

was the chief inspiration for the battle cry of "No dependence upon foreigners", used so effectively later on to maintain the colonial protection granted at this time.

By the end of the war, imports into Great Britain of British North American squared timber surpassed imports from the Baltic. Imports of colonial "deals" were also reaching a very respectable total. The "differential duties", as they were then termed, had, by this time, become enormous, and constituted as strong an inducement to the expansion of the local industry (almost entirely financed by British capital, and managed by branches of British houses established at Quebec or St. John) as could well be imagined. Several successive increases had, by 1815, brought the preference on Canadian deals in the English market up to the equivalent of forty-seven dollars per thousand. Despite very high prices,¹ this almost amounted to a monopoly. There is no clearer case of an industry having been called into existence overnight by artificial stimulants.

Keeping pace with increased demand, the regions of production within the country had expanded. In the Canadas, before 1800, the valley of the Richelieu and that of the St. Lawrence from just above Montreal had provided adequate supplies. By 1815, timber was coming from Upper Canada, from lake Champlain, from the valleys of the lesser tributaries and, above all, from the Ottawa, the exploitation of the resources of this river marking a new era in the industry. The chief product was square timber, in the making of which almost any one of energy and resource could engage, there being little elaborate equipment and comparatively small outlays of capital required. Timber-making thus tended to be more or less of an amateur occupation. Inevitably, most of those engaging in it did so to their financial ruin. But under the stimulus of the differential duties, organization came rapidly, and it was not long before ambitious saw-mills were built to cut for the export trade. The small mill, cutting for local uses only, was of rather a different species, and as a rule appears to have followed fairly closely in the wake of the settler.

Due to the same set of circumstances, an important ship-building industry was also developing, especially in New Brunswick. This province was favourably situated, its supplies of timber coming down its rivers to the open sea. The ships were of a very cheap and short-lived type and were mostly sold in England and added to the British mercantile marine. The ship-building industry reflected the fortunes of the timber trade and exhibited the same ability to thrive despite the loss of the British preference (see below). In fact, by mid-century, by which time the preference had almost vanished, there was a distinct improvement in the class of vessel built. The decay of ship-building was due to other causes, chiefly to inability to compete with the new iron and steel steamships.

Of local regulation, save for the general reservation to the Crown, in all deeds of land, of timber "fit for naval purposes", there was little or none until the late twenties. Licenses to cut, based on Admiralty contracts, were supposed to be obtained, but much of the timber was cut by trespassers on the Crown lands. For this practice the uncertain origin of the timber cut on the Ottawa, the boundary of the two provinces, was very convenient. From about the year 1826 on, regulation was attempted, and by mid-century a fairly definite forest policy had been sketched out.

Although our export trade to Great Britain continued to expand very rapidly, its growth was at the expense of the trade of the Baltic countries, for industrial

¹See illustrative price table at end of article.