

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., granted in 1670. Red River was first settled by fur-traders of the Company, and was regularly colonized, only after having been purchased in 1812 by Lord Selkirk, who established a number of industrious Scottish families in the wilderness. A few years after his death, the colony reverted into the hands of the Company, who repurchased it without the knowledge or consent of the inhabitants. The hardy Scottish settlers have survived all manner of vicissitudes : attacks of hostile Indians, violent opposition of the rival North-West Company, failure of crops, insufficient store-supplies, freshets of the river, ravages of in-