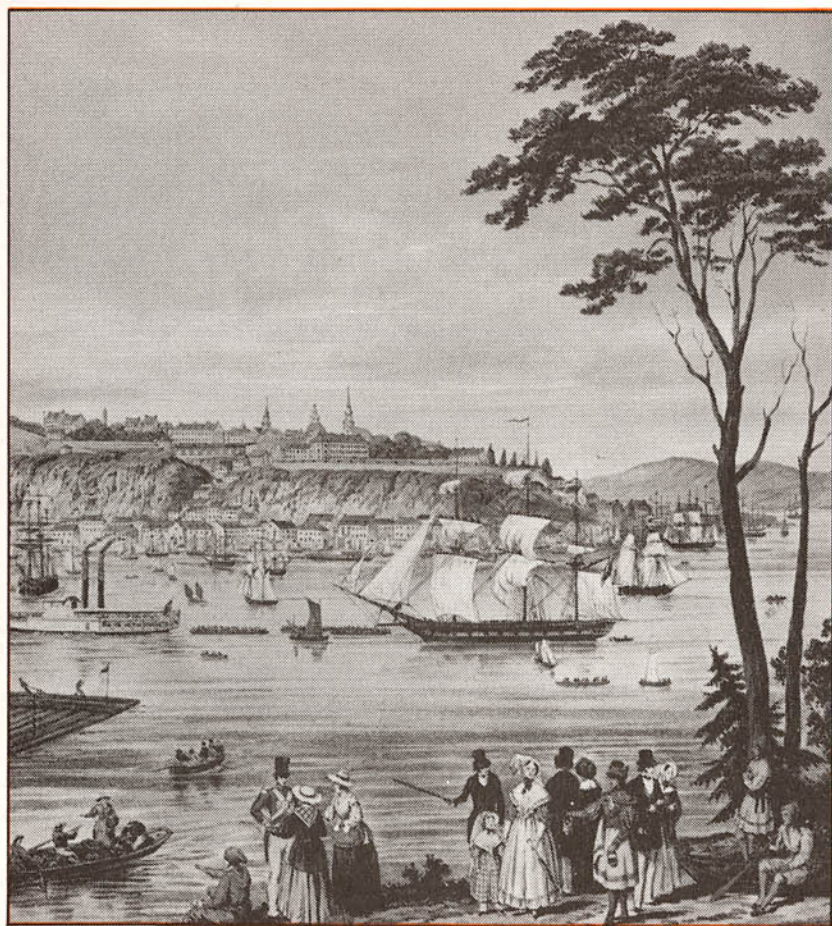


LOWER CANADA AT THE TURN OF THE NINETEENTH CENTURY: RESTRUCTURING AND MODERNIZATION

Gilles Paquet
and
Jean-Pierre Wallot



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LOWER CANADA AT THE TURN OF THE NINETEENTH CENTURY: RESTRUCTURING AND MODERNIZATION

1. Introduction

At the turn of the nineteenth century, a series of major transformations shook the Atlantic world. Market forces were slowly becoming the dominant mechanism of coordination of economic activity. These days reflected as well the impact of the Industrial Revolution, the Enlightenment, the American and French Revolutions, and the birth of democratic and national aspirations on a large scale in the Western world. Established in 1791, Lower Canada (now Quebec) was a colonial fragment of this larger Atlantic system. Not surprisingly, therefore, these broader convulsive movements forced Lower Canada to adjust and to transform as well: a restructuring and a modernization of its socio-economic patterns thus ensued between 1791 and 1812. Gradually cut off from its main fur trade territories in the South-West after 1783, the Lower-Canadian economy had to develop a new focus.

From a sparsely populated colony where the fur trade coexisted with a subsistence agriculture, which it did not do much to dynamize, Lower Canada became by 1812 a society which had nearly doubled its population in twenty years and had built a broader economic base around different growth poles. The timber trade had replaced the fur trade as the prime mover of the economy. Exports grew tenfold in volume and fourfold in value during that period. Moreover, during those twenty years, Lower Canada witnessed the emergence of the modern corporation in embryo, of projects to create banks and insurance and investment companies. A greater social differentiation, major changes in the organization of production, in life-styles, in mores, and in consumption patterns, became noticeable. This transformed socio-economic fabric was in turn to feed the emergence of more sophisticated political institutions and of more complex social relations between competing social groups—all wanting to redistribute income, wealth, and power toward themselves.

The traditional historiography presents Lower Canada as a passive colonial fragment, culturally programmed not to respond actively to these new challenges. According to this scenario, Lower Canada was forced by its conservatism into an agricultural crisis by 1802. This “crisis” allegedly triggered both the politicization of the masses of poor peasants by a local elite composed of members of the liberal professions, and the development of a reactionary French-Canadian nationalism. Our hypothesis rejects this interpretation and suggests rather a dynamic and entrepreneurial view of Lower Canada at the turn of the nineteenth century.

2. *A meso-analytical framework*

Over the last decades, the focus of interest in historical writing has shifted somewhat. Large macroscopic frescoes — too broad-brushed — and microscopic case studies — too narrowly focused — have been replaced by analyses of middle (or meso-) range phenomena: social groups, regions, sections, sectors, etc. This history of middle-range phenomena — this meso-history — makes use of units of analysis that are rather different, but it also provides a different sort of *explicandum*.

In this approach, the socio-economy is defined as an “instituted process,” that is to say, an overall game with its players, its rules, its pace, its boundaries. The nature and rules of this game are stable enough to be defined and they only change dramatically and abruptly when a major discontinuity occurs. At such a time, the socio-economy gets instituted differently; in other words, the rules of the game are modified. An example of such a discontinuity might be the passage from feudalism to capitalism.

One way to understand the rules of this overall game and its dynamics is to partition it into a number of separate *sub-games*, each with its own rules and dynamics, its own players, its own pace and organizational fabric. Our study of Lower Canada is based on partitioning its socio-economic process into six fundamental *sub-games* or *sub-processes*: demography, production and exchange, finance, the ecology of social groups, the state, and finally the distribution of income and wealth. Each of these sub-processes may be analyzed in a semi-independent way and thereby provide a partial view of the dynamics of the overall game.

A concrete image of the Lower-Canadian socio-economy may then be recreated by a combination of the sub-processes. This reconstruction is not without analogy to the combination of scores of different musical instruments into a complex musical piece or with the reconstruction of the dynamics of the human body from a simultaneous account of the different sub-systems: blood, nerves, muscles, bones, etc. This imbrication of the sub-processes enables one to identify the specificity and dynamics of the Lower-Canadian socio-economy and to reveal thereby some of the characteristics of the overall game, for the whole is greater than the sum of the parts. This *explicandum* avoids the automatic domination of one process over another: depending on the particular moment, one sub-process or another or some synergy among many of them becomes the determinant force in the evolution of the socio-economic fabric of Lower Canada.

Our fundamental proposition is that there was a major discontinuity in the overall Lower-Canadian socio-economic game at the turn of the nineteenth century.

2.1 Demography

By 1790, the population of Lower Canada was approximately 165,000; in 1815, it reached about 300,000. Birth rates were relatively high (over 50 per 1,000) and mortality rates were relatively low (25 per 1,000) compared to the Old World. The population was doubling every 20 to 25 years even before the great influx of immigrants after 1815. On the whole, it remained largely francophone, even though most of the colonists in the townships (circa 15,000 in 1805), 40 per cent of the inhabitants of the town of Quebec, and nearly a third of the population of Montreal were British in origin.

From 1805 on, urban growth (6 per cent or more per year) and the proliferation of villages drained much labour away from the agricultural sector and created substantial numbers of villagers and urban dwellers who had to buy their food. To these consumers were added a mushrooming number of soldiers and sailors. Evidence of this trend was seen in the emergence of numerous urban regulations, as well as the rise of a capitalistic labour market. The previous traditional "personal" relations in the workplace were challenged by an expanding economy that spurred the demand for labour; more impersonal relations between employers and employees developed and even apprentices were enticed into breaking their contracts as the free labour market offered them substantial increases in their standard of living.

Finally, emigrants who left the colony for the United States in the last decades of the eighteenth century were returning. This return flow, although modest, reflected the new prosperity in Lower Canada. In addition, American immigrant entrepreneurs entered the province to take advantage of the economic development and thus contribute to a restructuring of the established entrepreneurship.

2.2 Production and Exchange

In the eighteenth century, the Quebec/Lower-Canada socio-economy was part of a split-level economy. On the one hand, the fur trade reached farther and farther away into the South-West and the North-West. It employed about two thousand persons in the 1790s, but it affected the economic development of the colony asymmetrically both downstream (dressing of the skins) and upstream (infrastructures for defence and transportation). On the other hand, the vast majority of inhabitants were involved in agricultural pursuits: although mostly at the subsistence level, part of these rural activities were effected by a small and sporadic market that did not yet provide stable and substantial outlets.

At the turn of the nineteenth century, the two sectors of this dual economy started to be restructured along convergent principles as market forces

permeated the entire economy. The dual structures dissolved slowly, and a new economic integration gradually took shape: production became rationalized, mercantile imperatives more and more came to rule employer-employee relations, larger and more complex enterprises were established, new contractual ties appeared to fine-tune the economic coordination — for example, wheat futures contracts were signed by *habitants* in the 1790s and 1800s — and thus markets became interdependent across the entire colony.

Inasmuch as market forces had an impact on the economy, production and exchange in Lower Canada were subject more and more to the vagaries of supply and demand. The relative, then absolute decline in the demand for furs beginning in the 1800s, the sporadic demand for Lower-Canadian wheat on the Atlantic markets, the increase in local demand by urban dwellers for agricultural produce, but most of all the explosive need for British North American lumber by the mother country as of 1807 led Lower-Canadian economic agents to adjust quickly and to devise adaptative strategies.

Exports from the port of Quebec, which had oscillated around 17,000 tons per year between 1793 and 1800, jumped to 120,000 tons in 1810. In value, they grew from £300,000 in 1790 to more than £1,200,000 in 1810. By that time, Quebec was connected to more than five hundred ports around the world. In a few years, therefore, the Lower-Canadian economy, based on the fur trade, was transformed and rebuilt around a new staple product, lumber. This new trade triggered stronger forward and backward linkages, upstream and downstream, than had the previous one: shipbuilding, construction of buildings of all kinds and of transportation facilities, and of fortifications, sawmills, manufacturing of barrels and hoops, logging and lumbering, all with important repercussions on the local economy and the demand for labour. It also sparked the rise of a wave of small entrepreneurs in the different regions and the reorganization of the means of production, whether craft industry, small manufacturing, or agricultural, to cater to the diversifying needs of society.

This externally generated economic growth created a new prosperity. A society more attuned to consumption and favoured with surpluses replaced a society based on necessity and subsistence. The standard of living increased both in the cities and in the countryside. This improvement is evident in actual increases in real income: for the *habitants* of the countryside a rise by more than a third, and for the artisans as well as the labourers in the cities, an increase ranging from a third to more than 100 per cent. The new prosperity permeated the domestic life of all social groups, as revealed by the wills and inventories after death; with time, a wider and wider spectrum of superfluous and luxury goods appeared in such documents, thus demonstrating a rise in the standard of living in real terms.

With this surge of prosperity, numerous businesses appeared to answer the new consumer needs, through the production of such goods as candles, hats, shoes, clothes, even paper. More artisans and labourers crowded the cities as the internal market flourished. Even the *habitants* restructured their production in response to the fluctuations of demand: in some instances, producers had already reduced their wheat production, because its price and its sale were dependent on uncertain and capricious internal and external markets, and instead produced more hay, oats, peas, eggs, sometimes cattle and poultry, besides renting their draft animals and selling their own labour for numerous public works or the loading of ship cargoes.

This fundamental change revealed the extraordinary capacity of the Lower-Canadian economy to transform itself. New arrangements and new tactics were crystallizing: *habitants*, for example, developed a strategy of investment in land and in human capital (their children). Indeed, they prevented the catastrophic partition of their patrimonies (incorrectly assumed to exist by the traditional historiography) and ensured the passing on of the land by a series of operations (such as donations, gifts, fictitious sales, and advances on inheritances). The fundamental tools of modern enterprise were also emerging: new forms of insurance and limited liability companies more attuned to the higher risks, growing size, and greater specialization of firms. In twenty years, the structures of production and of exchange in Lower Canada had been dramatically modified.

2.3 Finance

The financial sub-game also evolved considerably between 1760 and 1815. In money matters, the colony was linked to the bimetallism (currencies based on gold and silver) of the broader Atlantic world. The silver-based Spanish dollar was used as the standard of comparison for all the diverse species circulating in the colony. Accounts were kept in all kinds of currencies: the old monetary values — the French *livre du pays* or *livre de 20 sols* and the *livre française tournois* — as well as the English pound of Halifax and the English pound sterling. Laws voted in Parliament by both the English- and French-speaking members adjusted the values of different species and currencies.

The colony plodded along without formal financial institutions in the last third of the eighteenth century because of the considerable injection of specie by the British government (more than 100,000 to 200,000 Spanish dollars per year in specie as well as more than 100,000 pounds sterling in letters of exchange on the British Treasury), and of the slow growth of private credit under many guises. But when the level of economic activity accelerated rapidly in the 1800s, the scarcity of specie, always a threat because of the chronic deficit in Lower-Canadian international trade, became an ever more serious problem. Proposals for banks thus began to appear in the 1790s.

In the first decade of the nineteenth century, the demand for rather limited specie increased at the same rate as that of the growing economy. This situation was worsened by a world scarcity in precious metals because of the revolutionary wars in the producing countries. This in turn triggered the resurgence of bank projects (1807-08) and pressured the military government, directly interested in monetary stability because of its large expenditures, to intervene to maintain sufficient reserves of specie in the colony both for its own needs and those of the local economic activities. By a deft manipulation of the sale of letters of exchange and of the import of specie from the Empire and the United States, and of a practice of advancing specie to the favoured contractors of the government, this interference succeeded for a time in keeping the financial system functioning adequately. These strategic interventions attempted to stabilize the rates of exchange between financial paper and hard specie.

After 1809-10, however, the situation became critical. The scarcity of specie forced the rate of discount for paper to leap to about 30 per cent. At this juncture, in 1812, the government created paper money to defray the cost of the war and to support local trade. These "Army bills," guaranteed by the state, paved the way for the establishment of the first private bank in Lower Canada in 1817-18. Then, with the winding down of the public monetary system which was no longer needed at the end of the war, a private bank became possible because it could now be a profitable institution. The financial sub-game had evolved quickly and successfully to adjust to the needs of a swiftly changing structure of production and exchange.

2.4 Ecology of the social groups

Simultaneously, the social structure was also altering quickly under the impact of the market invasion as it jostled the social game: for example, the old paternalistic social ties were gradually being replaced by market relationships. Thus, in the first half of the nineteenth century, the social organization, still fairly hierarchical at the end of the eighteenth century, shifted to a social system structured ever more by market connections and transactions, which were more horizontal in principle. Social groups endured as well as hierarchies among them, but they changed both in their composition and in their interrelationships.

In the last third of the eighteenth century, the summit of the social structure was occupied by a bureaucratic and military elite (high officials and senior military personnel) whose power and revenues derived from its ties with Great Britain. Gravitating around this group were some French-Canadian *seigneurs* who shared its aristocratic values while striving to serve their own interests (places, honours, power, privileges) by this alliance. This was effective, for they attracted more than half of all the positions and pensions granted to French Canadians.

At a second level, a new two-pronged bourgeoisie was evolving: a business bourgeoisie, essentially British, that prospered from international trade and government patronage (metropolitan and colonial), and that aspired to consolidate its regulatory power over the colony and to control the House of Assembly; *and* a French-Canadian “petite bourgeoisie” (members of liberal professions, merchants in smaller cities and villages, successful artisans, richer *habitants*) that had little or no access to international trade and to government patronage, but that had developed an acute national consciousness and that intended to use the Assembly as a tool of social and national assertion.

Finally, at the lower end of the social scale, were the popular classes: artisans, apprentices, labourers, city clerks, who worked by the day, by the month, or on piece rate, and small *habitants*, rural artisans, and agricultural labourers clustering in the multiplying villages in the countryside, whose life was more and more subjugated to the new market forces.

On the margin, the Catholic clergy, a chameleon social group, was torn in several directions. The Church’s autonomy, its legal existence, and part of its properties were threatened by the state; thus it was allied sometimes to the bureaucratic elite, sometimes to the “petite bourgeoisie,” depending on the moments and the issues; as well, it had to nurture its ties with the masses whose needs and desires it claimed to be interpreting to the civil authorities.

The Constitution of 1791 triggered an important social realignment: the French-Canadian “petite bourgeoisie” broke off its tactical alliance with the British business bourgeoisie, and turned instead for support to the popular classes, now the source of power in the new elected House of Assembly. Conversely, the British bourgeoisie became more and more aware that its only chance to stamp its supremacy and plans on the colony rested on forming an alliance with the social elite which, like itself, feared the democratic powers granted to an Assembly elected by a predominantly French-Canadian population. Indeed, the electoral qualifications were so low that, for all practical purposes, Lower Canada enjoyed universal suffrage for the heads of households. The French-Canadian “bourgeoisie’s” power derived from its control of the Assembly, a power directly linked to its growing ascendancy over the popular classes, which formed the mass of the electors. The business bourgeoisie therefore had to fall back on the two Councils appointed by Great Britain after 1791: the Executive Council and the Legislative Council. These were composed primarily of representatives of the higher classes and persons of British background, whose task it was to protect the metropolitan and imperial interests and to advise the Governor who, moreover, could veto all legislation and who exercised all executive powers.

Any institutional cooperation between these older and newer social groups, in the beginnings of the colonial parliamentary government and of a market economy, was confronted with a series of harsh constraints that dramatically restricted the range of viable options: the strengthening of the local sovereignty beside and against the traditional metropolitan sovereignty, because of the granting of an elective Assembly that was practically democratic in its composition; the forcing back of the interests of the defenders of the metropolitan sovereignty, of big trade, and of large landed interests into the aristocratic Councils that could stop measures voted by the Assembly, but still had to depend upon it for the adoption of necessary laws and public taxes; the contrast of two opposing notions of the people, one more democratic (the mass of the population), the other more English in its philosophy (the aristocrats, the large land owners, the rich merchants); the rise of new social groups and the modification of their respective power in line with the patterns of the new commerce; and, finally, the uncertainties of the Atlantic market. Thus there emerged and crystallized two socio-ethnic blocs with communication networks that were largely shut off from each other: both coalitions struggled to rule the state through the Assembly or through the Councils respectively, and both contrived antagonistic and divergent strategies of economic development, for which each needed the support of the whole state apparatus and not only of the legislative arm it controlled.

2.5 *The State*

The role of the State was, therefore, central as a *révélateur*, as a tool, and as a focal point of these diverse, conflicting forces. The Lower-Canadian governmental apparatus was complex. Besides the civil government (the Governor, the Executive Council, the Legislative Council, the House of Assembly), the military government constituted a formidable parallel power. While the civil government disbursed an average of £25,000 a year in the 1790s, (which doubled by around 1810), the military government spent about £120,000 per year in the early 1790s and about £300,000 by 1812. The debates over the financial control of the civil government's expenditures, as bitter as they gradually became, thus did not concentrate on the most significant sector of public expenditures; and the Governor, despite the financial difficulties inflicted by the Assembly, had recourse at any time to the military chest, even for (disguised) civil purposes.

In these struggles, therefore, the Constitution of 1791 provided a very powerful tool to the "petite bourgeoisie" and the French-Canadian masses. The leaders of both groups coalesced in the "*parti canadien*" (Canadian party), which struggled with the "*parti breton*" or British party or "Government party" comprised of the bureaucrats allied to the Governor, the British merchants, and a few French-Canadian *seigneurs*. The

ethnic, social, and economic alliances coalesced and hardened into two compact and militant political blocs. Their strategies of development (economic, political, social, national) were so divergent that compromises appeared improbable. Despite the heated exchanges between the two parties in the 1790s (over such matters as the language of the debates and of the laws, the choice of the speaker, the abolition of the seigneurial regime, the Jesuit estates), under Governors Dorchester (1791-96) and Prescott (1796-99), however, the colonial parliament still succeeded in passing a fair number of laws that were essential to the well-being of the colony (concerning, for example, public works, municipal regulations, social security, monetary values). But after 1799, tempers became more explosive under Lieutenant-Governor Milnes (1799-1805) who planned, with the help of his advisors, a clever and systematic policy of assimilation of the French Canadians, of submission of the Catholic Church to the Crown's supremacy, and of reinforcement of the aristocracy.

The quarrel in 1805 over the building of jails demonstrated the firm control that the *parti canadien* had in the Assembly: the latter rejected a land tax, and turned instead to the levy of more duties on imports to raise the revenues needed for the construction of jails. After the interim administration of Thomas Dunn (1805-07), Governor Sir James Craig (1807-11) led the British party and rallied the high officials and the British merchants around a programme of total assimilation and of radical change to the institutions of 1791 in order to deter perceived democratic and nationalist threats. The confrontation became more embittered and Craig brutally intervened in 1810 by suppressing *Le Canadien*, the *parti canadien*'s newspaper, and by imprisoning its main contributors under the excuse of an apprehended insurrection. The programme expounded by Craig, the British officials, and the merchants was very clear on paper: the union of both Canadas or the suppression of the House of Assembly; the submission of the Catholic Church to the Royal Supremacy; and the suppression of French civil laws. These proposals were, of course, unpalatable to the *parti canadien*. But they illuminated what would happen in the next twenty-five years: a long series of struggles between these two blocs until the British government resolved the matter by force.

What triggered the explosion of 1810 was the *parti canadien*'s claims (1) to control subsidies (financial control); (2) to have the Governor's main advisors drawn from its own ranks (ministerial responsibility); (3) to create a strong French-Canadian supremacy in the House of Assembly by measures of exclusion (for instance, of judges) and (4) to advance principles such as the independence of the House from both Councils and the Governor and even the supremacy of the elected House.

Civil revenues exceeded public expenditures by 1808-10. This, in turn, triggered requests of greater control by the Assembly over the funds it granted to the Executive. The debates over financial control echoed the underlying socio-ethnic conflicts between the British party and the *parti canadien*, and, indirectly, between the two communities they claimed to represent. They were, however, the same two global strategies that were challenging each other: according to Governor Craig in 1810, the House intended to impose its complete ascendancy over the colony by controlling the public finances and thus the means to define governmental policies. This is why the British party deterred any measure that would have increased the power of the Assembly and its capacity to influence the Councils. Thus, it is clear that what was at stake in the conflicts around the "civil list" (that is, the salaries and pensions paid by the civil government) was power. The Assembly would refuse to tax and provide the necessary sums to the government unless the latter agreed to submit each expenditure to the scrutiny and approval of the House. To avoid this, the Executive would be forced to fall back on the permanent revenues of the Crown (rents from posts and wharves, numerous seigneurial rights, revenues raised by imperial statutes, and some provincial laws providing fixed sums unconditionally to the Executive for the support of civil government, as well as the military chest) in order to survive at a time when the economy grew exponentially and when this expansion itself required new initiatives by the state, not a deadlock.

The quarrel over financial control was not only a matter of principle. The Executive systematically favoured the British colonists in the granting of contracts, positions, and pensions. Although constituting 90 per cent of the population, French Canadians never received more than 20 to 25 per cent of the global sum of salaries, about one-sixth of pensions, and less than 1 per cent of contracts. This explained the bitterness of the debates concerning the distribution of power and the control of the state between two partly heterogeneous groups quite determined to pursue at all costs their divergent strategies.

Those strategies, however, were not just political, national, cultural, and so on. The resulting paralysis of the state would be very costly to Lower Canada by forcing it to drift economically without a clear direction for a full generation. These strategies eventually battled it out in the late 1830s and were already being clearly shaped around 1810-12: *on the one hand*, an economic strategy of transcontinental development pursued by the British party and the Executive (the union of both Canadas, the supremacy of large British banks, the impending construction of canals towards the Great Lakes to channel all the Western trade to the Saint Lawrence Valley); and, *on the other hand*, there was the economic strategy of the *parti canadien* of regional development, the ideal of a capitalism tailored to the needs and

interests of Lower Canada (an American-like development of local banks, the reform of land tenure to allow the ordinary colonist to become a land-owner without the disbursement of capital, and the building of canals joining Montreal and New York).

The table below outlines the sharpness and the diversity of part of these numerous conflicts. At the constitutional level, a struggle common to all the colonies was developing between traditional imperial sovereignty, embodied in the Executive and Legislative Councils, and the embryo of local sovereignty, focused in the elective Assembly which, moreover, had a democratic composition because of the wide voting franchise. This dichotomy was compounded by a social confrontation: the “People” of the bureaucratic aristocracy and of the rich merchants — the “haves,” the “People” in the British sense — whose power derived from the instruments of assertion of metropolitan or imperial sovereignty through the Councils, were opposed by the “real people” — the popular masses, the “have nots” — whose leaders dominated the House of Assembly, the instrument for asserting local sovereignty. As well, this aristocratic “People” looking towards the mother country was mostly British, while the “people” were essentially French Canadians. And, finally, these two blocs had conceived and supported economic programmes that, as has been seen, encompassed widely divergent interests.

Levels of conflicts	Basis for these conflicts		
1. Constitutional	metropolitan or imperial sovereignty	vs	local sovereignty
		vs	House of Assembly
2. Social	aristocratic compact (<i>People</i>)	vs	<i>people</i>
3. Ethnic	Britishers	vs	French Canadians
4. Economic	continental trade and large property	vs	agriculture and regional development

One can thus grasp the depth of the conflicts, the reasons for their long duration, and the inability to find a viable compromise. From this stalemate, it has been said that the growing backwardness of the Lower-Canadian economy in relation to its American competitors resulted largely from the fact that, for more than thirty years, the state was unable to intervene effectively in choosing and promoting systematically a winning economic strategy.

2.6 The distribution of revenues and wealth

Although a significant rise in revenues and wealth can be observed nearly everywhere in this period, this growth occurred unequally between social

groups and between regions, and even within each group and region. This resulted from the emergence of a new social differentiation.

The merchants seemed to benefit the most, as well as the *habitants*, while members of the liberal professions lived with some luxury, and the artisans fared less well. The labourers were the first to see their salaries jump dramatically because of the new prosperity: starting from further back, they were the ones displaying the highest rate of growth in their standard of living. In a similar fashion, the *habitants* in the region of Quebec were much poorer than those near Montreal, yet benefited in a greater proportion from the increase in prosperity. Averages, although useful, often mask essential facts about a region or a social group. However, the range of revenues and wealth became greater and greater: at the end of the 1800s, on the North shore of Montreal, for example, the difference in the standard of living between a rich and a disadvantaged *habitant* may have been as much as ten to one. These contrasts in revenues and wealth are depicted starkly in the inventories after death. Both in the range of instruments of production and of consumption patterns evidenced relatively by the luxury of household interiors, one can note at the same time a general rise in the standard of living and growing social differences in each region and each social group. Matrimonial strategies and stratagems to transmit inheritances (between generations) prevented the fragmentation of patrimonies that a blind enforcing of the civil laws, geared to equality between inheritors, would have encouraged. Social reproduction was thus ensured: the rich endowed their children in all kinds of ways so that the latter could start well in life; the poor — relatively speaking — only bred more poor.

Privileges, family ties, and access to the large imperial networks brought to the British and English-Canadian social groups, although a small minority until the 1820s, much more than their proportional share of commercial and early industrial wealth. Conversely, French Canadians owned most of the land capital in the seigneurial zone. The state systematically discriminated in favour of English-speaking groups in the allocation of positions, pensions, and contracts, but the social tensions generated by this favouritism forced Governor Prevost, who needed French-Canadian support to fight the Americans, to lower the level of discrimination just before the War of 1812.

* * *

The superimposition and the combination of these six sub-games produce an image of the actual socio-economy that was Lower Canada at the turn of the nineteenth century. This summary sketch pictures a small colony where a major demographic expansion and growing socio-economic-political distinctions occurred throughout these twenty to twenty-five years. A new and larger economic matrix and a freely granted democratic constitution (in its elected branch) allowed the French Canadians to vie for economic and

social power, undeniable and yet constrained by the impossibility of certain options. A kind of ethnic division of labour resulted; and thus began the perpetuation and hardening of parallel institutions in finance, in land tenure, in the choice of political institutions and of strategies of economic development, and in the forms and structures of production.

The resultant conflictive equilibrium was by the 1820s a dynamic balance built on tensions in each sub-game. The Lower-Canadian larger game seems calm and dull only because this stalemate has been caricatured as a conflict of *mentalités*, one modern, the other reflecting the *Ancien régime*. In fact, two opposing visions of society were struggling to be realized; two forms of social entrepreneurship were competing; two sets of socio-economic-political values were locked in battle. The stalemate would only be broken in 1837-40 and the doors to change finally unlocked. But the social vision that loses when Great Britain directly intervened was not necessarily less rational, logical, or economically sound simply because the imperial power did not support it.

3. A few myths

Three myths have blossomed from the traditional historiography on this period: first, the myth of an agricultural crisis supposedly generated by the conservatism and irrationality of the French Canadians; secondly, the myth of French-Canadian nationalism as a delusion deliberately and artificially engineered by the reactionary professional classes to mobilize the masses in defence of their own *Ancien régime* privileges; and thirdly, the myth of the rebellious uprisings of 1837-38 as the result of an unsavory combination of the first two forces. We suggest that these three phenomena be reinterpreted through an entrepreneurial framework.

3.1 The agricultural crisis

The hypothesis of an “agricultural crisis” at the turn of the nineteenth century rests on two basic assumptions: the conservatism of the French-Canadian *habitant* that, so the story goes, made him shun any innovation and trapped him in traditional routines; and the existence of a strong and stable external demand for Lower-Canadian agricultural products that offered French Canadians great opportunities to unload their production. Two mechanisms supposedly worked to ensure that the French-Canadian *habitants* did not take advantage of these opportunities: because of their conservatism, they were led to overpopulate their available land and gradually to fragment their holdings into overly small units, and to use inappropriate agricultural techniques. This led to low agricultural yields and thus the *habitants*’ inability to take advantage of available market profits.

Over the past fifteen years, a number of studies have shown these assumptions concerning an agricultural crisis to be unacceptable and the

mechanisms, inoperative. In fact, the significant improvement in the standard of living of the *habitants* during this period demonstrates that the agricultural crisis hypothesis fails in its central prediction. In short, the caricature that has been sketched of the *habitant* has not led to a useful debate. At times, it almost appears as if any argument would be acceptable if it helped to denigrate the *habitant*.

One may use the demographic strategy of the *habitant* as a case in point. Supposedly, he had too many children, and this is quoted repeatedly in the older historical writing as a blatant example of his conservative irrationality. Such demographic growth would allegedly have led to an accelerated fragmentation of land holdings, given the provisions of the civil law which called for an equal distribution of the inheritance amongst all children. This would then explain, so the myth goes, why *habitant* agriculture would not be very productive and why *habitants* would not be very well off. Data collected from inventories after death, however, show that, on the contrary, there was a positive correlation between the number of children and the terminal net worth of a *habitant* household. This is easy to understand: a child in the pre-industrial age was an asset on the farm, a source of cheap labour, a source of wealth rather than a burden. Moreover, many recent studies have shown that, through marriage strategies and clever practices in the transmission of land, there was no generalized fragmentation of the patrimony in Lower Canada.

One may thus dismiss the argument that an agricultural crisis after 1802 was caused by the conservatism of the *habitants*. Rather, one is dealing with a restructuring of agricultural production by *habitants* who turned out to be astute economic agents capable of coping effectively with uncertain markets and changing transaction costs.

3.2 French-Canadian nationalism

If no “agricultural crisis” materialized in 1802, and therefore if the agricultural masses were not starving, it is difficult to believe that French-Canadian nationalism was the result of a middle-class strategy to mobilize the popular classes in crisis to support *Ancien régime* interests. But then, how is one to explain it? Quite simply, nationalism was the ideology that embodied the reaction against the discrimination suffered by the French-Canadian community, and that underpinned an alternative socio-economic-political vision for society.

French-Canadian representatives astutely played the parliamentary game in the House of Assembly. They were well informed of the parallel strategies used by other Houses of Assembly in other colonies, and of the new ideas in Europe and in the United States. They had also developed, as seen above, an alternative socio-economic strategy, and the nationalist ideology simply animated and energized this alternative.

Ideology is the bedrock of a community, a world-view that constrains individual choices but helps ensure the survival of the collectivity. Ideology is for human beings what instincts are for animals. In this sense, nationalism as an ideology provided French Canadians with a language of problem definition capable of simplifying the relationships of individuals within a group, and of systematizing the values that underpinned their social programme. It provides a “theory” for the structure of property rights in place and for the terms of trade among groups, and a basis to legitimize or denounce them. But it also aims at mobilizing loyalties and at eliminating shirking by providing the group with a sextant for finding its direction, a code of ethics, and some implicit rules of acceptable behavior.

The French-Canadian socio-economic programme has been misrepresented and denounced in the traditional historiography. It has not been recognized as the result of entrepreneurship pressing for an alternate socio-economic strategy to the one developed by the British group. It has rather been caricatured as a withdrawal strategy based on *Ancien régime* values. This characterization pays little attention to the precise forms of this alternative strategy: local banks, canal construction to link Montreal to New York, support for a reformed seigneurial system as a mechanism to economize scarce start-up capital, and so on.

The importance of nationalism as an ideology supporting a redistribution of wealth toward the nationals has not been well understood. This nationalism aimed at protecting the community, at mobilizing it in the direction of a winning socio-economic programme for the French-Canadian group. It was a form of entrepreneurship, an investment in the legitimization of actions leading to the realization of this programme. This French-Canadian nationalism was already in place by the last third of the eighteenth century. It was not poverty supposedly caused by a mythical agricultural crisis that strengthened this nationalism in the first part of the nineteenth century. Rather, it was a mix of profound disagreements between contending groups in the Lower-Canadian society and much intransigence on the part of the elites in power.

3.3 *The rebellions*

In the same way that a non-existent agricultural crisis cannot explain the birth of a defensive nationalism between 1802 and 1810, this sort of nationalism cannot be used to explain the beginnings of resistance in the 1800s and the open uprisings characteristic of the 1830s.

The entrepreneurship of a social group — that is, its capacity to take risks and to mobilize its energies in the direction of change — is often the result of a relative decline in status or wealth *vis-à-vis* a reference group defining the legitimate level of aspirations. In fact, the Lower-Canadian uprisings

corresponded in seriousness, intensity, targets, and expression to such moments of relative decline in wealth and status for French Canadians — moments when the rights (real or presumed) to a fair share of jobs, pensions, and contracts, and to a fair role in the management of their socio-economy, were most put in question.

In the 1800s — through the underhanded tactics of Milnes and the open conflicts in the Craig era, as well as those of the 1830s (through the Russell resolutions — major declines in relative status and wealth provoked resistance movements and open rebellions. In each case, some form of entrepreneurship in social change provided responses to provocations threatening the collective development programme of the French-Canadian group. It is notable that these rebellious movements did not emerge from the most impoverished groups, but rather from the regions and social groups that were relatively well off and thus had the most to lose: their expectations were higher and therefore they were more frustrated by efforts to lower the relative status and wealth of their group.

4. Conclusion

The 1791-1812 period is one of the most important in the history of Quebec: one defining a major discontinuity in the evolution of the Quebec socio-economy. It was more than a simple socio-economic restructuring: rather, one witnesses a stark mutation triggering the emergence of a market economy and an array of new institutions, the appearance or consolidation of a more sharply defined structure of social groups, the development of a parliamentary system which degenerates into a social duopoly fighting for power, and the affirmation of competing socio-economic development programmes by elites rooted in semi-autonomous social terrains. By 1812, most of the important future problems of Quebec society were well defined — problems which would not be resolved until the imperial government intervened to support one of the two competing programmes and groups.

During these years, the market mechanism gradually permeated all parts of Lower-Canadian society and transformed its life-style: more diversity on the production front, easier access to a higher standard of living and even to luxury goods on the consumption side, and the emergence of new institutions to better serve the economic and financial needs of these distinctive groups. On the socio-political front, the French-Canadian “petite bourgeoisie” asserted a stronger leadership among the popular masses in the countryside, in the street, and in the House of Assembly; and it developed the basic principles of colonial parliamentarianism through more autonomy, ministerial responsibility, and the control of subsidies, all as a means to realize its development programme. This programme for a regional, democratic, and national socio-economy was incompatible with the view of a continental, aristocratic, and English-led socio-economy

defended by the English local population with the support of the imperial forces. The war of 1812 momentarily brought both sides together to face a larger reality that would play a major role in the solutions of 1840 and 1867: divided as they were, both Lower-Canadian groups faced a common threat — the United States.

The roots of nationalism and political violence in the 1800s must be found in the consolidation of a French-Canadian entrepreneurship. In this period of prosperity and institutional change, French Canadians developed aspirations to more power and more wealth, but they were met with various denials, delaying tactics, and discriminatory measures that inevitably called for direct action.

TABLE I **The *habitants*' assets (1792-1835)**

Periods	Average surface of lands (in <i>arpents</i>)				Moveable property in constant value (in French <i>livres</i>)			
	Quebec		Montreal		Quebec		Montreal	
	North Shore	South Shore	North Shore	South Shore	North Shore	South Shore	North Shore	South Shore
1792-96	104	70	119	125	1468	835	2293	1903
1807-12	146	160	98	137	1461	874	2018	1836
1820-25	133	88	145	121	1695	1142	3137	2437
1830-35	119	94	110	123	1768	1257	3060	2625

TABLE II **Average surface in *arpents* of land patrimonies of the *habitants*' households according to period and the number of children (Quebec/Montreal, 1792-1835)**

Periods	Number of children		
	1-4	5-8	9 or more
1792-96	82	108	102
1807-12	117	151	161
1820-25	90	116	120
1830-35	85	120	148

TABLE III Usual equivalencies between the currencies used in Lower Canada (1790-1815)

£ 1 = 20 shillings (20/-); 1 sh. = 12 pences (-/12)

1 # = 20 sols (20^s) ; 1 sol = 12 deniers (12^d)

£ 9 sterling (st) = £ 10 Halifax currency or "current" (c)

9 # tournois (t) = 10 # "de 20 sols" or "ancien cours"

24 # "de 20 sols" = 20/- ou £ 1 (c)

1 # "de 20 sols" = 1 franc = 5/6 de 1/- or .833 sh. c.

1/- = 1 # 4 sols or 24 sols

1 coppre = 1 sol = 1/2 pence

\$1 = 4/6 (st) or 4/8 (A.P.) or 5/- (c) = 6# = 1 Spanish dollar

£: English pound

A.P.: "Army Pay" currency

#: French livre

SUGGESTIONS FOR FURTHER READING

The old chronicle by Robert Christie, *A History of the late Province of Lower Canada...*, 6 vols. (Quebec, 1848-54), still provides useful chronological references and documents. Illustrations and information can also be found in W.H. Bartlett, *et al.*, *Québec 1800: un essai de gravures romantiques...* (Montreal, 1968); J. Bouchette, *A Topographical Description of the province of Lower Canada* (London, 1815); G. Heriot, *Travels Through the Canadas* (London, 1817); and J. Lambert, *Travels Through Canada... in the Years 1806, 1807 and 1808*, 3 vols. (London, 1810).

Different interpretations than ours may be found in D.G. Creighton, *The Commercial Empire of the St. Lawrence* (Toronto, 1936); A.R.M. Lower, *Colony to Nation*, 2nd ed. (Toronto, 1947); and "Two Ways of Life: The Primary Antithesis of Canadian Life," *Canadian Historical Association Annual Report [CHAAR]* (1943); and F. Ouellet, *Histoire économique et sociale du Québec, 1760-1850* (Montreal, 1966); *Éléments d'histoire sociale* (Montreal, 1972); and *Lower Canada, 1791-1841: Social Change and Nationalism* (Toronto, 1979). M. Séguin, *La nation "canadienne" et l'agriculture, 1760-1850* (Trois-Rivières, 1970), adopts a neo-nationalist approach; A. Faucher, *Histoire économique et unité canadienne* (Montreal, 1971); and *Québec en Amérique au XIXe siècle* (Montreal, 1973), an economic perspective; while S. Ryerson, *The Founding of Canada: Beginnings to 1815* (Toronto, 1960); and *Unequal Union . . . 1815-1873* (Toronto, 1968); and G. Bourque, *Classes sociales et question nationale au Québec, 1760-1840* (Montreal, 1970), a more Marxist one.

On social and economic developments, see also J. Hamelin and F. Ouellet, "La crise agricole dans le Bas-Canada, 1802-1837," *Études rurales* (Oct.-Dec. 1962); S. Courville, "La crise agricole du Bas-Canada," *Cahier de géographie du Québec* 24 (1980); R.M. McInnis, "A Reconsideration of the State of Agriculture in Lower Canada," *Canadian Papers in Rural History* 3 (1982); J. McCallum, *Unequal Beginnings: Agriculture and Economic Development in Quebec and Ontario until 1870* (Toronto, 1980); A.R.M. Lower, *Great Britain's Woodyard: British America and the Timber Trade, 1763-1867* (Montreal, 1973); G.F. McGuigan, "Administration of Land Policy and the Growth of Corporate Economic Organizations in Lower Canada, 1791-1809," *CHAAR* (1963); the studies by J.-P. Hardy, T. Ruddell, G. Bervin, C. Dessureault, L. Gadoury, and G. Paquet and J.-P. Wallot in a special issue (no 17, 1983) of the *Historical Bulletin of Material Culture*; and L. Dechêne, "Observations sur l'agriculture du Bas-Canada au début du XIX^e siècle," in J. Goy and J.-P. Wallot, ed. *Évolution et éclatement du monde rural* (Paris, 1986).

On the socio-political conflicts, French-Canadian nationalism, parliamentary struggles, and financial controversies, one should consult P. Tousignant, "Problématique pour une nouvelle approche de la Constitution de 1791," *Revue de l'histoire de l'Amérique française* [RHAF] 27 (1973-74); H. Brun, *La formation des institutions parlementaires québécoises (1791-1838)* (Quebec, 1970); D.G. Creighton, "The Struggle for Financial Control in Lower Canada," *Canadian Historical Review* [CHR] 12 (1931); H.T. Manning, *The Revolt of French Canada (1800-1835)* (Toronto, 1962); G. Paquet, "Entrepreneurship au Canada français: mythes et réalités," *Transactions of the Royal Society of Canada*, 4th series, 24 (1986); "Le Canada et la Révolution atlantique," *Annales historiques de la Révolution française* 45 (1973); C. Galarneau, *La France devant l'opinion canadienne (1760-1815)* (Quebec, 1970); and *Les collèges classiques au Canada français* (Montreal, 1978); Y. Lamonde, ed., *L'imprimé au Québec: Aspects historiques* (Quebec, 1983); J. Hare and J.-P. Wallot, *Les imprimés dans le Bas-Canada, 1801-1810* (Montreal, 1967); L.-P. Audet, *Le système scolaire de la province de Québec*, 6 vols. (Quebec, 1951-56); J.-F. Jolois, *J.-F. Perrault, 1753-1844, et les origines de l'enseignement laïque au Bas-Canada* (Montreal, 1969); and J.-P. Wallot, "Frontières ou fragment du système atlantique: des idées étrangères dans l'identité bas-canadienne," *Historical Papers* (Ottawa, 1983).

For religious history, one can refer to the following studies: L. Lemieux, *L'établissement de la première province ecclésiastique au Canada, 1783-1844* (Montreal, 1968); R. Chabot, *Le curé de campagne et la contestation locale au Québec* (Montreal, 1975); and P. Savard, *Aspects du catholicisme canadien-français au 19^e siècle* (Montreal, 1980).

Numerous aspects of our own hypothesis can be further explored by reading G. Paquet and J.-P. Wallot, "Le Bas-Canada au début du XIX^e siècle," *RHAF* 25 (1971-72), and "Sur quelques discontinuités dans l'expérience socio-économique du Québec," *RHAF* 35 (1981-82). Our following studies cover one or the other of the sub-processes at work in the evolution of the Lower-Canadian socio-economy: *Patronage et pouvoir dans le Bas-Canada (1794-1812)* (Montreal, 1973); "The Agricultural Crisis in Lower Canada, 1802-1812," *CHR* 51 (1975); "The International Circumstances of Lower Canada," *CHR* 53 (1972); "Groupes sociaux et pouvoir . . . au tournant du XIX^e siècle," *RHAF* 27 (1973-74); "Le système financier bas-canadien au tournant du XIX^e siècle," *Annales E.S.C.* 39 (1984); and "Stratégie foncière de l'habitant: Québec (1790-1835)," *RHAF* 39 (1985-86). In *Un Québec qui bougeait* (Montreal, 1973), J.-P. Wallot deals in many chapters with the socio-political, religious, and ethnic evolution of Lower Canada during this period.

