

The values of the principal Returns of the District for the three Outfits amount to £5,888, £5,031, and £5,423, and the Country Accounts show the following results:—

Outfit 1874	...	...	apparent Profit,	...	...	...	\$4,621
Outfit 1875	...	...	"	"	...	...	1,448
Outfit 1876	...	...	"	Loss,	...	...	3,218

Upon the large amount of Capital employed in the District, \$106,000, the above result is most disappointing. Even in 1874 the profit is less than 5 per cent. When Cash Sales to the amount of \$17,000 are considered and are supposed to represent a certain amount of profit made, the Fur Trade would appear to be carried on in this District at a large amount of loss.

Mr. LILLIE, the Officer in charge, reports that his Returns were equal to those of former years, but of smaller amount, owing to the reduced rates at which they are valued. Musquash were very scarce, but all other Fur-bearing animals were to all appearance as numerous as they have been for several years past. The Government had opened a large retail store at Fort Francis, which, besides supplying the wants of the men employed on the Canal, was open to the public and the Indians. Mr. LILLIE also reported the presence of several parties of Fur Traders in Lac la Pluie District during Outfit 1876, but he observed that beyond putting the Company to some extra expense in opposing them, they did not affect the Company much or enrich themselves.

Mr. LILLIE does not appear to have realized the fact that for the last two Outfits at least the business of his District has been carried on at a loss to the Company.

Since the foregoing was written we have received from the Chief Commissioner a report of a visit to Lac la Pluie District made by Inspecting Chief Factor McTAVISH last month. He found that since the close of Outfit 1875, the Indian debts had largely increased, and a want of judgment had been shown by the Officers in charge of Outposts in dealing with the Indians. Since the commencement of the construction of Government works at Fort Francis, the Indians in that neighbourhood have hunted few Furs. Mr. McTAVISH found the stock of goods in the District double what it ought to have been. The Officer in charge had been directed to set aside for other Districts all goods not required by him. Next Outfit, North West Angle and the Outstation of English River will be given up, and if found practicable the Outstations of Whitefish Bay and Eagle Lake will be closed. The staff of clerks and servants will consequently be reduced.

A former servant of the Company, named LAURENSEN, had carried on a most reckless and unprofitable trade in the District, which kept the prices of Furs very high.

Mr. McTAVISH reports that the whole District is, and for the last three or four years has been, in a state of transition. That portion surrounding Fort Francis will, as soon as the Canal is finished, return to its normal state, as the Canal is not likely to be of any service as a highway, and when the Indians cannot find employment on the Public Works, some of them will be obliged to hunt for a living.

YORK FACTORY AND COAST POSTS.

These Posts are supplied from England by way of Hudson's Bay, and their Returns are sent home annually by the Company's own ship. Since the removal of the Dépôt of the Northern Department from York Factory to Fort Garry, York Factory has greatly declined in importance. At the commencement of Outfit 1874, York Factory had still on hand a large assortment of goods for the trade of Inland Districts.