

All kinds of goods were supplied by one merchant ; all kinds of surplus products were purchased and exported by the same merchant. Where mills were erected the leading merchants commonly owned them. In many places in Upper Canada, during this period, a typical trading centre consisted of a flour mill, still, saw-mill, general store, tavern and blacksmith shop. In more important places a woollen mill or at least a carding machine was added. Very often all these were owned by one man. Typical representatives of such establishments were the Napanee Mills in the east, and the Albion Mills near Ancaster in the west.

Even in the earliest stages of the settlements the importer was also the exporter, and barter the natural system of trade. Supplies were required by the settlers throughout the year, while their products came in for sale mainly in the autumn, hence to equalize matters it was customary for the merchants, on the one hand, to give credit for supplies, to be paid for in products later on, or on the other hand, in the case of those who brought products in advance, to issue due-bills or *bons*, to be ultimately redeemed in goods, or partly in goods and partly in cash. These *bons* were usually made payable on demand, though not necessarily payable in cash. Together with ordinary promissory notes, which enjoyed a considerable local circulation, they supplemented the metallic money in the settlements, and, under the circumstances of the time, furnished a fairly effective medium of exchange. All things considered, we cannot but admit that in the early years of the upper province these local media of exchange were much more manageable, if not more secure, than any bank notes could have been.

The merchants, for their part, in obtaining their goods and disposing of their accumulated products, usually dealt with a few large importers at such places as Queenstown and Kingston. The merchants in these places also acted as bankers and bill brokers for the local merchants, receiving deposits, obtaining from their customers orders drawn upon various persons, and permitting their customers to draw orders upon them. These wholesale merchants sold as much as possible of the produce sent to them, to the Government agents for the supply of the military and Indian posts, exporting the remainder to