

THE CANADA LAND COMPANY THE EARLY YEARS



CLARENCE KARR

THE CANADA LAND COMPANY: THE EARLY YEARS

AN EXPERIMENT IN COLONIZATION 1823 - 1843

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INTRODUCTION

During the decade following the end of the Napoleonic Wars in 1815 a group of British merchants, bankers and politicians combined to form what would become Upper Canada's most famous land company. Before them went a vision; a vision of the success of similar experiments in New York State and the dream of tapping the trade from a rapidly expanding mid-western United States on its way to the east and overseas.

This is the story of that vision and an explanation of why it was not as successful as expected during the first twenty years in the operations of the Canada Land Company (1826-1953). Part of the problem lay in the reluctance of the directors of the Company in London to grant adequate discretionary powers to their Canadian officials. The directors viewed their organization as an aspect of Empire. Like the government at Westminster they believed that a firm controlling hand from the centre of the British Empire was necessary.

Another limiting factor was the reluctance of the mid-western American trade to flow through Canada. A more sophisticated American communications network was already functioning efficiently. The Company soon discovered that it was almost impossible to alter existing trade patterns. But by far the most important factor in

determining the limited success of the Canada Company's operations between 1826 and 1843, was its prematurity.

It was primarily to the various land companies in New York State that the founders of the Canada Company looked for inspiration and example. There, the Erie Canal, the presence of thousands of settlers willing to migrate westward and a greater economic independence all combined to make these American experiments in land settlement successful. At the same time most of Upper Canada remained a vast empty wilderness. No Erie Canal made its terminus on the shores of Lake Huron as it did at Buffalo; nor was there a body of immigrants on the eastern seaboard of British North America waiting to move inland. Because the founders of the Canada Company overlooked these differences they had to be satisfied with slow progress in settlement until the 1840's when the colony experienced a greater influx of population and an economic boom in a new era of canals, railways and renewed immigration on a large scale.

Three groups united between 1823 and 1826 to form the Canada Land Company: John Galt, a private individual; a group of London merchants; and the Colonial Office which was inspired by Robert Wilmot Horton, an undersecretary. Besides 1,384,013 acres of former Upper Canadian Crown Reserves, the Company purchased the 42,000 acre Halton block and a one million acre tract in the far

west of the province bordering the sandy shore of Lake Huron.¹

The organization to which the founders of the Canada Company turned for a model for what they could accomplish in Canada was the Holland Land Company (1796-1837), a Dutch firm formed by a group of Amsterdam merchant-bankers around 1792.² In addition to its 3,300,000 acres in the western extremity of the State this Company owned two smaller tracts in the central part and scattered holdings in Pennsylvania. These lands gave the Dutch firm a total ownership of over five million acres in the United States.³

Joseph Ellicott of Batavia and Paul Busti of Philadelphia conducted the operations of the Company until 1821. After that date a series of agents managed the organization until the Company disbanded in 1837. Unlike their Canadian counterparts the Amsterdam

¹G.M. Craig, Upper Canada, The Formative Years, Toronto, 1963, p. 136.

²P.D. Evans, The Holland Land Company, Buffalo, 1924, pp. 3ff.

³The Pulteney Estate of New York also influenced the founders of the Canada Land Company, but because the Pulteney patterned its renewed Company around 1800 after the Holland organization, the influence of these two companies will be viewed through the policies of the Dutch. See H.I. Cowan, Charles Williamson; Genesee Promoter: Friend of Anglo-American Rapprochement, Rochester, 1941, p. 247.

hierarchy permitted their American agents to make their own decisions once they had won their confidence.

Although this study is concerned primarily with the activities of the Canada Company in the Huron Tract, it suggests certain parallels with the Dutch system in the Holland Purchase. Because the earlier ventures of both companies were important to their later administrative policies, these will also be investigated. For the Dutch these included the Cazenovia and Oldenbarveneld settlements centered on Cazenovia and Utica; and for the British the Halton block centered on Guelph. Our concern is with the methods employed to attract settlers, the services provided both before and after the settlers occupied the land and the success or failure of these policies as viewed by both the settler and the historian.

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Chapter I

THE VISION BEGINS

Four sets of circumstances surrounded the formation of the Canada Land Company. Two of these constituted the vision of the founders; the third a desire both in Britain and in Canada for an improvement in the administration of colonial lands; and the final prerequisite was an economic upsurge in Britain in the 1820's which provided the favourable economic climate that was needed to bring conviction and support to the project.

Since the conclusion of the Napoleonic Wars the Colonial Office had attempted various innovations in the administration of the lands of the Empire. The Canada Company would represent another link in this progression.

In the eighteenth century most colonies had consisted of a few skilled emigrants strategically placed for defense purposes.¹ Upper Canada had looked primarily to the United States for its population. Now, however, the anti-republican sentiment generated by the War of 1812 and the prohibition of alien American land ownership made the continuation of this trend impossible. The colony needed more people and it was obvious that the majority of these would have to come from the British Isles.

¹H.I. Cowan, British Emigration to British North America, Toronto, 1961, p. 41.

At the same time there was a worsening of the domestic situation in the Mother Country. A rapidly increasing population; the end of a long period of involvement in foreign wars; and a general decline in morale led to unemployment, economic depression and fears for the future of mankind.

One response to this situation was a renewed interest in the prophecy of Thomas Malthus. He had contended that only war and famine could guarantee a favourable balance between the population and the means of sustenance. The post war conditions brought a new, harsh meaning to this theory.

The situation also transferred the free trade doctrines of Adam Smith from the world of academic debate into the political arena. Government officials speculated on the possibility of encouraging private enterprise into traditionally public areas. Could it not, they asked, also be applied to emigration? In a period of trial and error in imperial land policy these new thoughts prepared both government and citizens for the bold experiment of the Canada Land Company.

The colonial official who played the most significant role in this experimentation was Robert Wilmot Horton who was to become a spiritual father of the Canada Company. He was a humanitarian with much sympathy for the British paupers. The