Canada and set up assemblies in both parts. Upper Canada's first lieutenant-governor, Lord Simcoe, chose York (later Toronto) as the site of a capital for Upper Canada because it was separated from the United States by an expanse of water.

The War of 1812 between Britain and the United States tested the loyalties of Upper Canada's population of some 100 000 people, four-fifths of whom had come from the United States. British forces, supported by the Indians, rallied the inhabitants and repelled successive invasions by the United States. Isaac Brock, the British commander, and the Indian chief Techumseh were killed during the fighting. While the treaty of Ghent, signed in 1814, did not change the status of the combatants, the war was important in the colonies because it marked the emergence of nationalistic sentiments in Canada.

After the Napoleonic Wars, British authorities began encouraging overseas settlement. Former soldiers and officers, adventurers and tradesmen were given equipment and grants of land. Scottish crofters, Irish peasants and British urban dwellers came in large numbers in the 1820s, filling the St. Lawrence back country and taking up plots along the Ottawa River, in the Toronto area and in the rich agricultural land to the west. During the 1830s and 1840s, thousands of starving refugees came from overcrowded European cities.

Several uprisings, led by Scottish new spaper editor William Lyon Mackenzie, were inspired by agitation for responsible government in Upper Canada. Rebellions in both Upper and Lower Canada in 1837 led to the Act of Union, which combined Canada East (Quebec) and Canada West (Ontario) under one governor, council and elected assembly. Reform parties were elected to power in 1848 and under Robert Baldwin in Ontario and Louis Lafontaine in Quebec, the two provinces advanced towards responsible government.

By the 1860s there were 1.5 million inhabitants in Ontario. Cornwall, Prescott, Brockville, Gananoque and Kingston were prosperous ports on the St. Lawrence. Farms and orchards covered the Niagara Peninsula and the growing population provided a ready market for tradesmen and manufacturers. Mineral resources were plentiful and water power was available from streams and rivers.

From an early stage, the government supported construction of water-powered grain, wood and sawmills and made generous loans to those willing to build and operate them. This growth of trade and commerce was supported by an expanding transportation network. The 40lock Welland Canal was completed in