

the south branch of the Saskatchewan on the west, and the boundary line on the south, forms a parallelogram containing about 80,000 square miles, and comprises within this area 12,000,000 acres of arable land.

The soil on the banks of the Red River is rich and yields good harvests of fine wheat. It was here that the Selkirk or Red River settlement, with which Mr. Smith was prominently connected in the days of the first rebellion, was situated. At the end of the 18th century, the Earl of Selkirk visited the Highlands of Scotland and found that many of the younger generation were emigrating to the United States, and, judging that they would be desirable colonists for Britain's Dominion, he organized, in 1811, a band of settlers to come to Canada. He obtained a grant of land from the Hudson's Bay Company near the Red River, and planted a Scotch colony. In spite of the fertility of the soil, however, this colony did not thrive, being too far removed from commercial centres, and the Company bought the land back again in 1834.

In 1863, a change took place in the Hudson's Bay Company. At that time, their capital was half a million, and, by an arrangement with the International Financial Society, £1,500,000 was paid by that society to the then existing shareholders, and a new stock was created to the extent of two millions. No change was made in the charter, and all rights granted by Charles II were preserved to the Company. In the prospectus of the International Society, it was stated that the Company's territory contained an area of 1,400,000 square miles, or more than 896,000,000 acres. The average net annual profits for the previous ten years had been sixteen per cent on the old capital of half a million.

Into the service of this powerful organization Mr. Smith entered and was, shortly afterwards, sent to the desolate coast of Labrador, where the Company had some important trading posts. Even now, Labrador is, for many months, almost entirely cut off from communication with the outer world, and, in those days, its isolation was still more complete. A tribe of Indians, the *Montagnais* or Mountaineers, inhabited the country and lived on the shore from the River Saguenay downwards to the Atlantic Ocean, trading extensively with the Hudson's Bay Company. Labrador abounded in bears, wolverines, Cana-