

and Quebec merchants on the one hand, and a great number of local merchants in all parts of Upper Canada, on the other. As a forwarder he acted for the North-west Fur Company and the other wholesale merchants in Western Canada. His business letter books are thus a perfect mine of information on all matters relating to trade and exchange during this period. I have also had access to many other business letters from the Bay of Quinte and the Niagara districts, throwing further light on the subject from the point of view of the local merchants. Lastly, the official reports from the Governors of the period, to be found in the Dominion archives, give us information from still another point of view.

As bearing particularly on the subject we have in hand, Governor Simcoe's report to the Lords of Trade on the condition of Upper Canada in 1794, is most interesting. In this report, as in many other ways, Simcoe exhibits at once his disinterested anxiety to promote the prosperity of the province, and his very imperfect acquaintance with the economic and social forces which were acting within his jurisdiction.

In that part of his report which refers to the conditions of exchange, he says that it should be a special object of the Government to supply the people of Upper Canada with sufficient cash, or other proper medium, to remove the difficulties which occur in bartering the products of the land for the manufactured 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