Expansion of White Settlement in Canada

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By Harold. A. Innis

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The expansion of settlement in Canada differs fundamentally from that in the United States because of the marked difference in geography and in the character of Indian cultures. The St. Lawrence drainage basin penetrated far to the interior of the continent and bounded on the south the vast Canadian shield with its dominant Precambrian formation. The extensive tributaries flowing from the north and the interlocking of a complex system of waterways with those of the drainage basins of Hudson Bay and the Mackenzie River facilitated contact with the hunting Indians, especially in the more southern forested portions.

Economic contacts from northern Europe to the New World began with the fishing industry.[1] Ships left the scattered ports of the long coast line of France to engage in the industry over the extensive fishing regions of the North Atlantic. The contact of Spain with the highly developed cultural regions of Mexico and Peru was followed by the flowing in of specie, a rise in prices, and the beginnings of trade from England in exports of the highly valuable compact dried fish and imports of cheap bulky solar salt and specie. The French were forced to more distant areas such as Gaspé to find suitable areas for drying fish for the same trade. Along the coast at the mouth of the St. Lawrence they came in contact with the hunting Indians and there began the trade in beaver furs[2] which had been worn by the Indians to meet the luxury demands of Paris for felt beaver hats. Exhaustion of the beaver in the immediate vicinity of the trading regions was followed rapidly by trade along the lines of Indian organization on the Saguenay, the St. Maurice, and the Ottawa. The agricultural Indians of the St. Lawrence of Cartier's period disappeared in the face of these demands, and trade penetrated up the Ottawa to the Great Lakes.[3]

Exhaustion of the beaver left the hunting Indians immediately tributary to the St. Lawrence with an acquired taste for European goods but with little reserve for the organization of trade by which to secure them. They attempted to levy a toll on trade conducted by other Indians through their

territory. On the other hand, the heavy one-way outgoing traffic of the fur trade restricted French settlement and increased the demands on Indian trading organization. These could only be met by the agricultural Indians of the interior with their surplus supplies of foodstuffs.[4] The Huron Indians situated along the southern edge of the Precambrian formation in the vicinity of Georgian Bay emerged as middlemen for the extension of trade to the interior.

The essentially competitive character of European civilization was extended to North America. The English dominated the dry fishing industry of Newfoundland and New England, and the tobacco plantations of Virginia; the Dutch, the trade of New York and the Hudson; and the French, the St. Lawrence. As a commercial nation the Dutch developed contacts with the Iroquois who as agricultural Indians had a surplus of foodstuffs for trade with other Indians or for making war on them and seizing their territory. The competitive struggle between European nations was extended by the drainage basins of North America, and the Iroquois exterminated the Hurons. Company organization from France, developed in relation to trade on the St. Lawrence, disappeared, and in 1663 the government of France assumed direct control and French settlement was encouraged as a means of replacing the trading organization which collapsed with the Hurons. Direct control of the St. Lawrence by the French government was accompanied by a military policy designed to exclude the Dutch (the English after 1664) and Iroquois trade from the south. Its restrictions on trade led to the escape of Radisson and Groseilliers and the formation of the Hudson's Bay Company by the English in 1670. The ultimate success of this organization was a striking contrast to the difficulties of companies in New France. The strength of the French navy, based on the fishing industry after 1660, enabled France to block English expansion in Hudson Bay prior to 1713. At the same time, however, it probably strengthened the English to the south and increased the necessity of fortifications, for example, under Frontenac on the St. Lawrence system.

The financial base of London offered a stronger support than that of Paris. French finance was directly exposed to the effects of wide fluctuations in the demand for furs due to changes in prosperity and in fashions, and the colony suffered from valorization schemes and inflation. Opening of posts by the English at the mouths of rivers flowing into Hudson Bay involved a trading organization supported from Great Britain and dependence on widely scattered small Indian trading organizations. The naval supremacy of England, more effective industrialism, and a more flexible financial structure enabled her to capitalize on the geographic advantage of short distances to

the interior. French trade from the St. Lawrence, hampered by the Iroquois from the south and the Hudson's Bay Company from the north, pressed westward from Lake Superior to Lake Winnipeg and the Saskatchewan, but the handicaps proved too great. The disappearance of French control left a population on the St. Lawrence without government support and without a commercial organization, exposed to the domination of an enemy and Anglo-American commercialism.

The effectiveness of imperial organization was a factor determining the extent and character of white settlement in relation to Indian culture. Mercantilism in Great Britain encouraged the production of sugar and tobacco in her colonies as a means of avoiding dependence on Spain and Portugal, and encouraged the production of fish as a commodity adapted to the demands of Roman Catholic and subtropical countries to secure a return of specie. New England was encouraged as a base of provisions and supplies for the plantations producing sugar and tobacco and discouraged as a base for settlement in Newfoundland. Attempts to restrict the commercialism of New England to the demands of the English West Indies led to evasion in the support of settlement in Newfoundland and failed to avoid direct and indirect trade with the French West Indies. Mercantilism in France was unable to link an agricultural base on the St. Lawrence, weakened by the fur trade, with the demands of the fishing industry and the French West Indies. Consequently, New England exported provisions and supplies to the French West Indies and imported rum which was produced from molasses as a by-product of sugar and for which France restricted the market in the fur-trade area because of its competition with brandy. The cheapness of rum enabled the English colonies to participate more energetically in trade to Newfoundland, the slave trade, and the fur trade. Commercialism was strengthened in New England and came in conflict with restrictions of Great Britain especially after the retreat of the French. Anglo-American commercialism in the North West Company replaced governmental control of the French on the St. Lawrence, and by cheap supplies of rum, by improvement of transportation technique in Great Lakes shipping, and by organization of Plains Indians for the production of pemmican, extended the fur trade beyond the region occupied by the French to the Athabasca and the Mackenzie, and to the Pacific Coast. The Plains Indians were brought under the influence of European trade by concentration on rum and tobacco. As Duncan McGillivray expressed it, "When a nation becomes addicted to drinking it affords a strong presumption that they will soon become excellent hunters."[5]

Reorganization of the Hudson's Bay Company reinforced the effectiveness of geographic advantages and brought about amalgamation with the North West Company and the disappearance of the St. Lawrence route. During the period of intense competition, Indian cultures were bombarded by goods, particularly rum, designed to secure furs. The end of competition was followed by rigid control over goods and the adoption of long-run policies for the sustained production of furs. Settlement was encouraged in the Red River district as a base of supplies, and the canoe from Montreal was replaced by the York boat from York Factory on Hudson Bay.

New England, excluded from the British Empire after 1783, began to extend her trade around the Horn. Fur-trade expansion in Canada hastened expansion in the United States and Astor followed the North West Company to the Pacific Coast. Contact with the culture of the Pacific Coast Indians was made by ships of various nations and the highly competitive conditions brought difficulties. Goods were carried back from the Pacific Coast to the interior where they met those coming from the East. After 1821 the Hudson's Bay Company organized the Pacific Coast region and the territory east of the Rocky Mountains along monopolistic lines.[6] Gold-mining and settlement in the United States after 1849 speeded up development in Canada. The weaknesses of economic development dependent on the fur trade and the sudden access of strength which followed gold-mining enhanced the necessity of construction of a transcontinental railway in the Canadian Pacific Railway and the emergence of the Canadian National Railways under government ownership. The steamboat and the railway opened the southern portion of the whole region and facilitated access of traders. The buffalo disappeared and the Plains Indians[7] were placed on reserves. In the fur-trading regions the Hudson's Bay Company resisted competition but was compelled to retreat step by step with the improvement of transportation technique. During a monopoly period the impact of European goods was slowed down and during periods of competition increased. Rapid penetration of traders into new territory was apt to be followed by epidemics and tremendous loss of life. The character of competition depended on a wide variety of factors ranging from the extent of natural resources of fur-bearing animals to the place of fur in the economy of the Indians, the penetrative power of European commodities and of European business and imperial organization, the efficiency of transportation technique, the adaptability of European and Indian cultures, and the geographic background of accessibility in terms of drainage basins.[8]

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[1] See H. A. Innis, *The Cod Fisheries* (New Haven, 1940).

[2] See H. A. Innis, *Fur Trade in Canada* (New Haven, 1930); also article on "Fur Trade" in the *Encyclopedia of the Social Sciences*.

[3] See A. G. Bailey, "The Significance of the Identity and Disappearance of the Laurentian Iroquois" (*Transactions of the Royal Society of Canada*, section II, 1933, pp. 97-108) and *Conflict of European and Eastern Algonkian Cultures* (Saint John, 1937).

[4] Organization of foodstuffs for carrying on war was adapted to the fur trade. See Gabriel Sagard, *The Long Journey to the Country of the Hurons* (Toronto, 1939), p. 59.

[5] A. S. Morton, *The Journal of Duncan McGillivray* (Toronto, 1929), p. 47.

[6] H. A. Innis, "Interrelation between the Fur Trade of Canada and the United States" (*Mississippi Valley Historical Review*, Dec., 1933, pp. 321-32).

[7] For a contrast between Canada and the United States in the treatment of Indians of the prairie regions, see Sir C. E. Denny, *The Law Marches West* (Toronto, 1939), p. 32.

[8] H. A. Innis, "Foreword" in M. Lawson, *Fur: A Study in English Mercantilism* (University of Toronto Press, 1943).

TRANSCRIBER NOTES

Misspelled words and printer errors have been corrected. Where multiple spellings occur, majority use has been employed.

Punctuation has been maintained except where obvious printer errors occur.

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