

CHAPTER VIII

THE FAILURE OF UNION

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THE third, the final period in the history of the northern commercial state opened in 1821 and closed in 1850 with the abolition of the old colonial system and the achievement of responsible government. It differed markedly from the periods which had preceded it. Its economic bases lay definitely in the new staples, timber and wheat. It could not recover the primitive simplicity of the fur-trading days; and it did not repeat the striking contrasts which had featured the great transition from 1783 to 1821. A vastly increased population gave the period a number of subsidiary issues and minor problems which tended to obscure the grand lines of its commercial development. And yet, despite the confusion of these variations and interruptions, the original, historic theme of the St. Lawrence was maintained until the last. Under the new conditions the merchants continued to cherish the old continental objectives. Ultimately their reward was a final failure which drew relentlessly closer, as the inimical forces of the entire process gradually matured. In this period the weaknesses of the disunited northern state were revealed as they had never been before. The United States became far more formidable in western trade. And when Great Britain had abolished the timber duties, the corn laws and the navigation system, one of the fundamental bases of the northern commercial dominion was swept away. By 1849 the old commercial philosophy of the St. Lawrence was bankrupt.

Thus the three main themes in the last stage of Canadian commercialism are the increased competition of the United States, the slow ruin of the old colonial system and the intensification of economic maladjustments and social conflicts in Canada itself. Of these three, the revived competition of the United States came first in point of time and possibly first in point of importance. During the decade which followed the conclusion of the War of 1812, the port of New York had begun to capitalize its enormous natural advantages to the full. Its unconditional auctions for