

Roads, Rivers, Rails and Rule

Toronto and its Hinterland, 1750 – 1900

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Toronto's relationship with its hinterland has been an integral part of its rise to becoming Canada's major commercial centre. This relationship has changed significantly as transportation methods improved with technological innovations. Roads, canals and its role as capital contributed to Toronto's importance, but it would be the rise of the railroading in Ontario with Toronto as the locus that let it dominate its immediate hinterland and beyond. The hinterland initially consisted of Ontario, but western Canada would become part of Toronto's domain by the end of the 19th century because of the railroad as well.

The Beginning, 1750-1795

Toronto's relationship to its hinterland dates to 1750 when the French founded Fort Rouille on the current site of Toronto. The area around the fort was rich in furs, which the French exploited. The fort was not large, and the inhabitants later burned and abandoned it in the Seven Years' War because of military defeats in the region (Glazebrook, 5-7). In 1787, a treaty with the Mississauga nation brought this particular parcel of land under British control. The location was attractive for two reasons: the natural harbour and access to Lake Huron. These two factors would shape Toronto's sphere of influence in regards to resources in Ontario to the middle of the 19th century. A road to Lake Huron from Toronto across southern Ontario was also better than one from Kingston or Niagara (Glazebrook, 9-10). Ontario's virgin forests and harsh climate were obstacles for pioneer settlers in Toronto who looked to maintain ties inland and utilize the vast stands of timber. Thus, Yonge Street was built and completed in 1795 and Dundas Street at approximately the same time (Harris and Warkentin, 119). Yonge Street ran north to Collingwood on Georgian Bay and Dundas

Street ran west to London. Though Toronto could not claim status as a major centre yet, its geographical location, roads and harbour would help propel it to become a focal point of trade and commerce in Ontario. It was the resources to the north, primarily timber and grain, which would endure as keys to its commercial growth.

The Pre-Railroad Era, 1795-1850

When John Graves Simcoe was appointed Lieutenant Governor of Upper Canada in 1792, he chose London as its capital. However, this town in southwestern Ontario existed in too remote of a location from the larger population and main commercial routes. Lord Dorchester, Governor-in-Chief of Upper Canada believed Toronto to be a better choice because of the aforementioned harbour, location away from the American border and its position at the end of a fur trading route (the latter point held little truth, but was used as a bargaining chip anyway) (Harris and Warkentin, 150). This move would add to the importance of the relationship with Toronto to its hinterland. With its new position as colonial capitol, Toronto became the home of wealthy elite. These merchants and businessmen wrestled trade out of the hands of those in other areas of Toronto. For example, both Kingston and Toronto looked to found a Bank of Upper Canada. Kingston had almost twice as many inhabitants as Toronto in 1825 and was an important point of transshipment. But Toronto's citizens were more influential in regards to government and were thus able to have the bank headquartered in Toronto. Kingston would fall into relative decline (Harris and Warkentin, 151). The Family Compact (Toronto's elite) was able to invest in business ventures in the hinterland and held enough capital to make Toronto a financial centre by the 1830s (Kerr and Spelt, 42).

Until this time, Toronto never completely controlled a hinterland of its own; it was part of Montreal's sphere of influence. The inland location of Toronto meant shipments of goods had to go through the port of Montreal. Toronto's new status as a finance centre had a part in changing this condition of hegemony, but it was the construction of canals in New York State that let Toronto gain better access to an Atlantic port (Harris and Warkentin,

151). When the Erie Canal opened in 1828, the shipment of goods changed to this cheaper route. Allocations over tariff revenues between Upper and Lower Canada and high rates of shipping goods through Montreal led to deep resentment of Toronto merchants towards their counterparts in Montreal. The United States also passed the Drawback Act of 1846 and thus, eliminated tariffs on Canadian companies who imported through the United States. All of this hurt Montreal's economic position and strengthened Toronto's (Kerr and Spelt, 43-44). Improvements on the St. Lawrence River canal system were completed in 1849, but New York had already cemented its position as a major entrepot for Toronto's hinterland resources. The merchants of Toronto were ecstatic they no longer relied on Montreal (45).

Toronto, however, was not the only port on Lake Ontario at this time to have influence on the spatial distribution and intensity of trade in southern Ontario. Ports such as Belleville, Oakville and Whitby each had a road to their hinterlands to exert their authority over inland resources. These roads generally went north from Lake Ontario. No port wielded *total* control of Canadian trade that occurred on the lake. The human interactions that resulted were also quite local in nature. Settlers residing inland usually only had contact with one port to the outside world (Harris and Warkentin, 154). By 1851 though, Toronto had a population of 30,000. It was twice as large as Hamilton and three times the size of Kingston (Harris and Warkentin, 153). Toronto rose at this time because of its importance for American imports. Americans preferred Toronto because of its excellent port, location as a terminus of two main thoroughfares in Yonge and Dundas Streets, services that resulted from its role as capital and a significant population size. As Cole Harris and John Warkentin write, "by 1850, [Toronto] was the main importing and wholesaling centre of the colony." Nonetheless, Toronto had yet to completely dominate its hinterland and had competitors along the north shore. It was not until the advent of railroads in southern Ontario that Toronto would come to completely dominate the area.

The Introduction of Railroads, 1850-1865

The railway age would have a stimulating effect on the economic growth of the city of Toronto and would increase its relationship with its hinterland, which expanded considerably. The first railroad was built from Toronto to Bradford in 1853, and extended to Collingwood on Georgian Bay in 1855 (Harris and Warkentin, 154). Named the Great Northern Railway, it increased control over Toronto's northern hinterland. A massive population influx ensued with the expansion of logging to the area around Georgian Bay (Harris and Warkentin, 155). Timber and grain could be transported at a much faster rate than ever before and the cost of hauling commodities declined. Macadamized roads were constructed as well, but the railway endured as the most substantial innovation for the shipment of goods (Harris and Warkentin, 146). Toronto now exerted greater control over and extended hinterland and the resources it extracted could be transported to market in a shorter amount of time over a greater area. Other towns though were not afraid to make attempts in acquiring a share of the timber trade. Two towns east of Toronto on Lake Ontario, Port Hope and Coburg, both built rail lines at right angles to the lake in an effort to divert business to their ports. However, Toronto's position as the major point of export remained well established, and timber from hinterlands supposedly under Port Hope and Coburg's control, bypassed them and went straight to Toronto (Harris and Warkentin, 156).

The Grand Trunk Railway was also built around this time, linking Montreal and Toronto by rail. Extensions were also made to Windsor and in 1880, to Chicago. The Grand Trunk was the largest railroad in British North America, helped trade ties between Toronto and Montreal, and was built by Montreal interests to regain control on the Ontario hinterland. American lines made incursions into southern Ontario as well, and most of the trading activity took place here. The rail link with Montreal was not nearly as important as these ties to the United States, as exports to the south were ten times that of the exports along the St. Lawrence by 1856 (Harris and Warkentin, 154-55). The Great Western Railway, which ran from Buffalo to Detroit through Ontario, built a link to Toronto from Hamilton in 1855 (Kerr and Spelt, 45). Some scholars such as Peter Goheen cite the Great

Western Railway as the principal reason the hinterland of southern Ontario was dominated by Toronto (Kerr and Spelt, 62). Timbre was still the main commodity, but grain was increasing in importance as well. Toronto was able to tap into the Michigan grain trade because of a steamer service operated on Georgian Bay. The grain was shipped to Collingwood, put on a train to Toronto and then sent to New York (Harris and Warkentin, 155). In 1855, the Toronto Grain Exchange was established and this commodity took on even greater economic significance. By 1861, 45,000 people resided in Toronto, and it could claim to be the major centre of commerce in Ontario. The railways were the catalyst in a remarkable phase of growth and expansion of control for Toronto. As C. Pelham Mulvany states, “no other one thing has contributed so materially in building up the city. It has made it really the metropolis...mart of Ontario” (Goheen, 59).

Massive Growth and Expansion, 1865-1900

The years of 1865-1900 were different than the massive railroad expansion of the previous fifteen years. Grain was now a major commodity and even precious metals from Michigan became important (Kerr and Spelt, 48-49). More lines were built in Ontario, though not at the same frenzied pace or the same scale as the period of 1850-1865. The hinterland did expand in the early 1870s, as the Toronto and Nipissing line finished. It exploited timbre in the Nipissing region (Kerr and Spelt, 48). Toronto was undoubtedly the railroading mecca of Ontario. It was connected to Montreal, Hamilton, Buffalo and the upper lakes (Kerr and Spelt, 48; Harris and Warkentin, 155).

While Toronto dominated Ontario, the same could not be said about the west. She was uncompetitive in the western grain trade because a rail link did not exist to Chicago until 1880, by which time other cost-effective measures of transporting grain in the United States were instituted. Toronto also lost control of the Georgian Bay timbre trade in 1883, as tolls on the Erie Canal were removed, while tolls on the Welland Canal on the Niagara Peninsula remained. A portion of timbre now bypassed Toronto on its way to the United States and Europe (Goheen, 67-68).

Though these setbacks hurt Toronto's position as an exporter, it was the largest city in Ontario and would remain as such. With industrialization, companies that expanded into the southern Ontario market or those who found it made business sense to relocate to a large centre from a small town in Ontario often chose Toronto as their business hub. The infrastructure and geographical location of Toronto were prerequisites for a successful business in Ontario. This strangled less populous and less important centres (Harris and Warkentin, 163-64). It made more economic sense to concentrate production in one centre such as Toronto with its many railroad lines (Harris and Warkentin, 146). As an increased number of resources were shipped from the hinterland to Toronto, manufacturing and service centres located closer to pre-existing businesses. This "temporal compounding of advantages" as Goheen writes, means that cities like Toronto that have inertia with respect to growth, continue to grow by virtue of a "self perpetuating momentum" (Goheen, 5-6). An example of concentration was the number of distilleries. In 1851 there were one hundred licensed distilleries in Ontario. By 1871, there were seventeen, with the biggest in Toronto (Harris and Warkentin, 146). In sum, the dominance of Toronto as a railroading centre extracting resources from its hinterland helped to concentrate supplementary businesses that used to exist on a local level.

By now all eyes shifted to the Canadian west. Toronto looked to incorporate the western provinces into an expanded hinterland to increase its economic control. The key to this would once again lay in the railroads. Unfortunately for Toronto, it was the Grand Trunk Railway out of Montreal that would obtain the charter to build a railroad to the Pacific. The Pacific scandal of 1873 ruined this first attempt. The second group organized in 1880 also consisted of a Montreal conglomerate. Ontario interests put forth a proposal for the line, but it was rejected in favour of the Montreal proposal. To satisfy Toronto's business community though, the eastern point to which the Canadian Pacific Railroad was built was to Callender, Ontario. For all intents and purposes though, Montreal was the eastern terminus of the CPR (Kerr and Spelt, 51-52). The hinterland of western Canada fell largely under Montreal's control with regards to exporting its resources. Toronto had trouble taking a share of the lucrative western grain trade, though a tributary northward was built to

connect Toronto with the CPR (Goheen, 68). Other efforts to break into this profitable industry were initiated, like the construction of grain elevators at Owen Sound and Port Arthur (Thunder Bay) in 1886 to transport grain to Toronto via the Great Lakes, and it had some success (Goheen, 68).

Toronto experienced remarkable growth in the 1880s. For instance, both the population and the value of goods produced doubled (Goheen, 67). The industrial prosperity of Toronto as an economic centre would not have occurred were it not for the transportation networks it had with its hinterland, which were all completed by the 1880s (Goheen, 67-69). Manufactured and consumer goods produced in the city as a result of industrialization also became important to its newly acquired hinterland. An example was the Massey Company, which manufactured agricultural implements sent to the prairies. By 1890, the company employed 575 people (Goheen, 68). The relative importance of timber waned in the 1880s. Clothing and steel production became the major sectors (Goheen, 70). The Massey Company was an example of how Toronto's trade with the recently expanded hinterland took shape. It was an important exporter of consumer products instead of just an importer of raw resources. By the close of the century, Toronto received a national rail line. The influence of immigration to the west meant another line was required. The Canadian National Railway had lines extending to Ottawa and Toronto in the east. Railways by the end of the century were providing economic prosperity to Toronto just as in years past; it was just not the railroading capital of Canada like Montreal. Railroads extended Toronto's hinterland by the end of the century. No longer was Ontario the only domain that felt the hand of Toronto, but western Canada as well now came under its influence. However, the west was not the exclusive hinterland of Toronto. Montreal still held significant power in the business of western Canada. Resources of the Canadian Shield though, did fall increasingly under the control of Toronto (Kerr and Spelt, 53).

By the end of the 19th century, Toronto was larger and more prosperous than at any point in its history. A 1901 census concluded Toronto had 208,000 citizens (Goheen, 75). From an Iroquois village to industrial megalopolis, the relationship with the hinterland experienced tremendous change. The hinterland of Toronto expanded as technology

improved, and it was the railroad that would play the largest role in this extension. The hinterland relationship grew to a reciprocal one. The rail lines stretched out like fingers on the hinterland, gripping its resources in the mid-19th century, before shifting to a tool of exporting consumer goods to the hinterland by the end of the century. The roles of capital, canals and roads cannot be neglected prior to the railroad age, but it remained the railroad that caused the most drastic changes. Canada was an emerging nation in 1900, and Toronto with its influence over much of Canada's economic prosperity, was very much its centre.

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