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Aller au sommaire du numéro

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The Canadian Grain Trade in the 1840's The Buchanans' Case

The commercial crisis of the later 1840s is one of the best known in Canadian history, thanks to its association with the repeal of the Corn Laws and the decline and collapse of the "empire of the St. Lawrence". These years, it is said, marked the "material defeat of the northern trading organization", while 1846 was "the black year of the Canadian commercial system".[2] More depressed years were to follow; by 1849, Careless says, "for the businessmen of the St. Lawrence, at least, Canada . . . was a country almost without hope."[3] Elgin's description of conditions in 1849 is well known.[4]

> The downward progress of events! these are ominous words! but look at the facts. Property in most of the Canadian towns has fallen 50 p ct in value within the last three Years. . . . Three fourths of the commercial men are bankrupt.

Thus, when writing the history of the large trading business developed by Peter and Isaac Buchanan, I was surprised to see that, after some anxious months in 1847, the Buchanans' business reached its peak in terms of security, profitability, and independence in the years 1848-1851. The business's handsome profits then in the Upper Canada import trade suggested that some at least were prospering in Canada in these years. But the business also did very well in the Montreal grain trade in the same years spoken of above in such bleak terms. In the thirty-three months from April, 1846 to December, 1848, the Buchanans' Montreal house, known as Isaac Buchanan and Company, earned net profits of over £32,000, mainly, correspondence reveals, in the grain trade. In the single year, April, 1847 to March, 1848, this house earned £17,500, the highest one-year profit in the entire 35-year history of its operations, and a sum exceeding the profit of all the Buchanan operations in any previous year.[5]

How was one Montreal firm able to prosper in the grain trade in such a period? Was the Buchanans' experience typical, in which case what is to be made of the Montreal business community's lamentations that have so shaped our knowledge of these years? Or was their experience unusual? If so, what protected the Buchanans from the general experience of the period? To answer these questions, it is necessary to explore the structure of Canadian trade in the period and to see the Buchanans' business in this context.

I

Peter and Isaac Buchanan founded their business, known in Toronto as Isaac Buchanan and Company and in Glasgow as Peter Buchanan and Company, in 1834, intending primarily to wholesale British dry goods in Upper Canada. Upper Canada grew rapidly in the next twenty years, especially after 1840 when wheat became a reliable export staple. The Buchanans' import business grew rapidly too, as settlement spread into its hinterland in western Upper Canada. Their business depended ultimately on the success of the wheat staple, but nothing required them to engage in the grain trade themselves; indeed they felt at first that the trade was a potentially dangerous sideline that could divert attention and capital from the more secure import trade. Even so, in the 1830s they sometimes bought ashes for or consigned them to friends in Glasgow and took staves, wheat, and flour in payment from customers.[6] In 1840, however, as exports of Upper Canadian wheat began to mount,[7] a variety of pressures led the business to change its outlook on the produce trade.

In 1840, the Buchanans began a major expansion of their business system by opening a new branch in Hamilton, Buchanan, Harris and Company. Despite its weaknesses, Hamilton, they felt, was the best location to command the trade of western Upper Canada. The town's most glaring lack to them was its want of a good grocery wholesaler to supply general retailers with an important part of their stock. Hence the Buchanans soon decided to open a grocery department. This in turn seemed to require a man in Montreal, where the Canadian grocery trade centred, to buy groceries. They chose as buyer James Law, who, though still only 24 years old, had already been a partner in a Toronto grocery firm that had failed and was now Toronto agent for the City Bank of Montreal. He knew the produce trade well. So too did John Young, the Buchanans' new Hamilton partner, as a result of his association with Pollok, Gilmour and Company, the well-known timber firm.[8] Because the grocery trade alone would not support Law in Montreal, it was proposed that the business take advantage of his presence in Montreal, the focus of the Canadian grain trade, to expand produce trade and render his office self-sustaining.[9] An added attraction was that the Buchanans would not normally need to tie up their own capital in the trade. Upper Canadian banks were anxious to advance funds to support grain transactions, at long enough terms that wheat could be milled, shipped, and sold before bills fell due.[10]

Expansion in these years required the business also to increase its

British borrowing. This proved quite easy, for the deepening depression in the cotton trade after 1839 was leading firms in it to seek other trade.[11] Thus the business secured an export credit totalling £15,000 from the Liverpool house of Molyneaux, Witherby and Company. Percival Witherby, the Buchanans' contact in this firm, hoped his connection with the Buchanans would lead also to a growing role for him in the Canadian grain trade, whose prospects seemed most promising in the early 1840s.[12] High British prices, above average imports, and the availability of good wheat land in Canada all suggested that a new British import staple might be emerging. In any case, it was expedient for the Buchanans to supply some grain to a major backer.

There was of course no lack of would-be grain traders in Upper Canada; however, the Buchanans possessed particular strengths for the trade. They had a well-established import business focused on western Upper Canada, where new wheat acreage was rapidly coming into production. Members of the business toured the west regularly, looking into customers' affairs and seeking new customers. In their travels, they came naturally to know many millers and small-town grain merchants, while their own customers, newly established retailers, very often dealt in grain as well.[13] Isaac Buchanan assured Witherby that no one knew the west better than his firm,[14] and there seems no reason to question the claim.

Peter Buchanan and Witherby had discussed joint grain transactions during 1840, but it was Isaac Buchanan, impressed by the excellence of the 1840 harvest in Upper Canada, who formally launched the firm on its first large produce speculation. In December, 1840, he wrote to Witherby, then in New York, proposing a joint speculation involving 10,000 barrels of flour.[15] Buchanan, Harris and Company would draw on Molyneaux, Witherby and Company for funds to buy flour, or wheat for flouring; Molyneaux, Witherby and Company would sell the produce in Britain and guarantee the sales, charging a commission of five per cent before remaining proceeds were divided equally. John Young then set up a joint account with Hamilton's largest customer, the firm of Osborne and McIntyre, who would actually buy the wheat and flour up to a limit of £10,000.[16] Witherby, pleased at these beginnings, visited Canada in the spring and left planning enthusiastically to expand his Canadian produce trade.[17]

In 1841, the firm evidently expanded commission trade with regular customers as well. Actual results of its 1841 ventures do not survive, though some profit was realized, but the Buchanans found themselves not entirely happy with the strains associated with the trade; every fluctuation of the grain market took on much greater significance now that their direct stake was so much greater. Much of the wheat and flour was sold in Montreal or even in Upper Canada, when prices there yielded a sure profit, but some grain at least was consigned to Liverpool.[18]

Peter Buchanan crossed to Canada in late summer, 1841, planning to spend a year or two in Canada, and once the Canadian Legislative Assembly's session ended, Isaac Buchanan planned to return to manage Glasgow operations for a time. As a result, neither was in Britain in September, when Molyneaux, Witherby and Company failed after a disastrous cotton speculation. The Buchanan name was on Molyneaux, Witherby paper totalling close to £30,000, and this threatened difficulties for the Buchanans themselves.

Isaac left for home on receipt of the news. When he reached Liverpool, he found the firm's affairs in perfect order. Its principal banker, the Glasgow and Ship Bank, which was controlled by the Dennistoun family, had arranged for A. Dennistoun and Company, the family firm in Liverpool, to take the Buchanan account, pay obligations, and sell produce arriving (Witherby having generously declined to lay claim to it). Like Witherby's firm, A. Dennistoun and Company was a cotton house in search of new trades. The bank had seen this as a chance to enhance Dennistoun connections with the increasingly well-thought-of Buchanan business and the Canadian trade. Thus the Buchanans escaped without loss and with a new and powerful backer in Liverpool.[19] A. Dennistoun and Company too was interested in securing produce consignments, but after their 1841 experience, the Buchanans would move cautiously.

II

For Upper Canada, Montreal remained the major grain market throughout the 1840s, though some grain went to the United States even before legislative changes began to facilitate the trade in the mid-1840s. Final markets for grain using the St. Lawrence were Lower Canada itself, the Ottawa Valley, the Maritime colonies, the West Indies, and, increasingly important, the British Isles.[20] With their bases in Upper Canada, Montreal, and Glasgow, the Buchanans were well-placed to secure a position in the Montreal market and the growing trans-Atlantic trade. They sold much of the grain they handled in Montreal, but would ship overseas when it appeared profitable or when a consigner requested them to do so.[21] In addition, they secured buying commissions for Law in Montreal at times from British grain importers.

To enter the trade, merchants could either purchase grain themselves or secure consignments of grain from inland merchants and millers and sell these on commission. The former offered the greater possibility of profit but also the risk of loss. The latter, generally the more secure arrangement, was preferred by the prudent businessman, but consignments could only be secured by extending advances against them. Thus, capital was tied up in either case, and if an advance was inadequately secured, money could as easily be lost in one as in the other. Hence most businessmen, including the Buchanans, mixed own-account and commission dealings, together with the intermediate practice of the joint account, in which risk and profit were shared on an agreed basis by two or more parties.[22]

Finance, the management of capital and credit, was a central element in the business. As their own capital was usually fully engaged in the import trade, the Buchanans' grain operations required outside financing, either from Canadian banks or from the Dennistoun interests. To operate on their own account, they drew bills of exchange on A. Dennistoun and Company or on their own Montreal or Glasgow firms up to an agreed limit, discounted the paper in one of the banks, and used the funds so raised to purchase wheat or flour. Before the bills fell due, British merchants expected to receive the grain itself for sale, or else to receive payment if the grain had been sold in Montreal, Upper Canada, or New York. When grain was shipped, the British merchant expected to receive a bill of lading promptly to give him control over the shipment.[23] The Canadian banks expected payment when bills fell due, although often they would permit redrawing against a shipment that had not yet been sold.[24] The banks, which by law were not permitted to lend on such security as bills of lading, relied instead on the reputation of the firms to which they lent.[25]

When the Buchanans operated as commission merchants, they became the nominal creditors, though they in fact drew on others' resources. To secure consignments, they were prepared to advance up to 75 per cent of the value of a consignment, but it was difficult to keep to this limit. Very frequently, millers sought advances to buy wheat for milling; until the flour was ready for shipment, however, the business could not be sure how much the miller would actually consign. It could only insist on receiving bills of lading or warehouse receipts for consignments as soon as possible, and that all consignments be insured in the firm's name.[26] Members of the business travelled throughout the west during the winter, signing special contracts with some potential consigners and offering credits to others. Consigners were given the right to draw bills on James Law or, after 1844, on the Montreal firm of Isaac Buchanan and Company through whichever bank had granted the credit to the Buchanans. The Buchanans used most of the banks with an interest in the Upper Canadian trade at some time. Their firm was now an eminent one, in Canadian terms, and the banks were usually pleased to have their business.[27] The term of bills generally varied with the date drawn, to allow the customer to get produce to Montreal before the bills fell due. Thus bills might be at seven months date in November, six in December and January, but only three months in May.[28]

As has been seen in 1841, the Buchanans engaged in two types of joint account. In one, with a British firm, the Buchanans did the buying, in Upper Canada or in Montreal, and the British firm did the selling. In the other, a customer of the Buchanans did the buying and often the milling in Upper Canada, and the Buchanans' Montreal house handled sales. Because inland joint accounts usually depended on the Buchanans' credit, the Buchanans were able to charge sales commissions before profits or losses were divided. On overseas joint accounts a buying commission was included on the invoice, but Peter Buchanan might waive it.[29] As has been seen, Witherby charged a selling commission, but on most later accounts no commission was charged by the British firm. The ability to charge a commission depended on the relative power of the parties to the account and on the services provided by each. Though no direct evidence survives on the point, the Buchanans may at times have sold grain from an inland joint account to an overseas one, collecting commissions on both parts of the transaction.

When operating on their own account, the Buchanans reckoned to sell when a sure profit offered: "the great object is to make a turn quickly."[30] Thus they often sold grain to arrive in Montreal, Glasgow, or Liverpool, or they would sell grain that was still in transit or storage in Upper Canada. Beyond this simple objective, they knew of no certainties in anticipating price trends. Peter Buchanan put the view succinctly:

> The grain market is quite an enigma and experience satisfies me that no calculations whatever can be founded upon it for many weeks at a time. . . . There is something dangerously insinuating even in coming in contact with a grain man . . . .[31]

Although they often calculated differentials between markets as they debated whether to ship overseas or to sell, the Buchanans could never be sure of latest British prices when such decisions were made in Montreal. They had always to be acutely concerned with short-term fluctuations in the market, which would determine profit or loss.[32]

Besides their roles in buying, finance, and sales, the Buchanans played some further roles in the actual handling of grain. Either they or the consigner had to arrange for inspection, cooperage, carting, wharfage, shipping, insurance, storage, and payment of various tolls and duties. While most such items were normally the consigner's responsibility, he might well ask them to arrange insurance or to assist in finding a ship, or they might insist on arranging insurance to secure their advances. The Montreal house paid freights and certain other charges on arrival of a consignment in Montreal. Actual outlay on the consigner's account was charged to him, along with any bank commission or brokerage that the transaction might require. The Buchanans used their own Montreal store for grain only when it had empty space; otherwise, they used various waterfront warehouses. On trans-Atlantic consignments, insurance seems to have been arranged in Britain, not Montreal.[33]

Sales might be made by samples placed with a broker or by direct inspection. There were, however, general grading categories on which "to arrive" contracts were based.[34] Established mills doubtless had reputations as to the reliability of their descriptions, but in any case if a consignment failed to meet the standard guaranteed by the consigner, the contract would have to be adjusted, the consigner bearing any loss. To avoid spoilage, the Buchanans used only "first-class" vessels and urged consigners to do likewise. They tried to keep out of the St. Lawrence market late in the fall, when insurance premiums and risk of damage by delay were greatest, but evidently they were not always successful in this endeavour.[35]

Details of the trade's structure might be elaborated, but these comments draw together the important factors from a business viewpoint. For the economy as a whole, the determinants of prosperity were aggregate harvests, average price levels and production costs,[36] and the costs of shipment to market. For the individual businessman, however, these things were essentially given. What mattered was his efficiency in moving the grain along the channels from producer to consumer, and his judgement of trends in the trade as a whole; in a word, his ability to compete with others in the same trade.

III

After their substantial entry into the grain trade in 1841, the Buchanans' trade grew only slowly for several years. This was in part a deliberate policy adopted after Witherby's failure, but it also reflects greater competition in the trade. As total Canadian grain exports dropped in 1842 and again in 1843, it must have been difficult to secure as much grain as in 1841.[37] Intensification of competition is revealed too by rising advances and falling commissions. Some consigners failed to cover advances and fell behind on their accounts by as much as £5,000.[38] Such consigners had, in effect, been caught by falling prices. They had taken excessive advances and might also have used them for other purposes than the grain trade, such as improving a mill or speculating in land. One consigner was already so far behind on his account by early 1842 that the firm took over his mill, the "Sydenham Mill", to work on its own account in hopes of recouping some of the arrears of over £3,000.[39] Where the Buchanans had charged at least five per cent (2½% sales, 2½% guarantee) on sales in 1841, the real rate by 1845 was usually just 2½ per cent, and some independently financed consigners secured rates as low as 1½ per cent.[40] At such rates, the risks of commission business could outweigh the likely profit from it.

Table I

Commission Account, Montreal
Sums Carried to Profit & Loss[41]

1841 – March, 1842	£734cy
April, 1842 – March, 1843	843
April, 1843 – March, 1844	1182
April, 1844 – March, 1845	2619
April, 1845 – March, 1846	2754
April, 1846 – March, 1847	6311

The best evidence of the pace at which the Buchanans' trade grew is to be found in Table I. Despite growing income recorded in it from pig iron sales after 1844, "commission account's" profits were earned primarily in the grain trade. Any net earnings from own- and joint-account dealings were additional to these profits and were often recorded in the books at Toronto, Hamilton, or Glasgow, rather than in Montreal.[42] Thus there was a period of slow growth until 1844. The upturn then reflects several factors, notably a better Upper Canadian harvest in 1843 that shows up in higher Canadian grain exports in 1844, the general business prosperity of 1844, and the Canada Corn Act of 1843. The rise also reflects, however, a conscious policy decision. Early in 1844, the Buchanans decided to close their Toronto business and concentrate their Upper Canadian operations at Hamilton. To support the Hamilton house, they decided to expand the Montreal business, by increasing its grain trade, building a store on the Lachine Canal, and adding stocks of groceries, iron, and hardware. Law's abilities and his contributions since 1841 were recognized by his admission to a partnership in the entire Canadian business. The enlarged Montreal operation was styled Isaac Buchanan and Company, though Law remained in sole charge.[43]

Expansion continued in 1845, when Isaac Buchanan, reacting as much to particular controversies in the business as to the first Drawback Act, opened an office for the firm in New York in September. This office was to resemble the earlier Montreal agency, selling produce consigned to New York and buying various grocery and hardware items there. James McIntyre, Young's brother-in-law and a former customer, was brought from Hamilton to manage the office, under the general supervision of Isaac Buchanan. Thus, the Buchanans were well placed to use either route between Upper Canada and the sea.[44] Yet before 1850 at least, most of their grain consignments moved via the St. Lawrence except late in the year. At least in spring and summer, they felt, the two routes were competitive, and other factors determined which route would be used. Because McIntyre was less able than Law and was given less authority, his agency did not develop as Law's had.[45] After 1848, the office would be managed by Frederick Lane, a young Englishman, who handled only routine tasks.[46] Thus, the Buchanans' New York grain trade never acquired the significance of their Montreal operations, although some consigners sent it a good deal of grain in the 1850s. For a few months in 1847, however, the New York office was almost as vital to the business as the Montreal house.

In August, 1845, while Isaac was busy in New York, Peter Buchanan was watching closely the rise in English grain prices, as news of a serious crop situation emerged. Peter was soon convinced that the potato blight was serious.[47] As there was no time to buy newly harvested wheat and grind it, he urged Isaac to buy 30,000 bushels of Ohio wheat if he could get them. With prices mounting, Peter wrote Isaac to buy American flour in New York to lay in Britain in bond. Despite the flood of orders going out, Peter expected that this could be landed almost duty free by Christmas.[48] Isaac bought a good deal of American grain, evidently, on joint account with A. Dennistoun and Company, and some profit at least was made despite the sharp fall in grain prices after November.[49]

Like the Montreal business community, Peter and Isaac Buchanan believed in a protectionist empire. Both saw themselves also as Peelites. They were alarmed, therefore, at the announcement of the repeal of the Corn Laws. Peter, actively engaged at the time in promoting the Great Western Railroad of Canada in London, began at once to press for some preferential treatment still for Canada.[50] Isaac, characteristically impolitic, rushed to Britain and into print, with fierce denunciations of Peel. Predicting that "within a few years Canada must become a part of the American Union", after a "fiery ordeal", if repeal went forward, he declared that he would leave the Canada trade.[51] Peter Buchanan, concerned at the impact on their credit of Isaac's alarmist statements, pleaded with his brother to be quiet. After consulting business friends and his partners in Canada and learning that the 1846 trade in Canada was going well, with improving wheat crops, exports, and prices, he began to reconsider his own position.[52] He now realized that a major new staple trade was opening up, and he was ready to try to establish his firm in it. While Isaac continued to agitate, Peter moved to expand the firm's grain trade rapidly. This was reflected in Montreal's much increased 1846-7 commission income and overall profit.

IV

After reaching their highest levels in years late in 1845, wheat and flour prices dropped sharply in the spring and summer of 1846. Then, as the potato crop again failed in Ireland, grain prices began a steep rise. At the end of August, 1846, wheat was 4/6 per bushel in Montreal; by June, 1847, it would be 8/6.[53] Such prices drew many into the grain trade and led others like Peter Buchanan to increase their involvement enormously.[54] Early in 1847, Peter was setting up two major joint accounts to facilitate grain operations, with the Dennistouns' Glasgow house, J. and A. Dennistoun, and another Glasgow firm, D. and A. Denny and Company. William Baird of this firm was a personal friend of Peter Buchanan, and he had sent frequent grain orders to Isaac Buchanan and Company in the past two or three years. Peter Buchanan and Company had previously operated joint accounts with the Denny firm and, of course, with the Dennistouns' Liverpool firm. The three Glasgow firms now combined in the "DBD Account", while the Denny and Buchanan firms set up the "DB Account". Further confusing the matter in the Buchanans' books, the Denny firm continued to send some ordinary buying commissions to Montreal.[55]

These accounts, and several much smaller ones that Peter engaged in, were to buy wheat, flour, and Indian corn in New York and Montreal for shipment in spring and summer to Britain. Purchases were financed partly by drawing bills on the British firms involved, but substantial sums were also sent in gold and pig iron. For example, in early April, 1847, £40,000 in gold sovereigns were despatched to New York.[56] In New York, Buchanan, Harris and Company bought the grain and usually arranged shipping. Dennistoun, Wood and Company of New York handled banking and insurance arrangements for DBD transactions. The two firms divided a buying commission of 2½ per cent. In Montreal, Isaac Buchanan and Company performed all services and collected the full commission.[57] Sales in Glasgow were principally the responsibility of D. and A. Denny. Sales elsewhere in Britain were made by the Dennistouns. No selling commission was charged and profits and losses were divided equally between the two or three participating firms. Involvement in these accounts carried the Buchanan business into an entirely different scale of grain operations.

In May and June, 1847, prices peaked. As the surprising abundance of world wheat supplies became evident, a rush to sell began, and prices tumbled. Although he still had much grain at sea, Peter Buchanan claimed publicly that he was secure, as purchases had been made at low prices.[58] In August, however, D. and A. Denny and Company failed. Rumour in Glasgow put the loss of Peter Buchanan and the Dennistouns at £100,000 each.[59] Peter contradicted this, downplaying his losses, but the failure began major financial problems for him that would not end until the spring of 1848. As bills that the Dennys were to have paid fell due, he or in some cases Dennistouns had to pay them, then claim reimbursement from the Denny estate. He anticipated having to meet £36,000 of such paper, and this considerably disrupted his financial planning, especially when redrawing against consignments became impossible as all firms sought safety in a time of mounting credit stringency.[60] Much grain was still at sea or in port, and the failure caused those who held it to demand payment of all bills and charges before releasing it. This imposed further direct costs, and every delay was expensive in a time of falling prices. Delay also increased the danger of spoilage, especially as the inexperienced McIntyre, who had been in sole charge in New York while Isaac Buchanan campaigned in Britain against free trade, had bought some bad flour.[61]

At times, Peter Buchanan had to turn for extra support to his bank, which was now part of the Union Bank of Scotland, but was still controlled by the Dennistouns. He could scarcely bargain on equal footing with J. and A. Dennistoun over payments on their joint Denny liabilities or commissions to be charged on certain transactions.[62] Peter Buchanan finally estimated his losses from these major speculations at about £10,000.[63] It was a large loss for his firm, but offsetting it were the Montreal firm's record net income of over £17,000cy (after deducting £4,000 for losses on own-account produce), commissions earned in New York, and any profits on own-account grain dealings by the Hamilton firm.[64] There was clearly some net profit to the business.

The Buchanan firm played a large role in the Montreal grain trade in 1847. If Isaac Buchanan and Company consistently charged five per cent commission on grain handled in 1847, the minimum value of grain handled must have been nearly £300,000. At the average price per bushel of wheat in Montreal in 1847, 6/6, this suggests that the firm handled the equivalent of over 900,000 bushels in a year when total exports via the St. Lawrence were 3.9 million bushels.[65] Of course, additional grain for the domestic market was handled through Montreal, but even so the Buchanans' share of the market in 1847 was very substantial. This reflected the Buchanans' strengths in the British and Upper Canadian markets and, perhaps, their willingness to run greater risks in 1847 than some firms. When the New York trade is included, there seems no reason to doubt that the Buchanans handled around £500,000 in grain in 1847.

If profits were not finally very large for the business as a whole, especially in terms of the volume handled and the risks run, the Buchanan partners had at least made themselves important figures in the trade.[66] Had the Denny failure not cost Peter Buchanan and Company quite so dearly, the firm might well have moved permanently into the trade on such a scale and in the process added an important Anglo-American trade to its operations. This, in fact, was how a new staple trade developed–many tried to enter it, but only a few succeeded. Indeed, one reason for protest and complaint among businessmen at such a time is the loss experienced by many of the firms seeking to make a place for themselves. As it happened, the Buchanans decided they need not run such risks. Instead, the business would now make the commission trade and more limited own-account dealings a significant but again clearly secondary part of its trade.

V

The business began 1848 still struggling to escape from the financial squeeze that had toppled so many trading businesses in 1847. The partners also had to restructure their firms, as Isaac Buchanan still intended to leave the business when the partnership agreement expired in March. His partners disagreed with his predictions. Upper Canada's wheat had a sure market, and their firm was strongly entrenched in Upper Canada. Because many competitors had had their British credits cut off in 1847, the business would have few rivals in the Upper Canadian import trade; hence, it hoped to increase import prices and profit margins sharply. After 1847's narrow escape, it would try to reduce dependence on outside sources of credit and to run fewer risks in the grain trade.[67]

The period seemed to begin poorly, with the partners complaining throughout 1848 at the dullness of trade, despite some upward trend in grain prices. Yet they in fact did very well in 1848, for the depression proved more a Lower Canadian than an Upper Canadian one. The Montreal firm earned £7000 net in the nine months from April to December. Peter Buchanan expressed particular delight at Montreal's success in the commission grain trade.[69] Depending on the average rate of commission charged, the firm could have earned as much as £4000 in this trade alone. The average price for flour in Montreal in 1848 was 26/3 per barrel; at this rate, the firm handled flour worth over £85,000 on commission. Total exports from the St. Lawrence in 1848 were equal to 2.2 million bushels of wheat. At the average value for 1848 of 5/7 per bushel, this wheat was worth rather over £600,000.[70] In effect, Isaac Buchanan and Company handled grain on commission equal in value to one-seventh of St. Lawrence grain exports for the year, a proportion much smaller than that estimated for 1847, but still a considerable figure for a single firm.

Table II

Flour Consigned to Montreal Firm, 1848-1852[68]
(figures are barrels)

	April-Aug.	Sept.-Nov.	Total
1848	45934	20570	66504*
1849	47945	10330	58275
1850	25777	19053	44830*
1851	28470	6863	35353
1852	37637	4645	42282*

*Additional flour on advance from Montreal was delivered to Oswego in these years: Oct. & Nov., 1848, 12212 barrels; Oct. & Nov., 1850, 1631 barrels; spring, 1852, 1300 barrels.

Grain prices in 1849 were lower than in 1848, though Canada's wheat and flour exports via the St. Lawrence increased.[71] Overall, 1849 was another generally depressed year in the Montreal market. Law therefore decided to ship most of the grain he received to Britain, to avoid further depressing the local market. Consignments to him were down by about twelve per cent from 1848, but the firm was evidently using several joint accounts more actively. These accounts alone of all the business's transactions in 1849 turned out badly. Actual figures for Montreal profits do not survive, but there can be no doubt of the partners' elation at overall 1849 results. The partners concluded that again they were not subject to the same business pressures as Montreal traders.[72]

As Table II indicates, 1850 and 1851 brought further declines in the Montreal house's commission trade. This was reflected also in its profits, which were only £4300 in 1850 and £3500 in 1851.[73] A total of 36 Upper Canadian merchants or millers had consigned to Montreal in 1848. This number dropped to 21 in 1849, 16 in 1850, and only 13 in 1851.[74] The commission trade seemed gradually to be disappearing. Undoubtedly the competition of the American trade route played some role in this decline, but it is clear too that the business was unwilling to try to maintain its volume of grain if this required it to increase its risks. After some easing in 1847 and 1848, competition for commission business increased markedly. The partners regarded 4 or even 5 per cent as a normal rate of commission once more in 1848, whereas in 1851 the rate was down to the 1845 level of 1½ per cent with no advance or 2½ per cent with an advance. Law felt the former was safer, but such trade at current prices did not justify any special efforts to seek it.[75]

This was all the more the case because the Hamilton firm was making excellent profits in the import trade. It earned £8000 in 1848, £10,000 in 1849, and £16,000 in 1850.[76] At the same time, good harvests and reduced competition had allowed the business to collect overdue accounts and to reduce outside borrowing. No one in the business now felt any need to take great risks.[77] The culmination of the business's rise in these years was the opening of a Liverpool office late in 1850, signaling its financial independence of A. Dennistoun and Company. The business could now itself handle all aspects of the grain trade from the interior of Upper Canada to final sale in Britain's leading grain port. This new office was planned eventually to replace the Glasgow one and was not particularly aimed to improve the business's place in the grain trade, yet the firm did hope to secure some consignments to Liverpool. This, with rising prices in Upper Canada, probably accounts for the firm's increased attention to own-account grain transactions in the spring of 1852.[78] The increase of twenty per cent in consignments to Montreal in 1852 may also reflect this development.

By now, however, Isaac Buchanan had returned to the business. Tension quickly arose between him and his partners. Rather than again submit to his authority, Young and Law resolved to found their own business paralleling the existing one. Their departure in 1853 would remove the principal grain experts from the business. The new junior partners were not their equals, and the senior partners' attention was now much more on other business and political activities, notably the Great Western Railroad. Some produce trade to New York, Montreal, and Liverpool would go on in the 1850s, but the Buchanans' business would not play a very large part in the great Upper Canadian wheat boom of the mid-1850s.[79]

VI

The basis for studying firms such as the Buchanans' must in part be that the study sheds light on the wider commercial and economic world, although no business can be said to be "typical" in all respects. The financial, locational, and strategic factors that made the Buchanans' business so strong a participant in the grain trade in the later 1840s, however, almost convince one that there can have been no other such business. Yet conclusions can be drawn from their experience.

One striking factor is that the trade was never, even in 1847, the main element in the business's survival and growth. Thus the firm could move into and out of trade as opportunities dictated. For the firm specializing in the trade, years of marked price falls or sharply reduced trade volumes must have been very difficult, and the chances of long-term survival for specialists in the trade at this early point in its development cannot have been good. The Buchanans' strength and flexibility came from their role in the import trades, whose role is too often neglected when the business world of the early and mid-nineteenth century is examined.[80] The import merchant necessarily preceded the export merchant into a colonial economy, given the years of investment and labour, fluctuation and uncertainty that were required before reliable, large-volume export staples could be developed. The import merchant's role in the credit system and his primacy in the field gave him the greater power in the colonial trade. This is not, of course, to say that all importers were powerful or that their firms were necessarily long-lived. The fluctuations and pressures of competition that made the export trade insecure could be felt in imports; but they were felt at one remove, as it were, while the export trades absorbed the shocks of wide price and market variations directly.

The Buchanans' experience reminds us that much grain passed through Montreal after 1846, some of it at least destined for the British market. There was profit in this trade, if the right combination of business strategies and market guesses was found. This may lead us to examine the well-known views of the mercantile communities of Montreal and Quebec with some reservations. Certainly the Buchanans' case says nothing conclusive about the merits of the commercial empire strategy; its concrete achievements, such as canalization of the St. Lawrence; the political significance of the discussions of it in the 1840s; or the sincerity of those who advocated it.[81] But it is clear that there were other business arrangements that could work, and these were not particularly or necessarily "American" in mechanism or inspiration. There was more than one "commercial Canada".[82] It is in fact possible to argue that the empire strategy was so focused on the American market that it may even have neglected the possibilities of the Upper Canadian one. In Upper Canada, the central development of the period was that reliable markets for a major staple were growing, and this was the basis for rapid agricultural and business development. There would be good and bad years still, but there was no longer much danger of being left without any market for wheat and flour.

The Buchanans' case shows some of the mechanisms by which a new export staple, Upper Canadian wheat, developed in the 1840s, some of the processes by which grower and consumer were linked. The merchants acted, effectively, as middlemen for the Canadian banks in the trade. Credits extended by the merchants enabled millers to perform their own roles as middlemen and manufacturers, allowing them to concentrate such capital as they had in the mills themselves. The Buchanans' experience suggests that it is possible to exaggerate the independence and significance of many small Upper Canadian ports that handled a good deal of grain.[83] Much of the grain passing through such ports was never controlled by local entrepreneurs, and the towns may have earned little from the trade besides the proceeds from physical handling. However the grain found its way to market, the capital, the entrepreneurship, and the large-scale profits and power were in the larger centres such as Hamilton and Montreal. Such ports did not need to handle exports to profit from them and to exert metropolitan power over smaller centres.

As for the depression of the later 1840s, nothing in the Buchanans' story denies its existence, at least in 1848, 1849, and 1851. Indeed the overall climate of depression in Britain as well as Canada helped them by reducing their competition significantly. Yet a reading of the political sources may lead one to exaggerate the depression, especially when Lower Canadian comments are applied to Upper Canada. Production went on, harvests were good, acreage expanded, and prices, while not as high as in 1847, still left the farmer with at least some return for his efforts.[84] Perhaps the business world of Montreal really was as badly off as Elgin said, but this only serves to re-emphasize that the businessmen of one or two centres should not be assumed to speak for the economy as a whole.

NOTES

1 An earlier draft of this paper was read to the Trent history symposium. I am grateful to its members for their helpful comments and criticisms.

2 D.G. Creighton, *The Empire of the St. Lawrence* (Toronto, 1956), p.350, p.361.

3 J.M.S. Careless, *The Union of the Canadas* (Toronto, 1967), p.127.

4 *The Elgin-Grey Papers, 1846-1852*, Sir Arthur Doughty ed., 4 vols. (Ottawa, 1937), i, p.349; Elgin to Grey, April 23, 1849.

5 Public Archives of Canada (hereafter P.A.C.), *Buchanan Papers* (MG 24, D 16), Montreal Profit & Loss Account. 1842-7; 84/59922-5. James Law to Isaac Buchanan, March 6, 1848; 37/30756-7. Peter Buchanan to Isaac Buchanan, Jan. 13, 1849; 14/11848. Subsequent manuscript references, with one exception, are to these papers. For further information on the Buchanan operations, see Douglas McCalla, "The Buchanan Businesses, 1834-1872: A Study in the Organization and Development of Canadian Trade", unpublished D. Phil. thesis, Oxford University, 1972.

6 See Peter Buchanan to Isaac Buchanan, Aug. 28, 1835; 13/11473. R.W. Harris to Isaac Buchanan, April 23, 1837; 30/24894-5.

7 R.L. Jones, *History of Agriculture in Ontario, 1613-1880* (Toronto, 1946), pp.134-5.

[8] Douglas McCalla, "John Young", *Dictionary of Canadian Biography*, vol. x (Toronto, 1972), pp.720-2.

[9] John Young to Peter Buchanan, Jan. 22, 1841; 63/50057-8. Isaac Buchanan to Peter Buchanan, Jan. 1, 1841, and to John Young, Jan. 12, 1841 (copies); 64/50907, 50721. See also "The Buchanan Businesses . . .", pp.85-92.

[10] See Isaac Buchanan to Peter Buchanan, Dec., 1840; 9/8638. Peter Buchanan to Isaac Buchanan, Jan. 9, 1842; 13/11512.

[11] Sheila Marriner, *Rathbones of Liverpool, 1845-73* (Liverpool, 1961), p.5. B.W. Clapp, *John Owens, Manchester Merchant* (Manchester, 1965), pp.96-102. A.D. Gayer, W.W. Rostow, and A.J. Schwartz, *The Growth and Fluctuation of the British Economy 1790-1850*, 2 vols. (Oxford, 1953), i, p.244, pp.293-6; ii, p.734.

[12] Isaac Buchanan to Peter Buchanan, Dec. 2, 1840 (copy); 64/50500-2.

[13] Isaac Buchanan, "Memos for Mr. Harris", Aug. 16, 1845; 9/8743-51. R.W. Harris, "Remarks on BH & Co customers . . .January & February 1847"; 30/25123-34.

[14] Isaac Buchanan to P. Witherby, Dec. 7, 1840 (copy); 64/50510-11.

[15] *IBID.*, 50509-10.

[16] John Young to Peter Buchanan, Jan. 22, 1841; 63/50057.

[17] Isaac Buchanan to Peter Buchanan, June 10, 1841; 9/8640.

[18] *IBID.*, 8643. Isaac Buchanan to P. Witherby, July 13, 1841, and to Peter Buchanan, Nov. 16, 1841 (copies); 9/8667, 64/50678.

[19] Isaac Buchanan to Peter Buchanan, Oct. 21, 1841 (2 letters) and Nov. 16, 1841 (copies); 64/50653-7, 77. For the Dennistouns, see G.G.C. Kennedy, "The Union Bank of Scotland Ltd.: Its Contribution to Scottish Banking", *Scottish Bankers' Magazine*, xlvii, No. 185 (1955), pp.17-19. R.S. Rait, *The History of the Union Bank of Scotland* (Glasgow, 1930), pp.202-11. P.L. Brown, ed., *Clyde Company Papers*, 6 vols. (London, 1941-68), passim.; I am indebted to Professor D.S. Macmillan for this very useful reference.

[20] Fernand Ouellet, *Histoire Economique et Sociale du Québec, 1760-1850* (Montreal, 1966), pp.510-18, p.522.

[21] Isaac Buchanan to John Young, June 11, 1841 (copy); 63/50063. A.T. Kirby to Isaac Buchanan & Co., July 24, 1847; 36/30048.

[22] Sheila Marriner, *op. cit.*, pp.53-73. N.S. Buck, *The Development of the Organization of Anglo-American Trade, 1800-1850* (New Haven, 1925), pp.4-6, pp.37-44.

[23] Peter Buchanan to Isaac Buchanan, Dec. 17, 1845 (copy); 66/52308-11. Peter Buchanan Correspondence Journal, Dec. 18, 1848; 67/53370. See also N.S. Buck, *op. cit.*, pp.12-14, pp.26-7; R.W. Hidy, *The House of Baring in American Trade and Finance* (Cambridge, Mass., 1949), p.131.

[24] Alexander Campbell to Isaac Buchanan, April 16, 1856; 18/15508-11. John Young to Isaac Buchanan, Jan. 21, 1848; 63/50146.

[25] R.C. McIvor, *Canadian Monetary, Banking and Fiscal Development* (Toronto, 1958), pp.54-5. The banks could, however, hold various securities as collateral. See The Commercial Bank *v*. Cuvillier et al., 18 Upper Canada Court of Queen's Bench *Reports* p.378 (this source cited hereafter as *U.C.R.*).

[26] Peter Buchanan to James Law, June 8, 1849 (copy); 67/52951. Peter Buchanan Memo Book, "James Law", c. 1844-6; 37/30732. Agreement between J. Gairdner and Buchanan, Harris & Co., Aug. 28, 1855; 26/22586. Warehouse receipts did not convey legal title, but in the normal workings of the trade they were accepted as evidence of ownership. See Proudfoot *v*. Anderson, 7 *U.C.R.* p.573; Davis et al. *v*. Browne, 9 *U.C.R.* p.193; Glass *v*. Whitney, 22 *U.C.R.* p.290.

[27] e.g. Peter Buchanan to Isaac Buchanan, Jan. 24, 1842, and to James Law,

June 1, 1849 (copy); 13/11515, 67/52953.

[28] Agreement between Isaac Buchanan & Co. and T. Hodge, n.d.; 81/59084-5. Peter Buchanan to Isaac Buchanan, Jan. 24, 1842; 13/11515.

[29] e.g. Peter Buchanan Correspondence Journal, July 28, 1848; 67/53302.

[30] Peter Buchanan to Isaac Buchanan, Jan. 29, 1849; 14/11855. See also R. Leckie to Peter Buchanan, Feb. 24 and March 27, 1847; 38/30910-5, 17-20.

[31] Peter Buchanan to R.W. Harris (copy), June 2, 1844; 14/11617.

[32] e.g. John Young to Isaac Buchanan, March 5, 1852; 63/50198. James Law to Peter Buchanan, Sept. 27, 1848; 37/30775.

[33] A.T. Kirby to Isaac Buchanan & Co., Sept. 21, 1847 and Aug. 9, 1849; 36/30056, 78. J. Gairdner to Buchanan, Harris & Co., Oct. 31, 1853 and Jan. 28, 1854; 26/22552-3, 68. Hope, Birrell & Co. to Peter Buchanan, Nov. 10, 1846; 14/11756. Peter Buchanan to Alex. Campbell, Feb. 22, 1856 (copy); 15/12532-3. Peter Buchanan Correspondence Journal, Nov. 22, 1848; 67/53362. John Young to Isaac Buchanan, April 2, 1852; 63/50208. Record of flour in store in Montreal, 1848-52; 81/59095-129.

[34] Alex. Campbell to Isaac Buchanan, June 19, 1855; 18/15475-82. A.T. Kirby to Isaac Buchanan & Co., Sept. 10, 1847; 36/30054. Wilmot *v*. Wadsworth et al., 10 *U.C.R.* p.594. Bunnel *v*. Whitlaw, 14 *U.C.R.* p.241. Bain *v*. Gooderham et al., 15 *U.C.R.* p.33.

[35] Peter Buchanan to James Law, July 20, 1849 (copy), and Correspondence Journal, Feb. 10, 1849; 67/52974, 53388. Montreal finance memorandum, Dec. 25, 1846; 84/59873-4.

[36] See F. Ouellet, *op. cit.*, pp.509-10.

[37] R.L. Jones, *op. cit.*, pp.136-7.

[38] Peter Buchanan to R.W. Harris, May, 1846 (copy), and to Isaac Buchanan, May 11, 1842; 84/59914, 13/11567.

[39] Peter Buchanan to Isaac Buchanan, Jan. 24, 1842; 13/11514-5.

[40] Isaac Buchanan to John Young, July 31, 1841 (copy), to Peter Buchanan, Aug. 28, 1841 and Oct. 29, 1844 (copy), and "Memos for Mr. Harris", Aug. 16, 1845; 63/50074-5, 9/8685-6, 64/51288, 9/8743-4.

[41] Montreal Profit & Loss Account, 1842-7; 84/59922-5.

[42] Unfortunately, none of the regular account books of any of the firms survive.

[43] "The Buchanan Businesses . . .", pp.107-14.

[44] *IBID.*, pp.116-20.

[45] Peter Buchanan to R.W. Harris, Dec. 3, 1847, and to James Law, Sept. 3, 1847 (copies); 14/11798, 67/52550.

[46] Peter Buchanan to Isaac Buchanan, March 24, 1848, and to James Law, Aug. 11, 1848 (copies); 67/52708-9, 52842.

[47] It might be noted that there is no evidence that anyone in the business gave any particular thought to the actual events in Ireland which underlay the developments of the next two years.

[48] Peter Buchanan to Isaac Buchanan, Sept. 17 and Oct. 17, 1845; 13/11672, 93-5.

[49] James Law to Peter Buchanan, Dec. 9, 1845, and to Isaac Buchanan, March 23, 1846; 37/30744, 52.

[50] Isaac Buchanan to R.W. Harris, Dec. 26, 1845 (copy); 9/8779. Peter Buchanan to Isaac Buchanan, March 9, 10, 11, 12, 16, and 27, 1846; 14/11711-22,27.

[51] Isaac Buchanan to Peter Buchanan, March 7, 1846; 10/8793. See also open letters, Isaac Buchanan to W.H. Merrit, Feb. 28, 1846; to Lord Elgin, Ont. 26, 1846; to members of the Canadian Parliament, April 17, 1847; to Lord George Bentinck, July 9, 1847; all found in Ontario Archives, *Mackenzie-Lindsey Collection,* Box 25 G, File 3854.

[52] e.g. Peter Buchanan to Isaac Buchanan, March 7, 1846; 14/11705. James Law to Isaac Buchanan, March 23, 1846; 37/30751.

[53] *Journals of the Legislative Assembly of the Province of Canada*, 1849, Appendix Z.

[54] C.N. Ward-Perkins, "The Commercial Crisis of 1847", *Oxford Economic Papers*, ii (1950), pp.77-8, pp.81-4. D.M. Evans, *The Commercial Crisis, 1847-1848*, 2nd ed. (London, 1849), pp.53-75, p.108. Baring Brothers, a far more eminent firm, took this as a sign for them to reduce their role in the trade. See Hidy, *op. cit.*, pp.375-9.

[55] Peter Buchanan to James Law, n.d., to R.W. Harris, Jan. 14, 1848 (copies), and Correspondence Journal, June 29 & July 8, 1847; 67/52536, 52654, 53254, 53257-8. Isaac Buchanan & Co. to D. & A. Denny & Co., May 10, 1847 (extract); 23/19651-2. For three-party joint accounts in the railway iron trade, see R.W. & M. Hidy, "Anglo-American Merchant Bankers and the Railroads of the Old Northwest. 1848-1860", *Business History Review*, xxxiv, 1960, p.157.

[56] Peter Buchanan Correspondence Journal, April 15, 1847; 67/53235-6.

[57] Peter Buchanan, "General Memo", Nov. 17, 1847, "Rough Jottings", Dec. 31, 1847, and to Isaac Buchanan, Dec. 17, 1847; 14/11776-77, 67/52635, 14/11806.

[58] Declaration by Peter Buchanan, Dec. 22, 1848; 14/11847.

[59] Peter Buchanan to John Young, Sept. 18, 1847 (copy); 67/52559.

[60] Peter Buchanan, Memo re Denny & Co., Sept. 6, 1847; 84/60047.

[61] Montreal finance memorandum, August, 1847; 84/60045. Peter Buchanan to James Law, n.d. and Sept. 3, 1847 (copies), and to Isaac Buchanan, Dec. 3, 1847; 67/52537, 52550; 14/11796.

[62] Peter Buchanan to Isaac Buchanan, March 10 & 24 (copy), 1848, and "General Memo", Nov. 17, 1847; 14/11829, 67/52708-9, 14/11776-7.

[63] Peter Buchanan to Isaac Buchanan, Dec. 2, 1847, "Rough Jottings", Dec. 31, 1847, and Correspondence Journal, March 24, 1848; 14/11792; 67/52636, 53288.

[64] Peter Buchanan estimated that about £10,000 of Montreal's net profit came from dealings with the Denny firm alone; "Rough Jottings", *op. cit.* For overall Montreal results, see James Law to Isaac Buchanan, March 6, 1848; 37/30756-7.

[65] R.L. Jones, *op cit.*, p.136; *Journals*, 1849, Appendix Z, *op. cit.* This comparison is extremely crude and is designed only to give an idea of the firm's place in the Montreal market. Knowing Montreal's income from other sources in other years, sources that likely did not yield extra income in 1847, and taking account of the loss on own-account produce, one is brought to the conclusion that grain commission income cannot have been less than about £15,000. The firm never hoped for more than 5% commission on sales; my use of the 5% figure in 1847 tends to bias the estimate for the firm's total volume on the low side.

[66] Peter Buchanan to James Law, n.d. (copy); 67/52536.

[67] "The Buchanan Businesses . . .", pp.157-9.

[68] Record of Montreal flour receipts, 1848-52; 81/59105-6, 108, 113-4, 115a, 117, 130-1, 134-6, 138-9, 140-3.

[69] Peter Buchanan to James Law, Oct. 20 & Nov. 17, 1848, and to R.W. Harris, Oct. 6 & Nov. 17, 1848 (copies); 67/52858, 874-5, 864-5, 870.

[70] See note 65 and sources there.

[71] R.L. Jones, *op. cit.*, p.136, H. Michell, "Statistics of Prices" in H. Michell & K.W. Taylor, *Statistical Contributions to Canadian Economic History*, ii, *Statistics of Foreign Trade and Statistics of Prices* (Toronto, 1931), pp.47-9, p.59.

[72] Peter Buchanan to John Young, Nov. 24, 1848; to R.W. Harris, Aug. 31, 1849; and to James Law, Aug. 10 & Oct. 12, 1849 and March 6, 1850 (copies); 67/52881, 985, 978-80, 999, 53060-A. See also James Bryce Brown, *Views of Canada*

and the Colonists . . ., 2nd ed. (Edinburgh, 1851), pp.79-81.

73 Profit & Loss Accounts, Montreal, Dec. 31, 1850 and Dec. 31, 1851; 84/60119, 153. Commission account, the account recorded in Table I, yielded £3907 in 1850 and £4746 in 1851. By now sales of pig iron consigned from Scotland bulked so large in this account that it is no longer a meaningful record of commission trade in produce.

74 Record of Montreal flour receipts, 1848-52, *op. cit.*

75 James Law to Peter Buchanan, Sept. 27, 1848, and to Isaac Buchanan, Dec. 23, 1851; 37/30776, 810-11. Montreal produce book, 1847-55; 81/59002. See also Marlatt *v.* Gooderham et al., 14 *U.C.R.* p.221, where 1½% is the commission charged, no advance having been given; this transaction was in 1855.

76 "The Buchanan Businesses . . .", p.141. In 1851, a depressed year in the Upper Canadian trade, Hamilton's profit dropped to only £7500.

77 Peter Buchanan to Isaac Buchanan, Jan. 28 (copy) and Feb. 12, 1851; 66/52534, 14/11887-8.

78 John Young to Isaac Buchanan, March 5, 9 & 13, April 2, 1852; 63/50198-9, 201-2, 204-6, 208. "The Buchanan Businesses . . .", pp.162-6.

79 Robert Leckie to Isaac Buchanan, Nov. 14 & Dec. 17, 1853, and to Peter Buchanan, Feb. 21, 1857; 38/30999-31000, 31018-22, 31151-3.

80 The point, while not a new one, is still worth making. See H.G.J. Aitken, "Introduction" to G.N. Tucker, *The Canadian Commercial Revolution, 1845-1851* (Toronto, 1964), xiv-xv; R.G. Albion, "New York Port and its Disappointed Rivals, 1815-1860", *Journal of Economic and Business History*, iii, 1930-1, p.613.

81 Nor does it say anything to criticize authorities cited above, such as Creighton, Tucker, and Ouellet, who have written with sympathy of the "commercial empire", but have certainly presented it "warts and all". It is worth noting the relevance to Canadian researchers of two works that show that most of the grain from the American west never could have gone down the St. Lawrence, as it was intended for the eastern United States market. See John G. Clark, *The Grain Trade in the Old Northwest* (Urbana, 1966), esp. chapter viii; and Thomas Odle, "Entrepreneurial Cooperation on the Great Lakes: The Origin of the Methods of American Grain Marketing", *Business History Rebiew*, xxxviii, 1964, pp.439-55.

82 D.G. Creighton, *op. cit.*, p.360.

83 See Jacob Spelt, *Urban Development in South-Central Ontario* (Toronto, 1972), p.80, p.135.

84 R.L. Jones, *op. cit.*, p.123, pp.175-8, p.186. See also M.C. Urquhart and K.A. Buckley, eds., *Historical Statistics of Canada* (Toronto, 1965), pp.383-5.