

THE MOVEMENT OF PRICES IN CANADA FROM 1859-1866.

WITH SPECIAL REFERENCE TO DICKINSON'S LANDING.

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## CHAPTER I.

### GENERAL BACKGROUND OF THE DISTRICT.

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The land in the district of Lunenburg was distributed to U.E.L.'s in 1784 and the first survey and map were made just after this. The population at the time amounted to 966. Cornwall had been a village of small size as early as 1766 and became the main government depot for the whole district, after its settlement. The name, District of Lunenburg, was changed to Eastern District in 1792 and later to United Counties of Stormont, Dundas and Glengarry.

Dickinson's Landing, named after Barnabas Dickinson, who had the first mail contract and ran the first line of public conveyances in these parts, is in the township of Osnabruck, 12 miles from Cornwall and is fronted by the Long Sault Rapids.

Cornwall, as the county town of the 3 counties may be considered in the light of an index of the growth and prosperity of the district, though Dickinson's Landing is the site of the small general store which forms the centre of our investigation.

#### Early Settlers.

The early settlers engaged primarily in lumbering and wheat-growing. Lumbering was, at this period, of paramount importance in the counties fronting the St. Lawrence. The wild and turbulent life of the lumberjack is celebrated in Connor's "The Man from Glengarry."

Many highlanders neglected their farms to engage in the more adventurous and remunerative lumber trade. Pine trees over 100 feet high and weighing 25 tons were hauled to the riverside by from 12 to 16 teams of oxen and floated to Quebec where there was a market for masts. Oak, elm and ash were used for various purposes but beech and maple were considered fit only for burning. The ashes, however, were carefully gathered and sold for potash.

The pioneers burned piles of logs in summer and made the land ready for wheat, which was hoed in by hand in the fall. The winters were long and steady and were occupied in felling trees in the woods and clearing the way for more fallow land. Many of these pioneers were primarily interested in lumbering, but in 1818 it was estimated that most farmers were practically self-supporting. Few, however, had more than 50 or 60 acres of land cleared.

Great difficulty was experienced with regard to the milling of the grain which the government supplied to the Loyalists for 3 years. Many settlers along the St. Lawrence were provided with portable mills and others invented their own rather primitive methods. All of these, however, were run by hand-power and were difficult of operation. In 1783 the government ordered the erection of a mill on the Catarqui (at Kingston). Grain was hauled to this mill even from Cornwall in the East and Durham County in the West a journey of 5 or 6 weeks. No charge was made but the number of people who took advantage of this service often necessitated quite a long wait. For 4 years this was the only mill in this part of Canada.

In all early mills more corn was ground than wheat at first, but as clearing of land increased, wheat-growing became more widespread.

Mills grew up farther East on the St. Lawrence by the end of the century. In Cornwall water-mills were impractical owing to the shoving of the ice, but two wind-mills came into operation. Saw, and grist mills were frequently combined at this time.

#### Development - First Quarter of the Nineteenth Century.

This part of the country had not been really opened up till just before our period (1859-66), the Grand Trunk Railway having been completed in 1856. There was, however, a considerable economic and social development in the early years of the century. In 1799 the first ferry was started at Cornwall and the jail and court-house were under construction in 1799-1803. Roads were started in 1802 and the first bridge grant was given in 1810, the population of the town being between 300 and 400.

The first school was started in 1803, but the case for public education was not won till 1816. Mail was still carried by foot in 1812 and in 1815 the entire industry of the three counties consisted in 13 grist-mills and 14 saw-mills, run by water-power.

In 1818 there were market restrictions similar to those in mediaeval gild society. People from the countryside were permitted to sell their goods in town only on market day, and that, at a specified place. At the market were sold butcher's meat, butter, eggs, fowls, bacon, cheese, sugar, tallow, vegetables and all kinds of grain and hay.

In 1825 Cornwall was included in a list of the 30 most important towns and villages - these were all centres of trade for large surrounding areas and almost all had post offices. The turning point in the growth of population came in the late twenties when immigration on a large scale resulted in the development of towns.

#### Trade.

Trade, in the early years of the nineteenth century, was difficult. The trip up-river took 12 days and goods had to be carted part of the way owing to rapids. From 1818-25 the up-river trade amounted to 5000 tons annually but by 1832 it equalled 21,000 tons. The articles of commerce were barrelled flour, peas, pork, salt, potash, rum and furs.

Internal transport charge was very great - for instance, from St. Catharines to Niagara the charge on a barrel of flour equalled one-third of its value, while in 1817 at the Talbot Settlement, 1 bushel of wheat exchanged for 1 yard of cotton and 18 bushels of wheat exchanged for 1 barrel of salt.

The chief exports were furs, potash and grain, which, before 1800, were transported on rafts. Between 1818 and 1825 the annual transport down-river, amounted to 15,000 tons, 3 times as much as up-river. By the late twenties there came to be better transport service at the portages, due to steamships, and in 1832 steamers overcame the rapids between the Long Sault and Prescott, leaving stages necessary only for the 12 mile portage between Cornwall and Dickinson's Landing.

Development - Second Quarter of the Nineteenth Century.

In 1830 a printing press was installed and Cornwall's first weekly paper came into being, though no machinery was used in farming as yet. Housewives, too, were still making their own tallow candles and home-made cloth was common. Matches were not introduced till about this time, flint and tinder having been used previously and fires being left alight continuously, as in primitive societies. The trade in ashes was very important and a large amount of potash was exported from Canada until well into the period with which we are concerned.

In 1831 the tax rate was  $1\frac{1}{2}^d$  in the £ and expenses for the entire district were £1620. A commission of roads and bridges was set up in this year, a fire engine was acquired in 1832 and other public services were soon under way, such as the building of sidewalks which were first laid in 1835.

The town of Cornwall was incorporated in 1834, with a population of 1000 and a representative to the Provincial House of Assembly. It increased steadily, though slowly, thereafter, having a population of 1600 by 1846 and it seems to be chiefly noted as the birth-place of the Family Compact.

Construction of the Cornwall Canal was begun in 1834 but due to the rebellion of 1837 and other circumstances work was delayed and the canal was not completed till 1842. Many improvements came in the district, as a result of its building, however, long before completion was in sight.

The government disposed of water privileges along the canal in 1845 and 1846 and factories began to grow up, chiefly grist and saw mills. Some of these privileges were later taken over

by the Stormont Cotton Manufacturing Company in 1870 and the Cornwall Manufacturing Company in 1868. Gas was not used in the factories till the period 1880-87 and electricity was first used in 1887.

In 1847 telegraph communications came to the district and in 1859 the weekly steamer service from Quebec and Liverpool, combined with canal connections as well as the new Grand Trunk Railroad gave fair export and import service. This district, however, had little to export of itself, in 1851 the exports from Cornwall were oats, peas, wheat, shingles, horses and cows to a total value of £1000.

#### Industrial Development in 1861.

By the census of 1861 we find that one tenth of the population of Stormont were farmers and that labourers and lumbermen comprised a large part of the population. There were, also, a fair number of innkeepers, as the main route from Montreal westward went through this district.

Of mills and manufactories in the county at this time, there were 6 flour and grist mills, run by water-power with an average of 3 or 4 hands per mill and an average annual product of \$12,000. There were 17 saw mills, of which 2 used steam and the rest used water-power. The average product was \$5000. The one woollen factory employed 14 hands. Seven tanneries had an annual product of \$11, 400 altogether and employed 12 hands. There were 4 foundries employing 5 hands and with a product of \$5000, 1 shingle mill and 1 brick-yard. None of the more complicated manufactures were engaged in at this time.

Dickinson's Landing, at the head of the Long Sault Rapids, on the other end of the Cornwall Canal, would get the same Canadian carrying trade as Cornwall, although Cornwall was also a port of entry from the United States. The water towns, however, rapidly lost importance after the coming of the railroads even when, as in the case of Cornwall, the railroads also went through the town.

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## CHAPTER 2.

## EARLY LIFE IN UPPER CANADA.

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Let us now look at some conditions of early life in Upper Canada which were found throughout the province and whose causes and effects inter-related all districts. We shall examine, in particular, living conditions, especially food, and trade facilities.

Food.

The discontinuance of rations which had been handed out to the Loyalists coincided with bad harvests in 1788 and 1789 and caused great hardships in our district; but difficulties in the securing of provisions were evident all over the province. Under Governor Simcoe it was found necessary to import flour from London and salt-meat from Ireland for the soldiers. Canada had practically no surplus produce, each farmer produced solely for his own needs. Nevertheless in 1795 pork, peas and wheat were exported from Kingston. Some of this wheat, even, was ground in Montreal and sent back into Upper Canada.

Feed for farm animals was long unobtainable, so that the only kind of meat procurable was the salted variety. Pork was the chief food at 6d. per pound. Even in Toronto in the late thirties there was sometimes a scarcity of fresh meat and in 1845 considerable salted provisions were still imported for the soldiers.

For some time corn was used rather than wheat as it was easier to grind with the primitive means at the disposal of the settlers.

The use of butter was restricted and only natural fruit and vegetables could be obtained.

The prices of luxuries and imported goods were prohibitive due largely to transportation costs. In 1800 sugar was 3s. 9d. per pound and tea cost from 8s. to 19s. per pound. Most of the people made their own maple sugar, though a few of the wealthier ones were importing Muscovado sugar. Vinegar was largely made at home from the acid sap which came towards the end of the maple sugar-making season. For beverages, all sorts of substitutes for tea were used or else strong drinks.

Between 1800 and 1850 life was largely under pioneer conditions except perhaps in the earliest Loyalist settlements. Due to transportation difficulties, pork and flour were the staples; pork selling at about \$20 per barrel of 200 pounds and flour at \$7 - \$12 per 186 pounds. Canned goods did not start to come in till the sixties.

#### Maple Sugar.

Conditions began to change after the middle of the century, however, and an instance of this may be found in the sugar industry.

The average farmer now no longer made maple sugar to any great extent as there was less profit in it than in cleared land. On a few farms, however, it became the main business. This change may be traced to increased cheapness of the imported cane sugar.

The whole industry has changed since pioneer days; then little syrup was made, now two-thirds of the production is syrup. The product, as a rule, may be seen to vary in direct ratio with the market price of cane sugar.

#### Fish.

One of the most important of early industries was the trade in fish which could be obtained in large quantities from the lakes

and a trade in barreled fish soon developed with the United States. The surplus was used as fertilizer and choice fish could be obtained at 5¢ each. The slaughter continued despite low prices and the waters soon became comparatively barren. In fact, it is only in recent years that commercial fishing has recovered due to restocking from government hatcheries. Commercial fishing was first important in the thirties and forties, but by the middle of the century coastal fisheries were depleted and it was necessary to go further from the shore. This led to several tragedies due to the imperfect nature of the shipping of the day.

#### Wheat and Flour Milling.

Wheat has been mentioned as a main crop of the early settlers and it was not till late in the century that wheat-growing was shifted to the western provinces. In 1830 wheat sold at 50¢ per bushel and by 1850 steam mills were quite common. The palmiest days of flour-milling were before the abolition of the Corn Laws, and it may be remembered that the milling interests were strong for the annexation movement in 1850. This situation was temporarily remedied by reciprocity with the United States. In the sixties the iron turbine wheel was introduced but after the completion of the Canadian Pacific Railway in 1885 Ontario changed to mixed farming.

#### Lumbering.

The lumber industry made great headway from the time of the British occupation and preferential duties and especially from the time of the Napoleonic Wars. It was at its height between 1840 and 1858 but fell away due to the removal of the preference. During

the United States Civil War, exports to the United States came to exceed those to Britain.

Due to the growing up of other industries, lumbering has lost in relative importance - in 1830 80% of the total exports were lumber, now it comprises only 16% of the total.

The very important pulp and paper industry did not grow up till the sixties.

### Social Life.

The early settlers used a system of cooperation for almost all tasks. 'Bees' were called for everything from barn-raising to apple-paring and they became the centre of social life also, since after the work was done refreshments were served and all stayed to dance or gossip or be otherwise amused.

By 1830 town life had developed to a great extent. York and Niagara and other towns with large coteries of government officials had a very considerable social life and class distinctions were very rigid. The wayside tavern and town inn became centres of social life for their communities and the inn, like the mill, became the nucleus around which developed many a village.

Lodges and fraternal societies played an important part in early social life. The first Masonic Lodge was started by members of the Halifax Garrison in 1749. Firemen's associations were voluntary and became attractive for the social life attached.

A Mechanic's Institute was started in York in 1831. The Government made a small grant to aid it and membership fees were charged. For some time, however, it was difficult to maintain the

interest of those for whom they were founded. The addition of library facilities increased interest in them and later this was almost their only contribution, so that the Free Libraries Act of 1882 deprived them of their function and the Toronto Institute was closed in 1883. They were very numerous, however, in the fifties and sixties and did fulfill a useful place at that time.

From 1820 on the Government gave a certain amount of financial aid to agricultural societies, and fairs and exhibitions were held. In 1846 the Agricultural Association of Upper Canada was formed and the first Provincial Exhibition held in Toronto.

Private schools and colleges played an important part in the social life of the time. Winter sports, elections, militia parades and public executions brought the people together in large numbers. (People came for many miles to see the execution of Mr. King in 1859.) The visit of the Prince in 1860 was the occasion for many celebrations and the showing off of a great many pet schemes, such as the Peterborough railroad.

Commercialised picnic grounds were early known; in a York paper of 1834 advertisements are found for the Island. Theatricals were not known till 1820, when they were introduced from the United States. Prices were 2 s. 6 d. in the best seats and 1 s. 3 d. farther back. Circuses, however, had a great vogue at this time, along with supposedly erudite travelling lecturers.

Trade Routes.

Canadian trade routes have played a very important part in the development of the country. In the first quarter of the nineteenth century there was a considerable trade with the United States. Till 1822 United States goods were admitted duty free and re-exported, especially to the West Indies. In 1824, however, the New York canal system was completed, obviating the necessity of this method.

During the first quarter of the century trade was by water, except in winter. After the War of 1812 many roads were constructed, although for a long time these were good only in winter.

1. Travel by Water.

The St. Lawrence was the old means of transport till the building of canals was commenced. Thus, while the building of the Cornwall Canal itself benefitted the community, more trade went by this route before canal-building was started, which diverted trade to other routes.

In earliest times bateaux and canoes were used on the St. Lawrence for military and all other purposes. Then schooners came into use, the palmiest days of the schooners being from 1845-62. In the late sixties the railroads began to compete successfully for freight and the steamers had already taken the passenger service, the first steamers on the upper St. Lawrence having been run in 1826. Shipbuilding began to decline in Canada especially so after 1875, both because the building material changed from wood to metal and because steam power was used. Till 1880, however, more sailing vessels called at Montreal than steamships.

## 2. Roads.

Roads make for unity of the provinces and one idea behind the transcontinental systems was that, if the provinces were so linked together there would be less likelihood of secession. During the first quarter of the century land transport in summer was practically impossible, though Barnabas Dickinson started his stage service in 1816. People travelled as much as possible by water and two-thirds of the crops were transported in winter.

Absentee landlords and clergy reserves retarded road development, as they were exempt from the statute labour required of the farmers. Between 1825 and 1850 turnpike roads began to replace the corduroy roads and first macadamized road was laid in 1837. The care of roads was often let out to private companies which were allowed to collect tolls to defray expenses. These tolls were quite commonly collected till the end of the century - the last toll-gate, in fact, did not disappear till 1926.

Travel began to be speeded up during the second quarter of the century. In the thirties the journey from Montreal to Prescott could be made by steam and stage in one day.

## 3. Railroads.

The depression of 1837 retarded railway development but the Guarantee Act of 1849 gave a new incentive, as government aid was now promised to any railroad 70 miles long. The fare from Toronto to Montreal in these early days was \$10.00 first class and the railways soon became the most important means of communication.

When the C.P.R. was being built, bonuses were demanded from municipalities for branch lines and when these were built, high freight rates were charged. These had to be paid, however, or the town would be left in the backwash when the railroad went through, connecting its rivals with all important points. This drain on municipal funds was paid for by bonds, which were redeemed by a sinking fund from the taxes.

### Industrial Development.

Industrial development in the period of 1861 was carried on by bank capital. Notes were endorsed for 3 months and discounted; these were renewed from quarter to quarter. By the capital thus raised manufacturing, lumbering and tanning and other industries were carried on. Interest was paid quarterly in advance at  $10\frac{1}{2}\%$  to 11%. These old banks, however, loaned too much on real estate and, therefore, many of them failed. The Bank of Upper Canada, which had a branch in Cornwall, was finally caught in this difficulty though its name had long been considered a synonym for soundness.

The factory system was introduced in textile manufacture in British America in 1871.

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## CHAPTER 3.

## GENERAL TRADE SITUATION IN CANADA.

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Tariff Act - 1847.

The Canadian Tariff Act of 1847 which abolished preferential duties with Great Britain caused a reversal in the carrying trade. Goods which had been shipped in bond from the United States through Canada ceased to pass by this route and, in fact, shipment of Canadian goods in bond through the United States to Europe became common, as transportation was cheaper and the ports were open all year. The same situation is found right up to the present. Recently there has been difficulty with regard to British preference on Canadian goods shipped through the United States. The Cunard Co., having refused to re-route their steamers to call at Halifax, however, it is inevitable that a large amount of Canadian goods should go through New York in winter.

There came to be, also, an increased trade in general merchandise between the United States and Canada - some United States manufactures being cheaper and better adapted to Canadian needs. This was the case chiefly with household goods and groceries, such as sugar, tea, coffee, tobacco, dried fruits and spices. This international trade was increased after the signing of the Reciprocity Treaty by which raw products were free of duty and mutual allowances were made on waterways.

Prosperity 1851-57.

Following general depression which had touched the depths in Canada in 1849, after the repeal of the Corn Laws, prosperity had increased from 1851-57. Foreign capital was coming in, agriculture was reviving in the West and agricultural prices were exceptionally high, especially after the Reciprocity Treaty came into force; population was increasing; public works and railroad building went forward at a great rate, followed by a real estate boom. Penalties on usury were abolished in 1853 and though interest higher than 6% was not allowed till 1858 credit was extended to the limit and trade was greatly stimulated.

Crisis 1857.

By 1857 the Crimean War had ceased to have a beneficial effect on prices - especially that of wheat. The Grand Trunk Railway had been completed so that the extra demand due to its construction was cut off. In this year there was a general failure of the wheat crop in Canada.

International money markets were in an unsound condition - in England a panic led to the suspension of the Bank Act and in the United States specie payments were suspended in October. This tied up harvests and there was a falling off in demand, followed by commercial failures, a general fall in values, collapse of the real estate boom and contraction of credits. The crisis was the more severe in Canada due to her former over-expansion and when the reaction set in prices fell steadily for several years.

The crisis is also said to have been aggravated by the restriction on the rate of discount chargeable by banks which therefore could not give warning by raising the rate.

In 1858, a second bad harvest was followed by two more years of depression, in fact, prices did not become appreciably better till 1862, when the effects of the American Civil War on industry began to make themselves felt.

#### The United States Civil War.

In 1861 came the United States Civil War which besides demanding men and paying them well, created a demand for produce at high prices. The Reciprocity Treaty being still in force, this trade was not restricted and farmers and producers became wealthy. Canadian prices, however, were also influenced in the opposite direction by English prices, especially the continued weakness in the price of wheat.

By about 1865, however, when prices in the United States had reached their peak, their influence on Canadian prices outweighed the fall in prices in England. A slight rise is seen, even in retail prices, in 1865 and 1866.

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## CHAPTER 4.

## HISTORY OF PRICES AND TRADE OF THE PERIOD.

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In discussing the history of prices, the economist and the statistician refer almost exclusively to wholesale prices. Statistics of retail prices are usually accessible only for very limited geographical areas and for very short periods of time. This is our difficulty. A stronger reason for reliance on wholesale prices is that retail prices reflect, too often, the influences of custom and of the whims of particular localities. These retail prices for Dickinson's Landing during the years 1859-66, however, show at least one interesting fact - namely that a small border town storekeeper could keep his prices practically static while the business of the country at large and even of the world was showing violent fluctuations. In a highly industrialized country practically all industries, in the long run, must show similar fluctuations since they are all subject to the same influences; and in our world today practically all countries pass through similar and simultaneous ups and downs. In this earlier period, however, and under simpler circumstances, the district could be far more self-sufficient and hence price variations were not as extreme, though even here we do find similarities with the general Canadian situation. The

independence of the district, however, is shown by the fact that almost all transactions, except a few from across the border, were still carried on in Halifax currency in 1866 though Canada had officially changed to decimal currency in 1857.

The entire business of Europe and America was materially affected by the sudden termination of war in the early months of 1856. Calculations of supply and demand at the close of 1855 were almost all based on suppositions of vigorous renewal of hostilities. Peace, coming at a time and in a manner least foreseen, produced extreme fluctuations of price in a larger range of commodities. The year 1856 closed with high prices and a prevalence of speculation on the markets, based on the expectation of prices still higher, to be occasioned by failing supplies or increased consumption.

We shall divide our discussion of commodity prices into three main topics ; Colonial and Tropical Produce, Provisions and Raw Materials of Manufacture - as suggested by Tooke and Newmarch.

#### I. Colonial and Tropical Produce.

In 1856 there were great and rapid fluctuations in the Produce Market due to the transition from war to peace and the absence of correct data and its experience to indicate its probable effects. Articles such as rice, rum, linseed, tallow, oils and

hemp, which had been raised in value by the war, fell 30% - 40% in the first 4 months of the year; but it was soon discovered that exaggerated estimates had been made of the supplies which would be set free by peace while the stimulating effect of peace on consumption had been overlooked. Prices speedily rose, therefore, in some cases almost to war point again.

The year 1857 opened with high prices of nearly all the leading articles of consumption and raw materials of British industry, which suggested a probable fall; but as regards Colonial produce, the production of the world was barely adequate to its wants, by which token any important fall would probably be followed by a speedy reaction. Therefore, great fluctuations were anticipated in 1857. These anticipations were fulfilled and by October New York had suspended specie payments, and also London. However, the rate of interest was high due to the great number of new enterprises and increased employment stimulated the demand for produce and manufactures.

#### Tallow.

Wholesale prices for tallow rose steadily and very considerably from 1850 on, while the amount imported into England decreased greatly. This is probably due to the increased use of oil and other methods of lighting. In Canada, however, candles were still largely used. In 1866 tallow was brought into Canada almost entirely from the United States - 2,000,000 pounds coming in as under the Reciprocity Treaty at a cost of

\$200,000 , while imports via the St. Lawrence - largely from Great Britain, were to the value of \$10,000. The profit on this import was about 100%, as candles sold in the neighbourhood of 1s. per lb.

Candles were used in our district throughout the period with which we are concerned, gas and electricity not coming into use till some years later, even for industrial purposes. Nevertheless, the effect of decreased consumption in Canada as a whole is seen in the steady fall of price from year to year, regardless of influences which made for a rise in prices of other commodities.

#### Rice.

Rice does not conform very closely to general price levels, rather varying with crop conditions. For instance, in 1856 it was almost the only exception to the general price recovery in Tropical produce, due to the over-whelming stock. The price rose in 1862, perhaps influenced by the American Civil War; most of Canada's supply, however, came through Great Britain, despite the fact that rice was duty free from the United States under the Reciprocity Treaty. The price fell off again 20% by 1865, though on the whole there were few fluctuations and it was not in very great demand, in our district, at least. The demand increased soon after but was offset in its effect by increased supplies from the United States.

Spices.

Spices, being produced under much the same climatic conditions as rice, showed somewhat similar tendencies, with regard to price fluctuations. They were imported equally from Great Britain and from the United States. A very small part of the United States supply was grown in the country, the greater part coming in under bond from foreign countries. The rise in the price of ground ginger in 1862, however, may be accounted for by the United States Civil War, since the price fell fairly sharply in 1863 and the slight rise again in 1865 and 1866 is found fairly generally in all commodities.

Tobacco.

Since practically the entire tobacco stock came from the United States we find the price soaring in 1862 and then the sale of tobacco ceasing entirely; this was due to the United States Civil War. At this time importation by land from the South was impossible and during the war years there was an extensive change to cereal crops. By the time war derangement was beginning to be straightened out the Reciprocity Treaty, under which 4,000,000 pounds annually had been imported from the United States had been cancelled.

Coffee.

This was hardly dealt in at all.

Tea.

Two-thirds of Canada's tea was imported from Great Britain, hence the price of tea followed the general trend of



Canadian prices rather than being particularly affected by events in the United States.

#### Sugar.

That our quoted prices of sugar are practically static throughout this period may be attributed to the fact that the quotations are for maple sugar which was probably manufactured in the district. The general sugar supply of Canada, however, was probably affected by a greater diversity of causes than any other one commodity, owing to the fact that sugar is produced in both temperate and tropical zones from beet and cane.

Even at the end of this period little refined sugar was imported into Canada and such as was, came from England. Unrefined sugar came in from a great number of countries, a large part of it coming in under bond through the United States. Muscovado was used fairly extensively in this district, but its price also remained almost stable.

#### Molasses.

Strange as it may seem a large amount of molasses was imported into the country during this period; chiefly from the West Indies, half coming direct and half coming in bond through the United States. A certain amount was also imported from the other provinces. The price of molasses, however, remained fairly stationary until 1863 when it fell heavily to rise again sharply in 1865 with improved general prices.

## II. Provisions.

The break in prices occurred in 1855 after a period of rising prices and over-expansion. In 1856 there was a heavy fall in vegetable prices offset, however, by a sharp rise in animal products. Over-expansion, however, took its toll; the new railroads could not pay dividends; Canadian credit in England was damaged and prices fell disastrously from 1857-63, when two of the great banks failed. The Civil War, however, caused a rise in prices and general agricultural prices began to rise strongly in 1863, culminating in 1868.

### Butter.

Butter followed the general trend of animal products of the period, falling from 10d in 1859 to 8½d in 1862 and rising again slightly in 1863. However, the influence of English prices prevented it from rising further till 1865 when the peak in the United States prices exerted its chief effect. In 1866 however, only about 15% - 20% of the supply was imported from England - the rest coming from the United States, under the Reciprocity allowances. The imports of butter were probably supplemented by the large importation of lard from the United States which was between 3 and 4 times the amount of butter imported from that country. No account has been taken here of the effect of home supplies on price, but these would vary in the same general manner as other animal products which were also affected by increasing population and urbanization.

Eggs.

The price of eggs varied in accord with the general trend of Canadian prices - a fall to 1862 and subsequent rise. This may have been affected by events in the United States as import records of the time show a small import of eggs into Canada from the United States and this would probably be to border towns. However, Cornwall was in a farming district and probably produced sufficient eggs to supply its own needs.

Fish.

The inland sea resources of the Province of Canada having been somewhat exhausted by this time there was a considerable import up the St. Lawrence, from other provinces and from the United States by the Reciprocity Treaty. The district of Cornwall, however, seemed to deal very little in fish though a small amount of cod-fish was imported from time to time. Not much is shown by the price changes and probably the people caught their own supply in the river.

Flour and Meats.

It is impossible to collect reliable retail price statistics for these commodities but we may assume that prices of meats were rising at this time since the process of urbanization was under way and pressure of population would be felt to a slight extent. However it must also be remembered in this connection that this part of the country turned to mixed farming about this time, allowing wheat to become almost entirely a western product.

Canada, during this period had a large import of wheat and of flour from the United States under the Reciprocity Treaty.

Starch.

Starch was imported equally from Great Britain and the United States and followed the general price trend, dropping from 1859-63 and then rising again slightly.

Vinegar.

We know that farmers of the district had been in the habit of making their own vinegar along with their maple sugar in earlier days and probably when sugar-making became more specialized a certain amount of vinegar was still made. This is suggested by the fact that the price remained very stable throughout the period. The country as a whole, however, imported a fairly large amount from France, not quite half as much from Germany and a little from England.

Salt.

Salt was imported equally from Great Britain and the United States without tax and the price remained practically stationary throughout the period.

### III. Raw Materials.

#### Leather.

In 1856 the prices of leather in Europe were high due to war time demand. The anticipated fall on the declaration of peace was, however, overestimated. War demand had swept off all accumulated stocks and general consumption increased about that time. Some of the increased demand is attributed by Tooke and Newmarch to a large demand in France arising from an extensive abandonment of wooden shoes among the Peasantry. However this may be, prices were higher still in 1857. Now  $\frac{2}{3}$  of the Canadian supply of boots and shoes came from Great Britain and  $\frac{2}{3}$  of her leather came from France so that European prices exercised a strong influence on Canadian. The price of leather in our district fell, steadily from 1859-65 and then rose again slightly in 1866 while Great Britain and France fell from prosperity to a not very prosperous period of ups and downs and showed a revival again before falling into another depression.

#### Timber.

A small amount of timber and lumber and firewood were imported from the United States under the Reciprocity Treaty but in our district lumbering was still carried on. Sales made through the store were almost entirely for firewood and the price, remained constant throughout the period.

St. Lawrence Trade.

The state of commerce on the St. Lawrence was a matter of great importance to the citizens of this part and it was at this time that canal transportation began to drop off, and with it the relative importance of Cornwall.

The total tonnage transported on the St. Lawrence canal system dropped lower and lower from 1863 to 1864 to 1865 but rose again in 1866 with revival in trade, though it did not reach the 1863 level. Bulky commodities were still carried to a large extent, as water transportation was cheap, but the trade in vegetable products fell 66% during these 3 years, as the railways could now carry them far more expeditiously.

In the greater number of lines canal trade fell severely in 1864 and 1865 only to rise again in 1866, that is 1866 shows a 10.24% increase over the preceding year in total tonnage, but shows nevertheless a 13.22% decrease when compared with 1863.

In many lines, the trade of 1866 equalled that of 1865 but the situation does not look as well when we realise that all during this period railroad traffic increased greatly, which means that the canals suffered a very great relative loss.

Summary.

The changes in prices during this period are by no means simple of explanation. They are due to a complexity of causes, of which the United States Civil War may be picked as the most definite. Canada was in a long-run period of growing

population, industrialization and transportation, whose effects were somewhat offset by the short-run period of depression which prevailed during part of the time.

Raw materials of manufacture are more liable to show great fluctuations in price because their production does not permit of rapid changes in volume, whereas the supply of Colonial and Tropical Produce, which is drawn from a great variety of sources, may be easily and considerably enlarged.

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## CHAPTER 5.

## BUSINESS METHODS OF THE STORE.

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The village general store of that day was a real centre in the life of the people and its proprietor a real personage, who played an important part in the life and business of the district. Here, as was so often the case, the proprietor of the general store was also postmaster. He fulfilled, too, certain legal offices such as the registering of mortgages and witnessing of contracts and loans. He acted sometimes in the role of private banker, loaning money, occasionally even in fairly large amounts ; in which case about 12% interest seems to have been usual, while on mortgages 10% was the general rate.

The community being a farming one, a certain amount of barter was carried on even through the store; as for instance an overcoat worth £2.15s to be paid for with  $5\frac{1}{4}$  cords of wood before a certain time : again we find a woman undertaking to knit 3 pairs of woollen socks in payment for a shawl. One contract recorded in the books was for a farm labourer at a stated wage per year, one half to be taken in provisions. Carting and carpentering done for the store were paid in trade as were the wages of the hired girls who helped in the store.

Raw materials were imported for certain of the people, some of whom then sold their goods back to the store. For instance,



in the case of boots and shoes - some were imported but some were made in the district and sold through the store. In 1866 we find bricks being bought in lots from one local man and sold to others. Wicks were sold to people who made their own tallow dips. Nails and iron were imported for the village smiths and the stove-piping sold in the store was locally made, though higher grades of iron and steel goods were imported, as for instance, hardware from Boston.

We find records of a few transactions made in dollars and cents. This is quite natural despite the fact that the change to the decimal currency had not been made in this district, since Cornwall is on the border. Hay was sometimes brought across the river, as were hides and buffalo robes, flour and butter; these could all come in duty free under the Reciprocity Treaty. During The Civil War time of depreciated paper we find stipulations, for notes payable across the river, that payment should be made in trade or in silver.

The number of goods traded in was about as complete at the beginning of the period as at the end and the really wide variety available despite the small population may be accounted for by the fact that all shipments up the St. Lawrence River had to go through the Cornwall Canal and therefore the variety of goods possible would be about as great as for any town in Canada. At the beginning of the period we find for sale chiefly groceries, tobacco, building boards and iron, herbs and medicines, leather and cloth of various kinds, including

cambric, velvet, muslin, calico, flannel, tweed, denim, and gingham. Garden seeds were sold before vegetable , though very soon we find cabbage, onion, beet, radish, and turnip seeds.

Goods of all descriptions jostled one another in friendly fashion - hats (fur, felt and straw), barrelled meat and fish, soap, crockery and cutlery , umbrellas, rubbers, washboards and even school books, along with shot and powder, shingles and steel plough-points, hoes and axes. Such things as laces, artificial flowers and linen towels and tablecloths were not long in making their appearance. By the end of the period sales seemed to be less of small groceries and more of dry goods and hardware except to a few old customers who, through force of habit, still kept monthly accounts and ran in to the store frequently, to make small purchases of supplies of all kinds.

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Years.	Butter	Candles	Cod Fish	Coffee	Eggs	Ground Ginger	Leather	Mustard	Pepper	Rice
	lb.	lb..	lb.	lb.	doz.	lb.	lb.	lb.	lb.	lb.
1859	10	1/1	4	1/3	7	1/3	1/11	2/-	1/3	4 $\frac{1}{2}$
1860	9	1/1			7	1/7 $\frac{1}{2}$	1/11	2/1 $\frac{1}{2}$		
1861	8 $\frac{1}{2}$	1/0 $\frac{1}{2}$	4 $\frac{1}{2}$	1/4	6	1/9		2/3	1/1 $\frac{1}{2}$	
1862	8 $\frac{1}{2}$	11 $\frac{1}{2}$	4 $\frac{1}{2}$		5 $\frac{1}{2}$	1/6	1/11		1/1 $\frac{1}{2}$	5
1863	9	11			6 $\frac{1}{2}$	1/7	1/10			4 $\frac{1}{2}$
1864	9	10 $\frac{1}{2}$	4		7 $\frac{1}{2}$	1/7	1/8 $\frac{1}{2}$		1/1 $\frac{1}{2}$	
1865	1/-	10	4 $\frac{1}{2}$				1/8	2/-	1/1	4
1866			5				1/9	2/3		

TABLE OF PRICES - (Continued)

Years.	Salt (Fine) Peck	Starch lb.	Sugar (Maple) lb.	Molasses gal.	Tea (Japan) lb.	Tobacco lb.	Varnish qt.	Vinegar. gal.
1859	11	1/3	7	4/10		1/10½	5/-	2/6
1860	11½	1/-	7½	4/9		1/10½		
1861	1/0½	1/1½	7	4/9	5/3	1/9		2/8
1862	11	1/1½	7	4/9	4/6	2/7½		2/7
1863	1/-	10½	7	4/3	4/9			2/6
1864	11½	11	7		4/4			2/6
1865	1/-	11	7	5/-	3/11½			2/6
1866	1/-	1/-	8		4/3			

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