

Studies in Documents

Accounting Records and Everyday Economic Life in Upper Canada, 1790-1850

by DOUGLAS McCALLA*

In the past generation, historical study in Canada, as elsewhere, has begun to shift its focus away from the relative handful of leading figures and public institutions toward analysis of underlying social structures and their evolution, and toward a fuller understanding of the lives of the vast, largely forgotten majority who composed past societies. This has everywhere emphasized the difficulty of finding access to such lives, that is, of finding and using documentation of the unremarkable, the ordinary, the routine. Historians of colonial and nineteenth-century Canada have now made use of many sources pertinent to this research, including notarial documents, census manuscripts, assessment rolls, probate inventories, and land title records. We are still exploring the strengths and limitations of each of these, and all still have much to tell us. Regrettably, none are available for every region and period.

In the case of pre-1850 Upper Canada, whose economy has been the focus of my research in recent years, several of these (for example, probate records) are not very satisfactory, while others (for example, notarial records and, before 1842, census manuscripts) are not available at all. This is one reason why my attention has been drawn to some less familiar documents pertaining to the ordinary workings of a colonial economy, in particular, account books and related business papers, as well as farmers' and artisans' diaries and notebooks. Recent research by a number of scholars indicates that many of these have survived in Canada and, with appropriate allowances, can be made to yield substantial results. Because these sources have not yet been extensively used, they remain relatively unfamiliar both to most researchers and to the archivists who must handle them.¹ Hence the present paper, whose focus on pre-1850 Upper Canada is largely a matter of my convenience rather than of the limits of these materials. Indeed, some of the best pioneering work in them has been done on Lower Canada.

The typical colonial business was, in varying degrees, a general enterprise, which it is seldom accurate to categorize by any one label, except one so generic, such as "merchant,"

* I wish to acknowledge with thanks the financial support of the Ontario Historical Studies Series and the research assistance of Linda McIntyre Putz.

1 For example, I was told when I consulted the immense set of Western Assurance Company records in the University of Toronto's Thomas Fisher Rare Books Library that mine was the first request to use them in the twenty or more years they had been available for consultation.

as not to be all that helpful to the researcher.² Communications systems confined all but the most eminent firms to relatively limited areas, volumes of trade in any one locality were insufficient to sustain highly specialized firms, and the future was subject to such uncertainties that having multiple avenues of potential income was very advantageous. Consequently, most firms involved themselves simultaneously in a number of what would later be distinct trades, and it was quite common for them to change their focus over time as well.

Business records come in a variety of forms and scales, and those of a successful business can be very bulky indeed. If such records are in the form of correspondence, they can be read and inventoried like any other literary source, though it is important for the potential user to know the range of the firm's activities, whether correspondence is chiefly routine and clerical or strategic and entrepreneurial, and whether the letters are those of employees or of the owner or owners. Such material is often very valuable, but it is also more familiar. Accordingly, I shall ignore it here to focus on "accounting" records, especially their potential for revealing ordinary economic life. The entire economy functioned on credit, of course, as these records remind us; most therefore pertain to the management of debt and credit.

Two types of records, daybooks and ledgers, are most widely encountered. Sometimes a single book will contain both forms, or was mistitled by the original bookkeeper; but a user occasionally has the feeling that whoever organized and described a collection has treated "ledger," "daybook," and "account book" as synonymous. They are not. A daybook is a transaction-by-transaction record of customers' purchases and payments; in essence it is a chronology of the business. (Figure 1) Each transaction was recorded, as it occurred, by the merchant or his clerk, for transfer later to the principal books of the firm. These took the form of a ledger, which is a person-by-person (or firm-by-firm) record of the business. (Figure 2) Many businesses used only one ledger, and it therefore included not only customers but suppliers, employees, partners, and related enterprises. Usually there was one account per folio or page, and important accounts ran on to later pages in the volume. When the final page of a volume was reached, an entire new volume, carrying forward all active accounts, was started. Ledgers were periodically balanced so that customers could be billed and the firm could take an overall measure of its position. In theory a daybook can be recast as a ledger, and vice versa, but the work is prodigious.³ Moreover, in the typical retail business, the ledger was likely to be the more complete record, given the range of accounts included and the frequency with which major settlements of accounts were entered directly into the ledger without passing through the daybook. On the other hand, the daybook was more likely to particularize transactions that were merely summarized in the ledger; and it yields answers to chronological (e.g. seasonal) questions much more directly and immediately than the ledger.

Apart from these, a number of other accounting records may be encountered. Although some were parts of larger bookkeeping systems, the actual form of most was a

2 See my article "An Introduction to the Nineteenth-Century Business World" in Tom Traves, ed., *Essays in Canadian Business History* (Toronto, 1984), pp. 13-23.

3 In an excellent article, Claude Desrosiers notes that a ledger covering three years of one general retailer contains some 250,000 pieces of data. This gives an idea of the scale of work involved. See his "Un aperçu des habitudes de consommation de la clientèle de Joseph Cartier, marchand général à Saint-Hyacinthe à la fin du XVIII^e siècle," Dana Johnson and Louise Ouellette, eds., *Historical Papers/Communications historiques* (Ottawa, 1984), p. 95.

George 2 nd Jan ^y 1809		Dr	Cr
	William Patterson	Dr	
	to J. Bad		
25	Henry Bogart	Dr	
	to J. Bad		
	to B. Bad		
	to C. Bad		
	to D. Bad		
29	Abel Fullford	Dr	
	to Bay Salt		
	to ad Silver		
	to J. Bad		
27	John Munro	Dr	
	to J. Bad		
	to J. Bad		
205	Maxim Hunter	Dr	
	to J. Bad		
255	James D. Sheehan	Cr	
	By 1 day work		
277	John & Paulus	Cr	
	By 1 day work		
242	Saw Mill	Dr	
	to J. Bad		
	to J. Bad		
27	John Carr	Dr	
	to J. Bad		
285	David Hunter	Dr	
	to J. Bad		
247	Edward Patterson	Dr	
	to J. Bad		
284	Calvin Patterson	Dr	
	to J. Bad		
28	Malby Carstair	Dr	
	to J. Bad		
11	Edmund Patterson	Dr	
	to J. Bad		
	to J. Bad		
	to J. Bad		
102	Simon Matt	Dr	
	to J. Bad		
223	Robert Patterson	Dr	
	to J. Bad		

Figure 1: Yonge Mills Day Book #3, 1808-9, p. 187, entries for 23 January 1809 (Archives of Ontario, Yonge Mills Records, MU 3165). "Dr" entries are charges to the customers' accounts, usually for purchases; "Cr" entries represent purchases from customers or credits to their accounts for payments made or work performed. Figures on the left indicate ledger folios to which entries were transferred. Courtesy: Archives of Ontario.

list — of inventory, deliveries at a mill, promissory notes discounted at a bank, workers in a shanty, and so on. These frequently are of great value in forming an impression of ordinary economic patterns. Private financial memos of a firm may sometimes be met in which a partner computed how to pay bills or when to expect payment of accounts due him. Some business records also include collections of loose bills and notes, and these too may serve the historian if they are detailed and comprehensive enough in regard to the questions he has in mind.

Retail businesses, which typically had at most two partners, might use no more account books at one time than a daybook and a ledger. As for single proprietors, many leave the impression that they kept accounts chiefly as a supplement to memory and as a record of sums due them, and often their accounts did not distinguish very clearly between themselves as individuals and their firms. Larger firms, such as the import-export merchants who were at the head of the colonial business system down to the 1850s, needed more complex accounts, on standard double-entry principles, to record their diverse activities more particularly. Customers, employees, suppliers, branches, and partners would all have separate sets of accounts dedicated to them; capital, profit and loss, bad debt, and other components of a true accounting system would certainly be kept; and consistent and systematic accounting routines were likely to be followed. These firms frequently employed specialized clerks or bookkeepers to maintain their accounts, though the partners themselves made larger policy decisions (e.g. on asset valuation) and kept the confidential accounts such as their own capital and private accounts.⁴

At another level of ordinary economic activity, that of artisans and farmers, a considerable variety of records with an accounting dimension survives. In neither case are accounts as elaborate as for retailers, let alone larger firms. What the artisan most required was a record of work done, by himself and any helpers, and of whether it had been paid for. An especially systematic one might keep track of his costs as well, and almost certainly he would do so if he intended to bill materials costs to his client, or other costs (e.g. room and board) to his helpers. This could usually be done in a modest, often pocket-sized notebook that was readily kept at hand — something advantageous to craftsmen such as millwrights or carpenters who moved among jobs.

Farmers who kept notebooks had generally analagous needs.⁵ A particular imperative was to keep track of work done by labourers, whether seasonal or short-term, and of charges to be deducted from their wages. Also relevant were records of cropping and marketing, especially when some form of joint venture was entailed, as when a hired helper might share in the returns of certain produce. Systematic farmers might want a record of planting and harvesting, to assess yields and growing times, and of weather, as a way of keeping track of frost-free days, rainfall, and other factors affecting yields. Indeed, in some surviving farm records, weather seems to have been the farmer's chief interest. Finally, farm diaries sometimes recorded sales and purchases, though only seldom were these the sole purpose of the record.⁶

4 This is not intended as a full account of early nineteenth-century accounting practice, nor am I qualified to offer one. For further information see Michael Chatfield, *A History of Accounting Thought* (Huntington, N.Y., 1977), pp. 52-76; and G.A. Lee, "The Concept of Profit in British Accounting, 1760-1900," *Business History Review* 49 (1975), pp. 6-36.

5 See Winnifred Rothenberg, "Farm Account Books: Problems and Possibilities," *Agricultural History* 58 (1984), pp. 106-12.

6 See my "The Internal Economy of Upper Canada: New Evidence on Agricultural Marketing before 1850," *Agricultural History* 59 (1985), pp. 397-416.

For any of these sources to be used, the researcher (and the archivist considering acquisition of a collection, or preparing a collection for use — especially a large one or one requiring much organization of loose, unsorted pages) must consider several dimensions of them. One is the question of representativeness. The near-universal forms indicate that, despite substantial variations within them, such records represent responses to common needs. Of course there was both individual and regional variation: some craftsmen, retailers, and farmers prospered, while others did not, and different combinations of economic activities were opportune in different localities. Scale might also vary; grist and saw mills of widely divergent size, value, and complexity could, for example, apparently be profitable. To clarify the typical, the researcher needs as many examples as possible of the particular trade or craft he is studying to compare against one another. Even essentially hypothetical comparisons can help to assess the utility of a source, however. Knowing something of but a single enterprise, it is possible to extrapolate data from it by applying them to total numbers of such enterprises in a region (a figure liable to be found in a census or tax roll) and then seeing whether the results are consistent with common sense informed by other types of data.

Farm records are more problematic on this point, given their relative rarity and the considerable range of farm practice. Farmers who hired labour, who were “improvers,” or who had substantial capital were far more likely to keep such records than were those who used family labour only. Some farmers undoubtedly could scarcely read or write. But, for example, hay or wheat had to be harvested when ripe no matter who the farmer was; and, despite some views based on literary sources, prevailing prices for standard products appear normally to have applied to anyone buying or selling in a particular market. In short, here too a good many circumstances were common, and evidence can be tested against other data in a variety of ways. This is not to deny that there are biases, not always knowable ones at that, built into accounting records but to suggest that this is a manageable problem to be addressed explicitly by the users of such records as they develop their interpretations of them.

A second consideration in the utility of a collection is its comprehensiveness. What period does it cover, and what proportion of a firm's or a person's activities in that period? Here the practice of providing extreme dates in archival inventories can be very misleading. Many records are quite complete for one or several years, then include only occasional entries from later. Often, paper being valuable, a later generation found another use for an only partially filled account book, and such later uses may not be clearly distinguished in inventories. Supplementary notes that identify such variations and indicate the core period of coverage of sets of accounts are thus very helpful to the potential user. Having data for a long period of time is a virtue, but a comprehensive, even if very brief account, even of a single year or season, can, in the context of other sources, be enormously valuable. To know the output of a twelve-man timber shanty for a single winter is to have a substantial clue to the labour demands of the entire industry, and would, for example, permit use of total volume data for other years to estimate labour force and other inputs.

Third, how detailed and specific are the records? Where a retailer's entries for customers' purchases listed quantities and unit prices, it is possible to learn much about the history of prices and of consumption. If instead he merely noted sales as “to sundries,” the account book is much less useful. Where a farmer recorded labourers' work done or a produce sale, it matters greatly whether he provided such details as amount and location

of work, or bulk and price of the item sold. Careful reading of the documents can sometimes help the user to supply missing data, but not always. A fourth question is the consistency of the records. Can we trust their author or authors to have recorded similar transactions in similar ways? Did his, or their, practice begin well, then deteriorate? Does the record change its role and its form entirely? Such information if noted by archivists in their inventories and finding aids can be invaluable to researchers.

Scholars have recently begun to explore the uses that can be made of such documentation. Unlike a number of sources pertaining to ordinary economic life (e.g. an estate inventory or census manuscript), many of these are not simply cross-sectional, that is evidence of a single moment, but rather they reveal flows. This is very important in understanding patterns of economic life as people actually experience them. As well, many ordinary firms' records contain information on a broad cross-section of an area's population. Even those not deemed worthy of credit might appear, perhaps in their role as labourers, with accounts recording sums due them for work and debits set against such credits. One recent study found between half and two-thirds of all the households in its area recorded in the ledger on which it was based.⁷

Because such records pertain especially to debt, they serve most obviously to illuminate issues involving the credit system. They have a key part to play in understanding how markets worked, how capitalism actually functioned in the colonial economies. What a particular record of debits and credits actually "means" will still be very much a matter of interpretation. For example, is the often-met evidence of increasing indebtedness to a retail firm a sign of economic crisis giving rise to intense need, a sign of developing habits of consumption and resistance to a decline in living standards as incomes fluctuated, a healthy sign of well-founded optimism about the local future, or a sign of bad business practice by the storekeeper? If patterns varied within a single community, both among individuals and over time, what does this say about the choices open in that economy? Why did the "truck" system of credit in the Gaspé fishery result in continuing or deepening the fishermen's dependence on the dominant local mercantile firm,⁸ while by contrast, in much of Upper Canada, it was apparently the basis for many to arrive at the relative independence of the established farmer? Account books alone cannot answer such questions, but they can help us to ask them and to frame our hypotheses and answers much more sharply and specifically than would otherwise be possible. This is vital to our ability to think about such basic issues as the nature of economic relationships in colonial Canada. Certainly, in the Upper Canadian case, the complexity of these relationships is made much more evident by such documents. Through them an undifferentiated rural populace becomes much more divergent, immediate, and, ultimately, real.

These sources reveal much beyond the commercial system itself. Because they provide excellent evidence on farm and artisan practice, for example, they are highly relevant to the technological history of early Canada. What tools were bought, made, used, repaired? Of the equipment used in this economy, whether by craftsmen or in larger settings such as mills or steamships, how much had to be imported and how much was (or could have

7 Desrosiers, "Joseph Cartier," p. 94.

8 Rosemary Ommer, "Accounting the Fishery," paper presented to the Conference on Quantitative Methods in Canadian Economic History, Waterloo, 1984.

been) locally made? This is a key theme in understanding the extent and the nature of colonial economic dependence on more developed economies. Farm, mill, commercial, foundry, and blacksmith records all have much to say here.

Knowing what people bought tells us about their patterns of consumption, a key theme to a variety of researchers, including anyone with an interest in material culture. Knowing how people paid their debts, or carried them, can tell us both what they produced and how they responded to changing circumstances. These records also have much to say about the character of work — both how it was organized and the incomes it generated. Most people worked, whether entirely for themselves or some or all of the time for others, at a variety of tasks during a year, and seasonal patterns were very marked.⁹ Another important use for such documents is to study prices, and eventually much can be learned from extensive comparative price studies.¹⁰ Finally, the odds are good that somewhere in Canadian repositories there are a substantial number of accounts pertaining to almost any important aspect of colonial economic life.¹¹ Thus, accounts are key pieces of evidence to help us consider, from a number of perspectives, the evolution of standards of living in pre-1850 Canada. This is no small issue: it focuses on the meaning of two centuries of colonial economic change.

For researchers to make use of records such as these, it is most important to know that they exist and what they consist of in sufficient detail to be able to plan comparative research. Many are in major archives, but perhaps almost as many more are held in local collections, where they can be of immediate relevance, for example, in interpretive museum work. Few collections anywhere give the impression that they have received high archival priority, though it is of greater importance that archivists have already ensured the preservation of as many collections as they have.¹² Only occasionally does one meet the kind of careful and extensive inventories and finding aids that are typically given major institutional and political collections, and some collections have also been organized in ways that are far from immediately fathomable. This either compels the researcher to go carefully right through large collections in search of sometimes small rewards or deters him from exploring the records at all. Microfilming poses a range of problems. Account books may have been filmed, but so badly as to be essentially illegible.¹³ In other cases, accounting records have been omitted altogether from filming projects.¹⁴ Sometimes such elementary errors have been made as not filming the two

9 James O'Mara, "The Seasonal Round of Gentry Farmers in Early Ontario: A Preliminary Analysis," in Donald Akenson, ed., *Canadian Papers in Rural History* 2 (1980), pp. 103-12; see also, Louis Michel, "Le livre de compte (1784-1792) de Gaspard Massue, marchand à Varennes," *Histoire sociale/Social History* 13 (1980), pp. 369-98; and Françoise Noël, "Chambly Mills, 1784-1815," paper presented to the Canadian Historical Association, Montreal, 1985.

10 See Winnifred Rothenberg, "A Price Index for Rural Massachusetts, 1750-1855," *Journal of Economic History* 39 (1979), pp. 975-1001.

11 See William N.T. Wylie, "Blacksmiths, Artisans and the Political Economy of Upper Canada, 1800-1850," paper presented to the Canadian Historical Association, Montreal, 1985; see also George Bervin, "Les sources archivistiques: leur utilisation dans l'étude de la bourgeoisie marchande bascanadienne (1800-1830)," *Revue d'histoire de l'Amérique française* 38 (1984-85), pp. 212-13.

12 My own research suggests that the number of collections for Upper Canada alone runs to at least several hundred, and that is a far from exhaustive survey.

13 For example, Archives of Ontario, Hiram Walker Museum Collection, Hands Family Papers (20-108).

14 For example, Public Archives of Canada, Collections of the Lennox & Addington Historical Society MG 9 D8 (18); accounts in the William Bell Papers, Benson Family, Roblin Family, and James Stevenson Papers were not filmed.

sides of a document such as a promissory note in adjacent frames.¹⁵ This can make the record completely useless to the researcher.

As far as the *Union List of Manuscripts* is concerned, while it is doubtless severely constrained by space limitations, one has the impression here too that “principal subjects” (p. ix of the 1975 edition) are fewer and more general even for important business records than, say, for most political collections. The relatively informative twelve-line entry for the thirty-seven feet of Baring Brothers Papers at the PAC (p. 60) is an exception. More typical are entries such as this one for the business part of the one hundred feet of Calvin Company Papers at Queen’s University (p. 167): “correspondence, timber records, transportation records, ledgers, and account books, 1836-1923.” Nor is a potential user clear on how these are distinct from the business part of the 120 feet of Calvin Company Limited Papers at Queen’s (p. 167), which are “ledgers, journals, lumber records, letter books, contracts, and agreements, 1836-1914.” Here, at least, the very bulk of the holdings suggests the records’ potential importance. Yet it is striking that one two-page letter from John A. Macdonald to Hiram Calvin (p. 166) warrants as much space in the *Union List* as either of these entries for massive and vital sets of business accounts and correspondence. The “Crawford diaries” at the Archives of Ontario, which I have found very informative on Upper Canadian farming in the 1830s and 1840s, might be located by a reference (p. 293) to 1 foot 3 inches of material, 1801-1953, including diaries 1810-81; but nothing in the entry tells the hopeful researcher a key fact, namely when the family moved from New Brunswick to Upper Canada.

Given that such sources have not been much used, the apparently low archival priority these examples indicate can obviously be justified. It is to be hoped, however, that those having to organize collections including accounts data will try to acquire sufficient understanding of these documents to maximize the value of whatever time they are able to spend on organization of collections and development of tools for access. Helping to achieve that is the chief purpose of this paper. But, because records of the type discussed here are likely to play an increasing role in helping us write Canada’s social and economic history, it would be altogether warranted to give such materials higher archival priority in the years to come.

15 For example, the loose bills and receipts in Archives of Ontario, Norris & Neelon Records, Ms 490.