

goods of Great Britain, in which the trade of the country wholly consists. The staple product of Upper Canada must be wheat, and it will be the basis of exchange, as is evident from the present commerce of the country. Much attention has been lately given to the question as to how the Government might purchase its necessary supplies directly from the people, in order to promote the general agriculture of the colony. He complains that the system which prevails of purchasing supplies in large quantities from the merchants who undertake the Government contracts, has limited the market for the people. What he means, as we gather from other parts of the report, is that the farmers do not get as much for their grain as the contractors do. His analysis of the difficulty may be given in his own words: "The grievances consist in the universal  
" necessity of barter, having introduced among the merchants  
" the custom of their issuing their own notes; and by the direct  
" and indirect means by which these gentlemen obtain the sup-  
" plying of the garrisons, they will receive no flour but in such  
" quantities as they chose from their own customers and debt-  
" ors, paying them for it in goods, to which they affix the price,  
" or in their own notes, payable only on the 10th of October.

" Hence the flour merchant stipulated to the farmer the  
" price which he should receive for his flour, and that which he  
" should give for the goods which he was compelled to take in  
" barter.

" The necessity of a paper currency, where there is not  
" sufficient gold or silver, is most obvious, but the American  
" colonies having misused such a medium of commerce, and  
" converted what might have been a general benefit into public  
" injury, by an Act of Parliament at present binding on the  
" province of Upper Canada, no emission of this kind can be  
" legally made."

Here we have a simple and direct statement of the exchange mechanism of the time, mingling with an inconsequent and mistaken theory as to the grievances which resulted from its operation. That there were certain grievances is true, but they were mainly due to quite other causes than the exchange system. Even had the people obtained gold and silver for their products, they would still have had to sell them in the nearest