

These shores having been found to be tenanted by furred animals of great value, the idea of forming a settlement was suggested by Grosselier, a Frenchman, who, having failed in obtaining any countenance from his own countrymen, laid his scheme before Prince Rupert, who immediately perceived its value. A capital of £10,500 was subscribed by the Duke of Albemarle, Lord Craven, and others, and a charter of incorporation was granted by Charles II. in 1670. Stations were settled on Moose River, and a few years later on the Albany, and soon after two more on the Nelson and the Severn. Hostilities were constantly occurring between the French and English settlers; but, notwithstanding the fact of the company having sustained gigantic losses, they prospered marvellously—a conclusive proof of the lucrative nature of their transactions.

At the peace of Utrecht the factories captured by the enemy were restored to them, and in 1720 they had trebled their capital, with a call of only 10 per cent. on the shareholders. Again, in 1782, a number of their factories were appropriated by the French, under Perouse, after which period they had to encounter much fierce competition with the North-West Company, terminating in aggressive animosity and bloodshed. At length, in 1821, an Act of Parliament was passed under which the crown granted to the company (then including the three rival associations) a license of exclusive trade "over all those tracts that might not be included in the original charter, and also over those tracts which, by mutual consent, were open to the subjects of England and those of the United States." After a careful investigation on the part of the government, this license was renewed on the 30th of May, 1838, for twenty-one years.

The affairs of the Hudson's Bay Company were conducted by a governor, deputy governor, and a committee of seven, elected by 259 proprietors, representing an aggregate capital of £400,000. Vancouver Island was made over to the company by the crown in 1849, the grant being revocable at the end of eleven years, upon the distinct understanding that they

should attempt to colonise it. The administration of the island not being satisfactory to the Imperial government, the lease was not renewed.

The computed area of the new El Dorado is not less than 200,000 square miles, and, as the intelligence of the discovery of gold was circulated and confirmed an indiscriminate rush of a Bohemian population of sturdy diggers, in search of the auriferous deposits might be anticipated. An arduous task thus devolved upon our legislators, it being indispensable, for the security of life and property, that this vast tract of country should be covered by the protection of law and order, adequately supported to enforce its strict observance. To provide for this contingency, Sir Edward Bulwer Lytton brought forward a bill in the House of Commons to regulate the future government of this dependency. The purport of this bill was to establish a provisional government for a specific period of five years, when its authority will give place to those free institutions for which it is framed to pave the way. It empowers Her Majesty, until the 31st of December, 1862, "to appoint an officer to make provision for the administration of justice, and to devise laws for the peace, order, and good government of the colony; and, as soon as it may be deemed convenient, by order in council, to authorise such officer to constitute a legislature, to consist of the governor and a council, or council and assembly, to be composed of such persons, elected in such manners and subject to such regulations as it may be deemed expedient." Vancouver Island, which is 700 miles distant, is not included, as it is destined to become a great naval station, and the attention of the authorities will be absorbed in developing its resources. The question of future annexation is left open, so that it is competent for the inhabitants at any time to address the crown to unite the island and the mainland under one governor. A sufficient naval and military reinforcement has been sent out to support the executive.

It was the policy of the Hudson's Bay Company to discourage colonisation as far as practicable, as their profits depended

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