

an arrangement so that each tenant should pay a certain amount to his seigneur, while the requisite balance of about £650,000 should be made up by a contribution from united Canada. In 1856, the elective principle was introduced into the Legislative Council. The old nominees of the Crown are to retain their seats for life, but every new member is to be returned by one of forty-eight electoral divisions into which the Province has been mapped out for this special purpose. The Canadian Government has been obliged, in self-defence, to establish a weekly line of ocean steamships to England, at an annual expense of £45,000, in order to compete with the Cunard line, running to Boston and New York, which the Imperial Parliament had subsidized. Our line of ships has suffered greatly by the successive losses of the *Canadian*, *Indian*, and *Hungarian*; nevertheless, by the average of passages, it has been proved that the Canadian route is superior to any other, and a prosperous future may therefore be anticipated. In 1857, a severe commercial crisis passed over this country, which, combined with the bad harvest of that and the following years, depressed trade and business generally, to an alarming extent. In consequence of the falling off in the revenue, new customs acts were passed in 1858 and 1859, which imposed additional duties on many imported articles, and extended the *ad valorem* principle, in order to develop direct trade by sea between Canada and foreign countries. This policy seems to have met with success, and Canada is rapidly advancing to a higher and more influential position than she has ever yet occupied.

IX.—Attention began to be given about this time to the annexation of Red River settlement and certain portions of the territory adjoining, held by the Hudson's Bay Company, under a charter of Charles II.,