

At other Posts, the decrease in Returns is attributed to the great severity of the winter, which was one of the coldest on record. Large numbers of Beavers at the Post called Red River were found dead.

It will be seen from the foregoing observations that the District suffered considerably from various causes—from the starvation of the Indians, from the severity of the winter, &c. But while the Officer in charge alludes to these facts, he does not allude to the great increase in the amount of goods that he appears to have traded, nor give any explanation, beyond these general remarks, of what has become of the excess disposed of over the year 1874. No explanation is given as to whether the excess of \$29,000, compared with the year 1874, arose from debts which were incurred by the Indians and not paid, fresh advances in goods and provisions, or other causes.

Last year, writing with regard to the previous Outfit, the Officer in charge reported that the Returns for Outfit 1875 showed an increase of \$19,437 over those of 1874. He made no allusion to the fact that the amount of goods traded in the District in Outfit 1875 was \$29,000 in excess of that in 1874, but stated that the Fort Rae Indians were compelled to wander a long distance from the Post in search of food; and Mr. HARDISTY added that they retained a considerable portion of their Furs, and intended doing the same the following year, when they proposed going to Athabasca to make a large trade. The severity of the winter 1875-6 had been much against Fur hunting, and caused a great deal of suffering among the Indians. Sickness, added to the scarcity of food, had an adverse effect on the Fur hunts.

As already stated, the Indian debts are not valued, and no statements have hitherto been rendered by the Officers in charge of Districts in the Northern Department of the amount of advances remaining unpaid at the close of each Outfit.

Capital employed in the District:—

Outfit 1874..	\$77,000
„ 1875	87,000
„ 1876	90,000

Outfit 1876 is the first occasion on which McKenzie River District has produced a loss.

ATHABASCA DISTRICT.

Athabasca District Inventory at the commencement of Outfit 1874	\$25,000
Inventory at the close of 1876	78,000
Increase of	\$53,000
The supplies sent out in 1874 were	\$69,000
„ „ 1875 „	86,000
„ „ 1876 „	115,000
In 1876 the Officer-in-charge, started with an Inventory of	\$38,000
But, as has been shown, asked for and obtained goods amounting to	115,000
Goods traded in Outfit 1874	\$67,000
„ „ 1875	87,000
„ „ 1876	86,000

The experience he had had of the amount he was able to dispose of in former years was that he had traded \$67,000 in the Outfit of 1874. When he asked for his supplies in 1876, he did not know the result of his trade in 1875; but as a matter of fact he disposed of \$87,000. In fact, for 1876, he asked too much, and as the result proved, the whole of the extra goods sent to him were left on his hands at the end of the year, the Inventory having risen from \$38,000 at the commencement of 1876 to \$78,000 at the end.

The increase in the amount of goods traded in Outfit 1876, as compared with 1874, is \$19,000, equal to about 30 per cent., while the value of the Beaver and Marten obtained was about the same for the two years.

Valuation of the principal Returns—Beaver and Marten—at 1876 prices:—

Outfit 1874	£14,074
„ 1875	15,120
„ 1876	14,501

Result of trade in Country Accounts:—

Outfit 1874, apparent Profit	\$70,000
„ 1875	56,000
„ 1876	28,000