

market, and obtain from the same merchants their goods in exchange for their money. The merchants would thus have had practically the same advantage as under the system of barter. Under the conditions of the time whatever competition there was operated through the system of barter and *bons* quite as well as under a system of cash sales. The grievances arose mainly from the limited surplus products of the country, and the difficulties and cost of transportation. Under limited competition a monopoly of the export and import trade was also possible in the local centres, although this grievance was not so real as was commonly supposed. That it was not the exchange system, but these other difficulties which were really troubling Simcoe, is evident from the following extract from his report:—

“It appears, therefore, that to preclude the advantages derived from the purchase of flour for the King’s forces or garrisons becoming a monopoly of the merchants, who also are millers, land-owners, mortgagees and retailers; to obtain a circulating medium in money or its value, and to reduce the transport on the St. Lawrence, may be reckoned as three distinct and important objects in which the welfare of every individual of the province of Upper Canada is particularly concerned, on which its general prosperity depends, and with which, viewed in its political relations with Great Britain, are connected the welfare and strength of the Empire beyond all powers of calculation.”

The upshot of the whole matter is that Simcoe has a scheme to propose which will, he is sure, not only remove all existing difficulties, but bring indefinite prosperity to Canada and through it to the whole empire. The suggestion for this scheme, he tells the Lords of Trade, was obtained while he was stationed in Virginia during the Revolutionary War, where he observed that notes, issued on the receipt of tobacco, were employed as a circulating medium in the colony. This was, indeed, practically the same system, in a more developed colony, as that of which he complains in Upper Canada. However, starting from this suggestion, he has worked out quite an elaborate state scheme, which may best be given in his own words:—

“It is proposed that the province of Upper Canada