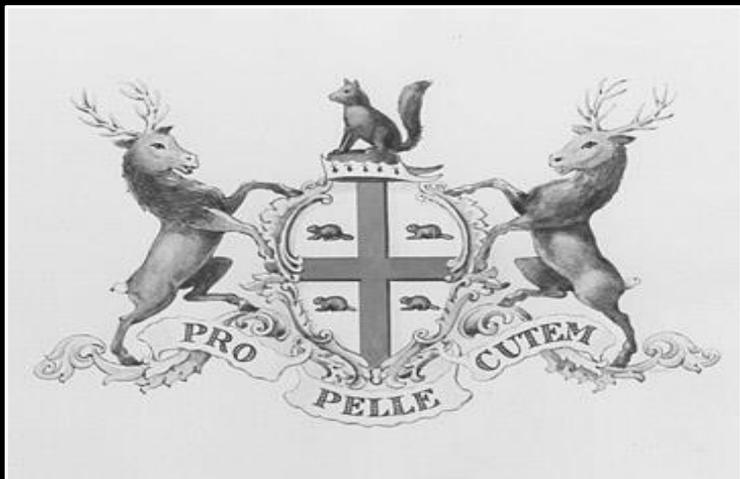


THE FIRST RAFT ON THE OTTAWA, 1806

# Chapter 2 – Economy & Development

## Section 3: The British Regime (1760-1867)

### Part 1: Fur Trade & Timber Trade



BANKS



Bank of Montreal in 1846



Bank of British North America, Montreal  
Erected 1837 Demolished 1912



Gore Bank  
Hamilton, Ont.  
founded 1836

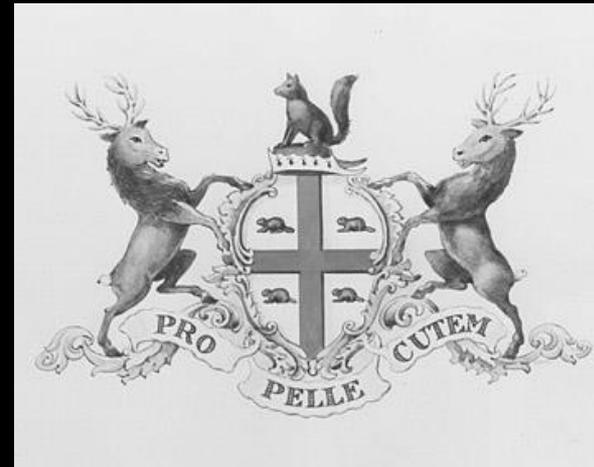
The "BANKS" section contains three architectural drawings. The top left drawing shows the Bank of Montreal in 1846, a large, multi-story building with a prominent entrance. The top right drawing shows the Bank of British North America in Montreal, a grand building with a portico and a flag on top, erected in 1837 and demolished in 1912. The bottom left drawing shows the Gore Bank in Hamilton, Ontario, founded in 1836, a smaller building with a gabled roof.

# The British take over the fur trade

- After the CONQUEST in 1760 → British take over the territory used by the French for the Fur Trade
- **British merchants** and British fur trading companies **replaced French merchants** and French fur trading companies
- The 1<sup>st</sup> main fur trading company in the British colonies → **Hudson's Bay Company (HBC)**



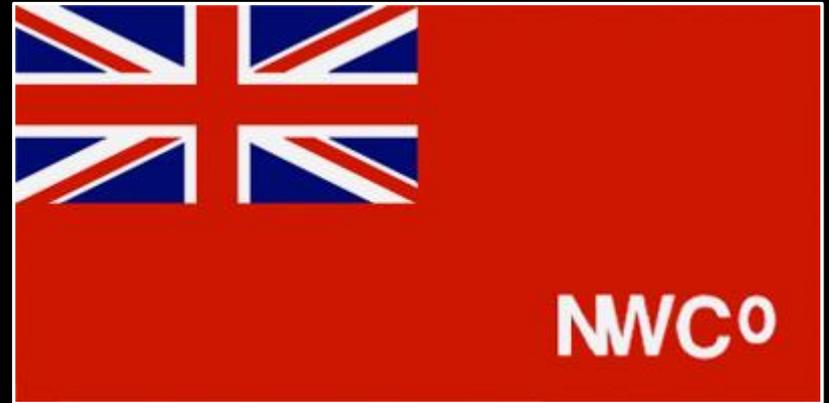
Top: HBC flag



Left: HBC coat of arms

# The British take over the fur trade

- The Fur Trade grew more **profitable** after the Conquest → **expanded westward** → over **exploitation/exhaustion** of animals
- Over time, a new Fur Trading company emerged and became competition for the HBC
- **The Northwest Company (NWC)**
- It was initially established in **1783**
- It bought a smaller rival company called the 'XY Company' in 1804
- The HBC and NWC would be fur trading **rivals** for several decades...



Top: NWC flag

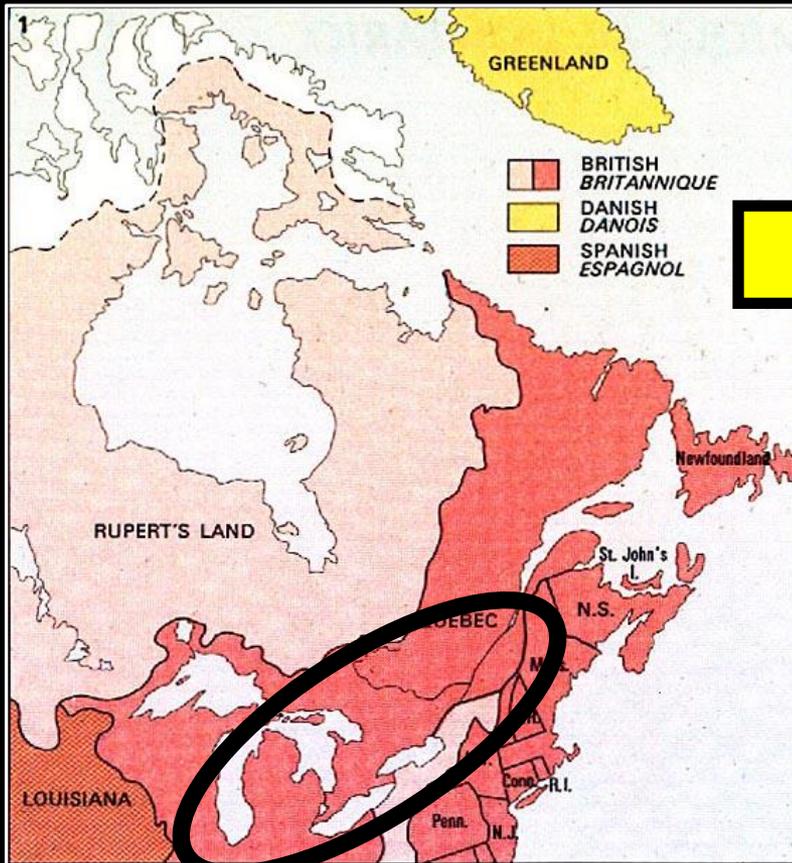
Left: NWC coat of arms

# The British take over the fur trade

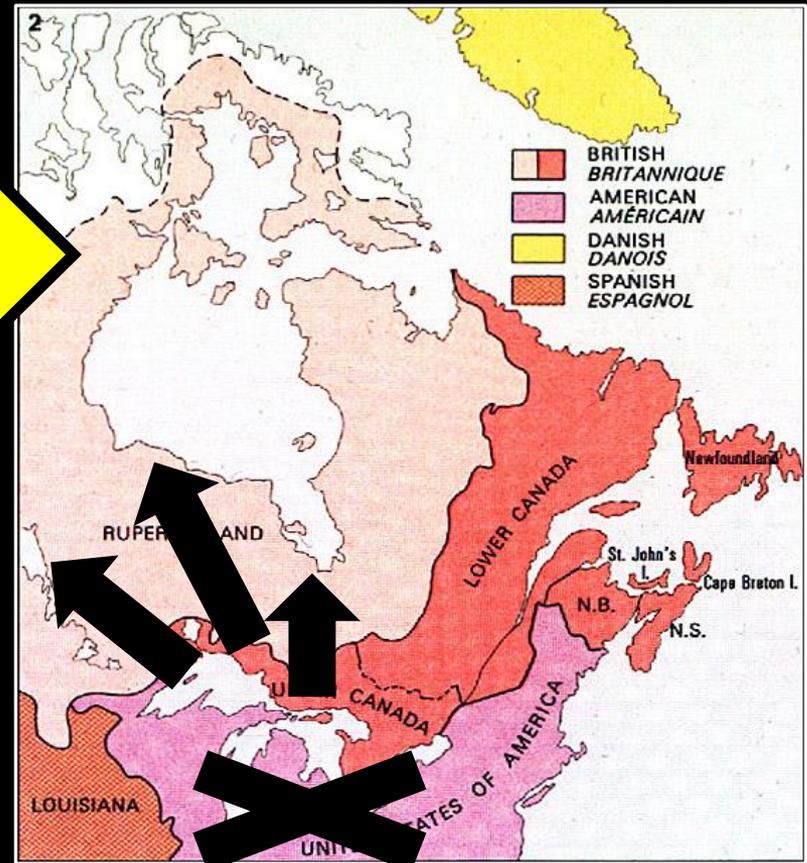
- **After the American Revolution & American Independence in the 1770s – 1780s:**
  - **Loss** of an important region to get furs (**lower Great Lakes, Ohio Valley, West of the Great Lakes**) because the USA controls the territory
  - The fur trade in the BNA colonies **focuses** on the area **North of the Great Lakes, the Hudson Bay region and Western regions** → setting up **trading posts** all over these regions
  - Like the French Regime → the exploited territory is expanding → Continuity of western territory exploited / animals were over exploited

# The British take over the fur trade

Map of BNA colonies in 1774



Map of BNA colonies in 1791



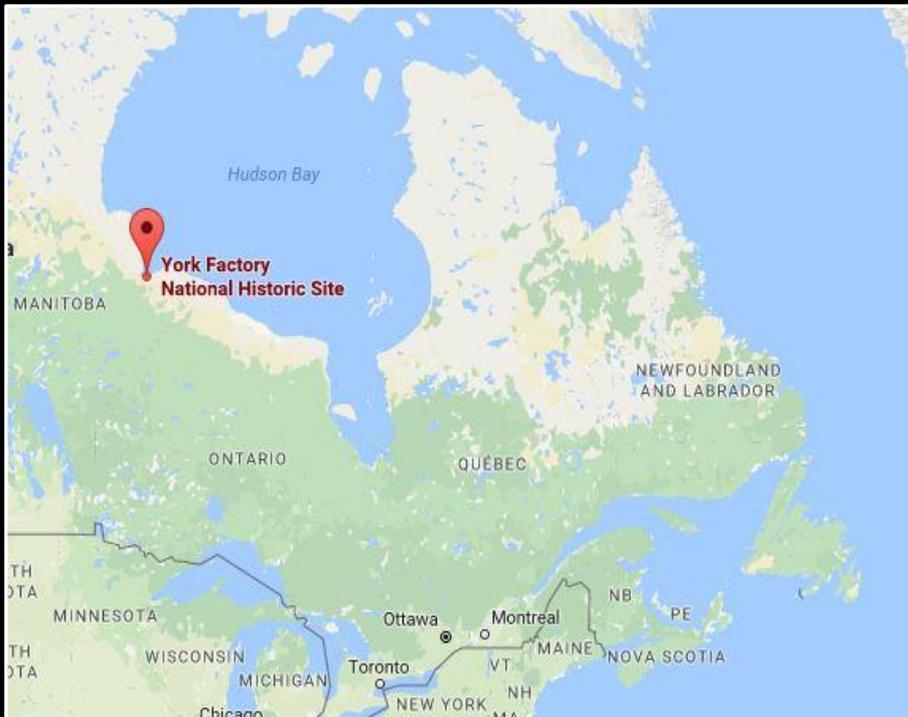
Before the American Revolution:  
Fur trade focused on St. Lawrence  
Valley and South of the Great Lakes  
(Ohio Valley)

After the American Revolution:  
Fur trade turned to the Hudson Bay  
Region & North West of the Great  
Lakes

# The British take over the fur trade

York Factory (fort): Shore of Hudson Bay

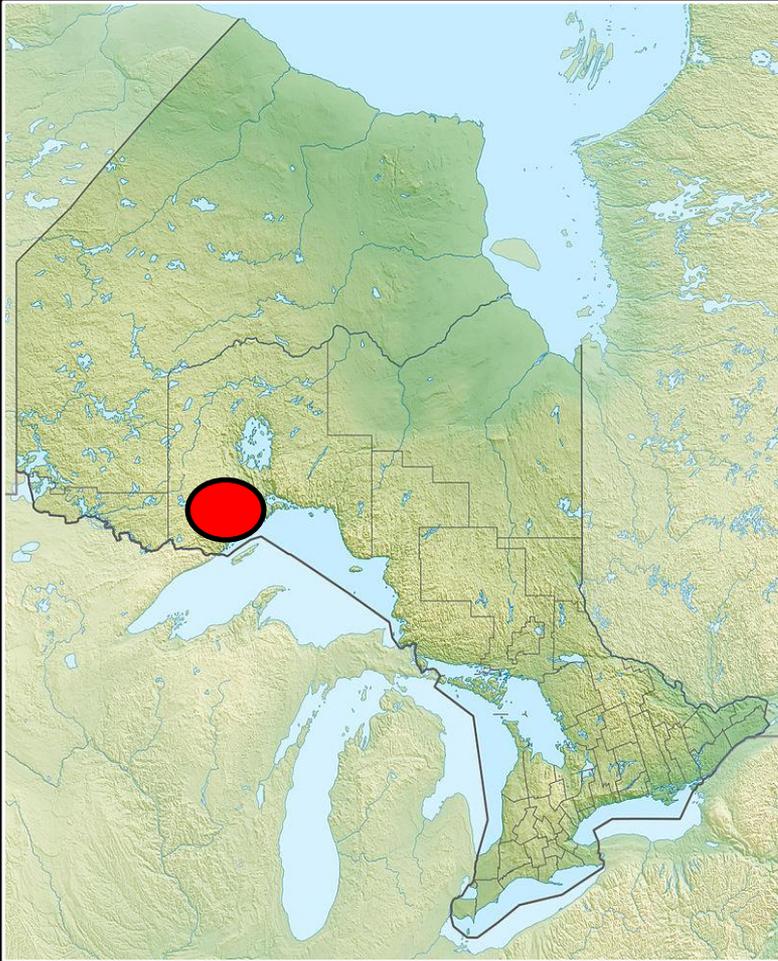
- HBC
- Now a historical park



# The British take over the fur trade

Fort William: North West of Lake Superior

- NWC
- Now a historical park



# The British take over the fur trade

- The NWC used **French** Canadiens as '**Voyageurs**'
- French Canadiens were still the main labour force in the fur trade → this continued from the French Regime
- Travelled westward to find partners to trade with to acquire furs
- Leaving Lachine in the spring
- Using **waterways** and **portaging** → carrying goods to trade for furs
- Return in late summer with canoes filled with high quality furs

# The British take over the fur trade



Top Left: Lachine fur trading museum- was a ware house for furs- built in 1803



Top and Bottom Right: Artistic renditions of Voyageurs working for the NWC (Artists: Frances Anne Hopkins)



# The British take over the fur trade

## HBC

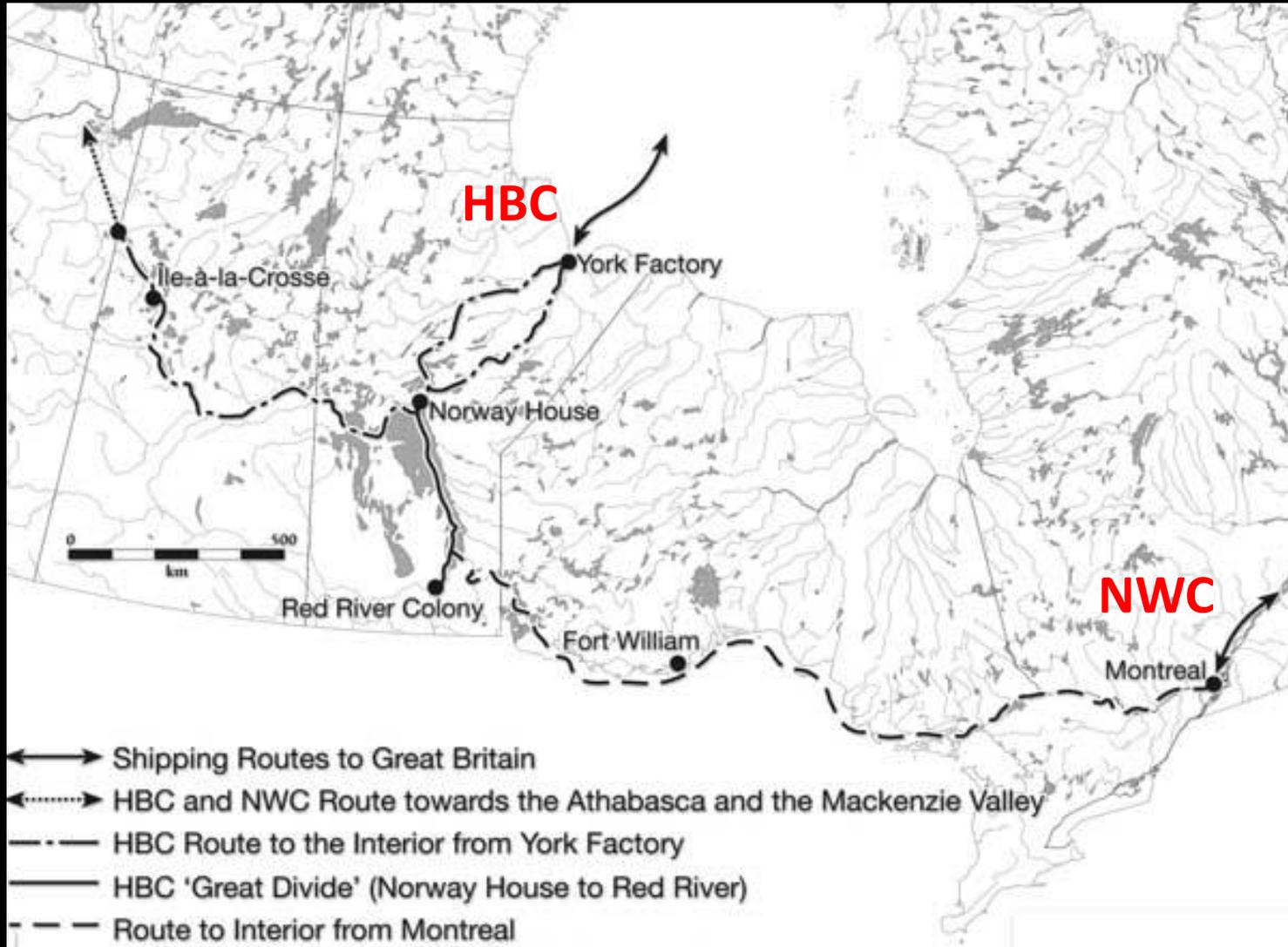
- Head office in London with offices in Montreal/Hudson Bay
- Trading posts located in the Hudson Bay region
- Crews travelled by land and waterways
- Furs were brought to forts along the shores of Hudson Bay → ships brought the furs to London using Hudson Bay, Hudson Strait

## NWC

- Head office in Montreal
- Trading posts located many kilometers North West of the Great Lakes region
- Crews would travel from Montreal to these Western regions and back
- Using light/sturdy birch bark canoes
- Furs shipped from Montreal to Europe

# The British take over the fur trade

## Routes used by the HBC & NWC

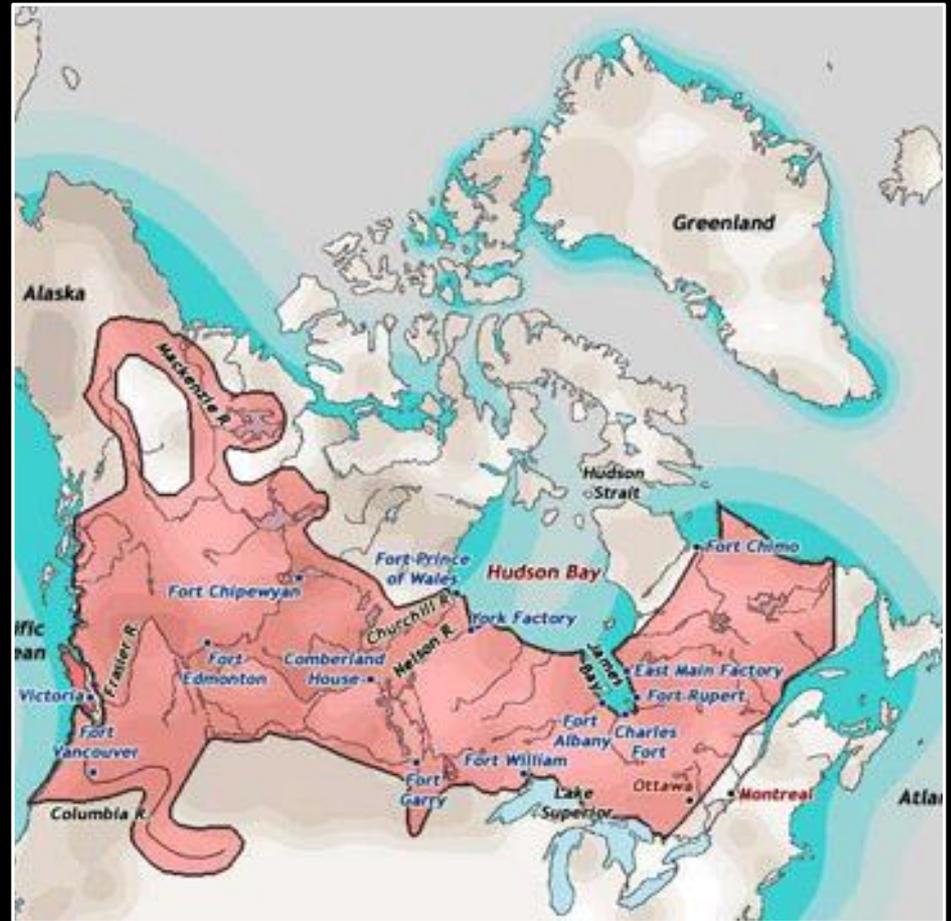


# The decline of the fur trade

- There were main reasons why the fur trade in British North America went into decline:
  - Less of a demand for fur clothing in Europe
  - The distance travelled to acquire became larger and larger → more expensive to travel farther distances
  - Operating costs for fur trading companies was rising → less profit
    - Pay men to travel & pay for supplies
    - Pay to build trading posts and forts to be built in Western regions

# Consequences of the decline

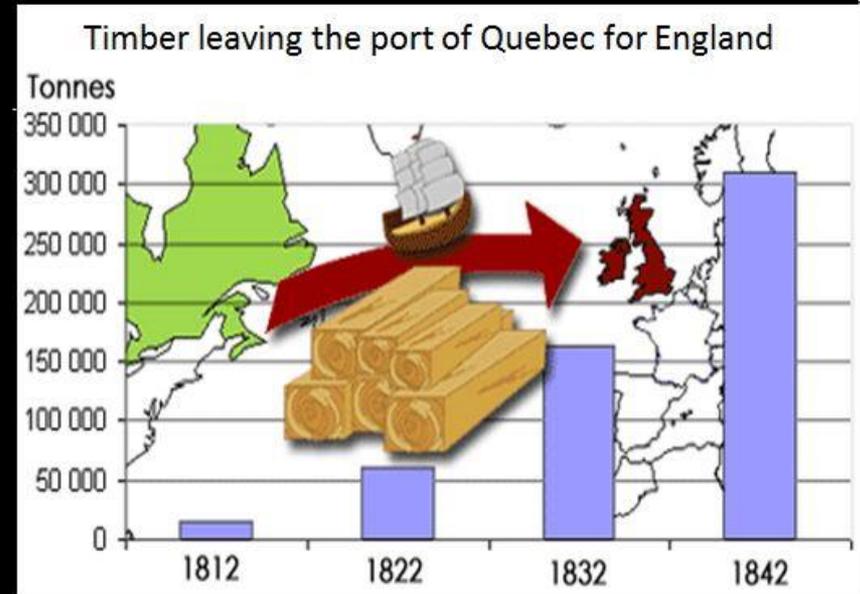
- The **NWC** had a difficult time competing with the HBC → it eventually **merged with the HBC**
- The **Hudson Bay** region became the 'headquarters' for fur trade in the BNA colonies → Montreal's involvement in the Fur Trade was no longer competitive → furs were not exported from there anymore



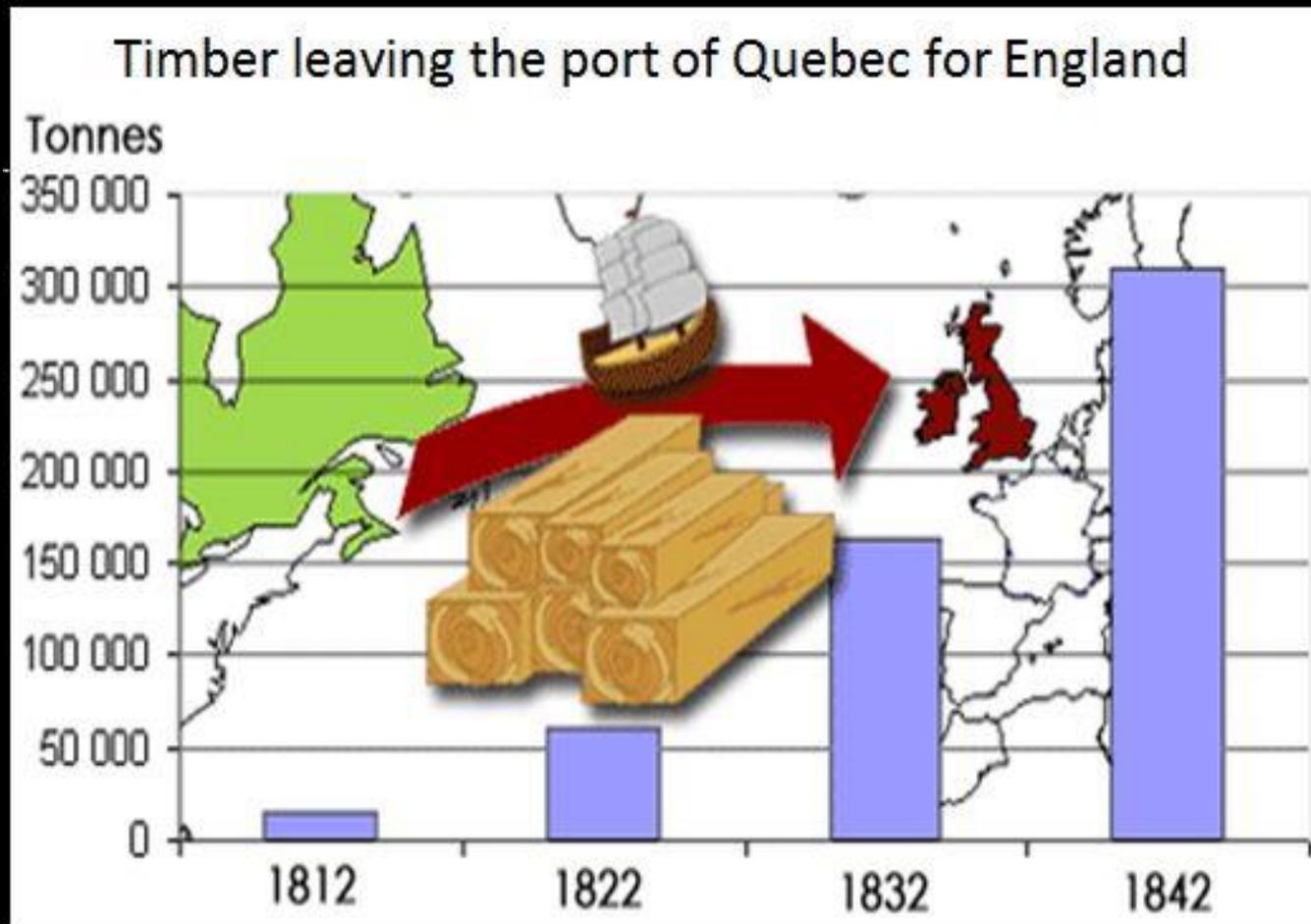
Territory occupied by the HBC after the takeover of the NWC

# Rise of the Timber Trade

- Around **1810**, **timber** takes over as the **main export** from Upper/Lower Canada
- Furs are no longer the largest export
- The British colonies in North America (Upper/Lower Canada, New Brunswick, Nova Scotia) will send massive amounts of **timber to Great Britain** for many years



# Rise of the Timber Trade

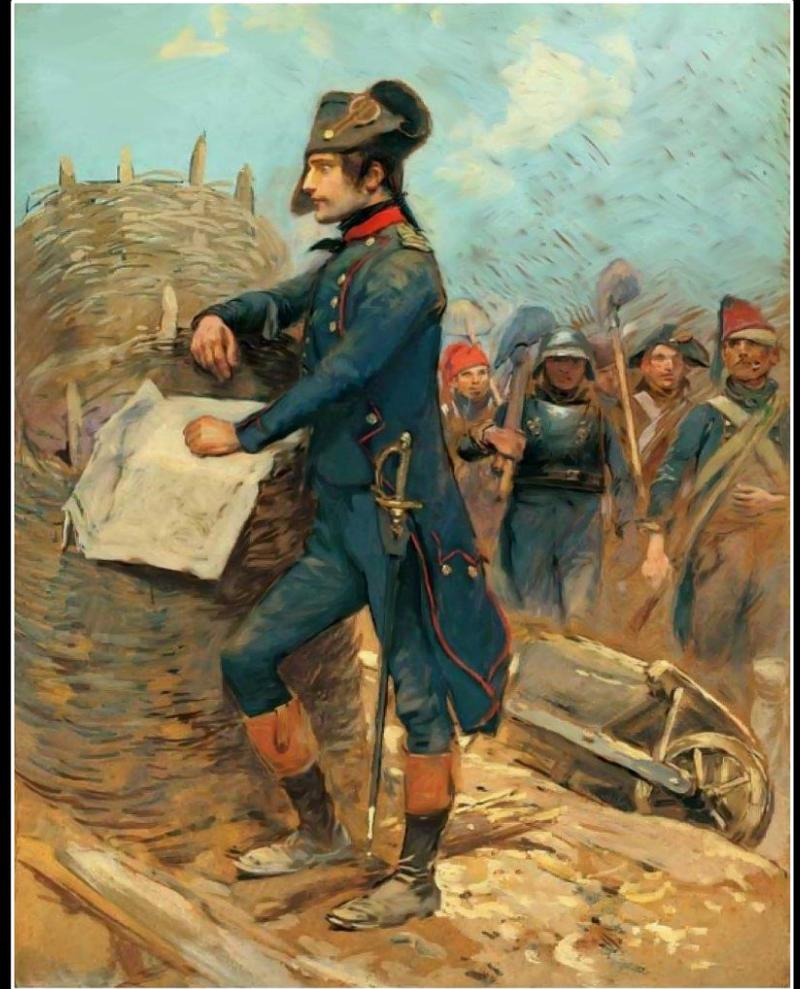


# Why Timber?

- There are **3 reasons** why timber became the main export from the BNA colonies
- BNA = British North American
- The European **continental blockade** by Napoleon
- The need for the construction of **warships** in Great Britain
- Great Britain's economic policy of **PROTECTIONISM & preferential tariffs**

# Why Timber?

- The European **continental blockade** by Napoleon
- Napoleon was the Emperor of France from 1804-1814 and again in 1815
- Napoleon was in the middle of trying to rule all of Europe
- Great Britain was his greatest threat
- Napoleon's plan was to 'block' all entry points to Europe
- Great Britain could not trade with Europe
- Great Britain could not get timber from Scandinavian countries (Sweden, Finland, etc.)



# Why Timber?

- The continental blockade forced England to turn to North & South America for trade and raw materials
- The BNA colonies had lots of mature trees
- **Trees = lumber = ship building = British warships**
- This helped spur the timber trade in Upper/Lower Canada



# Why Timber?

## Napoleon's Continental Blockade

- From 1806-1814
- Coasts of European countries were 'blocked'
- Trade embargo
- Some countries did this willingly
- Some were forced



# Why Timber?



Artistic depictions of British warships on Lake Ontario in 1812  
(ship in foreground called HMS Wolfe)

# Why Timber?

- **PROTECTIONISM & preferential tariffs**
- Protectionism = protect
- Great Britain want to 'protect' the exports of the BNA colonies against other countries and competition
- Great Britain bought raw materials like timber from it's colonies and guaranteed them  
PREFERENTIAL TARIFFS
- PREFERANTIAL TARIFFS = paying a good price

# Why Timber?

European Continental Blockade

+

Britain's need for WARSHIPS

+

PREFERENTIAL TARIFFS

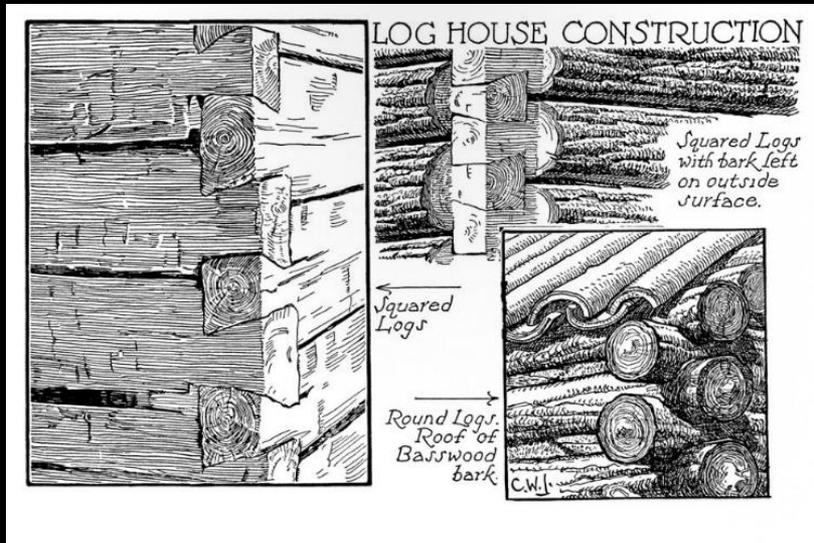
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TIMBER becomes the largest  
export form the BNA colonies

# Where did the Timber come from & Where did it go?

- **Timber** was **harvested** from the **colonies** (Upper/Lower Canada, New Brunswick, Nova Scotia)
- Trees were cut for:
  - **Naval mast trade** → the part of the ship that holds the sail
  - **Squared timber/ beams for construction** and other uses
  - **Staves** → the sides of a wooden barrel
- The timber would make it's way to **port cities** like Montreal & **Quebec City**
- A lot of this timber was **shipped to Great Britain** for ship building and construction

# Where did the Timber come from & Where did it go?



# Who had the money? Who did all the work?

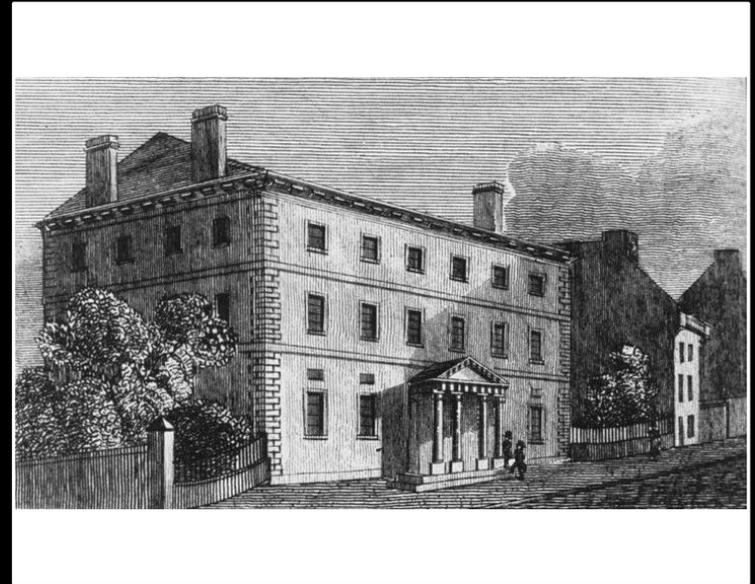
- The **CAPITAL** came from **British** men → investors/merchants (English, Scottish)
- These people could also be called '**Timber Barons**'
- **CAPITAL** = money to start up/pay for the business
- The workers were mainly **French Canadiens & Irish immigrants**
- The labour was tough, tiring, cold, long hours and dangerous

# Effects/Consequences of the Timber trade

- There were many consequences of the timber on Upper/Lower Canada
  - The development of **timber trading businesses**
  - The development of **banks** to lend out money and provide other services to businesses
  - The development of **employment** in the colonies
  - The development/**settlement** of new regions in the colonies

# Timber Trade & the Development of the Financial Sector

- Starting up a timber/logging company was **expensive**
- Timber merchants might not have had all the CAPITAL needed to start up a timber company
- This led to the development of **banks** in Lower Canada in the early 1800s
- Banks could **lead money (CREDIT)** to merchants to pay for start up costs/expansion costs
- Banks were also in charge of making standardized '**paper money**' that people could use (CASH)
- The first bank was the **Bank of Montreal** established in **1817**



Bank of Montreal 1817

# Timber Trade & the Development of Employment in the Colonies

- Because of the rise of the timber trade:
  - Many new jobs were directly created
    - Lumberjack, log driver, sawyer
  - A rise in artisans that supported the timber trade
    - People that made tools, shoes, clothing specifically for the timber trade
  - Farmers were able to work in winter time
    - Leave farms/families to work in lumber camps
    - Extra income → this was called 'agro-forestry'



# Timber Trade & the Development of Employment in the Colonies

- As mentioned, the **labour** required for the timber trade was **not easy...**
- Cutting down giant trees by hand
  - Axes, crosscut saws
- Living in **lumber camps** during the winter months
  - Cutting trees down in the winter was easier
  - Tree sap was frozen
  - Dragging trees in snow was much easier / the use of horses
- Log **drivers/raftsmen** risked falling in cold water that had a swift current
  - Transporting timber down river to port cities was dangerous

# Timber Trade & the Development of Employment in the Colonies



Left: Felling a tree in Winter  
(winter months were the  
easiest to cut down trees)  
Bottom: Using horses to  
drag out felled timber

[Hand Hewing a log](#)

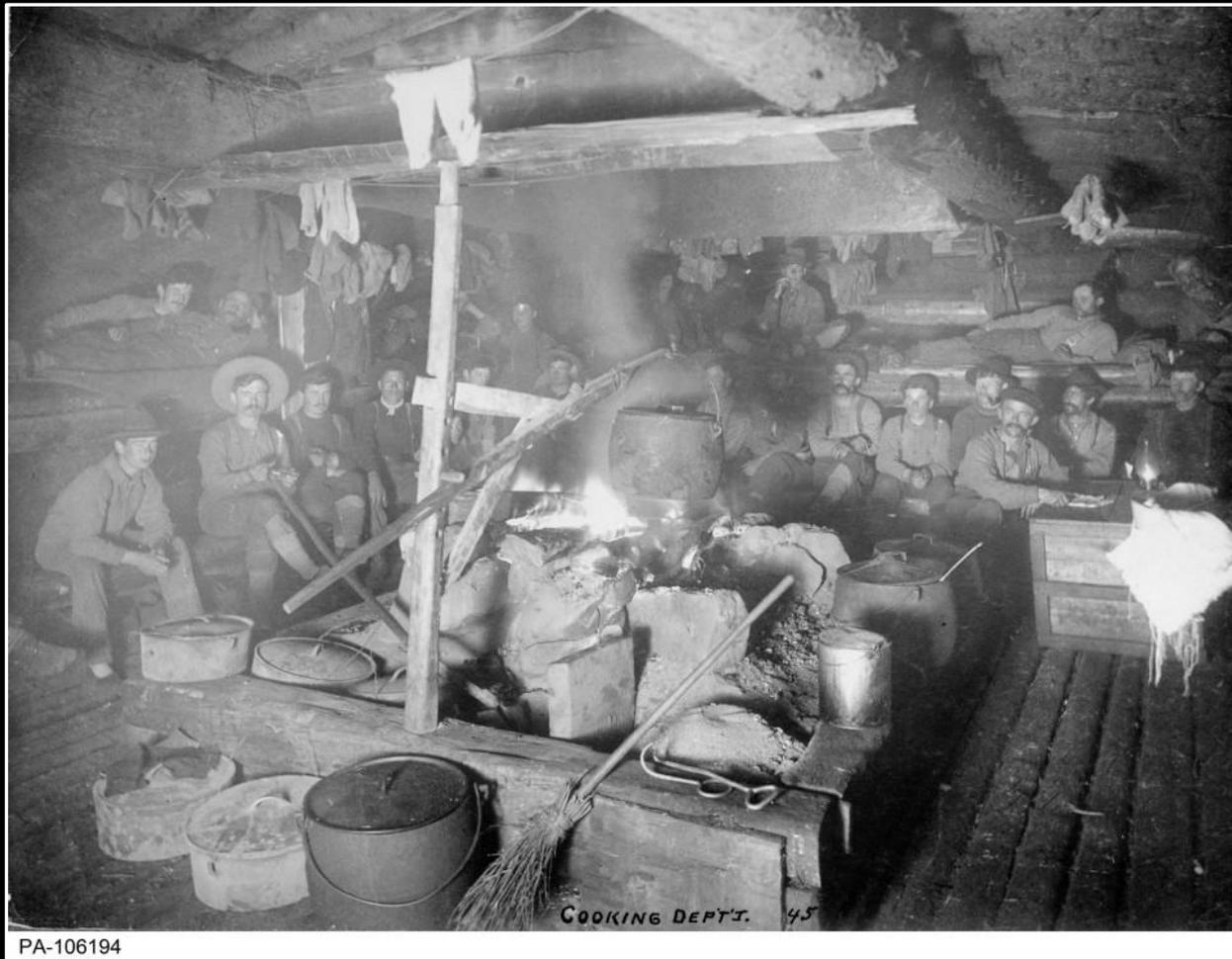


# Timber Trade & the Development of Employment in the Colonies



Hand hewing/squaring a log (late 1800s-early 1900s)

# Timber Trade & the Development of Employment in the Colonies



PA-106194

Logging camp: Inside a logging 'shanty' in the Ottawa Valley (1905)

# Timber Trade & the Development of Employment in the Colonies



Top: Lumber camp in the 1880s  
Right: building a timber raft



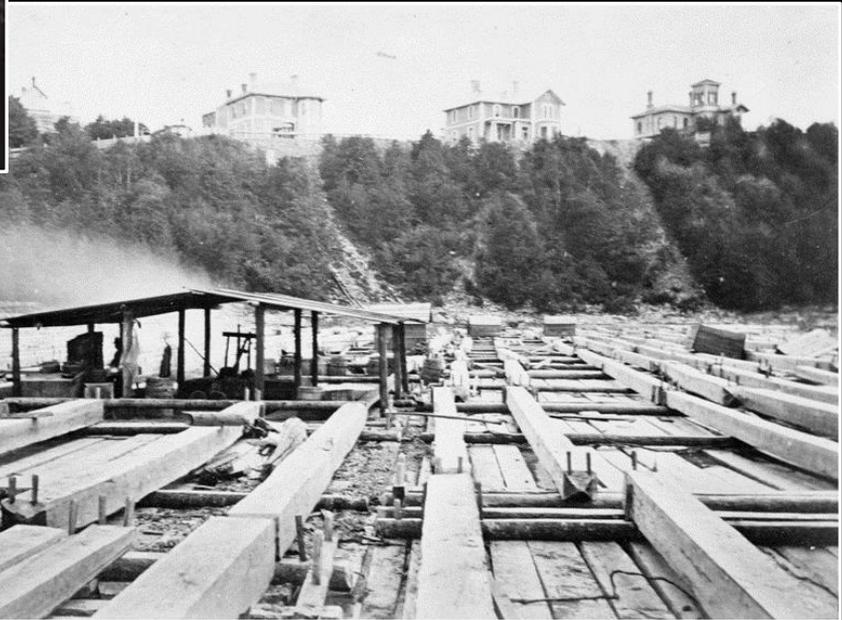
[Log Driver's Waltz](#)

# Timber Trade & the Development of Employment in the Colonies



Left: riding a timber raft downstream (1880s)

Bottom: Timber raft near Ottawa (1880s)



# Timber Trade & the Development of Employment in the Colonies



Left: timber 'boom' in the Ottawa river in front of Parliament  
Bottom: Squaring timber before boarding a ship to England (1880s)

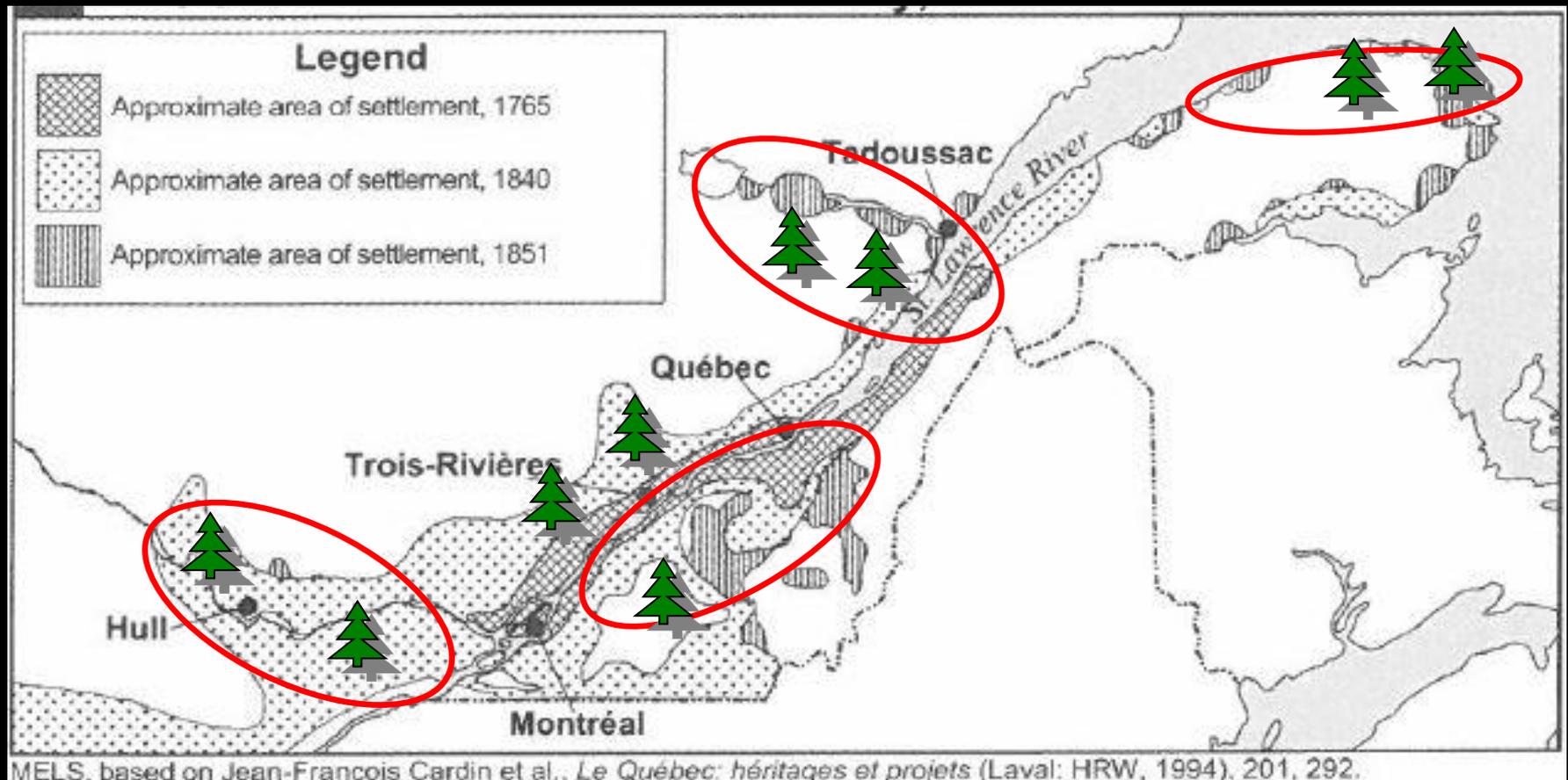


# Timber Trade & the Settlement of New Territories in Lower Canada

- Timber trading companies were always searching for **regions** in Lower Canada with specific types of **trees**
  - Pine, oak, cedar
- Most important forested regions in Lower Canada for the **timber trade**:
  - Mauricie, Saguenay, Ottawa Valley/ Gatineau
- People moved to these regions to work in the timber trade/settle the territory once the land was cleared (**new regions of colonization**)
- As the timber trade became more prosperous → Timber barons owned more land → more influence in the colonies → influence the government

# Timber Trade & the Settlement of New Territories in Lower Canada

Evolution of the Settled Territory in Lower Canada from 1765-1851



# Connections to the Progressions of learning

C. British rule 1760-1867		
★	Student applies knowledge by the end of the school year.	Year
3		3 4
<b>1. Economy based on fur</b>		
<b>1.1. Organization</b>		
a.	Identifies the main fur-trading companies: Hudson's Bay Company, Northwest Company	★
b.	Indicates effects of the transfer of the fur trade to British companies (e.g. arrival of British merchants, hiring of <i>Canadiens</i> as <i>voyageurs</i> for the Northwest Company)	★
c.	Indicates economic effects of the expansion of the fur trade to the northwest: founding of the Northwest Company, establishment of trading posts, exhaustion of the resource	★
d.	Names the main territories for the supply and trade of fur: Hudson Bay region, Great Lakes region	★
<b>1.2. Decline of the fur trade</b>		
a.	Indicates factors that contributed to the decline of the fur trade in the early 19th century: increasingly remote trading territories, increased operating costs	★
b.	Indicates effects of the decline of the fur trade on the economy of the colony in the early 19th century: takeover of the Northwest Company by the Hudson's Bay Company, replacement of Montréal by Hudson Bay as the main place of export	★

# Connections to the Progressions of learning

<b>1.2. Decline of the fur trade</b>	
a. Indicates factors that contributed to the decline of the fur trade in the early 19th century: increasingly remote trading territories, increased operating costs	★
b. Indicates effects of the decline of the fur trade on the economy of the colony in the early 19th century: takeover of the Northwest Company by the Hudson's Bay Company; replacement of Montréal by Hudson Bay as the main place of export	★
<b>2. Economy based on timber</b>	
<b>2.1. Organization</b>	
a. Indicates the importance of the timber trade for the economy of Lower Canada around 1810: timber replaced furs as the main export product	★
b. Indicates the source of capital: Great Britain	★
c. Indicates the composition of the workforce: mostly French Canadians and Irish immigrants	★
d. Names trades related to the economy based on timber (e.g. lumberjack, log driver, sawyer)	★
e. Names products and their target market (e.g. large squared pine or oak beams, staves and construction lumber; Great Britain)	★
f. Names places associated with the timber trade (e.g. port of Québec, forest regions, Great Britain)	★

# Connections to the Progressions of learning

<b>2.2. Factors in the development of the timber trade in the early 19th century</b>	
a. Indicates factors that contributed to the development of the timber trade in the colony in the early 19th century: continental blockade by Napoleon, construction of warships, establishment of preferential tariffs by Great Britain	★
b. Indicates measures taken by merchants to facilitate financial operations and access to capital: founding of banks, issue of paper money by banks	★
<b>2.3. Effect of the development of the timber trade</b>	
a. Indicates effects of the development of the timber trade on social groups in Lower Canada: increase in the number of workers and artisans, increased influence of the business class	★
b. Names regions of colonization that developed with the timber trade (e.g. Mauricie, Saguenay)	★
c. Indicates effects of the development of the timber trade on the population in the first half of the 19th century: some workers migrated to regions newly opened up to forestry; forestry work provided farmers with extra income	★

# Connections to the Progressions of learning

5. Economic policies	
5.1. Protectionism	
a. Defines protectionism: policy designed to protect national economy against foreign competition	★
b. Indicates effects of the protectionism adopted by Great Britain on the economy of the colony: increase in timber exports to Great Britain, increase in port activities	★