

## ARTICLE

# The Gentlemanly Order & the Politics of Production in the Transition to Capitalism in the Home District, Upper Canada

**Albert Schrauwers**

Canadians! It has been said that we are on the verge of a revolution. We are in the midst of one; a bloodless one, I hope... Calm as society may seem to a superficial spectator, I know that it is moved to its very foundations, and is in universal agitation... The question today is not between one reigning family and another, between one people and another, between one form of government and another, but a question between privilege and equal rights, between law sanctioned, law fenced in privilege, age consecrated privilege, and a hitherto unheard-of power, a new power just started from the darkness in which it has slumbered since creation day, the Power of Honest Industry. The contest is now between the privileged and the unprivileged, and a terrible one it is.

—W.L. Mackenzie, *Constitution*, 26 July, 1837

IN 1834, THE YEAR IT BECAME “Toronto,” the small settlement of 9,000 souls on the shores of Lake Ontario was in the midst of “revolutionary” social change. While seemingly apt in describing both “industrial revolution” and “French revolution,” the work’s connotations seem hyperbolic in describing the small rural entrepot, the county town, the seat of government for Britain’s most isolated of North American colonies. It is, however, by juxtaposing both senses of these revolutionary changes, their economic *and* political impact, that we can come to appreciate the seismic shifts occurring below the placid surface of what E.P. Thompson called the “opaque society,” the poorly documented world of voiceless “mechanics,” tradesmen, and labourers who provided the muscle for the reform movement.<sup>1</sup> Few have considered the class politics of

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1. E.P. Thompson, *The Making of the English Working Class* (London 1963), 529–43.

Albert Schrauwers, “The Gentlemanly Order & the Politics of Production in the Transition to Capitalism in the Home District, Upper Canada,” *Labour/Le Travail*, 65 (Spring 2010), 9–45.

pre-Rebellion Toronto in any detail.<sup>2</sup> Paul Romney, for example, makes little mention of class in an otherwise groundbreaking analysis of the ethnic, religious, and political cleavages of the new city.<sup>3</sup> Indeed, an analytic vocabulary of class born in an industrial setting appears poorly fitted to an agrarian colony where production took place in small workshops of independent journeymen and apprentices under the supervision of master craftsmen.<sup>4</sup> It is thus important to underscore that capitalism created its class antagonisms not through the technological transformation of production per se, i.e. the factory, but through the introduction of a new labour discipline, a discipline that deskilled and cheapened labour to increase productivity.

To place this revolution in labour relations in the decade preceding the Rebellion requires a re-evaluation of the nature of British imperialism and its impact on the colony. P.J. Cain and A.G. Hopkins have questioned the underlying assumption that the “triumph of industry” was the impetus for British imperialism, and underscore that “modern British history is bound up with the evolution of several separate but interacting forms of capitalist enterprise – agricultural, commercial, and financial, as well as industrial.”<sup>5</sup> They emphasize, in particular, the importance of the British gentry, who made the important shift from rentier capitalism to commercial agriculture on their estates and from there came to dominate the financial service sector. Cain and Hopkins argue that the political role of industrialization in British imperialism has been over-emphasized. They point instead to the financial sector, the banks, insurance, and service companies dominated by the gentry or “gentle-

2. For an extended discussion of the literature on class formation in 1830s Upper Canada and its recent silences, see Bryan Palmer, “Popular Radicalism and the Theatrics of Rebellion: The Hybrid Discourse of Dissent in Upper Canada in the 1830s,” in Nancy Christie, ed., *Transatlantic Subjects: Ideas, Institutions, and Social Experience in Post-Revolutionary British North America* (Montreal/Kingston 2008), 435, note 51.

3. Paul Romney, “A Struggle for Authority: Toronto Society and Politics in 1834,” in Victor L. Russell, ed., *Forging a Consensus: Historical Essays on Toronto* (Toronto 1984), 9–40. Gregory Kealey, *Toronto Workers Respond to Industrial Capitalism 1867–1892* (Toronto 1980) contains references to the earlier period. There is no comparison for Bryan Palmer, “Kingston Mechanics and the Rise of the Penitentiary, 1833–1836,” in *Social History/Histoire Sociale* XIII, 25 (May 1980), 7–32.

4. Robert Kristofferson problematically argues that even much later, industrial workshops remained enmeshed in master-journeymen mutualism, a position I temper in the article. *Craft Capitalism: Craftworkers and Early Industrialization in Hamilton, Ontario 1840–1872* (Toronto 2007).

5. P. J. Cain & A. G. Hopkins, “Gentlemanly Capitalism and British Expansion Overseas I. The Old Colonial System, 1688–1850,” *Economic History Review* 39 (November 1986), 503. Their argument is worked out more fully in *British Imperialism: Innovation and Expansion 1688–1914* (London 1993). This omnibus study, however, has little to say about Upper Canada. Anatole Browde briefly discusses the model in relation to the Canada Company: “Settling the Canadian Colonies: A Comparison of Two Nineteenth-Century Land Companies,” *Business History Review*, 76 (Summer 2002), 299–335.

man capitalists” who retained a leading role in the military, parliament, House of Lords and cabinet until late into the 19th century. Their pursuit of profits in the financial sector – the investment banks – and their control of military and government were the engine for imperialism according to Cain and Hopkins. It was finance capital, I argue, that transformed the nature of imperial economic power in the small town of Toronto and its hinterland, especially after the creation of the Bank of Upper Canada.

These gentlemanly capitalists were at the forefront of the capitalist revolution, the “Great Transformation” described by Karl Polanyi by which a “self-regulating market” was created in the early 19th century.<sup>6</sup> This great transformation – whose ripples affected even its remote colonies – entailed the creation of “fictitious commodities”: land, money, and labour.<sup>7</sup> It was only as land, money, and labour were disembedded from the social ties that had limited the destructive effects of individual self-interest that capitalist exploitation became possible. In Marxist terms, this marks a transition from “formal” to “real” subsumption to capital as all aspects of production were commodified and bent to the logic of the market. This was a social rather than industrial revolution: the significant first technologies of change worked on people, not machines.

In emphasizing gentlemanly capitalists, Cain and Hopkins underplay the role of chartered corporations as the new tools of capitalist transformation.<sup>8</sup> Chartered corporations were more extensions of the state in this period than

6. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston 1957). Two large literatures have pursued this insight in the North American context. See Kristofferson, *Craft Capitalism*, 3–10 for a bibliographic review of the “shop-breakdown model” and the “transition to capitalism debate.”

7. As I have argued elsewhere, historians of Ontario’s economy have generally ignored the sustained debate on the transition to capitalism in rural America. Here, I follow the American literature that emphasizes the market revolution in the second and third decades of the 19th century. See Albert Schrauwers, *Union is Strength: The Children of Peace and the Emergence of Joint Stock Democracy in Upper Canada* (Toronto 2009); and “Revolutions without a Revolutionary Moment: Joint Stock Democracy & the Transition to Capitalism in Upper Canada,” *Canadian Historical Review* 89 (June 2008), 223–55. For a summary of the American debate see Michael Merrill, “Putting ‘Capitalism’ in its Place: A Review of Recent Literature,” *William and Mary Quarterly*, 3d Series, 52 (April 1995), 315–26.

8. As Alfred Chandler has emphasized, the competitive advantage of corporations lies in their “administrative coordination” which is able to engineer “greater productivity, lower costs and higher profits than coordination by market mechanisms”: *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, MA 1977), 6. Such coordination reduced risks and the costs of information in the market. In reviewing the importance of this kind of administrative coordination in a proto-industrial setting, Hoskin and Macve “find that the genesis of modern business is not the result of economic or technical innovation in the usual sense. Instead the significant first technologies of change are *invisible* technologies: technologies that work first on humans, not on machines”: “Accounting as Discipline: The Overlooked Supplement,” in Ellen Messer-Davidow, David R. Shumway, David J. Sylvan, eds., *Knowledges: Historical and Critical Studies in Disciplinarity* (Charlottesville 1993).

private economic enterprises.<sup>9</sup> As extensions of state sovereignty, they generally escaped legislative review and had the advantage of protecting their gentlemanly capitalist shareholders with limited liability; they were thus an ideal means for gentlemanly capitalists to govern the emerging economy, to serve as the “visible hand of the market.”<sup>10</sup> The terms under which Upper Canada’s farmers and craftsmen worked were fundamentally altered in the 1830s by the creation of a series of corporations such as the Bank of Upper Canada, the Canada Company, the Clergy Corporation, and the Corporation of Toronto. These corporations were the means by which the fictitious commodities of land, money, and labour in the colony were created and subjected to capitalist discipline. They were also the means by which a class of “gentlemanly capitalists” was formed who, in imposing this capitalist discipline, fomented class tensions and the emergence of working-class radicalism in Toronto of the sort described by Mackenzie.

The focus on the social rather than technological transformation of production wrought by gentlemanly capitalism and the corporation fits well with the seminal work of Michael Burawoy.<sup>11</sup> This literature placed the emphasis on “how capitalists construct regimes of exploitation and impose discipline not just in the immediate process of production, but also through larger political apparatuses.”<sup>12</sup> An analysis of this capitalist transformation thus also requires attention to the transformation in the Upper Canadian state, what Ian McKay has referred to as the ascendancy of the Liberal order framework after 1840.<sup>13</sup> Burawoy usefully distinguishes between capitalist labour discipline as experienced in the labour process itself and the larger political institutions – such as

9. William G. Roy, “Chapter 3: The Corporation as Public and Private Enterprise,” *Socializing Capital: The Rise of the Large Industrial Corporation in America* (Princeton 1997), 41–77. For Upper Canada, see R.C.B. Risk, “The Nineteenth Century Foundations of the Business Corporation in Ontario,” *University of Toronto Law Journal*, 23 (1973), 270–306. Risk’s article is selective, ignoring a large number of “non-business” corporations that he arbitrarily excludes, which utilized the same legal form.

10. Chandler, *The Visible Hand*.

11. Michael Burawoy, *The Politics of Production* (London 1985). Burawoy critiqued the emphasis of scholars in the labour process school, such as Harry Braverman, *Labour and Monopoly Capital: The Degradation of Work in the Twentieth Century* (New York 1974). For an outstanding example of this approach see Paul Willis, *Learning to Labor: How Working Class Kids Get Working Class Jobs* (New York 1977).

12. Marc Steinberg “Capitalist Development, the Labor Process, and the Law,” *American Journal of Sociology* 109 (Sept. 2003), 445.

13. McKay views “the Rebellions of 1837, Lord Durham’s Report, and the Acts of Union of 1841... as the high point and defeat of liberalism’s civic humanist adversary.” Ian McKay, “The Liberal Order Framework: A prospectus for a reconnaissance of Canadian History,” *Canadian Historical Review* 81 (Dec. 2000), 624. I discuss the nature of this civic humanist opposition in *Union is Strength*. For further critical discussion of the timing of the liberal order framework see Jean-François Constant and Michel Ducharme, eds., *Liberalism and Hegemony: Debating the Canadian Liberal Revolution* (Toronto 2009).

courts and corporations – that reproduce the basic capitalist forms of production. In other words,

the process of production is not confined to the *labor process* – to the social relations into which men and women enter as they transform raw materials into useful products with instruments of production. The process of production also includes *political apparatuses* which reproduce those relations of the labor process through the regulation of struggles. I call these apparatuses the *factory regime* and the associated struggles the *politics of production*.<sup>14</sup>

Burawoy thus critiques Braverman for too great a focus on the processes of industrial deskilling and class formation on the factory floor, as this ignores the political and ideological aspects of production that establish the conditions under which individual capitalists operate. It is unfortunate, however, that he labels this larger political apparatus the “factory regime.” Farmers, for example, were equally affected. The building trades to be discussed in this article provide another example; they remain largely untouched by factory production, yet they were transformed by capitalist labour discipline and marked unionization as both independent master builders and their journeymen were reduced to wage labourers employed by general contractors. And there is now a large literature on “flexible specialization,” an historical alternative rooted in industrial craftwork, giving rise to a variety of national and regional capitalist economies rather than mass production in factories.<sup>15</sup> Our concern, then, is those political apparatuses – including corporations – that regulated the often contentious social reproduction of productive relations such as these for the farmers and craftsmen in the Home District; these apparatuses include the relatively anemic paternalistic state as well as those corporate bodies to which it delegated its sovereignty.

The ascendancy of the Liberal order framework was thus tied to the development of corporate hierarchies led by gentlemanly capitalists who thereby helped introduce class politics to Toronto and its hinterland. In Upper Canada, it was the shadow state under the direction of gentlemanly capitalists, a corporate not factory regime, that regulated the politics of production of the emerging capitalist economy. These corporations generally escaped the control of the elected legislature. They included the “corporation” of Toronto, which assumed the functions of the Courts of Quarter Sessions. The mayor and alderman who sat on the Mayor’s Court played a similar role to magistrates in applying the law of master and servant within the city. Chartered corporations, such as the Bank of Upper Canada and the Canada Company also served as political apparatuses that regulated the social reproduction of

14. Burawoy, *Production*, 87.

15. Kristofferson, *Craft Capitalism*, 5ff. The “historical alternative approach” with its emphasis on “flexible specialization” derives from the seminal article by Charles Sabel and Jonathan Zeitlin, “Historical Alternatives to Mass Production: Politics and, Markets and Technology in Nineteenth-Century Industrialization,” *Past and Present* 108 (Aug. 1985), 133–176.

productive relations; it was they who helped create and regulate the “fictitious commodities” of money, land, and labour. The defining class tensions of the era, then, were formed between “law sanctioned privilege” and “the power of honest industry,” that is, the gentlemanly capitalist managers of these corporations and those whose economic activity they sought to regulate and not between industrializing masters and their journeymen, as is usually the point of debate.

## The Gentlemanly Order

“The Upper Canada Club” a first rate tory affair, [has been] set agoing in Mr. Stanton’s large building corner of King and Bay Streets... the entrance money to which is £10, and after that \$10 a year – and no games except chess, whist and draughts can be played. Such a club as this is for the very purpose of plotting and planning for pensions, power, place and plunder – and so is the executive council club, the legislative council club, the Bank of Upper Canada club, and the like of them.<sup>16</sup>

IN LATE AUGUST 1837, as the province’s radicals were contemplating open rebellion, Toronto’s elite, the so-called “Family Compact,” were organizing the Upper Canada Club. The creation of the club is an indication that Upper Canada’s elite were ambitious for more than mere wealth; they sought all the marks of gentility. It was this – rather than aristocratic birth – which set them apart within the hegemonic ideology of “mixed monarchy” on which the province’s unwritten constitution was based. J. K. Johnson’s analysis of the Upper Canadian elite members of the club between 1837 and 1840 measured influence according to overlapping leadership roles on the boards of the main social, political, and economic institutions in the community. He notes, for example that William Allan, one of the most powerful, “was an executive councilor, a legislative councilor, President of the Toronto and Lake Huron Railroad, Governor of the British American Fire and Life Assurance Company and President of the Board of Trade.”<sup>17</sup> Johnson found that twenty men served at least two leadership roles; and that sixteen of these men were members of the Upper Canada Club. Johnson’s conclusion contests the common assertion that “none of the leading members of the [Family] Compact were business men, and... the system of values typical of the Compact accorded scant respect to business wealth as such.”<sup>18</sup> The overlapping social, political and economic

16. *Constitution* (Toronto) 30 August 1837. Cf. J.K. Johnson, “The U.C. Club and the Upper Canadian Elite, 1837–1840,” *Ontario History* 69 (1977): 151–68.

17. Johnson, “The U.C. Club,” 151–68. See also, Graeme Patterson, “Early Compact Groups in the Politics of York,” in David Keane and Colin Read, eds., *Old Ontario: Essays in Honour of J.M.S. Careless* (Toronto 1989), 174–91; John Clarke, *Land, Power, and Economics on the Frontier of Upper Canada* (Montreal 2001).

18. H.G.J. Aitken, “The Family Compact and the Welland Canal Company,” *Canadian Journal of Economics and Political Science* XVII (Feb. 1952), 76; cited in Johnson, “U.C. Club,” 162.

leadership roles of club members demonstrates, he argues, that “they were not a political elite taking political decisions in a vacuum, but an overlapping elite whose political and economic activities cannot be entirely separated from each other. They might even be called “entrepreneurs,” most of whose political views may have been highly conservative but whose economic outlook was clearly ‘developmental’.”<sup>19</sup>

Upper Canada’s elite, in other words, did not differ greatly from that of the United Kingdom itself.<sup>20</sup> As Cain and Hopkins note of England, “in 1790, no less than three-quarters of all agricultural land was owned by no more than 4,000–5,000 aristocrats and gentry... The control exercised by the peerage over the House of Commons remained undisturbed before 1832 and was only slowly eroded thereafter, while its dominance of the executive lasted well beyond 1850.”<sup>21</sup> State (i.e. imperial) policy clearly was not solely determined by the increasing rhythm of the industrial revolution and the emergent middle class. This is not to claim, however, an unchanging rural conservatism; whereas the impact of the industrial revolution is usually overstated for this period, innovations in the financial sector promoted by these aristocrats are usually taken for granted. This period was marked by important developments in banking, currency reform, and corporate organization in both England and Upper Canada. These innovations were dominated by the peerage, not the industrial bourgeoisie; new money, the financiers rather than the industrial “barons,” were gradually gentrified through the purchase of land, intermarriage, and the acquisition of titles. However, while “most basic textbooks on economic history abound with detail and description of the origins and operation of the technology of the industrial revolution... [providing] an extensive diet of steam engines with separate condensers and reciprocating motion ... when it comes to banking and finance, however, the treatment of the subject is much more patchy.”<sup>22</sup>

Hopkins and Cain refer to this alliance of peerage and financiers as “gentlemanly capitalism”: “a form of capitalism headed by improving landlords in association with improving financiers who served as their junior partners. This joint enterprise established a tradition of modernization and was itself the product of a modernization of tradition that both conserved gentlemanly values and carried them forward into a changing world.”<sup>23</sup> These new financial

19. Johnson, “U.C. Club,” 162.

20. For an extensive treatment of Upper Canada’s status hierarchy, see Peter A. Russell, *Attitudes to Social Structure and Mobility in Upper Canada 1815–1840: “Here We are Laird Ourselves”* (Lewiston 1990), esp. Chapter 5, “The Lines of Social Cleavage: Independence and Respectability,” 67–87.

21. Cain & Hopkins, *British Imperialism*, 58–9.

22. Charles Munn, “The Emergence of Joint-Stock Banking in the British Isles: A Comparative Approach,” *Business History* [Great Britain], 30 (January 1988), 69.

23. Cain & Hopkins, *British Imperialism*, 101.

institutions were “licensed monopolies,” part of the vast expansion of state administration, public credit, and the financial and commercial revolutions that strengthened the power of the Crown over parliament. To use the metaphor of the period, the banks and chartered corporations were the “political engine” of empire, not the industrial revolution.

Cain and Hopkins emphasize that “the empire created before the mid-19th century represented the extension abroad of the institutions and principles entrenched at home.”<sup>24</sup> Upper Canada, created in the very “image and transcript” of the British Constitution, is but one example. While it is clear that Upper Canada had no peerage, the methods pursued to create one were the same. The emergence of the Family Compact in the Legislative and Executive Councils should be interpreted in the light of gentlemanly capitalism. Wealth created through the new financial service sector was gentrified through the pursuit of gentlemanly education, a military career, and the establishment of landed estates. This was not the slavish recreation of a “traditional peerage.” As William Westfall has observed:

In Britain the culture of order enjoyed the benefit of defending a social and religious system that not only existed but was so well established that it seemed to have become a part of nature itself. Conservatives in Upper Canada were not as fortunate; they had to defend what had not yet come to pass and transform what existed only in part into what ought to be.<sup>25</sup>

It is these Upper Canadian gentlemanly capitalists who sought to preserve mixed monarchy, the established church, and their role as an indigenous gentry through the introduction of a modern financial sector.

It is the members of these “gentlemanly capitalist” families, not the Family Compact per se, that dominated the state: the executive and legislative councils and the commissions of the peace. Despite their factional political differences, they shared a foundational belief in the political ideology of “mixed monarchy” as the foundation of the British and hence the Upper Canadian state. As Jeffrey McNairn summarized, governments based on either monarchy, aristocracy, and democracy – the rule by “the one, the few, and the many” – were believed to degenerate into oppression: “monarchy into despotism, aristocracy into oligarchy, and democracy into anarchy.” England’s parliament of King, Lords, and Commons was a classic “mixed monarchy” of all three types of government that prevented tyranny by any one.<sup>26</sup> Upper Canada’s Legislative Council was equated with the House of Lords, but obviously was not composed of hereditary peers. Here we need to remember the Upper Canadian need to “defend what had not yet come to pass and transform what existed only in part into what ought to be.” Appointment to the Legislative Council was a means

24. Cain & Hopkins, *British Imperialism*, 84.

25. William Westfall, *Two Worlds: The Protestant Culture of Nineteenth Century Ontario* (Montreal/Kingston 1989), 37.

26. Jeffrey L. McNairn, *The Capacity to Judge: Public Opinion and Deliberative Democracy in Upper Canada 1791–1854* (Toronto 2000), 24, 32–36.



by which a local aristocracy was to be molded in the same manner as British peerages could be granted for extraordinary service to the Crown.<sup>27</sup>

The life of the Rev. John Strachan illustrates this process.<sup>28</sup> Strachan's father was an overseer in a granite quarry in Aberdeen, Scotland. Strachan was the youngest of six children, and as the favorite, his mother proclaimed he "must be made a gentleman." He attended the local grammar school and eventually graduated from Aberdeen University. Emigration to Upper Canada proved the only means by which this schoolteacher could hope of acquiring the gentility his mother had dreamed of. Once here, this Presbyterian applied to the Bishop of Quebec for ordination in the Church of England. He was granted the parish of Cornwall and then Toronto where he established a grammar school to train the province's future elite in the gentlemanly values of love of country, respect for the constitution, and the importance of civic leadership. While this school set the bedrock for gentility, it is not the basis by which either Strachan or his students acquired their status.

Strachan's anti-democratic rhetoric as teacher and rector, combined with his service during the War of 1812, saw him appointed to the Executive Council in 1815, and the Legislative Council in 1820. It was from within this position of state power that Strachan succeeded in creating the economic institutions to gentrify himself and his pupils; the gentility born of education and established church were combined with the power of the financial revolution, and incorporation. The Clergy Corporation was established in 1819, and with William Allan he helped found the Bank of Upper Canada in 1822. The Upper Canadian "aristocracy," the Family Compact, emerged through its oligarchic control of these corporate bodies among others. They clothed their new-found wealth in the robes of gentlemanly capitalism and the ideology of Loyalism and mixed monarchy. Strachan's mother would no doubt have been proud of the owner of the "finest house in the town," popularly known as "the palace," though his own brother could not help but ask, "I hope it's a' come by honestly, John?"<sup>29</sup> It is of no surprise that his eldest son James should have sought an education at the Royal Military Academy at Woolwich and purchased a captaincy and that subsequently he should study law and co-found the Freeholders' Bank. Strachan's economic interests were by no means unusual for clergymen in the Church of England in the period. Boyd Hilton has pointed out that Christian Political Economy, an Evangelical theological "science," played a far greater role in popularizing laissez-faire economic policies than the "scientific" or non-religious liberal capitalist political economists. They were the proponents of the Rev. Malthus' pessimistic views on poor relief at the core of

27. S.J.R. Noel, *Patrons, Clients, Brokers: Ontario Society and Politics 1791–1896* (Toronto 2003), 47–8.

28. John Flint, *John Strachan: Pastor and Politician* (Toronto 1971).

29. Eric Arthur, in Stephen A. Otto's *Toronto, No Mean City*, 3rd revised ed., (Toronto 2003), 44.

“Christian political economy,” leading to the new Poor Law of 1834. The theological reasons for supporting these policies was often quite different from the economic rationale yet had greater popular impact.<sup>30</sup>

Some of these gentlemanly capitalists, like James Grant Chewett, were formed through government service. Schooled by the Rev. Strachan, he succeeded his father as Deputy Surveyor General in 1832 after having worked in the office most of his adult life. From this position, he began to accrue a series of other government posts as well as develop several large private projects. As a government surveyor he was paid in land, making him one of Peel County’s largest absentee landlords.<sup>31</sup> In 1833, he was named to the new harbour commission. In the same year, he was appointed a magistrate and later became an alderman. He was a director of the Bank of Upper Canada and was to serve as its vice-president for seven years before becoming the president of the new Bank of Toronto (later the Toronto Dominion Bank). He was also one of the incorporators of the British America Fire and Life Assurance Company in 1833.<sup>32</sup> Although he is frequently cited as one of Toronto’s early architects and contractors, he is more accurately described as a land developer.<sup>33</sup> Chewett was to build Toronto’s first office block at King and York Street, a site later occupied by the Toronto Dominion bank towers. The construction of Chewett’s block was to serve a critical role in the class politics of early Toronto.

Not all of the members of the Family Compact had such an onerous climb as Strachan or Chewett; many were of genteel but recently impoverished birth, like the Boulton family. D’Arcy Boulton Jr. had named his estate on the western outskirts of Toronto the “Grange” after their ancestral home in Lincolnshire.<sup>34</sup> Boulton’s grandfather was Sir John Strange, the “Master of the Rolls and Records of Chancery, the third most senior judge in England. Although Boulton’s father had studied law, he devoted most of his time to the “Woolen Yarn Company” by which the family was bankrupted in 1793. After regaining their fortunes through the practice of law in Upper Canada, the Boulton family lent its renewed gentility, through intermarriage, to the Loyalist Jones family of Brockville and the Robinson clan in Toronto. Collectively, their extended family comprises three quarters of the “Family Compact” listed by Mackenzie in 1833. However, as Graeme Patterson has shown, the extended Boulton clan was but one family “compact” of many that formed Upper Canada’s financial, social, and political elite. The Baldwin clan,

30. Boyd Hilton, *The Age of Atonement: The Influence of Evangelicalism on Social and Economic Thought, 1795–1865* (Oxford 1988).

31. David Gagan, *Hopeful Travellers: Families, Land and Social Change in Mid-Victorian Peel County, Canada West* (Toronto 1981), 28.

32. “James Grant Chewett,” *DCB*.

33. Arthur, *Toronto*, 243.

34. Charlotte Gray, “At Home in the Grange,” in Jessica Bradley & Gillian MacKay, eds., *House Guests: The Grange 1817 to Today* (Toronto 2001).

including brothers William Warren, Augustus, and John Spread Baldwin, and their nephew Robert Baldwin Sullivan, were of Irish gentry background and equal social prominence.<sup>35</sup> It is important to underscore that the class of “gentlemanly capitalists” with whom I am concerned were not limited to that of the most successful, the so-called “Family Compact” labeled by Mackenzie.

The Boultons also illustrate the means by which the Family Compact sought to establish their gentlemanly credentials through landed estates and “improving agriculture.” The “Grange” and William Allan’s “Moss Park” were but two of a series of estates on park lots occupied by legislative and executive councilors such as John S. Macaulay, John Elmsley Jr., and Augustus Baldwin that ringed the city. Although the Boulton family bought and sold extensive tracts of land, D’Arcy Boulton was not a simple land speculator; rather, such speculation was the means by which he could accumulate an estate that he could farm like the “improving gentry” of England from which his family had originally sprung. Boulton was also behind the establishment of the Home District Agricultural Society, which he conceived of as a gentleman’s club, no less than the Upper Canada Club.<sup>36</sup> Agricultural Societies of this sort sought to foster a form of capital-intensive mixed farming, incorporating the breeding of high-quality cattle. It was less profitable than wheat farming, and its capital requirements put it outside the reach of most farmers. It was rather the gentlemanly pastime of half-pay officers and other squires who, like Boulton, tended to be appointed to the magistracy.<sup>37</sup> This irony needs to be underscored; this form of mixed farming was more “capitalist,” more dependent on commodified inputs such as waged labour and less “profitable” as a result, yet was held up as an example for emulation by the “improving gentry.” The push towards capitalist relations of production was not driven by profit motivation alone. Peter Baskerville has argued that the “idea of entrepreneurship” is “time and culture bound” and should not be restricted to the occupation of merchant. In its pursuit of incorporation the Family Compact “pursued a development policy consistent with its values. Reward accrued as much from the maintenance of a stable society as from any primary desire for material gain.”<sup>38</sup>

35. Patterson, “Early Compact Groups”; see also Frederick H. Armstrong “The Oligarchy of the Western District of Upper Canada 1788–1841,” *The Canadian Historical Association Historical Papers* 12 (January 1977), 87–102.

36. Ross D. Fair, “Gentlemen, Farmers, and Gentlemen Half-Farmers: The Development of Agricultural Societies in Upper Canada, 1792–1846,” PhD diss., Queen’s University, 1998; see also McNairn, *Capacity to Judge*, 93–6.

37. Kenneth Kelly, “Notes on a Type of Mixed Farming Practiced in Ontario During the Early Nineteenth Century,” *Canadian Geographer* XVII (Sept. 1973), 205–29; “The Transfer of British Ideas on Improved Farming to Ontario During the First Half of the Nineteenth Century,” *Ontario History* 63 (Autumn 1971), 103–20.

38. Peter A. Baskerville, “Entrepreneurship and the Family Compact: York-Toronto, 1822–55,” *Urban History Review* 9 (Feb 1981), 30.

D'Arcy Boulton was thus typical of those who filled what has been called the "basic building block" of the Upper Canadian state, the magistrates, and hence those most immediately charged with regulating the "politics of production." They embodied a system of government that depended less on bureaucratic administration than an authority born of wealth, family, military honours, and education, as indicated by the customary addition of "esquire" to their names.<sup>39</sup> The duties of magistrates included the enforcement of criminal law, marriage in the absence of a clergyman, and the promulgation and enforcement of fire, sanitary, and market regulations. Few were actually trained in the law, making the effectiveness of their decisions both questionable yet clearly dependent on their status. They sat either as a police court for the administration of justice or in special session for administrative tasks.<sup>40</sup> Any two or three could sit as a "Court of Requests" to hear "small causes" for the recovery of debts. Collectively, four times a year, they sat as the "Court of Quarter Sessions" in a district town such as Toronto. Boulton was not just a magistrate but for many years the chairman of the Court of Quarter Sessions.

Besides hearing criminal cases with the aid of juries, the Court of Quarter Sessions also served as the municipal government. They had sweeping administrative responsibility for district finances and the construction and upkeep of public buildings such as the courthouse, jail, and public market. As chair of the Quarter Sessions, D'Arcy Boulton had oversight of the construction of Toronto's second market building as well as over the market transactions that occurred within it. Market regulations passed by the Quarter Sessions prohibited the sale of farm produce anywhere in the city but the marketplace, where the transactions could be regulated and taxed. The construction of the market building lasted from 1831 until 1833 and cost £9,240, a sum so large that it became one of the chief reasons for incorporating the city.<sup>41</sup> Its cost reflected its importance since market tolls were one of the largest sources of local tax revenues. In 1836, for example, the city council estimated they would make £2,745 in rents and tolls, which exceeded expenses by £2,000.<sup>42</sup> Market codes thus drew "farmers into the towns and concentrat[ed] as much commercial activity as possible in the central business districts[;] they solidified the economic control exercised by towns and cities over their surrounding hinterlands."<sup>43</sup>

39. J.K. Johnson, *Becoming Prominent: Regional Leadership in Upper Canada, 1791–1841* (Montreal/Kingston 1989).

40. Romney, "Struggle," 19.

41. Arthur, *Toronto*, 62.

42. W. Thomas Matthews, "Local Government and the Regulation of the Public Market in Upper Canada, 1800–1860: The Moral Economy of the Poor?" *Ontario History* LXXIX (Dec. 1987), 310.

43. Matthews, "Local Government," 314.

In 1834, however, these functions all passed to the new corporation of Toronto. It is important to underscore that the Assembly delegated municipal government to a chartered corporation; city government was referred to as “the” Corporation for decades. The role of the state in the liberal vision, as it was implemented in Upper Canada, was a tutelary one, promoting individualism, efficiency, and order if not democratic participation.<sup>44</sup> It is the separation of the identity of the corporation from its inhabitants that led historian Engin Isin to call them “cities without citizens”;<sup>45</sup> “liberal capitalist” city administrations were tools of governance, not of democratic participation, civic rights, or citizenship. While nominally democratic, the charter of the new corporation was specifically designed to limit those who might aspire to the magistracy (the aldermen) to the same class as those who might otherwise be appointed magistrates. In their efforts to further their control of the state and its citizens, a series of “liberal capitalist” politicians and governors were as equally willing as their Tory predecessors to turn to extra-governmental tools of social control such as the Orange Order. As historian Gregory Kealey concluded, “Following the delegitimation of Reform after the Rebellions were suppressed, the Corporation [of Toronto] developed into an impenetrable bastion of Orange-Tory strength.”<sup>46</sup> Orange influence dominated the emerging police force, giving it a “monopoly of legal violence, and the power to choose when to enforce the law.”<sup>47</sup> Orange Order violence at elections and other political meetings was a staple of the period.

An analysis of class politics in Toronto must thus begin with the gentlemanly capitalists such as Strachan, Chewett, the Boultons, and the Baldwins, who occupied the major offices of state: the Corporation of Toronto and the Legislative and Executive Councils. The Corporation played an important role in the regulation of the politics of production in particular. The Corporation both set and presided over marketplace regulation, which they used to control the rural hinterland of the city. The Corporation attempted to regulate labour relations, specifically, the “anti-combination” (anti-union) laws and the law of master and servant. And as we shall see, the gentlemanly capitalists played a critical role in the development of chartered corporations such as the Bank of Upper Canada by which they regulated the wider economic ties that linked local farmers and merchants to the empire. This class of gentlemanly capitalists was, then, the very “visible” hand of the market it was seeking to create.

44. Ian Radforth, “Sydenham and Utilitarian Reform,” in Allan Greer and Ian Radforth, eds., *Colonial Leviathan: State Formation in Mid-Nineteenth-Century Canada* (University of Toronto Press 1992), 66–7.

45. Engin F. Isin, *Cities Without Citizens: Modernity of the City as a Corporation* (Montreal 1992).

46. Gregory S. Kealey, “Orangemen and the Corporation,” in Victor L. Russell, ed., *Forging the Consensus: Historical Essays on Toronto* (Toronto 1984), 45.

47. Kealey, “Orangemen,” 50.

## The Great Transformation

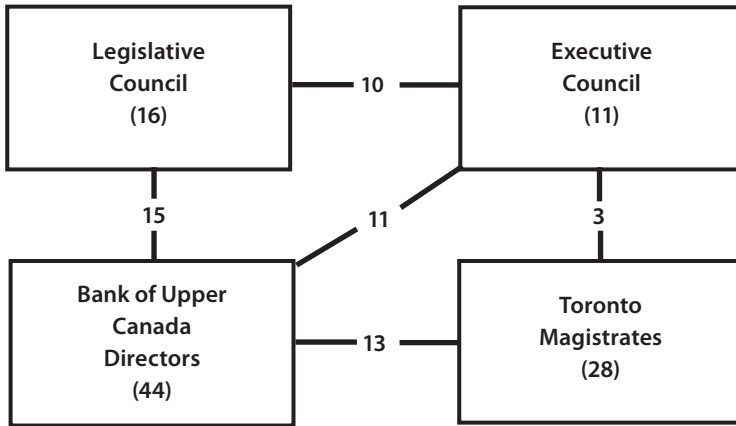
AFTER 1825, THE PACE of transformation in productive relations in Upper Canada was hastened, as they were in Britain, by the creation of the “fictitious commodities” of money, land, and labour. This was marked by the introduction of a paper currency, a shift in land policy from grants to sales, and in so doing, the creation of a class of gentlemanly capitalists and wage labourers. What is distinctive about this process is that its implementation was left frequently in the hands of a new form of economic organization, the chartered corporation, a delegation or “licensed monopoly” of state authority. These corporations were created to maintain the independence of the state from the elected legislature’s control, and hence firmly in the hands of the gentlemanly capitalists who typically served as both board directors and state functionaries. The three most critical corporations in this shadow state were the Bank of Upper Canada (which controlled the colony’s paper currency) and the Clergy and Canada Companies (who were charged with selling government reserve lands). These three companies formed the financial backbone of the colonial state and formed the basis of the political power of the Family Compact, the local oligarchy so ably led by the aristocratic minded Reverend Strachan. These corporations exercised an economic domination propped up by the legal authority of state; together, they regulated the politics of production in Upper Canada, applying a capitalist discipline to nominally independent farmers and tradesmen. In this section we thus examine this transitional process and the class tensions that it fomented.

### *Making Money: The Bank of Upper Canada*

The Bank of Upper Canada was granted a corporate charter in 1822. The bank’s principal promoters were the Rev. Strachan and William Allan. The city was too small to warrant such an institution as indicated by the inability of its promoters to raise even the minimal 10 per cent of the £200,000 authorized capital required for start-up. It succeeded only because it had the political influence to have this minimum reduced by half, and because the provincial government subscribed for 2,000 of its 8,000 shares. The administration appointed four of the bank’s fifteen directors, making for a tight bond between the nominally private company and the state. Allan, who became president of the Bank of Upper Canada and an Executive and Legislative Councilor like Strachan, played a key role in solidifying the Family Compact and ensuring its influence within the colonial state.<sup>48</sup> Their overlapping membership on the boards of these “licensed monopolies” and on the Executive and Legislative Councils served to integrate the economic and political activities of church,

48. Peter Baskerville, ed., *The Bank of Upper Canada: A Collection of Documents* (Toronto 1987), xxvii–lxxiii.

Figure 1: Interlocking directorships between the Bank of Upper Canada and the state during the 1830s.



(Numbers in brackets represent total membership. The linking numbers represent shared directors.)

state, and the “financial sector.”<sup>49</sup> These overlapping memberships reinforced the oligarchic nature of power in the colony and allowed the administration to operate without any effective elective check.

William Lyon Mackenzie was the first to demonstrate the nature of this oligarchic power by showing that the government, its officers, and legislative councillors (but not members of the Assembly) owned 5,381 of its 8,000 shares.<sup>50</sup> A detailed examination of the Board of Directors confirms this basic point. Forty-four men served as bank directors during the 1830s; eleven of them were executive councillors, fifteen of them were legislative councillors, and thirteen were magistrates in Toronto. More importantly, all eleven men who had ever sat on the Executive Council also sat on the board of the Bank at one time or another. Ten of these men also sat on the Legislative Council. Fifteen of the sixteen Toronto-based legislative councillors also sat on the Bank’s board. Lastly, thirteen of twenty-eight (46 per cent) Toronto magistrates also sat on the board; however, any magistrate with *any* stock in the bank was elected a bank director at some point. The bank’s management, more than its shareholding, was dominated by gentlemanly capitalists with clear ties to the state.

49. For a humorous critique of Allan’s multiple leadership roles, see the *Colonial Advocate* (Toronto), 19 August 1824.

50. *Colonial Advocate* (Toronto), 3 March 1831.

Henry John Boulton, the solicitor general and author of the bank incorporation bill, admitted the bank was a “terrible engine in the hands of the provincial administration.” It was easy for the bank to “acquire the most entire Controul [sic] or monopoly of the Merchantile transactions of the town... and then by a sudden refusal to accommodate the same persons any farther, which they can always find plausible reasons for doing, and by requiring prompt payment of all paper outstanding, may throw the whole Business of a flourishing town into disorder.”<sup>51</sup> The bank issued “fictitious commodities,” banknotes, that far exceeded their capital reserves. Unlike highly personal bills of exchange, these notes were in fixed denominations, easily alienable, and circulated widely, enabling “purely” economic exchange and hence the creation of a disembedded market. But since the bank controlled the note supply, it could serve as the “invisible hand of the market,” guiding which (merchant’s) transactions would or would not be enabled in the larger imperial credit chains.

The Bank of Upper Canada was granted a license to print money. Paper currency, now ubiquitous, was then an innovation. Paper currency differs from coinage (specie) in at least one crucial way: while both paper and specie could serve as a “medium of exchange,” enabling economic transactions, they did not both serve as a “store of wealth” in quite the same manner. Gold and silver have a commodity value in themselves whereas paper does not. A paper currency must be backed by something else, its value guaranteed by its convertibility into real commodities with intrinsic value. Polanyi thus refers to the paper currencies printed in the early 19th century as “fictitious commodities.” And herein lies the basic question about the banks of the period according to their critics: should banks be allowed to issue an unbacked currency, to “manufacture paper money” with no intrinsic value to serve as a medium of exchange?

We have now naturalized the alchemical ability of banks to create money. Although the Bank of Upper Canada started with the combined capital contributed by its shareholders, this was not what it loaned out. When the bank gave a loan, it gave out a promissory note, a “bank note,” promising to pay the bearer in specie (coinage) from this capital stock on demand. Promissory notes (IOUs) of all kinds, including those of merchants and their customers, were taken regularly in payment as a medium of exchange, as a kind of currency; the acceptability of a note depended upon the credit worthiness, the “respectability” of the issuer. As long as the respectability of the source remained unchallenged, a promissory note (like a cheque) could pass from hand to hand serving like money, i.e., as a “circulating medium” enabling economic exchanges. Banks, due to the size of their capital reserve, gained a respectability that made their promissory notes (which were not legal tender) acceptable as payment by a broad range of the public.<sup>52</sup>

51. *Colonial Advocate*, 18 May 1826; Baskerville, *The Bank of Upper Canada*, 32.

52. Baskerville, *The Bank of Upper Canada*, xxiv.



A bank could (and the Bank of Upper Canada did) issue far more promissory notes than it actually had specie to redeem them with; these notes were an outstanding liability. They had to redeem all of those notes on demand at face value. The bank's notes were not, in fact, representative of wealth at all. Each note was a representation of a debt – of a *promise* by the bank to pay the bearer. And herein lies the irony. The payment of interest on this debt was reversed. Interest was paid to the bank by the individual who borrowed their promissory note, allowing the bank to profit from the loan of money it did not really have. Banks, by issuing large amounts of unbacked paper notes – “empty promises” according to Mackenzie – were amongst the largest of “respectable” debtors, but in issuing these notes, they created credit, expanded the monetary supply (i.e. the supply of a “circulating medium” in the absence of specie), and eased the flow of economic transactions.

The Bank of Upper Canada had an incentive to issue as many notes as possible; it earned interest on each note, even though each note represented a promise to pay something it did not have. However, the bank would face catastrophe if all its promissory notes were presented for payment in specie at once, if a “run” were made on the bank. The alchemical trick of a paper currency, then, was for the bank to find the balance between making interest on as large a debt as possible, without being caught short of enough specie to redeem those notes actually presented at its office for payment. The longer a note stayed in circulation, the smaller a specie reserve the bank needed. Since Upper Canada had little specie in circulation, notes would circulate widely. As long as the Bank of Upper Canada remained a monopoly, it had little fear of overextending itself. The bank's manager, Thomas Ridout, estimated that in the first three years of its operation, the bank's notes comprised between 74 per cent to 77 per cent of the province's money supply.<sup>53</sup> Between 1823 and 1837 its profit on paid in capital ranged between 3.6 per cent (1823) and 16.5 per cent (1832) at a time when the maximum legal interest rate was 6 per cent.<sup>54</sup>

This domination of the money supply gave the directors of the bank great power; Mackenzie drew attention to the system by which loans were approved by the board. “Two black balls put into the ballot box by two of the representatives of administration will prevent [a person of the greatest stability from] getting accommodated, even if 10 other directors declare in his favour.”<sup>55</sup> He viewed the Bank as “entirely under the thumb of parson Strachan and his pupils, to wield at their discretion.” Although such blatantly political motivations were balanced by the desire for profits, in times of economic crisis such as 1832 and 1836, when the bank was forced to radically reduce its note issues, favoritism, and political considerations no doubt did come in to play.

53. Baskerville, *The Bank of Upper Canada*, 28–9.

54. Baskerville, *The Bank of Upper Canada*, 356.

55. *Colonial Advocate*, 18 May 1826.

The bank's customers, however, were not the back-country farmers who most needed credit; these farmers were themselves indebted to country merchants caught in the international credit chain. The Bank was established for mercantile purposes to ease the flow of cross-Atlantic remittances that funded the commodity chains that tied the colony to Britain.<sup>56</sup> During the 1830s, a number of British wholesale houses like Isaac Buchanan & Co. were established in Toronto. Isaac Buchanan was a Scots merchant in Toronto in partnership with his brother Peter, who remained in Glasgow to manage the British end of the firm. They established their business in Toronto in 1835, having bought out Isaac's previous partners, William Guild and Co., who had established themselves in Toronto in 1832. As a wholesale firm, the Buchanans were near the top of the credit chain, having invested more than £10,000 in their business. Their long term credit to local retailers was covered by large loans from the Bank of Upper Canada.<sup>57</sup>

The Buchanans preferred wholesale to retail operations precisely because debt offered them greater disciplinary power than an employer-employee relationship ever could: "the wholesaler's position was more flexible if he could retreat from unprofitable retailing operations simply by cutting off the customer's credit, and he had no need to intervene extensively in the management of successful accounts."<sup>58</sup> The same was true down the credit chain; local retailers didn't need to intervene in the management of individual farms. Halting credit and threatening court collection was enough to keep customers in line, producing as much salable wheat for as low a price as possible. Most of the profits, however, were accrued at the top of the credit chain. The Buchanans ability to offer long-term credit successfully bound retailers and their customers to them despite their self-acknowledgement that "we do not get the name of being cheap sellers." During their first four years, a period of major economic dislocation, they more than doubled their initial capital investment. The Bank of Upper Canada – at the top of the credit chain – played a critical role, and derived great power, from managing the flows of this commodity chain.

### *The "New System" in Upper Canadian Land Policy from 1825*

The second, coincident wave of the "Great Transformation" was the creation of a land market after 1825. Patrick Shirreff, a Scots farmer, set out on a tour of North America in 1833 with the aim of evaluating its prospects for emigrants. Shirreff contested the common propaganda of the emigrant guides of the Canada Company, which asserted that "the poorest individual can here procure for himself and family a valuable tract; which, with a little labour, he

56. Baskerville, *Bank of Upper Canada*, xlii.

57. Douglas McCalla, *The Upper Canada Trade 1834–1872: A Study of the Buchanans' Business* (Toronto 1979), 24.

58. McCalla, *The Upper Canada Trade*, 28.

can soon convert into a comfortable home, such as he could probably never attain in any other country - *all his own!*"<sup>59</sup> Land of high quality was, he found, easily available on credit. However, he was critical of the terms and outcomes of this new system. "The system of selling land on credit, and contracting debt at stores, hath proved ruinous of later years to settlers without capital, who have no other means of extricating themselves than selling their properties."<sup>60</sup> Shirreff was commenting, in other words, on the effects of the Upper Canadian state's new policy of selling rather than granting land. The terms under which the "fictitious commodity" of land was created left new farmers embedded in the credit – and commodity – chains leading back to Britain.

As Gerald Sider has noted in the context of Newfoundland, where the ownership of land was prohibited, creating "property" – and limiting others access to it – is a fundamentally social process by which demands can be placed on others' production. "Property" is not so much a thing, a bounded plot of land, as a social (class) relationship between people detailing their culturally specific legal rights over material objects. The "ties that bind" people into collectivities such as family, community, and nation define the bundle of expectations and obligations relating to land that come to be fetishized as the "property" of "its" owner. In English there is a clear linguistic relationship between a whole series of keywords that express the link between these cultural expectations and their material referents:

propriety and property, appropriate (in the sense of socially correct behavior) and appropriate (in the sense of taking something from nature or from other people and making it one's own), culture and agriculture. I doubt that the linkages suggested by language are fortuitous or accidental. Rather, they suggest that what is vaguely referred to as "culture," in the current anthropological sense of shared values and patterns of meaning, is in fact linked to class phenomena in specifiable ways.<sup>61</sup>

Initially land in Upper Canada was granted. While potentially salable, its sale was inhibited by the ease of gaining "free" grants in the intractable wilderness. Crown land policy to 1825 was three-fold and not geared towards establishing a land market. Firstly, it rewarded those who had served the British military and civilian establishment in the Revolutionary War, the "United Empire Loyalists," with large unencumbered grants in the thousands of acres. These grants "permitted a cash-strapped society to reward those who had served it and to pay in a currency that *all* valued. Lt. Governor Simcoe also saw this as the mechanism by which an aristocracy might be created."<sup>62</sup> Clearly, propri-

59. *The Canadian Emigrant*, 13 July 1833, cited in Peter A. Russell, "Upper Canada: A Poor Man's Country? Some Statistical Evidence," *Canadian Papers in Rural History* 3 (1982), 129.

60. Patrick Shirreff, *A Tour through North America: Together with a Comprehensive View of the Canadas and United States, as Adapted for Agricultural Emigration* (Edinburgh 1835), 364–5.

61. Gerald Sider, "The Ties that Bind: Culture and Agriculture, Property and Propriety in the Newfoundland Village Fishery," *Social History [Great Britain]*, 5 (January 1980), 2.

62. Lillian Gates, *Land Policies of Upper Canada* (Toronto 1968); John Clarke and John

ety and property went hand in hand. Secondly, it reserved one seventh of all land, the “Crown Reserves,” and a further one-seventh, the “Clergy Reserves,” for lease in support of the state and clergy. The intent was to maintain the independence of the colonial state from the elected legislature and any taxes it might raise. Given the availability of “free” grants, however, few choose to rent. Thirdly, it granted small parcels of land, generally below 200 acres, to “unofficial” settlers in return for the performance of “settlement duties.” The large grants to Loyalists who did not have to perform settlement duties and the reserves served to hinder the development of compact settlement.

By 1825 almost all land in Toronto’s hinterland, the Home District, had been patented, with the exception of the Crown and Clergy Reserves. A population of about 16,000 people occupied 62 per cent of the district’s 704,809 acres (14.5 people per square mile); up to 190,000 acres were held by speculators. The reserves were almost equal in size. The problem of land speculation in the areas close to Toronto was severe; Johnson notes that “by 1800 before more than a handful of settlers had arrived, some 68.4 per cent of the land available in Pickering, 60.0 per cent of Scarboro, 53.7 per cent of York, and lesser proportions of adjacent townships, had already been alienated.”<sup>63</sup> The problem continued as new townships were opened in the interior. Most of these early grantees included the Family Compact. David Gagan’s analysis of neighbouring Peel County’s absentee proprietors concluded that

whatever ideological and familial bonds held the ‘Family Compact’ together, they shared at least one material interest – the profits to be made from the vacant lands on York’s frontier of economic development... The acreage under their control and the way in which they acquired it are remarkable even by contemporary standards; and when their unofficial activities are linked to the results of the land policies which were their official responsibility, their effect on the social landscape of colonial Upper Canada comes into sharp relief.<sup>64</sup>

The land grant policy underwent radical reform after 1825 as the Upper Canadian administration faced a financial crisis that would otherwise require raising local taxes, hence making it more dependent on a local elected legislature radicalized by the “alien question” into questioning its imperial connection. Rather than compromise its autonomy, the Upper Canadian state abolished its policy of granting land to “unofficial” settlers and implemented a broad plan of revenue-generating sales which, by making land more expensive, would also help create a labouring class. The reserves came under the control of two corporations, the Canada Company and the Clergy Corporation, who shifted the emphasis from long-term leases to sales. Payments from the Canada Company to the state largely freed the administration from legislative control.

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Buffone, *Colonial Land Policy: The “New System” in Upper Canada in 1825* (Ottawa 1994), 6.

63. Leo A. Johnson, “Land Policy, Population Growth and Social Structure in the Home District, 1793–1851,” *Ontario History*, LXIII (January 1971), 45.

64. David Gagan, *Hopeful Travellers: Families, Land, and Social Change in Mid-Victorian Peel County, Canada West* (Toronto 1981), 29–30.

Secondly, the Crown itself replaced its policy of land grants to ordinary settlers in newly opened districts with sales. Thirdly, it passed legislation allowing the auctioning of previously granted land for payment of back-taxes. Most of this "wild" land belonged to Loyalists and their children who were holding the grants as speculation, hoping their value would eventually increase as the surrounding land was settled.

The shift to land sales in newly opened townships had little direct effect on the Home District, where almost all land was already patented, except to set a floor price at least equal to the more distant land being offered by the government. About 56,070 acres of the Clergy Reserves were granted as an endowment to King's College, the provincial university with Strachan as its rector. The Clergy Corporation took the remaining 39,000 acres for sale. The Clergy Corporation was managed by Strachan with the help of the Inspector General and the Surveyor General, both of whom also sat on the Legislative Council.<sup>65</sup> The Crown reserves all passed to the Canada Corporation whose manager in the Home District was William Allan. Between them Strachan and Allan, founders of the Bank of Upper Canada, also controlled the sale of 27 per cent of the Home District's land.

Much of the remaining 190,000 unoccupied acres were put up for auction in 1830 for back taxes, and almost 54,000 acres sold (the equivalent of an entire township).<sup>66</sup> Seventy-eight per cent of that land went to just six buyers, including D'Arcy Boulton, chair of the Quarter Sessions, and Francis T. Billings, District Treasurer, both of whom were directors of the Bank of Upper Canada. Boulton purchased 2,035 acres for 1s. 11d. per acre. Billings purchased 8,475 acres in the more remote townships for ten pence per acre. This concentration of absentee landholding by 1830 left 35 per cent of the district's land in the hands of eight men and the remaining 65 per cent in the hands of about 10,000 farmers, some of whom were landless and some of whom were major speculators like William Allan, who personally owned more than a thousand acres.

Between 1825 and 1834, the population in this area rose to 28,500, with a further 8,000 settling in neighbouring Simcoe County. Half of the population thus had to purchase land in this period, primarily from the major speculators or either of the land companies. Yet few mortgages appear in the land records. John Clarke's monumental study of "Land, Power and Economics on the Frontier of Upper Canada" argued that instruments of bargain-and-sale were frequently used to extend credit in land purchases, but that on default, the as-yet-unregistered purchase reverted to the vendor with no equity accruing to the purchaser.<sup>67</sup> This was Patrick Shirreff's major complaint about the transition to a land market:

65. George Alan Wilson, "The Political and Administrative History of the Upper Canada Clergy Reserves, 1790-1855," PhD thesis, University of Toronto, 1959.

66. *Appendix to Journal of the House of Assembly of Upper Canada* (Toronto 1831), 78-82.

67. Clarke, *Land, Power and Economics*, 266-72.

The greater portion of British emigrants, arriving in Canada without funds and the most exalted ideas of the value and productiveness of land, purchase extensively on credit... Everything goes on well for a short time. A log-house is erected with the assistance of old settlers, and the clearing of forest is commenced. Credit is obtained at a neighbouring store... During this period he has led a life of toil and privation... On the arrival of the fourth harvest, he is reminded by the storekeeper to pay his account with cash, or discharge part of it with his disposable produce, for which he gets a very small price. He is also informed that the purchase money of the land has been accumulating with interest... he finds himself poorer than when he commenced operation. Disappointment preys on his spirit... the land ultimately reverts to the former proprietor, or a new purchaser is found.<sup>68</sup>

Recent studies have suggested that a minimum of £100 to £200 plus the cost of land was required to start a new farm in the bush, with much of this obtained in credit.<sup>69</sup> Yet, as McCalla notes, “For the entire decade 1830–9, exports averaged less than £1 per person a year (less than £6 per household).”<sup>70</sup> While supplementary sources of income were available, the scale of the debt that new settlers were forced to assume doubled with the emergence of a land market.

It is thus debt and the powerful legal machinery for its collection that help explain the farming practices, the “wheat mining,” that was typical of the average farmer: 379 of 943 prisoners in the Home District jail between 1833–5 were being held for debt.<sup>71</sup> These were the men ultimately unable to repay. Many others were stripped of what property they had through court-ordered auctions. An 1830 list of judgments in the Middle Division of the Court of Requests of the Home District, which heard cases below £5, recorded 127 successful actions – some for as little as 5s 6d and the majority below £2.<sup>72</sup> The same list of judgments for the superior Home District Court recorded 156 successful actions with a majority well below £20.<sup>73</sup> These figures lend credibility to the complaint of “a farmer”: “It is not uncommon if a farmer goes to market with a load of produce and happens to owe a shopkeeper two pounds or more, unless this farmer sells his produce to this shopkeeper at his own price, he immediately without any notice issues a writ in the district court for these two pounds, and puts the farmer to about five pounds cost.”<sup>74</sup>

68. Shirreff, *Tour*, 363.

69. Russell, “Poor Man’s Country”; Ankli, Robert E. and Duncan, Kenneth J. “Farm Making Costs in Early Ontario,” *Canadian Papers in Rural History* 4 (1984), 33–49.

70. Douglas McCalla, *Planting the Province: The Economic History of Upper Canada 1784–1870* (Toronto 1993), 75.

71. *Appendix to the Journal of the House of Assembly* (Toronto 1836), no. 117, Gaol reports.

72. *Appendix to Journal of Assembly, 1831–2* (Toronto 1832), 60–64.

73. *Appendix 1831–2*, 65–66.

74. *Colonial Advocate*, 10 March 1831; see also Leo Johnson, *History of the County of Ontario 1615–1875* (Whitby 1973), 88–9.

Unlike the gentry farmers, who practiced a capital-intensive, though less profitable form of mixed farming, frontier farmers practiced an extensive and continuous wheat cropping in which cultivated area nearly equaled occupied area, quickly exhausting the soil. By 1851, wheat yields had dropped from a high of 25 to 35 bushels an acre in the 1820s to sixteen bushels as a result of the practice.<sup>75</sup> Yet as late as 1860 wheat still provided almost 70 per cent of the average farm household's marketable surplus.<sup>76</sup> It was debt to merchants and land speculators that forced farmers to "mass produce" wheat. Sider notes of similarly indebted Newfoundland fishermen, that they

were constrained to produce an exchangeable commodity, generally in as large a quantity as possible... by imposed limitations on viable alternatives[. They] still controlled their own social relations of work – they themselves organizing the production and reproduction of the workforce. [They] were dominated at the point of exchange, rather than production, and although the severity of the domination at the point of exchange permeated all other aspects of their social life, still in the work process itself and in the social relationships within which the work process was organized (family and village life) they retained a certain autonomy.<sup>77</sup>

In other words, although these farmers controlled the labour process, the larger politics of production, including debt formation for the "fictitious commodity" of land, was used to entrap them in a commodity chain that applied a capitalist discipline that necessitated their maximizing yields of that commodity. The land market created by the change in government policy and the land companies was a critical tool in the creation of a disciplined workforce "mass producing" wheat. These commodity chains all passed through the district's commercial centre, the new corporation of Toronto.

### *Regulating Labour in the Corporation of Toronto*

Although the majority of the population of the Home District were isolated farmers, by 1834 one in five people lived in the narrow confines of the newly created corporation of Toronto. The town's commercial ribbon, King St., contained substantial brick buildings, such as "Chewett's Block," but was increasingly surrounded by the wooden tenements of working class pockets such as "Macauleytown." North of Queen St. the surrounding estate lots of the city's magistrates such as William Allan's "Moss Park" and Boulton's "Grange" hemmed in the entire city. Although the town was small, its population had

75. John McCallum, *Unequal Beginnings: Agriculture and Economic Development in Quebec and Ontario until 1870* (Toronto 1980), 20–1. Gagan, *Hopeful Travellers*, 43.

76. Marvin McInnis "Marketable Surpluses in Ontario Farming, 1860," *Social Science History*, 8 (Autumn 1984), 413.

77. Sider, "The Ties that Bind," 8. The comparison between Newfoundland fisherman and Upper Canadian farmers was first made by H.C. Pentland, *Labour and Capital in Canada 1650–1860* (Toronto 1981), 59, who contrasted the Truck system with paternalistic labour relations on the basis of unequal power relationships in the former that were lacking in the latter.

tripled in five years as the Parliamentary Under-Secretary in the Colonial Office, Robert Wilmot Horton, implemented a new emigration policy of “shovelling out the paupers,” the redundant agricultural workers and artisans whose swelling ranks sent the cost of parish-based poor relief in England spiraling.<sup>78</sup> Unlike earlier generations of emigrants, they were not to be granted free land. According to the liberal theorists of the day, “economic necessity” would effectively coerce these workers into selling their labour for wages, thus creating a market in that third fictitious commodity that would reduce its relatively high cost in the colony. Economic necessity in itself, however, did not prove effective; it also required a series of mechanisms of social control that applied penal sanctions to those in debt to force them to work. These issues can be productively explored through an examination the labour movement that emerged in Toronto in the aftermath of the labour strife marking the construction of James Grant Chewett’s office block.

Legal historians in the US have increasingly questioned the degree of freedom in early labour markets and pointed to the role of the law as a form of social control. They point to the means by which paternalistic labour relations were structured. They underscore that the law could be used to curtail workers’ freedoms in at least three ways. They point to the ways in which the law of Master and Servant was used as an implied contract that limited an employee’s ability to seek a better situation elsewhere before their term was up, on forfeiture of unpaid back wages.<sup>79</sup> Second, magistrates used the “anti-combination” (anti-union) laws to restrict workers’ ability to collectively bargain for increased wages. And lastly, the state prevented workers from leaving the labour market by passing vagrancy statutes.<sup>80</sup> There is similarly a large litera-

78. Rainer Baehre, “Pauper Emigration to Upper Canada in the 1830s,” *Historie Sociale/Social History*, XIV (28 1981), 339–67; H.J.M. Johnston, *British Emigration Policy 1815–1830: ‘Shovelling out Paupers’* (Oxford 1972), 51–4. Wendy Cameron and Mary McDougall Maude *Assisting Emigration to Upper Canada: The Petworth Project, 1832–1837* (Montreal 2000).

79. Paul Craven has questioned whether the law of master and servant ever applied in Upper Canada, citing a lack of prosecutions, and an 1847 act that declared “there to be no act in force to regulate the relations of master and servant.” (“Chapter 5 Canada, 1670–1935 Symbolic and Instrumental Enforcement in Loyalist North America,” in *Masters, Servants, and Magistrates in Britain and the Empire, 1562–1955* (Chapel Hill 2004), 196). Pentland, *Labour and Capital*, Chap. 1, n. 104, however, cites an 1839 document that convictions under the act were common. Here I argue that the laws for debt were used in the same manner as the law of master and servant to bind employees and limit their ability to change employers. Tom Brass has shown the comparatively widespread use of debt for this purpose: “It follows from a situation in which payment due a worker at the end of his contract is withheld by the creditor-employer precisely in order to retain his services, the resulting period of unpaid labour (engineered by the creditor-employer) necessitating recourse to subsistence loans on the part of the worker.” (*Towards a Comparative Political Economy of Unfree Labour* (London 1999), 12). While there are no records of prosecutions for violations of the law of master and servant, there are numerous prosecutions for debt, as will be discussed.

80. Seth Rockman “The Unfree Origins of American Capitalism,” in Cathy Matson, ed., *The Economy of Early America: Historical Perspectives & New Directions* (Philadelphia 2008),



ture in the Canadian context highlighting these same forms of paternalistic labour practices. Bryan Palmer, in particular, has pointed to the way in which “paternalism functioned not simply as an outgrowth of economic relations, but as a political practice.”<sup>81</sup> Paternalism bound master and journeymen through mutualistic ties and set both in a subordinate position to religious and political elites. Here I underscore the transformation in this paternalistic labour pattern as it was subjected to liberal capitalist politics of production in the new corporation of Toronto, i.e. the tensions that arose between the city’s gentlemanly capitalists and the mutualistic “mechanical interests.” While some attention has been directed at the use of the anti-combination and Master and Servant laws in early Upper Canada, little attention has been focused on the use of vagrancy laws, and the use of imprisonment for debt in this transformation.

The Liberal order framework applied a capitalist discipline that increasingly “deskilled” workers, leaving them with a reduced capacity to reproduce the paternalistic mutualism of the master-journeyman system. This capitalist discipline was first applied in the building trades not the factories. The introduction of “general contracting” by men such as John Ewart and John G. Howard was an economic revolution with political consequences that erupted in courts of law, in public meetings, and petitioning movements. These craftsmen collectively refused to work for general contractors<sup>82</sup> and sought to regulate the abuses of the apprenticeship system by “mercenary persons”<sup>83</sup> and to enforce a ten-hour workday. Although the political importance of the working class has been doubted in the age of reform politics, they petitioned the legislature for a “lien law” to ensure the more regular payment of their wages<sup>84</sup> and formed a “Mechanics Association” to combat the pernicious effects of competition with penal labour in direct response to the legal strategies being employed to deskill them.<sup>85</sup>

In 1831 the *Amicable Society of Bricklayers, Plasterers & Masons* of Toronto baldly stated, “the members of this Society [are] for the most part natives

354–5; Karen Orren, *Belated Feudalism: Labor, the Law, and Liberal Development in the United States* (New York 1991). Steinberg, *Capitalist Development*.

81. Palmer, *Working Class Experience*, 17. See also H.C. Pentland, “Chapter 2, The Pre-Industrial Pattern: Personal Labour Relationships,” *Labour and Capital in Canada 1650–1860* (Toronto 1981), 24–60.

82. *Canadian Correspondent* (Toronto), 23 November 1833.

83. *Colonial Advocate*, 10 March 1831.

84. *Patriot* (Toronto), 10, 13 December 1833.

85. I am thus arguing that this labour agitation generated a social movement and was not simply a series of strikes and confrontations as documented by Bryan Palmer in “Labour Protest and Organization in Nineteenth-Century Canada, 1820–1890,” *Labour/ Le Travail*, 20 (Fall 1987), 61–83. Palmer does touch on the development of the Mechanics Association in “Kingston Mechanics.”

of some part or other of the *old country*, as it is usually called, namely the Kingdom of Great Britain.”<sup>86</sup> The cultural and legal framework within which they contracted for work and hired men was no less than Upper Canada’s constitution, “the very image and transcript of that of Great Britain.” These immigrants quickly sought to establish and regulate the basic institutions of the building trades: friendly societies, the house of call, and apprenticeship. Friendly societies such as the *Amicable Society of Bricklayers* were worker controlled mutual insurance organizations. They provided an income in the case of strike, injury, or economic downturn. Their association with specific trades also made them useful vehicles for trade union organization.<sup>87</sup>

These Friendly Societies met at taverns, their “house of call.” These were well recognized places where journeymen looking for work could register and where masters looking for men could apply.<sup>88</sup> As their title suggests, journeymen were highly mobile and could rarely count on long-term employment. Only apprentices were retained for any length of time by masters, usually the period of their seven-year indenture to learn the trade. Having served an apprenticeship, journeymen owned their own tools and could be hired by the task (piecework), by the “job,” or by time. “Jobbing” was a form of subcontracting, in which the artisan provided not only his own tools but also his own materials.<sup>89</sup> Journeymen thus had a range of flexible employment options, which entailed frequent short-term stints of work and equally frequent periods of “tramping” looking for jobs. They differed from their bosses, the masters, less in the tasks they performed or their terms of employment (for even masters would “job”) than in their masters’ stability (having a shop) and willingness to take on large contracts and to subcontract. As no less than William Lyon Mackenzie reminded his own journeymen printers (during a strike), “Two things might be remembered with advantage – 1st, The golden rule; and 2nd, That many of the employed of 1833 will probably be employers in 1844.”<sup>90</sup> The house of call was thus a critical meeting place for the independent men of the trade (the “*Freemen*”) where they might negotiate terms of employment and provision of tools and materials.

Apprenticeship was the lynchpin of master/journeymen relations. Apprenticeship was the means by which artisans acquired their skills and controlled access to their trade, but poorly paid apprentices were the chief competition for jobs for journeymen. Both small masters and journeymen

86. *Colonial Advocate*, 1 December 1831.

87. Daniel Weinbren, “The Good Samaritan, Friendly Societies and the Gift Economy,” *Social History* 31 (Autumn 2006), 319–336.

88. I.J. Prothero, *Artisans and Politics in Early Nineteenth Century London: John Gast and his Times* (Folkstone, Kent, England, 1979), 30–3.

89. Donna J. Rilling, *Making Houses, Crafting Capitalism: Builders in Philadelphia, 1790–1850* (Philadelphia 2001), 129–30.

90. *Colonial Advocate*, 17 October 1833.

opposed the practice of larger employers who expanded their businesses and cut costs by intensifying their dependence on apprentices. In marked contrast to the independence of journeymen, apprentices were still indentured and hence subject to significant penalties for breach of contract should they abandon their masters. However, smaller masters were loath to bind too many apprentices for fear of being unable to provide work during periodic economic downturns. The larger employers, in turn, also required a large pool of independent journeymen; this allowed them to radically expand and contract their businesses as the situation required, and competition between independent journeymen for the few available jobs kept a downward pressure on wages. Thus both large and small masters and their journeymen had an interest in maintaining the apprenticeship system. The labour struggles of the period were, rather, about who was to control *access* to apprenticeship.<sup>91</sup> A paternalistic mutualism thus typified relations between masters and their journeymen that came under increasing attack in the corporation of Toronto.<sup>92</sup>

The introduction of general contracting transformed this system radically in the 1820s in Britain. General contracting did little to alter the techniques of building; it simply reorganized the bidding process by which construction contracts were awarded, and in so doing, challenged master-journeyman independence. The practice arose in the British "Office of [Public] Works" during the Napoleonic Wars. They rejected the prevailing view that putting a project in the hands of a single "undertaker" was to court disaster and instead obtained competitive tenders for the work to be carried out by a single builder at fixed cost.<sup>93</sup> This was a means by which they could limit their liability for cost overruns. By 1825 the system became common in the northwest of England, resulting in a steep fall in wages. This innovation was introduced in Upper Canada in the construction of public works such as the new parliament buildings, beginning in 1829. This placed the project in the hands of a single master builder who subcontracted portions of the project to the other trades. Rather than "job" the work to a subcontractor, the general contractor would

91. *Colonial Advocate*, 10 March 1831, Notice from the United Amicable Society of Bricklayers, Plasterers & Masons of Toronto.

92. We can hear the strains on this paternalistic mutualism in the voice of William Lyon Mackenzie when faced by a strike of his own journeymen printers: "Combinations like that of the printers are useful when not carried too far. But when they begin to foment divisions and animosities in society, when they array classes against each other who could otherwise be united by a common interest... they become injurious to society." (*Constitution* (Toronto) 26 October 1836).

93. E.W. Cooney, "The Origins of the Victorian Master Builders," *The Economic History Review*, n.s. 8 (May 1955), 174. A fuller discussion of the British context (from where it was imported by builders such as John G. Howard) can be found in Richard Price, *Masters, Unions, and Men: Work Control in Building and the Rise of Labour 1830-1914* (Cambridge 1980) and Linda Clarke, *Building Capitalism: Historical Change & the Labor Process in the Production of the Built Environment* (London 1992). The most extensive treatment of the emergence of general contracting in North America (although in a unique legal context) is Rilling, *Making Houses*.

provide his own building materials, hiring masters and their journeymen as labour only. By limiting “jobbing” the general contractors also eroded the traditional measures by which these jobs were costed. John Ewart, the general contractor for the new Parliament Buildings, for example, reduced the charge for brickwork from master mason Joseph Turton by £290 15s 8d. Turton charged according to the customary measure “16 bricks to the foot,” but Ewart claimed he physically counted only fifteen.<sup>94</sup> Turton thus petitioned the House of Assembly on 16 January 1834 for payment.<sup>95</sup> Thirty-nine master masons and carpenters submitted a deposition on 3 March 1834 that 16 bricks to the foot was the “usual customary and proper method” of measuring brick work.<sup>96</sup> Despite the Assembly’s defense of the traditional manner of costing brickwork, their attempts to pay Turton were repeatedly blocked by the Legislative Council and Lt. Governor.

The general contractors had no interests in perpetuating the master-journeyman system and its traditional standards of payment and were among the worst of the “mercenary persons” abusing the apprenticeship system and hiring unqualified workmen.<sup>97</sup> General contracting was the equivalent of the factory system in other trades: deskilling jobs, impoverishing, and stripping the worker of his status, independence, and “respectability.” “Skill,” we must remember, is socially constructed and its attribution was affected by the transition from the traditional costing of “jobs” to wage work. Craftsmen’s demands for higher wages were based on the attribution of skill conveyed by journeyman status and hence to payment by traditional scales. General contracting, in contrast, deskilled *jobs* not workers by hiring those without official qualification and thereby increasing competition in the labour market.<sup>98</sup> General contracting was clearly an issue in Toronto as early as 1831 although the matter did not come to a head until December 1833 (as Turton was appealing the assembly for payment), when the members of the United Amicable Trade and Benefit Society of Journeymen Bricklayers, Plasterers, and Masons resolved:

That in consequence of the serious losses by some, and great delay in obtaining payment for their labour sustained by many other Members of the Society, by having been employed by Contractors, sub-Contractors, and other persons not being of either of their respective

94. *Appendix to Journal of the House of Assembly of Upper Canada of the First Session of the Twelfth Provincial Parliament IV William IV* (Toronto 1835), No. 124, 13–17.

95. *Journal of the House of Assembly of Upper Canada, from the Nineteenth Day of November 1833 to the Sixth Day of March, 1834, in the Fourth Year of the Reign of King William the Fourth: Being the Fourth Session of the Eleventh Provincial Parliament* (Toronto 1834), 81.

96. *Appendix [1835]*, No. 124, 13–17.

97. *Colonial Advocate*, 10 March 1831.

98. Deskilling is too often confused with Taylorism and its resulting deskilling of the labour process rather than the attribution (or not) of skill and the contribution of worker controlled craft organizations in that recognition. D.J. Lee “Skill, Craft and Class: A Theoretical Critique and a Critical Case,” *Sociology*, 15 (February 1981), 57–9

Trades. That from and after the first day of January, 1834, *no Member* of the said Society, (now comprising nearly the whole of the best workmen in the Town) will work for any person whatever, other than a Master of their respective *Trades*, except it be direct for the Owner or Proprietor of Buildings – and further, not to work in company with any person of the respective Trades who is *not a Member of the Society*.<sup>99</sup>

It is important to underscore that the tension was between general contractors and labour and not in the mutualistic paternalism that tied master craftsmen to their journeymen. This call was a rearguard action to preserve the traditional master-journeyman system and struck at the heart of general contracting. This declaration followed a summer of discontent in the building trades.

The source of the tension with general contractors was their use of debt to bind otherwise “free” labour. The complaint of “great delay in obtaining payment” was repeated in June of 1833, when the friendly society of carpenters and joiners had called on their employers “for more punctual payments than what we have had in time past.” They demanded “\$5 per week on account, and a settlement at the end of each month.”<sup>100</sup> Carpenters and joiner’s could earn 6s. 3d. (\$1.56) per day. Few, however, were paid even close to this amount. According to an anonymous “Master Builder” (contractor), “they receive from 3 to 5 dollars per week, at an average; and a settlement when the employer gets in his money, or obtains installments upon his contracts, when the Journeymen are often paid from £5 to £20 of arrears.” This contractor argued the complaint of withheld wages was spurious as the carpenters were “well employed, and better paid this summer than any summer previous.” The journeymen carpenters “are endeavoring to suppress their Employers, who have large contracts in hand, and who pay their men honestly.”<sup>101</sup>

Thomas Dalton, editor of the *Patriot*, retorted:

It is indeed incomprehensible, how laboring mechanics *generally*, can by possibility live in comfort, or decency, with arrears of wages due to them, to the amount of £20... However scarce money may be, and however long credit may be expected, it is very absurd to expect such credit from Journeymen who ordinarily can only supply their families from hand to mouth. It is the rich alone who can afford long credits... Is it just, to put the laborer in the predicament of being fleeced when his toil has actually won the fleece?<sup>102</sup>

Journeymen, like farmers, thus incurred significant debts that limited their ability to alter the conditions of their employ. Although a “free market” in labour ostensibly existed, asymmetrical power relations rooted in debt were used to bind them to particular contractors. These workers could not easily abandon those builders who owed them substantial back-wages as a strike in

99. *Colonial Advocate*, 10 March 1831.

100. *Patriot*, 14 June 1833. See also *Canadian Correspondent*, 15 June 1833.

101. *Patriot*, 28 June 1833.

102. *Patriot*, 14 June 1833.

December of 1833 at the city's largest construction site, Chewett's block, was to show.

As already discussed, James Grant Chewett was an iconic, gentlemanly capitalist. His largest project, Chewett's building, was a "splendid block of lofty brick houses [erected] on King and York Streets, to comprise eight or ten tenements for stores or dwelling houses, with an extensive hotel at the corner..."<sup>103</sup> Its designer and general contractor was a new British emigrant, John George Howard.<sup>104</sup> Howard was to become one of Toronto's most famous architects and builders.<sup>105</sup> Besides Chewett's building, he built four large houses in Toronto the year he arrived and predicted he would build twenty of the 100 houses that would be built the next year.<sup>106</sup>

Months into the construction of Chewett's building, Howard recorded in his journal on 23 November 1833 that he was called to "meet Baalham & all his men in the long room of the tavern all together 30 of them having received a letter from them requesting me to do so." Howard's sparse diary entry does not give details of the discussions, though the nature of subsequent events makes it clear. The men were obviously concerned about arrears of wages, and now they were refusing to work for "any person whatever, other than a Master of their respective *Trades*, except it be direct for the Owner or Proprietor of Buildings." Howard's intermediary role as general contractor and the organization of labour at the site were obviously points of contention. On 21 December (just before Christmas) Howard paid Baalham a mere £25 for the 30 or so men under his employ, and subsequently on "23 Dec. 1833 Men struck work at Mr.

103. *Canadian Courant* (Montreal) 12 October 1833.

104. Howard's own memoirs describe him as the builder, and not just architect, of Chewett's building. *Incidents in the Life of John G. Howard, Esq. of Colborne Lodge, High Park, near Toronto; Chiefly Adapted from his Journals* (Toronto 1888), 4.

105. John George Howard was born in 1803 in Derbyshire, England, and initially trained as a carpenter and joiner. But in 1824, he made the transition from skilled "mechanic" to professional engineer when he entered a three-year apprenticeship with his brother-in-law, the London architect William Ford, with whom he remained employed until he emigrated to Canada in September 1832. In March of 1833, his architectural drawings were brought to the attention of Lt. Governor John Colborne, and he was appointed to teach geometrical drawing at Upper Canada College, thus ensuring his entry to Toronto's elite society. It was about this time that he began his productive association with James Grant Chewett, the deputy surveyor general of the province and received the commissions to design and build the Chewett block and Thomas Mercer Jones' house among others. These commissions cemented his reputation, and Howard went on to design many of the province's highest profile public buildings, including Government House in Toronto (1834), Toronto's third jail (1840), the Brockville court-house and jail (1841–43), the Toronto House of Industry (1848), and the Provincial Lunatic Asylum in Toronto (1845–49). For a discussion of the ambiguity of the builder/architect titles, see Sharon Vattay, "Defining 'Architect' in Nineteenth-Century Ontario: The Practices of John George Howard and Thomas Young," PhD thesis, University of Toronto, 2001, 29–64.

106. John George Howard, in Shirley G. Morriss, ed., *The Journal of John George Howard 1833–49: Book 1—Volume 1 1833–34* (Toronto 1980), 90.

Chewetts buildings today.” The striking workmen, however, were up against the formidable power of the Family Compact. James G. Chewett was not only the deputy surveyor general of the province, he had also been appointed a magistrate for York on the 27th March, 1833.<sup>107</sup> Chewett, gentlemanly capitalist and magistrate, had William Jarvis, sheriff of the Home District and elected representative for the city, lay charges against the men.

Since no court records survive, it is impossible to know precisely the charges laid against Baalham and his men. It is possible that Chewett challenged the very legality of these journeymen “combinations.” In Britain the “Combination Act” of 1799 made such unions “criminal conspiracies,” illegal until 1825 when the Act was finally repealed. Some have argued that the Combination Act never applied in Upper Canada. English criminal law was in force in Upper Canada by virtue of a reception statute passed by the House of Assembly, which fixed the date of reception of English criminal statutes at 17 September 1792, seven years before the Combination Act was passed.<sup>108</sup> This demarcation line was not, however, that clear as other acts passed after the reception date was subsequently accepted. If the Combination Act was taken as received, its repeal in 1825 was a separate issue again. As the matter was never settled in the higher courts in this period, we can only point to the general “indefinite area of toleration” for such combinations evidenced in the magistrates’ manuals for Upper Canada.<sup>109</sup> W.C. Keele’s “The Provincial Justice, or Magistrate’s Manual... compiled and inscribed by permission, to His Majesty’s Attorney General” was published in 1835 and stated without qualification that:

If any artificers, workmen, or laborers, do conspire, covenant, or promise together, or make any oaths, that they shall not make or do their works but at a certain price, or rate; or shall not enterprise, or take upon them to finish that another hath begun; or shall do but a certain work in a day; person so conspiring, covenanting, swearing or offending, being lawfully convicted thereof, by witness, confession or otherwise, shall forfeit, for the first offence, £10 to the King, if he have sufficient to pay the same, and do also pay the same within six days next after his conviction; or else shall suffer for the same offence twenty days imprisonment.”<sup>110</sup>

Given the repeal of the Combination Act in 1825 in Britain, Keele’s inclusion of it no doubt points to what Tucker refers to as a “social zone of toleration” of unions by workers, and the intolerance of them by their employers.<sup>111</sup> Any

107. *Appendix [1835]*, 118.

108. Eric Tucker, “That Indefinite Area of Toleration: Criminal Conspiracy and Trade Unions in Ontario, 1837–77,” *Labour/Le Travail*, 27 (Spring 1991), 21.

109. Tucker, “That Indefinite Area,” 15–54.

110. W.C. Keele, *The Provincial Justice, or Magistrate’s Manual: being a complete digest of the criminal law, and a compendious and general view of the provincial law: with practical forms, for the use of the magistracy of Upper Canada compiled and inscribed by permission, to His Majesty’s Attorney General* (Toronto 1835), 488.

111. This social zone of tolerance is reflected in a Kingston jury’s acquittal of a number of jour-

justice of the peace, Chewett included, could have any striking worker jailed on these terms, its untested formal legality notwithstanding. Howard recorded that he and Chewett visited Baalham in jail on the 11th of January 1834 and on the 18th Chewett's "trial with his men came on" at the King Street Court House. No records of the trial survive, but on the 31st of January, Howard went with Chewett "to the Sheriff's office [and] gave him £85 to be given Baalham's men" six weeks after they first struck for the payment of back wages. Although the award would seem to signal a partial victory for the workers, they remained without any legal recourse to ensure the continued regular payment of their wages.

This equivocal success in applying the anti-combination statutes may help explain the other means of social control later adopted to combat strikers. In late 1836, in the midst of a severe trans-Atlantic depression, the city's 20 journeymen printers and 80 tailors also went on strike.<sup>112</sup> In delineating the legal framework by which labour was regulated, we must look beyond the anti-combination laws and the law of master and servant and include the same laws for the recovery of debt by which farmers had been so successfully transformed into "wheat miners." The threat of imprisonment for debt was itself effective, as we saw, but over the course of the decade, these mechanisms were refined and extended as district jails were supplemented with the House of Industry and the penitentiary. Rainer Baehre has argued that "welfare" reforms adapted from Britain were introduced to create a working class and suggests that this accounts for the surprising choice of Sir Francis Bond Head, a former Assistant Poor Law Commissioner, as the province's first civilian Lt. Governor in 1836.<sup>113</sup> Sir Francis was a retired half-pay army officer who had been named an Assistant Poor Law Commissioner in Kent in 1834. The Poor Law Amendment Act sought to create a disciplined working class of wage labourers by limiting relief to those who entered a workhouse, or "House

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neyemen bakers on charges of conspiracy to increase wages, in opposition to the presiding magistrate J.S. Cartwright's address in late 1836. Tucker, "That Indefinite Area," 19–20, 25. Tucker also points to a similar jury verdict in a strike by journeymen tailors in Kingston in 1841. Some 70 to 80 journeymen tailors in Toronto struck the city's ten masters in Nov. 1836 demanding higher wages during the formation of the Mechanics Association (*Patriot* 22, 25 Nov. 1836); no charges of criminal conspiracy were laid, although the House of Industry Bill was introduced shortly thereafter as a potential means of jailing strikers.

112. The Typographical Union of Toronto struck in October, 1836, for higher wages and a limit on the number of apprentices per shop. *Patriot* 25 October, 1 November 1836; *Correspondent & Advocate*, 26 October 1836; *Constitution* 26 October, 2 November 1836. Mackenzie fired six of his eight journeymen, leading F. H. Armstrong to question how supportive he was of the master-journeyman system: "Reformer as capitalist: William Lyon Mackenzie and the printers' strike of 1836," *Ontario History* LIX (1967), 187–96. Seventy to eighty journeymen tailors struck against the town's nine master tailors the next month; *Patriot* 22, 25 November 1836; *Constitution* 7 December 1836.

113. "Pauper Emigration to Upper Canada in the 1830s," *Histoire Sociale/Social History* xiv (28 1981), 339–67.



of Industry.” Here I argue that they also served as a disciplinary extension of the laws of imprisonment for debt.<sup>114</sup>

John Cartwright, a Kingston lawyer and president of the Commercial Bank, introduced Bond Head’s bill to establish Houses of Industry in each district of the province in the House of Assembly in Nov. 1836 in the midst of the printer and tailor strikes.<sup>115</sup> While ostensibly a social welfare measure, the bill allowed any two magistrates to commit any able bodied, unemployed person and “all such as spend their time and property in Public Houses, to the neglect of their lawful calling.”<sup>116</sup> The law would clearly apply to striking workers. This draconian measure allowed for the indefinite imprisonment of the unemployed “vagrant” (or striker) in state institutions with no appeal and no jury. Thomas Dalton thought this bill “so entirely free from every particle of the leaven of party strife... that it seemed *impossible* for faction to fix its slanderous tongue and venom fangs upon it, yet strange to say, the ingenuity of our virtuous *Reformers*, those great friends of the “*poor oppressed people*,” made it, during the late extraordinary session, the principal subject of their vituperation and abuse.”<sup>117</sup> The degree of opposition is not surprising, given that it was proposed in the middle of a trans-Atlantic economic recession that had hit Toronto hard.

These strikes are thus indicative of a growing labour movement and hence of the need for new institutions of social control. These early strikes were organized by trade-specific friendly societies typical of the paternalistic craft order. Yet as quickly as they formed in the city, they also took part in a province-wide association to protect the “mechanical interest.” The strike at Chewett’s building, for example, led the friendly societies of both carpenters and bricklayers to produce a petition to the House of Assembly, calling for a “*lien law* somewhat similar to an act of that name now in force in New York, by which the wages of the workmen employed in buildings are very adequately protected.”<sup>118</sup> The *Patriot* reprinted a copy of the New York law verbatim on 13 December 1833. The law required the commissioner of a building to withhold labourers’ wages from installment payments made to contractors and to pay those labourers directly. The petition of George Gibson, a carpenter and self-described “radical,”<sup>119</sup> and half the adult male population of the city was presented to

114. For a fuller discussion of the creation of the Toronto House of Industry and its relationship to Bond Head’s enabling legislation, see Schrauwers’ *Union is Strength*, chapter 1.

115. *Journal of the House of Assembly of Upper Canada, from the Fourteenth day of January to the Twentieth day of April, 1836 in the Sixth Year of the Reign of King William the Fourth: being the Second Session of the Twelfth Provincial Parliament*, (Toronto 1836), November 24.

116. Statutes, Chap. xxv 7th William IV, 1837, First Session.

117. *Patriot*, 13 October 1837.

118. *Canadian Correspondant*, 7 December 1833.

119. *Correspondant and Advocate*, 10 September 1835.

the House by the representative for Toronto, William Botsford Jarvis, also the Sheriff for the Home District, on the 18th and read on 20 December 1833. Jarvis was to arrest Baalham's men for striking for back-wages three days later. The petition was referred to a Select Committee composed of Messrs. Jarvis, Hornor, and Robinson. They prepared a "Mechanics Protection Bill," but as William Lyon Mackenzie correctly predicted, "Nothing will be done on it this parliament. It may pass the next, if the legislative council be new modelled."<sup>120</sup>

This broad association of craft-based friendly societies went on to organize itself as a "Mechanics Association" in 1836, with branches in Kingston, Toronto, and Dundas.<sup>121</sup> This province-wide association had its early roots in working-class opposition to the use of convict labour in the new penitentiary. This opposition was first organized in Kingston in 1833 and widely debated in Toronto as the petition for the "lien law" was being prepared. The artisans argued that these products would compete with their own, lowering prices and impoverishing them. As the penitentiary neared completion in 1835, the mechanics and tradesmen of Kingston again petitioned the legislature. A similar public meeting was called in Toronto in March. Neither petition was successful, and by August 1836 a public meeting was again called just before the provincial elections in Toronto to form a Mechanics Association, similar to ones being formed in Kingston and Dundas. They formed this association just as the journeymen printers and tailors of Toronto struck, and the bill to introduce Houses of Industry was under consideration.

Key to coordinating the associations were Charles Sewell, a Kingston watchmaker who was part of the 1835 petition movement and who moved to Toronto that year; and William Lesslie, a Kingston storekeeper in a family business with branches in Toronto and Dundas, who similarly moved to Toronto in 1835. Sewell went on to become the secretary of the new association. In explaining the need for such an innovation, they stated

whilst all other classes have some methods of co-operation sufficient for their purpose, the Mechanical interest, for such purpose were wholly unrepresented: that the Commercial interest through their Board of Trade, and from the constant intercourse of the merchants in the Reading Room have immediate notice of any matter affecting their interests, which can be instantly attended to, and quietly remedied, without any person except themselves knowing of its existence – whereas the Mechanical interest in similar cases, have hitherto had no other method of making known their complaints, but by public meetings, generally an inefficient instrument for that purpose, and moreover cannot be resorted to very frequently, and not at all by those who may perhaps be the greatest sufferers.<sup>122</sup>

120. *Advocate*, 28 December 1833.

121. *Courier* (Toronto), 17 August 1836; *Correspondent & Advocate*, 24 August 1836; *Journals of the Assembly [1836]* 7 December, 21 December 1836, 15 February 1837. Palmer, "Kingston Mechanics," 13–7, discusses the anti-penitentiary movement in Kingston which gave birth to the Mechanics Association at length and provides a detailed list of the major actors, including William Lesslie and Charles Sewell.

122. *Courier*, 17 August 1836.

The shift from public meetings to the formation of “political unions” for the purpose of organizing petitions of this sort was the primary form of political activity of the era and had resulted in the “Great Reform Act” of 1832 in Britain.<sup>123</sup> The founding of the Mechanics Association coincided with the demise of the prior Canadian Alliance Society under its new patrician leader, Dr. William Baldwin. Economic conditions had obviously shattered the mutualism binding the mechanics and the reformers, as Mackenzie’s reaction to the strike in October showed. The new Association was thus intended to politically represent the “mechanical interest” only – that is, masters and their journeymen – “either by petition to the Legislature, or to any other branch of Government, for any alteration or extension of duties, by enforcing the law against such as may violate it to their injury, by addresses to the public or its own members.”<sup>124</sup> As such it is similar to the National Union of the Working Classes (founded in 1831) in London, which was to instigate the Chartist movement in 1838, or the American Workingmen’s party in New York, whose circle Mackenzie was ultimately to join.<sup>125</sup>

### **Gentlemanly Capitalism & the Politics of Production in Upper Canada**

IT IS THUS POSSIBLE, at last, to tease out the meanings of Mackenzie’s hyperbolic declaration – six months before the Rebellion – that Upper Canada stood on the brink of revolution; this revolution was neither of the French nor the industrial kind. This battle was between “law sanctioned privilege” and the “power of honest industry.” The gentlemanly capitalists that controlled the legal levers of state and its corporate shadow had successfully engineered the commodification of land, labour, and money in the colony and so ensnared it in the commodity chains that led back to Britain. They sought to alter and control the politics of production, the social and legal framework within which both capital and labour had to reproduce themselves. The “power of honest industry” did not refer to industrial production but to its supposed product, the emergence of an “industrious” class; a working class that was becoming politically active in the recognized forms of the day, the “political” (not quite labour) unions. Yet as Kristofferson has noted of Hamilton some two decades later, this politically mobilized class continued to be characterized by

123. Carol Wilton, *Popular Politics and Political Culture in Upper Canada, 1800–1850* (Kingston/Montreal 2000).

124. George Walton, *The City of Toronto and Home District Commercial Directory and Register with Almanack and Calendar for 1837 being First after Leap-year, and the Eighth Year of the Reign of his Majesty King William the Fourth* (Toronto 1837), 47.

125. Gregory Claeys, *Citizens and Saints: Politics and Anti-politics in Early British Socialism* (Cambridge 1989), 174–189; Lillian Gates, *After the Rebellion: The Later Years of William Lyon Mackenzie* (Toronto 1988), 112; Sean Wilentz, *Chants Democratic: New York City and the Rise of the American Working Class, 1788–1850* (Oxford 1984), 339–40.

the mutualism of masters and their journeymen.<sup>126</sup> The strongest class antagonisms of the period were not between entrepreneurial masters seeking to industrialize and hence deskill their journeymen. The class antagonisms and resulting politics of production were, rather, between a “mechanical interest” increasingly losing control over their own labour and those gentlemanly capitalists seeking to impose new forms of worker discipline through the creation and control of debt. Both farmers and artisans were constrained to produce goods more cheaply despite retaining a great deal of control over the labour process itself.

The “Great Transformation” between 1825 and 1837 was an effect of disparate governmental strategies and not a teleological unfolding of the “spirit of capitalism” by individual entrepreneurs. The emerging liberal capitalist order was constructed piecemeal as specific corporations were created to implement governmental functions without parliamentary accountability. The colonial state’s need for independent revenues from the elected legislature pushed it to sell land. It implemented this policy primarily through corporations. In doing so, it also created a landless working class bolstered by British pauper emigration. Balancing trade with Britain necessitated the production of a marketable staple, wheat, and the debt acquired by farmers in buying land proved a potent means of maximizing their production, of transforming them into wheat miners. This commodity chain made the shadow state, the Bank of Upper Canada, both possible and necessary. The Bank fetishized elite liabilities as a means of exchange, money. Gentlemanly capitalists, themselves protected by limited liability, were thus able to regulate labour through recourse to punitive laws that could ultimately jail debtors in institutions like the district jail and the proposed House of Industry. Debt was used to control rural farmers and urban tradesmen and was the primary inspiration for their political mobilization. Although a market in labour was being created, labour itself was not “free.” I have emphasized the role of debt, and the punitive series of laws for the recovery of debt, in binding labour. The threat of a suit (and escalating legal costs) and imprisonment for relatively small debts was a potent weapon against farmers and tradesmen alike. As the decade progressed, these laws were refined through the introduction of enabling legislation for a “House of Industry” to incarcerate “those who neglect their lawful calling.”

Although I emphasize the disparate strategies and ends employed, a common organizational form, the early corporation under the leadership of gentlemanly capitalists, served to remove a great deal of the politics of production from the realm of the state and hence debate in the legislature. The Bank of Upper Canada, the Clergy Corporation, the Canada Corporation, and even the Corporation of Toronto, were dominated by a closed group of gentlemanly capitalists whose interlocking directorships coordinated the transformation underway. Although individual members of the Family Compact might have

126. Kristofferson, *Craft Capitalism*.

different economic priorities and projects, they managed their conflicts in the corporate rather than legislative arena. While the political traditionalism of the Family Compact has tended to be over emphasized, their economic innovations in finance capital and corporate organization have been overlooked. It is gentlemanly capitalism, not the industrial revolution, which applied capitalist discipline in the colony in the pre-Rebellion period.

The effect of these disparate strategies was the deskilling of labour. The "improved farming" of gentlemanly capitalists depended on a class of day labourers. Ordinary farmers were forced to abandon subsistence-oriented mixed farming for "wheat mining" so as to maximize the yields of the colony's primary staple export. Under the practice of general contracting, the masters and journeymen of the building trades also found it increasingly difficult to maintain control of their own labour. The abuse of the apprenticeship system, the attack on traditional means of costing work, and the substitution of day labour for "jobbing" (subcontracting) all eroded the ability of craftsmen to reproduce the master-journeyman system. The process of deskilling labour was not the result of technological changes in production, but rather, was the product of a social revolution in the larger production regime with obvious political repercussions.

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