

1878
(61)

REMARKS ON THE TRADE OF THE SEVERAL DEPARTMENTS, AND ON THE SHIPS' ACCOUNTS.

NORTHERN DEPARTMENT.

Abstract of the Inventories of this Department at the close of Outfits 1874, 1875, and 1876.

	Outfit 1874.	Outfit 1875.	Outfit 1876.
General Goods	\$940,867	\$716,997	\$877,560
Canadian and American Goods	22,054	111,702	122,476
Country made Articles	28,798	30,540	29,031
Country Produce	102,168	97,139	83,360
Live Stock	63,663	41,264	58,527
Outstanding Debts	247,220	193,884	162,609
Cash	51,938	34,994	31,086
Advances for next Outfit	92,960	153,046	339,806
Repairs and Improvements	84,058	39,303	36,653
Freight	13,464	3,063	3,093
Articles at fixed prices	2,024	6,973	3,215
Ships and Steamers	88,377	160,465	122,210
Total	\$1,737,592	\$1,589,370	\$1,869,626

The large increase in the amount of "Advances for next Outfit" is due to the fact that a larger amount of goods has been indented for and supplied than the wants of the various Districts in Outfit 1876 required. These advances are represented by goods either on hand at Fort Garry for interior Districts or on the way to them. In the case of Athabasca and McKenzie River Districts goods are always ordered two years in advance.

Under the head of "Ships and Steamers," an increase has taken place since 1874, on account of the building of the Saskatchewan and Lake Steamers. The valuations of these steamers are annually reduced by a deduction of 15 per cent. for wear and tear.

The supplies from England have been as follows:—

Outfit 1874	£88,452
„ 1875	92,516
„ 1876	145,578

Goods are also purchased in Canada and the United States for the Northern Department, in payment of which Drafts are made on the Company in London.

The Supplies from England for Outfit 1877 were reduced to £59,377.

Bills drawn on the Company in the Northern Department for Outfit 1876, amounted to £30,116, while the remittances on the same account have been £21,000.

The Returns of the Department have realized the following amounts:—

Outfit 1874	£160,372
„ 1875	126,492
„ 1876	111,248

In the Country Accounts they are valued as follows:—

Outfit 1874	\$761,643 = £152,328
„ 1875	713,994 = 142,798
„ 1876	597,332 = 119,466

The trade of the Northern Department for these Outfits has produced the following result on these valuations, namely:—

Outfit 1874, an apparent Profit of	\$398,730 = £79,746
„ 1875	150,000 = 30,000
„ 1876	74,266 = 14,850

And the actual result has been—

Outfit 1874—Profit	£79,748
„ 1875	5,209
„ 1876	1,611

subject to the charge for interest on Capital employed, and the proportion of permanent expenses in London.

RESULTS OF TRADE.

The following is a Statement of the Profit and Loss Account of the Northern Department as made up at Fort Garry :—

Districts.	Outfit 1874.		Outfit 1875.		Outfit 1876.	
	Profit.	Loss.	Profit.	Loss.	Profit.	Loss.
McKenzie River	\$35,000	—	\$23,000	—	—	\$4,500
Athabasca	69,000	—	56,000	—	\$28,000	—
English River	30,000	—	5,000	—	10,000	—
Norway House	13,000	—	—	\$1,100	1,700	—
Edmonton	33,174	—	6,484	—	—	1,209
Saskatchewan	66,939	—	19,031	—	—	7,384
Cumberland	35,270	—	14,607	—	8,285	—
Swan River	29,427	—	18,419	—	16,448	—
Lac la Pluie	4,620	—	1,448	—	—	3,218
Manitoba	—	—	1,084	—	5,813	—
York Factory	13,058	—	10,387	—	—	10,511
Churchill	9,061	—	5,831	—	3,838	—
Severn	6,160	—	4,736	—	1,194	—
Island Lake	21,446	—	10,584	—	3,355	—
Trout Lake	17,482	—	6,246	—	6,432	—
Portage la Prairie ..	—	—	3,442	—	—	7,376
Poplar Point	—	—	5,408	—	654	—
White Horse Plains ..	—	—	4,346	—	2,112	—
Georgetown	—	—	—	4,099	—	6,968
Pembina	—	—	6,663	—	6,171	—
Point Coupé	—	—	274	—	—	718
St. Anne's	—	—	3,042	—	—	2,383
St. Boniface	—	—	2,207	—	—	591
Lower Fort Garry ..	—	—	6,279	—	—	5,216
Red River	12,548	—	—	—	—	—
Dépôt	—	—	—	—	—	3,055
Merchandise Account ..	11,926	—	11,602	—	56,326	—
Customers (bad debts at Fort Garry)	—	\$8,388	—	9,932	—	4,837
Furs Purchased	4,343	—	—	16,771	—	15,326
Returns of Trade	—	306	—	7,390	—	2,693
Steamer "Colville"	—	—	—	7,764	—	416
Steamer "Northcote" ..	—	—	2,529	—	—	4,532
Red River Steamers (included in Red River District Accounts)	—	—	—	—	21,108	—
Repairs and Improvements ..	—	3,200	—	237	—	1,184
General Charges	—	20,021	—	26,540	—	11,924

MCKENZIE RIVER DISTRICT.

Inventory at beginning of Outfit 1874	...	...	...	...	...	...	...	\$23,000
" close of Outfit 1876	...	...	...	...	...	...	...	16,000
<hr/>								
Supplies in 1874	...	...	...	...	...	...	...	\$44,000
" 1875	...	...	...	...	...	...	...	53,500
" 1876	...	...	...	...	...	...	...	68,000
<hr/>								
Goods traded in 1874	...	...	...	...	...	...	...	\$43,000
" " 1875	...	...	...	...	...	...	...	72,000
" " 1876	...	...	...	...	...	...	...	72,000
<hr/>								
Value of Beavers and Marten in 1874 at 1876 prices	...	...	...	...	...	...	...	£9,375
" " 1875	...	...	...	...	...	...	...	11,250
" " 1876	...	...	...	...	...	...	...	10,500

Accordingly it will be seen that in the Outfit 1876, while the value of the Beaver and Marten obtained was only £1,200 in excess of the year 1874, \$29,000 more were disposed of in goods, or 75 per cent. In other words, quite irrespective of the price, upwards of £5,000 more was given in 1876 for the same amount of Furs, and that on a total amount represented by £8,000 worth of goods. The result of trade in this District has been as follows:—

An estimated Profit in Outfit 1874 of	...	...	...	...	...	...	...	\$35,000
" " 1875 of	...	...	...	...	...	...	...	23,000
And a Loss in Outfit 1876 of	...	...	...	...	...	...	...	4,500

There is, thus, a difference of \$40,000 between Outfits 1874 and 1876 in respect of apparent profit; and, from the quantity of goods traded in the two Outfits respectively, it would appear that only half of the quantity is due to the fall in the price of Furs, the other half being due to the fact of a larger amount of goods having been disposed of without a corresponding increase in the quantity of Furs obtained. The result of this Department ought to be satisfactory. It is free from competition, and a good result ought to be obtained from it, if Furs are even at a moderate price; while it ought to give a brilliant result if Furs fetch high prices. In 1874, for instance, when prices were high, and when only \$43,000 were disposed of as against \$72,000 in the two succeeding years, the profit in the Country Account was \$35,000, or £7,000, upon stock of goods, including Inventory and the supplies of the year, of £15,000, showing a profit of 40 per cent.

In Outfit 1875, while the valuations had been necessarily reduced, but were still on a moderate scale, the profit was reduced to about £4,500.

In Outfit 1876, when the valuations were low, and nearly approached the market prices here, the loss was £1,000, while \$90,000 had been invested. In this District it is to be observed that while there has been the same amount of increase in the supplies in 1876, as will be found in many other parts, there is this notable difference, that the goods have been disposed of; while in other Districts, the Inventory at the close of the Outfit has proved very much larger than before. But the goods thus disposed of have unfortunately not been disposed of in a remunerative manner, seeing that, as explained before, there has been no increase in the principal articles traded. In his Report on this District, the Officer in charge states that the scarcity of Moose caused starvation among the Indians, and thus almost entirely destroyed the fall hunts. The Returns, he said, compared unfavourably with those of last year. At the same valuations, Outfit 1876 showed a falling off of about \$5,000, as compared with Outfit 1875. On the other hand, \$8,000 of Furs were left behind. In Fort Simpson, owing to the starvation alluded to, the Returns were probably the lowest on record. The Trout Lake Indians, formerly the best hunters, have almost disappeared. The whole band is reduced to 11 men and boys.

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

It appears, therefore, that Outfit 1876 still shows a considerable profit according to the Country Accounts, notwithstanding the great fall in the valuations of the Furs.

In 1874, the profit by the Country Accounts was about \$70,000 on the invested Capital of \$93,000.

In 1875, with reduced but moderate valuations the profit was \$46,000, but on a larger Capital, viz., on \$128,000.

In 1876, on the other hand, with low valuations, the estimated profit is \$28,000 on \$160,000 invested; that is 17½ per cent. This District, therefore, under the circumstances, shows a fairly satisfactory result, even at the very low valuations.

With reference to the result of trade for *Outfit 1875*, Mr. MACFARLANE, the Officer in charge, stated in his Report of last year that for the last five years the Returns of Athabasca had increased despite numerous drawbacks, until they now, that is to say in the *Outfit 1875*, reached about double what they were for some time previously. "Surely such continued success had called for an expression of gratitude." It is worthy of remark that as the result of this *Outfit*, to which Mr. MACFARLANE alludes, he disposed of \$20,000 more of goods than in the previous year, without showing a proportionate increase on the amount of his Returns, which amounted to \$142,000. It is true that Mr. MACFARLANE explained that at St. John's the severe cold destroyed 35 of the 40 horses owned by the Company, and the Indians hardly saved one of theirs alive. At Dunvegan the Company lost some 50 horses towards spring, and the Indians and Freemen suffered in like proportions; and at Fort McMurray 14 oxen, 4 cows and 4 horses were carried off by disease.

In concluding his Report on the trade of Athabasca for *Outfit 1875*, Mr. MACFARLANE wrote:—

"It is needless for me to state that with a powerful opposition already established in Peace River and the certainty of other traders finding their way all over the District, it behoves us to be liberally provided with supplies to meet all the requirements of the trade. in fact it is only by this means that we can hope to prevent opposition from becoming a profitable institution in the Northern Districts."

The Officers were obliged to pay over 100 per cent. additional for every Fur and ounce of provisions traded in the District.

The following Statement shows the alterations that have been made in the Fur Tariffs during the last few years.

FUR TARIFFS.—ATHABASCA DISTRICT.

Particulars given by Chief Trader McDougall, January, 1878.

	1874	1876	1877
	M. Beaver.	M. Beaver	M. Beaver
Martens	2	4	3
Bear	4	3	6
Beaver	1	2	1½
Lynx	1	1	1
Minks	1	1	1
Silver Foxes	15	35	50
Cross	2c. 4	2c. 8	6

Made Beaver, Valuation 1/10.

The Returns of Athabasca District for *Outfit 1876* valued at the same Tariff as that of *Outfit 1875*, amount to \$134,000, a falling off of about \$8,000.

Mr. MACFARLANE, in his Report upon the result of trade for *Outfit 1876*, stated that the natives of Athabasca experienced greater privations from want of food than they had done for many years back.

The weather had rendered Moose hunting impracticable, besides very materially interfering with the trapping of Marten and other Furs. The very early settling in of spring weather also did much injury.

Writing of one of the Posts called Battle River, Mr. MACFARLANE, says:—

“Great and protracted privations were experienced here, as well as at all the Posts on Peace River, from a scarcity of food, and which, it is needless to state, seriously affected the winter hunts.”

“As the season, however, advanced matters began to improve, and the Battle River people collected a considerable quantity of fine Beaver.”

Of a Post called Fond-du-lac, Mr. MACFARLANE writes:—

“The Provision Trade of 1876, is beyond all question the poorest ever made at this Outpost.”

“The Autumn Receipts were almost nil, while during one winter, Reindeer were so very scarce that 19 men, women, and children perished from starvation, and a number of others would have met with the same fate if they had not been succoured in good time. In April, Deer made their appearance in good numbers, but, unfortunately, a thaw set in, so little or nothing was secured. In these circumstances, and owing to a scarcity of Martens, the Fur Returns are some 25 per cent. below last year’s.”

Similar statements are made with regard to other Outposts.

Capital employed in Athabasca District:—

Outfit 1874	\$93,000
„ 1875	128,000
„ 1876	160,000

ENGLISH RIVER DISTRICT.

Inventory at the commencement of Outfit 1874	\$22,000
Inventory at the close of 1876... .. .	29,000
The supplies sent out in 1874 were	\$29,000
„ „ 1875 „	37,500
„ „ 1876 „	40,000
Goods traded in 1874	\$17,000
„ „ 1875	47,500
„ „ 1876	32,000
Value of Beaver, Marten, Mink, and Lynx, in 1874 at 1876 prices ...	£3,000
„ „ „ „ 1875	4,500
„ „ „ „ 1876	3,700

Accordingly it will be seen that in Outfit 1876, while the value of the principal Furs traded was only £700 in excess of the year 1874, \$15,000 more goods were disposed of than in 1874; an increase of almost 100 per cent.

We should not pass over the results of Outfit 1875, when \$47,500 were traded, or \$31,000 more than in 1874, while the value of the Furs on the same valuation was £1,500 more, or about \$7,500.

Inspecting Factor McMURRAY, in writing of English River District in Outfit 1875, stated:—

“You will observe the very large increase in the price of some kinds of Furs, that the presence of opposition traders has compelled us to make. The Fur tariff for the current Outfit is certainly very high, and would not have been adopted, if, with a due regard to our interests, we

"could have done otherwise. As it is, our opponents not only pay the same price as we do for Furs, but actually sell some of their goods at a lower figure. We have as yet made no reduction in our goods tariff, but, on the contrary, have enhanced the prices of some articles. We have so far managed to secure a greater portion of the Fur Trade in this quarter."

Mr. McMURRAY continues:—

"I am apprehensive, even if we manage to secure the same amount of Furs as last year. We have endeavoured, in competing with our opponents, not to incur any unnecessary expense, but their liberal system of trade, as already stated, has obliged us to be less economical than we should otherwise have been."

An examination of the District Fur tariffs annexed to that Report, shows that the tariff for Beaver was doubled in Outfit 1875; that Fishers were increased from 2-Made Beaver to 3-M.B. in 1874, and from 3-M.B. to 6-M.B. in Outfit 1875; Lynx were increased from 1-M.B. to 2; Martens from 2 in 1873 to 4 in 1875; Minks from 1 in 1873 to 3 in 1875.

As compared with the previous year, Outfit 1876 shows a reduction of \$15,000 in the amount of goods traded, with a decrease of about £700 in the value of the principal Returns of the District.

The profits on the valuations of 1874 were \$29,975.

"	"	"	1875	"	5,345.
"	"	"	1876	"	9,855.

The amount of Capital employed being in 1874, \$50,000.

"	"	"	"	1875,	72,000.
"	"	"	"	1875,	66,000.

The high rates paid for Furs in Outfit 1875 have been considerably reduced:—Martens from 4-M.B. to 2, and Mink from 3-M.B. to 1; and efforts were being made by the Officer in charge of the District to effect a further reduction in the rates of these and other Returns which were being traded for Outfit 1877.

NORWAY HOUSE DISTRICT.

Inventory at the commencement of Outfit 1874	...	...	...	...	\$73,500
" at the close of 1876	...	...	...	...	39,500
Goods supplied in each Outfit, 1874, 1875, and 1876, about	...	...	...	...	\$55,000

The great reduction in the Inventory will be noticed.

In this District there has been a considerable sale of goods to the Dominion Government.

The goods traded in the year 1874 were...	...	...	...	...	\$79,000
The Cash Sales were	...	...	...	...	36,000
			Leaving for Fur Trade		\$43,000
In 1875, the goods traded were	...	...	...	...	\$71,000
Cash Sales	...	...	...	...	26,000
			Leaving for Fur Trade		\$45,000
In 1876, the goods traded were	...	...	...	...	\$66,000
Cash Sales	...	...	...	...	24,000
			Leaving for Fur Trade		\$42,000

It thus appears that the amount of goods traded for Furs during these three Outfits, has not varied very much, nor has there been much variation in the quantities of the principal articles, viz., Beaver, Marten, and Minks. They have ranged between £4,150 in 1874, to £4,400 in 1875, and £4,400 in 1876.

The profit by the Country Accounts was in 1874	...	...	\$13,000
In 1875, a Loss of	...	...	1,100
In 1876, a Profit of	...	...	1,700
The Capital employed in 1874 was	...	...	\$134,500
" " " 1875	...	...	117,750
" " " 1876	...	...	105,000

It is to be observed that, even in Outfit 1874, the profit is very small on the Capital employed, notwithstanding Cash Sales to the Dominion Government, which ought to have assisted the result.

In 1875, the valuations taken in the Country Accounts were moderate, but, nevertheless, the result showed a loss; while, notwithstanding the low valuations, a small profit appears in Outfit 1876. It appears that in this case the tariff for Furs has been reduced in 1876. Mr. Ross, the Officer-in-charge, writes:—"The increase of expenditure in consequence of the opposition has been counteracted in a measure by a reduction of at least 50 per cent. in amount of advances given to the Indians, and also by a reduction in the price of Furs where practicable. The reduction in the price of Mink from 2 to 1-M.B. effected a saving of 1,000-M.B. at this Post alone for the Outfit. A persistent adherence to the established rates of the Goods and Fur Tariffs has hitherto been the rule in the District, and the old system of barter has always worked at all the Posts with satisfactory results."

Mr. Ross states that there can be no doubt that this year has been a disastrous one for the opposition, and that the system of opposition in this District appears to be effective, &c.

The Indians, as a rule, continue to deal with the Company in preference to the Canadians. He added that "the trade supplies were larger than the business could well afford, but the freight expenditure, which was still heavy, and the demands incidental to the presence of a strong competition in the trade proper, as well as in the new branch of business originated by the payment of cash annuities to the Indians, rendered any curtailment of the Outfit impracticable. The time, however, has now come when it will be possible to effect a salutary reform in the Indents, and to reduce the Inventories, without much risk to the business."

We are of opinion that the attention of Mr. Ross should be called to the point—that, if we take into account that the Cash Sales to the Government and others must have given apparently a profit on the goods, the Fur Trade itself has been conducted at a loss. In fact, if this District is charged with interest at 5 per cent. on the Capital employed during the three Outfits, even including sales to the Government, there is a loss.

EDMONTON DISTRICT.

Edmonton Inventory at the beginning of 1874	...	...	...	\$57,000
" " " close of 1876	...	...	...	133,000
			Increase	\$76,000
Supplies furnished in 1874	...	...	...	\$94,000
" " " 1875	...	...	...	81,000
" " " 1876	...	...	...	91,000

While \$94,000 worth of goods were sent out for 1874, the goods traded and sold amounted only to \$60,000.

In 1875 the Cash Sales were	\$13,000
Goods traded—Fur Trade	71,000
In 1876 the Cash Sales were	\$22,500
Goods traded—Fur Trade	58,000

Valuation of the principal Returns—Beavers, Robes, Lynx, Marten, Mink, Musquash, and Otters—at 1876 prices:—

Outfit 1874	£9,978
„ 1875	9,663
„ 1876	6,878

It will be observed, that while the same amount of goods was traded in 1876 as in 1874, there is a falling off of £3,000 in the value of the principal Returns.

In Outfit 1875 the quantities of the principal Furs were almost identical with those of 1874, whilst the goods traded were \$12,000 more in value.

In the one case, therefore, there is a smaller quantity of Furs for the same amount of goods; in the other, an equal quantity of Furs, but at a much increased cost.

The Profits on the valuation of 1874 were	\$33,000
„ „ „ 1875 „	6,000
And a Loss on the valuation of 1876 „	1,200

The Capital employed being in all cases very large, viz:—

For 1874	\$156,000
„ 1875	191,000
„ 1876	213,000

In Outfit 1874 the debts, which in this Department represent a large amount, were valued for the first time. If their value is deducted from the profit of that year, the average profits of the three Outfits 1874 to 1876 as calculated in the country, would not give more than 5 per cent.

In this case, a much larger amount of goods appears to have been ordered during these three Outfits than was expended.

With regard to the causes of the unremunerative trade in 1876, the Officer in charge writes:—

“ The Returns of the District show a decrease on those of last year, there being no Robe Trade. There is strong opposition from the American Traders, BAKER & Co., of Benton, who can throw into the market, mostly at any time of the year, the class of goods required; and as all the supplies for the N.W. Mounted Police are supplied by them, they have a strong hold on that part of the country.”

He added, that in a part of the country like Edmonton, where the trade in some years demanded a much larger supply than at other times, it was difficult to frame requisitions two years in advance to the exact requirements of the District. Some years the trade in Robes and Provisions consumed a greater portion of the Outfit; while in a year like the present, when Buffalo were scarce, little or nothing is spent on the plain trade, which, consequently, leaves a large Inventory of such articles as have been requested for that particular trade.

He further reported that the reduction in the tariff for Furs was looked for, and had to come sooner or later, for the prices given to compete with opposition traders were so high that it was impossible to expect any margin of profit. “ Now that a crisis has come and with it the downfall of many, the road will be clear to begin at the lowest possible grade, and the Indians will not be worse off for the change.”

SASKATCHEWAN DISTRICT.

Inventory at the commencement of Outfit 1874	\$39,128
" close of Outfit 1876	156,544
	Increase... ..
	\$117,400
Supplies furnished in 1874	\$106,894
" " 1875	107,437
" " 1876	155,699
	In Outfit 1874 the Cash Sales were
	\$4,800
And Goods traded for Furs and Provisions	49,900
In Outfit 1875, the Cash Sales and increased amount of transfers to Districts were	\$20,000
And Goods traded	111,000
In Outfit 1876 the Cash Sales and extra transfers, as compared with Outfit 1874, amounted to	\$49,000
And Goods traded	114,500

It will thus be seen that there has been an increase of fully \$60,000 in the amount of Goods traded in Outfits 1875 and 1876, compared with Outfit 1874. The returns of Beaver, Robes, Lynx, Marten, Mink, Musquash, and Otter, valued at the same rates for each Outfit, amount in

1874 to	£6,353
1875 to	£8,439
1876 to	£5,846

so that, notwithstanding an increase of more than 100 per cent. in the value of goods traded, the returns of Outfit 1876, actually show a falling off of some £500, as compared with Outfit 1874.

The sales to the Government and others in the three Outfits were \$4,800, \$16,000, and \$29,000 respectively, and the accounts of the District show the following results:—

Outfit 1874, an apparent Profit of	\$66,939
" 1875 " " 	19,031
" 1876 " Loss of	7,384

The falling off in the last Outfit, as compared with 1874, being upwards of \$70,000.

There is a large amount of Capital employed in the trade in this District, where the bulk of the provisions are obtained for transport and other purposes.

In 1874 the Capital employed in the District was \$180,000

 " " 1875 265,000

 " " 1876 320,000

the latter yielding neither interest nor profit; while the Officer in charge of the District stated that upon the whole he had done very well.

In handing his accounts of Outfit 1876, Mr. CLARKE stated that in consequence of the steamer "Northcote" not reaching her destination last season, arrangements had to be made at Carlton for the transport of supplies to other Districts, which otherwise would have suffered to a considerable extent. A large amount of Pemican had been provided for the trade of these Districts.

Mr. CLARKE reported that the Comparative Statement of the Returns of Saskatchewan District Outfit 1875-6, showed an increase in the present year's work of \$2,729. The Fur and Robe Returns pointed to a decrease of \$11,366, which amount was more than met by the increased Returns of Pemican and Leather.

It may be observed that these articles are either transferred to other Districts or valued upon Inventory, and that even with the sales to the Government, amounting to \$29,000, the result of the trade of the District for Outfit 1876, is so very unsatisfactory, that the Chief Commissioner has been called upon to obtain from Mr. CLARKE further explanations.

In a recent letter, the Chief Commissioner explained that outstanding debts in the District were placed on Inventory at one-half of their value, that being the estimated cost of the goods with charges at which they would have appeared on Inventory if unsold.

He also stated that the sudden decline in the market for Buffalo Robes seriously affected the Balance Sheet of Saskatchewan District, which, at the same time, laboured under heavy opposition from the firm of KEW, STOBART & Co., who established themselves near Carlton, and excited the Robe and Fur Market beyond all reason. At the same time, the inability of the steamer "Northcote," to navigate the Saskatchewan River above the Cole Falls in 1876 greatly increased the expenses of getting the supplies to Carlton, which were rendered too late to be disposed of as intended at the Indian Treaties Meeting, and consequently swelled the Inventories, while, in the meantime, the next Outfit Requisition had already gone forward. These difficulties, in addition to the reduced valuation of the Returns, tended to make the result most unsatisfactory, contrary to the anticipations of MR. CLARKE.

CUMBERLAND DISTRICT.

Inventory at the commencement of Outfit 1874	...	...	...	...	...	...	...	\$28,208
" close of Outfit 1876	...	...	...	...	...	...	...	43,762
							Increase	\$15,554
Supplies sent out in 1874	...	...	...	...	...	...	...	\$44,818
" " 1875	...	...	...	...	...	...	...	61,253
" " 1876	...	...	...	...	...	...	...	83,972
Goods traded in Outfit 1874	...	...	...	...	...	...	...	\$54,228
							Sales	558
								\$53,724
							Transfers to Districts	12,000
							Leaving for Fur Trade	\$41,724
Goods traded in Outfit 1875	..	...	...	...	...	...	...	\$63,948
							Sales	1,925
								61,023
							Transfers to Districts	17,000
							Leaving for Fur Trade	\$44,023
Goods traded in Outfit 1876	...	...	...	...	...	...	...	\$72,286
							Sales	3,862
								68,424
							Transfers to Districts	21,102
							Leaving for Fur Trade	\$47,322

It will thus be seen that in comparison with 1874, Outfit 1876 had an increased amount of \$6,000 expended for Furs. The principal articles—Beaver, Marten, Mink, Musquash, and Otter—valued at 1876 prices, amount to—

£9,288 in Outfit 1874	
7,854 " 1875	
8,846 " 1876	

or a falling off in the Returns of £442, with an increased expenditure in goods to the amount of about £1,200.

The apparent profits shown in the District Accounts are—

Outfit 1874	...	\$35,270
„ 1875	...	14,607
„ 1876	...	8,285

upon the Capital employed—

Outfit 1874	...	\$77,149
„ 1875	...	91,424
„ 1876	...	119,048

This large increase of Capital arises from the fact that in Outfit 1876, \$39,000 more goods was supplied than in 1874, and as the Inventory at the close of 1876 showed a large increase, it follows that the District has been overstocked with goods.

The Officer in charge reported that, notwithstanding the late period in the season at which some of the Posts in the District received their Outfits, the winter's operations were favourable, and considering the active opposition in the District, and the sufferings of the Indians as usual from hunger, the final result showed an increase of £2,000 in the value of the Returns as compared with Outfit 1875.

He added that high prices prevailed in the lower part of the District during the winter; as a set off to which the barter rates for goods were somewhat advanced.

SWAN RIVER DISTRICT.

Inventory at commencement of Outfit 1874	...	...	...	...	...	\$44,733
„ close of Outfit, 1876	...	...	...	...	...	55,681
Supplies sent out in 1874	...	...	...	...	...	\$70,033
„ „ 1875	...	...	...	...	...	72,859
„ „ 1876	...	...	...	...	...	62,755
Goods traded in Outfit 1874	...	...	...	...	...	\$45,838
Cash Sales...	...	...	...	...	...	14,832
					Leaving for Fur Trade	\$31,000
Goods traded in Outfit 1875	...	...	...	...	...	\$106,222
Cash Sales...	...	...	...	...	...	55,800
						50,422
Extra Transfers	...	...	...	...	...	29,318
					Leaving for Fur Trade	\$21,104
Goods traded in Outfit 1876	...	...	...	...	...	\$68,896
Cash Sales	...	...	...	...	...	31,500
						\$37,396
Extra Transfers	...	...	...	...	...	8,332
					Leaving for Fur Trade	\$29,064

The principal returns of the District amounted to £5,966, £3,330, and £5,400, for the three Outfits respectively, and the accounts show the following results:—

Outfit 1874, an apparent Profit of	\$29,427
„ 1875, „ „	18,419
„ 1876, „ „	16,448

Mr. ARCHIBALD McDONALD, the Officer in charge, contrasts the accounts of Outfit 1876 with those of the former year, and states that “the collection of Furs is considerably in advance of last Outfit, and had the valuation been the same the result would have been much

better. While the collection of Furs has been much larger, the Cash Sales have been less, as a large quantity of country produce was sold the previous Outfit on which a double profit was made, this will tell on the profits of the District more than the advance on the Fur Returns will make up." He found that on an average the English goods landed there, cost 5 per cent. over the previous years, while he had adopted the same price as last Outfit for Inventories; he considered it better to do so, although it would somewhat affect the District for Outfit 1876, as part of the goods on hand on Inventory consist of the surplus stock supplied from York Factory, which must be sold at a reduced rate in order to dispose of them. He states that the internal expenses of the District have been kept as low as possible as heretofore, and that the outstanding balances have been reduced.

MANITOBA DISTRICT.

Manitoba District was separated from Red River District at the close of Outfit 1874, when supplies to the amount of \$51,976 were transferred to it, of which \$30,797 were traded in Outfit 1875, leaving \$21,842 on hand at the close of that Outfit. Supplies to the amount of \$27,582 were sent in Outfit 1876, at the close of which the Inventory amounted to \$23,990.

Goods traded in Outfit 1875	...	...	...	...	...	...	...	...	\$30,797
Cash Sales	...	...	...	...	...	...	...	...	8,458
									Leaving for Fur trade	\$22,339
<hr/>										
Goods traded in Outfit 1876	...	...	...	...	...	...	...	...	\$25,471
Cash Sales	...	...	...	...	...	...	...	...	8,928
									Leaving for Fur trade	\$17,173
<hr/>										

The returns of the principal articles, valued at the same rates for Outfits 1875 and 1876, amount to £1,561 and £1,850 respectively; and the apparent profit shown in the District Accounts, \$1,084 and \$5,813. The Capital employed in the District is about \$50,000. The Officer in charge writes:—

" Shoal River and Manitoba House contributed the greater part of the Furs, and notwithstanding the more than usual opposition at the former place, we got a large share of the trade, and if the Fur tariff was higher both these Posts would show a fair profit. As it is, we have paid more for most Furs than what we get credit for."

LAC LA PLUIE DISTRICT.

Inventory at the commencement of Outfit 1874	...	...	...	...	...	...	...	...	\$34,581
" close of Outfit 1876	...	...	...	...	...	...	...	...	43,282
									Increase	\$8,700
<hr/>										
Supplies sent out in 1874	...	...	...	...	...	...	...	...	\$77,046
" " " 1875	...	...	...	...	...	...	...	...	73,697
" " " 1876	...	...	...	...	...	...	...	...	61,783
Goods traded in 1874	...	...	...	...	...	...	...	...	\$90,893
Transfers	...	...	...	...	...	...	...	...	24,000
									\$66,893	
Cash Sales	...	...	...	...	...	...	...	...	15,660
									Leaving for Fur trade	\$51,233
<hr/>										
Goods traded in 1875	...	...	...	...	...	...	...	...	\$61,098
Cash Sales	...	...	...	...	...	...	...	...	16,000
									Leaving for Fur trade	\$45,000
<hr/>										
Goods traded in 1876	...	...	...	...	...	...	...	...	\$63,202
Cash Sales	...	...	...	...	...	...	...	...	17,000
									Leaving for Fur trade	\$46,000

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 Depôt 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.

It amounted to	...	...	...	...	...	...	...	\$494,377
At the close of Outfit 1876 the amount was	...	...	...	...	...	...	...	143,214
The supplies furnished in 1874 were	...	...	...	...	...	...	...	\$41,423
" " " 1875 "	...	...	...	...	...	...	...	27,923
" " " 1876 "	...	...	...	...	...	...	...	23,841
The Returns as valued in the Country Accounts in 1874 were	...	...	...	...	...	...	...	\$13,761
" " " " " 1875 "	...	...	...	...	...	...	...	8,113
" " " " " 1876 "	...	...	...	...	...	...	...	7,070

and the Accounts show the following results:—

Outfit 1874 apparent Profit	...	...	...	...	...	...	...	\$13,058
" 1875 "	...	...	...	...	...	...	...	10,387
" 1876 " Loss	...	...	...	...	...	...	...	10,511

Mr. FORTESCUE alluding in his Report to this unfortunate result, explained that Outfit 1876 was the first year in which the Factory was left to its own resources, having no connection with any of the Interior Districts except Oxford.

An examination of the Accounts current of the two years shows at a glance the difference of the amount of business transacted. In Outfit 1875 the Returns amounted to \$8,000, while the apparent gain was \$10,000. Mr. FORTESCUE stated that, besides the profit on Returns, the establishment derived benefit from the sale shop and the Invoice Charges to other Districts. In Outfit 1876 there was no profit from these sources. The collections show a further considerable decline in Beavers, which Mr. FORTESCUE thought were being "killed out." The Indians in the neighbourhood were in a state of great destitution and the only resource was to open the stores for the sale of provisions, to keep them up to the hunting of Foxes along the coast.

Churchill, Severn, Trout Lake, and Island Lake, are supplied from York Factory.

Goods traded at these Districts—

Outfit 1874	...	...	...	...	...	...	...	\$30,000
Outfit 1875	...	...	...	...	...	...	...	27,000
Outfit 1876	...	...	...	...	...	...	...	29,000

Result of trade in Country Accounts—

	Outfit 1874.	Outfit 1875.	Outfit 1876.
Churchill, Profit	\$9,061	\$5,831	\$3,838
Severn "	6,160	4,736	1,194
Trout Lake "	21,446	10,584	3,355
Island Lake "	17,482	6,246	6,482
Total Profits	\$54,149	\$27,397	\$14,819

As regards Severn and Trout Lake, Mr. FORTESCUE reported that the extremity to which the Coast Indians had been reduced could hardly be believed, and the matter of surprise was, that only one case of death from starvation came to his knowledge, namely, that of a family or camp of 10, all of whom perished except one boy. He added it was not, therefore, surprising that the debts had increased 860 M.B., or 40 per cent. These debts are not valued on Inventory.

At the other Posts the falling off in the amount of apparent profit is due principally to the lower rates at which the Returns are valued in Outfit 1876. The quantities are not less than those of former years, and no opposition traders have yet made their way to these Districts.

RED RIVER AND MANITOBA TRADING STATIONS.

There are nine Trading Posts within this District, our remarks on which are confined to the Outfit of 1876, as it was only in 1875 that separate accounts were kept. The following table exhibits the amount of goods on hand, and supplied during Outfit 1876, and the apparent results at each Post, together with the Furs traded either for Cash or Barter. These results may be somewhat qualified, owing to the errors hereafter mentioned, reported in taking the Inventories. The Inventory value is based on the cost at Fort Garry, with a small per centage added for transport from that place. Three of the Posts, Point Coupé, St. Boniface, and Georgetown, are being closed, and are, therefore, not included in the Return.

Stations.	Capital Employed.	Profit.	Loss.
Portage la Prairie ...	\$77,000	—	\$7,376
Poplar Point. ...	35,000	\$654	—
White Horse Plains ...	30,000	2,112	—
Pembina ...	55,000	6,171	—
St. Anne's ...	42,000	—	2,383
Lower Fort Garry ...	80,000	—	5,216
	<u>\$319,000</u>	<u>\$3,937</u>	<u>\$14,975</u>
Balance of Loss \$6,000.			

If, in addition, 5 per cent. on the estimated Capital employed be charged, the loss would amount to \$22,000 for Outfit 1876.

It is to be remarked that these Posts are mainly kept up, either for the purchase of grain required for the Company's use, or for ordinary shopkeeping as contradistinguished from the Fur Trade. The total value of Furs traded was:—

Portage la Prairie ...	\$3,844
Poplar Point ...	105
White Horse Plains ...	349
St. Anne's ...	421
Pembina... ...	24,618
Lower Fort Garry ...	915

\$10,252 = £2,000 Sterling.

The shops, except Lower Fort Garry, where there is a Chief Trader, are managed by Clerks, whose period of service with the Company varies from four to seventeen years, and whose salaries vary from £73 to £100 a year.

We note by the reports of Mr. JOHN McTAVISH, dated the 25th January and 16th February last, that irregularities occurred in taking the Inventories, not from wilful error, but from the difficulty of closing the shops during stock taking. In several instances also the goods of one Outfit have been mixed up with the stock, properly chargeable to another; in others, articles lost or valueless have been taken over at the customary value, and in one instance the quantities have been entered as "lbs." instead of "bags." Pending full explanations on these matters it is impossible to depend on the precise results as reported.

Mr. McTAVISH remarks:—

"As absolute correctness in stock taking is more important than was formerly considered necessary throughout the country, I have now made arrangements to send parties from Fort Garry to assist at all the Posts, and as fast as the Inventories come to hand I am having them worked up, and will soon be in a position to give you a reliable result for Outfit 1877, and if any do not show a clear profit over and above all expenses, I would

“ recommend them being closed up at once, but I must remark that it was not only for the anticipated cash profit on sales that these Posts were established, but as a means to procure grain and country produce for the large demands of our Inland and General Business, which, in the absence of those Posts, would require an outlay yearly of a large amount of cash.”

To this Report the Chief Commissioner replies as follows, under date 6th February:—

“ As regards the maintenance of the Outstations on the Assinibine and at St. Anne’s to secure grain and country produce for the general business, you are aware that until last year we have had to import not only Flour, but also Oats ever since 1874, although they existed in full force. * * * * *

“ Perforce we will have to keep up our Establishments at Portage la Prairie and St. Anne’s until we ascertain the result of Outfit 1877, which is already nearly ended, but my instructions conveyed to you regarding them through Mr. G. S. McTAVISH must not be deviated from, as I feel perfectly satisfied that orders will be sent from London to close both Stations forthwith.

“ The results at Poplar Point and White Horse Plains, although apparently showing a profit, dwindle into a loss when interest is calculated on the heavy stocks carried at both places.

“ I need not repeat the remarks I have already made when referring to the St. Anne Post, as they apply to it as well as to the Portage, but require its rectified account also.

“ Notwithstanding your remarks that a considerable grain trade can be done at this Post without carrying a heavy stock of goods, I find its Inventory 1st June last amounted to \$31,592⁰⁰; while that of Portage la Prairie was \$45,485⁰⁰; White Horse Plains was \$22,156⁰⁰; and Poplar Point was \$30,900⁰⁰; in all \$130,135, of which \$86,397⁰⁰ represents European Goods, and \$14,505⁰⁰, Canadian and American; showing in the former case an increase of \$20,559⁰⁰, and in the latter of \$2,877⁰⁰, and placing a heavy burden on the trade in consequence, whereas it was particularly desired that the Inventories should be much reduced.

In a further Report, dated 16th February, 1878, Mr. McTAVISH states:—

“ I agree with you that the Inventories at all our Outposts are far too large, and out of proportion to the amount of business done in Outfit 1876.

“ The Indents for the Outfit requirements were carefully made out and based on the largely increasing business of the previous year, and we were far from anticipating such a general stagnation of trade all over the country as followed.

“ Since the close of 1876, the stocks at all the Red River Posts have been very much reduced, and apart from our assuming by the Depôt everything in excess of the immediate demands of the trade as mentioned in my last letter, the Inventories now being taken will be found in a much more satisfactory state than in the previous year.

“ The position of the Establishments in Red River is very different from Inland Trading Posts, and a very much heavier stock of goods is required. In the face of the many traders and shopkeepers in every line of business surrounding us, if we wish to get a fair share of custom, we must at all seasons be in a position to supply all the wants of those who deal with us, as our stores are supposed to contain a general stock of all the requirements of a community, and this cannot be done by merely importing once a year, as we have hitherto been doing, when with every precaution and forethought it was impossible to avoid running short of some articles and having an excess of others, and we should be allowed to replenish our stock as often as disposed of, and the oftener the better if at a good profit, irrespective of the amount of our Indent as limited by Council.”

As respects the outstanding debts at these Posts, we find by the Inventory that on the 1st of June last they were as follows:—

St. Anne's	...	...	...	...	\$3,425
Portage la Prairie	...	...	...	...	6,053
Poplar Point	...	...	...	...	1,730
Lower Fort Garry	...	...	...	...	2,977
Pembina...	...	...	...	...	2,349
Georgetown	...	...	...	...	8,351
White Horse Plains	...	...	...	...	1,103
					<u>\$25,988</u>

The amount written off in respect of the Outstanding Debts at these Posts in Outfit 1876, was \$5,951, of which \$1,958 and \$3,719, apply to St. Anne's and Lower Fort Garry, leaving only small amounts for the other Posts.

On a review of the results of the trading at these Posts, and on consideration of the whole case, we are not of opinion that the Company has the means of carrying on profitably the business of retail shopkeeping, apart from Fur trading at the minor Posts in the Red River District; and we would concur in the recommendations of the Chief Commissioner that these minor establishments should be gradually closed, excepting perhaps the Posts of Pembina and White Horse Plains, which, under careful supervision, might be carried on with a profitable result.

Since the foregoing was prepared, a further letter has been received from Mr. J. H. McTAVISH, dated Fort Garry, 2nd April, in which he reports that the trade at Portage la Prairie is likely to show a profit of about \$17,000 in Outfit 1877, and that the utmost care is being taken with the view of having the Inventories of all the Posts in the District correctly taken and every article put down at its true value.

FORT GARRY.

This Establishment is divided into two branches:—

- 1st. The Depôt Branch.
- 2nd. The Merchandise or Shopkeeping Branch.

The Depôt in 1875 showed a total value and outlay (including customs duties and transport charges, together \$147,000) of \$915,320. In 1876 (customs and transport \$225,000) \$1,364,798. Of these totals there is represented for wages, \$22,524 in 1875, and \$29,700 in 1876.

The Inventories of stock on hand at the close of each Outfit vary.

1875	...	...	...	\$174,843
1876	...	...	...	201,311

These figures are large, but Fort Garry has now become the emporium of many of the Posts, which were formerly supplied from York Factory, and this will to some degree account for the large amount of goods on hand.

In Outfit 1875, the Depôt Account was balanced by the transfer of \$55,333 to the debit of Merchandise Account, the profit of which was thus reduced to \$11,602. While in Outfit 1876, Merchandise Account appears in the balance-sheet with a profit of \$56,326, and the Depôt stands with a loss of \$3,055, representing expenses unapportioned to other branches of the business.

Under the head "Furs purchased," cash and goods to the amount of \$54,762 are charged as having been expended at Fort Garry for Furs during Outfit 1876, since the commencement of which, prices declined in 1877 and 1878, as shown in Statement No. 1. on the first page of this Report.

The Furs so purchased, which were valued at the same rates as the rest of the Returns for Outfit 1876, amounted to \$36,330, and the account closes with an apparent loss of \$15,326.

The account "Returns of Trade," represents the expenses incurred at Fort Garry in repacking and forwarding the Returns of the Department.

STEAMERS.

The Freight earned by Steamers "Colvile" and "Northcote," is placed to the credit of their accounts, from which the deduction of 15 per cent. for wear and tear is taken. In Outfit 1875, the "Colvile's" earnings did not amount to the depreciation, as she was only employed during a part of the season.

The loss on the "Northcote" for Outfit 1876 arises from the same cause, the state of the water in the Saskatchewan being such that she was unable to proceed further than Carlton last season.

In Outfits 1874 and 1875, the result of the Red River Steamboat operations was included in the Red River District accounts.

The profit on the Steamers for Outfit 1876, amounting to \$21,108, was arrived at after deducting 15 per cent. from their valuation, which now amounts to \$24,337.

GENERAL CHARGES.

It will be observed that the amount of this account for Outfit 1876 is \$11,900, as compared with \$26,500 in Outfit 1875, and \$20,021 in Outfit 1874. In the last-named Outfits the municipal taxes were charged to General Expenses, while in Outfit 1876, the taxes appear in the account of Fort Garry Depôt, and in Outfit 1875 a charge was made against general expenses for loss of a quantity of Cordwood swept away by a flood on the Saskatchewan.

And the result of trade given in the same Accounts is as follows:—

Outfit 1874, apparent Profit	£13,552
„ 1875, „ „	14,229
„ 1876, „ „	5,327

The following is the actual result of the trade of the Department, without interest on Capital and the proportion of London Expenses:—

Outfit 1874, Profit	£21,320
„ 1875, „ „	18,017
„ 1876, „ „	7,268

Statement showing the result of Trade as ascertained upon the Country Valuations:—

Districts.	Outfit, 1874.		Outfit 1875.		Outfit 1876.	
	Profit.	Loss.	Profit.	Loss.	Profit.	Loss.
Albany River	£7,703	..	£5,541	..	£3,453	..
Rupert's River	3,665	..	5,894	..	2,568	..
New Post .. .. .	..	..	356	..	158	..
Brunswick	1,473	..	1,327	..	539	..
Kinogumissee	1,870	..	1,706	..	1,149	..
Eastmain	1,179	..	2,492	..	1,753	..
Abitibi	1,218	..	687	..	Transferred to Montreal Department.	
Moose Factory .. .. .	..	3,408	..	2,056	..	3,717
Do. Sale Shop	614	..	} Included with Moose Factory Account.			
Moose Trade	2,017	..				
General Charges .. .. .	..	2,451	..	671	..	225

ALBANY RIVER DISTRICT.

Inventory at commencement of Outfit 1874	£5,311
„ close of Outfit 1876	6,459
Showing an increase of	£1,148
Supplies sent out in Outfit 1874	£3,831
„ „ „ 1875	2,895
„ „ „ 1876	3,693
Goods traded in 1874	£2,473
„ „ 1875	2,545
„ „ 1876	4,254
Or an increase of	£1,800
as compared with Outfit 1874.	

The principal returns of the District—Beaver, Marten, Mink, and Otters—valued at the prices of 1876, amount to:—

£4,577	in	Outfit	1874
3,894	"	"	1875
5,134	"	"	1876

the latter being only £550 in excess of Outfit 1874; while, as already pointed out, the increase in the amount of goods traded was £1,800.

The result of Trade in Albany River District is as follows:—

Outfit 1874,	an	apparent	Profit	of	£7,703
"	1875	"	"	"	5,541
"	1876	"	"	"	3,453

The returns of Albany District for Outfit 1876, valued at the prices of the previous year, would have amounted to £11,359, being £3,126 more than the valuation at which they are credited on the accounts of the Department.

Mr. PARSON, the Officer in charge of Moose Factory, reported that during Outfit 1876 the Indian debts had decreased 718 M. Beaver at Albany, and to a less extent at Marten's Falls. There is a small increase at Osnaburg and Henley, at which latter place the debt was increased contrary to orders.

No opposition was heard of in Albany District during Outfit 1876; but Mr. PARSON stated that the heavy charges made at the Montreal Department against Albany District for expenses, incurred in opposing Free-trader RUTILE in 1875, had been assumed in the Southern Department at the request of Mr. BISSERT. Mr. PARSON added that he could not admit the justice of the charge for if the Pic River party traded from Albany Indians, the Furs were kept by the Montreal Department; and if they traded from Long Lake Indians, the Southern Department had nothing to do with the expense of collecting Furs from Montreal Department Indians.

RUPERT'S RIVER DISTRICT.

Inventory at the commencement of Outfit 1874	..	£4,372
" close of Outfit 1876	.. ..	5,103
Supplies sent out in 1874	.. ..	£3,454
" " 1875	.. ..	4,175
" " 1876	.. ..	4,289
Goods traded, Outfit 1874	.. ..	£2,897
" " 1875	.. ..	3,477
" " 1876	.. ..	4,814

or an increase of £2,000 as compared with Outfit 1874.

Valuation of the principal Returns of the District, namely, Beaver, Marten, Mink, and Otters, at 1876 prices:—

£4,178	in	Outfit	1874
5,610	"	"	1875
6,747	"	"	1876

the latter showing an increase of £2,600.

The Country Accounts show the following result of trade:—

Outfit 1874,	apparent	Profit	.. ..	£3,665
"	1875	"	.. ..	5,894
"	1876	"	.. ..	2,568

The Report on this District refers to a large increase in the quantities of the Returns as compared with those of the previous years. The Indian debts had decreased 417 M.B., principally at Mistassiny and Nitchequon. At one of the Posts named Metchiskun, the business was not found to be satisfactory, and the officer in charge, MAGNUS LINKLATER, was removed from it, because the returns had fallen off and the debts increased.

NEW POST.

Inventory at close of Outfit 1876	.. .. .	£385
Supplies in Outfit 1875	.. .. .	£545
" " 1876	.. .. .	617
Goods traded, Outfit 1875	.. .. .	£485
" " 1876	.. .. .	564
Principal Returns, Beaver, Marten and Otter Outfit, 1875	.. .. .	£568
" " " " 1876	.. .. .	595
Apparent Profit, Outfit 1875	.. .. .	£356
" " " "	.. .. .	158

The Indian debts had decreased 165 M.M., and at the close of Outfit 1876 stood at 730 M.M. Mr. PARSONS considered these debts larger than they should be for the number of hunters, but several were debts of old standing. The business of the Post was satisfactory, and no bad effect was perceptible from the transfer of Abitibi to the Montreal Department.

BRUNSWICK POST.

Inventory at commencement of Outfit 1874	.. .. .	£217
" close of Outfit 1876	.. .. .	363
Supplies sent out, Outfit 1874	.. .. .	£1,237
" " " 1875	.. .. .	1,214
" " " 1876	.. .. .	1,465
Goods traded, Outfit 1874	.. .. .	£1,168
" " " 1875	.. .. .	1,196
" " " 1876	.. .. .	1,408
Valuation of the principal Returns, Beaver, Marten, and Otters, at 1876 prices:—		
Outfit 1874	.. .. .	£2,625
" 1875	.. .. .	1,49
" 1876	.. .. .	1,591

Accordingly it will be seen that the returns show a decrease of £1,000 in Outfit 1876, when £240 more goods were traded than in Outfit 1874.

The result of trade is stated in the Country Accounts as follows:—

Outfit 1874 on Apparent Profit of	.. .. .	£1,473
" 1875	.. .. .	1,327
" 1876	.. .. .	539

The Officer in charge states that the returns show an improvement in every item of importance, except Fishers, which are 20 per cent. lower than in Outfit 1875. Bears and Musquash are from 35 to 40 per cent. better, and Minks and Lynx have increased 50 per cent., and Otters 80 per cent. At the prices adopted in Outfit 1875, the returns of Outfit 1876 would have shown an improvement of £812. If that amount is added to the apparent profit of £539, the result of trade at Brunswick for Outfit 1876 would be about the same as that of Outfit 1875.

Mr. PARSON reported that there was a slight decrease in the Indian debts which amounted to 1,448 M.B. From the 1st June, 1877, this Post forms part of the Montreal Department. The Returns of Outfit 1876 were sent to London by way of Lake Superior.

KINOGUMISSEE DISTRICT.

Inventory at commencement of Outfit 1874	£1,680
" close of Outfit 1876	2,081
Supplies sent out in Outfit 1874	£1,964
" " " 1875	1,813
" " " 1876	1,943
Goods traded, Outfit 1874	£1,813
" " " 1875	1,553
" " " 1876	1,934

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

Outfit 1874	£2,151
" 1875	2,141
" 1876	2,792
Apparent Profit Outfit, 1874	£1,870
" " " 1875	1,706
" " " 1876	1,149

The Returns of Outfit 1876, valued at the prices of Outfit 1875, would have increased the apparent profits by £1,255. Except at Metochewan, the Indian debts have been largely reduced, but at that place the increase is considerable, and amounts to \$2,849.

The regular opposition at Metochewan interfered to a great extent with the success of that Post; but this year, the freetrader Duccas is said to have failed, and it was expected that the low price of Furs would limit his operations in future.

EASTMAIN DISTRICT.

Inventory at commencement of Outfit 1874	£7,503
" close of Outfit 1876	7,699
Supplies sent out in Outfit 1874	£1,783
" " " 1875	2,661
" " " 1876	2,750
Goods traded in Outfit 1874	£1,526
" " " 1875	1,591
" " " 1876	3,883

Valuation of the principal Returns—Beavers, White Foxes, Marten, and Otters—at 1876 prices :—

Outfit 1874	£891
" 1875	1,608
" 1876	4,163
Apparent Profits, Outfit 1874	£1,179
" " " 1875	2,492
" " " 1876	1,753

Had the prices of 1875 been adopted for the Returns of Outfit 1876, an additional sum of £1,354 would have been added to the apparent profits of the District.

Mr. PARSON reported that Beaver had increased 50 per cent., and Otters 30 per cent. Rabbits were in great numbers, but the prosperity of the district was owing to the increase in Foxes, more especially White Foxes, which were swarming during the early part of the winter, and had risen from 1,571 skins in Outfit 1875 to 11,692 in Outfit 1876.

The Indian Debtor Balances amount to only 158 M.B., being a further decrease on those of 1st June, 1876.

ABITIBI DISTRICT.

Inventory at commencement of Outfit 1874	..	..	..	£467
" close of Outfit 1876	..	..	..	1,284
				£800
Showing an increase of	..	..	..	£800
Supplies sent out in Outfit 1874	..	..	..	£3,480
" " " 1875	..	..	..	3,206
" " " 1876	..	..	..	2,818
				£3,676
Goods traded in Outfit 1874	..	..	..	£3,676
" " " 1875	..	..	..	2,537
" " " 1876	..	..	..	2,721

Valuation of the principal Returns:—

Beaver Marten, Mink and Otters at 1876 prices, Outfit 1874	..	2,594
" " " " " 1875	..	1,867
" " " " " 1876	..	2,790
		£1,218
Apparent Profit, Outfit 1874	..	£1,218
" " " 1875	..	687
" " " 1876	..	710

This District was transferred to the Montreal Department at the commencement of Outfit 1876. The Apparent Profit would have exceeded that of Outfit 1874, had the same Valuation of the Returns been adopted.

MOOSE FACTORY DEPOT.

Inventory at commencement of Outfit 1874	..	..	..	£27,458
" close of Outfit 1876	..	..	..	29,769
				£19,318
Supplies sent out in Outfit 1874	..	..	..	£19,318
" " " 1875	..	..	..	19,048
" " " 1876	..	..	..	16,341
				£21,556
Goods traded, Outfit 1874	..	..	..	£21,556
Transfers to Districts	..	..	..	16,258
				£5,298
Leaving a balance of	..	..	..	£5,298
Goods traded, Outfit 1875	..	..	..	£14,903
Transfers to Districts	..	..	..	7,992
				£6,911
Leaving a balance of	..	..	..	£6,911
Goods traded, Outfit 1876	..	..	..	£16,937
Transfers to Districts	..	..	..	8,511
				£8,426
Leaving a balance of	..	..	..	£8,426

Comparing Outfit 1876 with Outfit 1874, this statement shows an additional outlay at Moose Factory of £3,000, a portion of which arises from the fact that, in Outfit 1874, Customs duties were placed to a separate account, namely, "General Charges," while the corresponding item is now dealt with in connection with the supplies of the depot.

In Outfit 1874 the amount of "General Charges" Account was..	£2,451
" 1875 " " " "	671
" 1876 " " " "	221

showing a reduction of £2,200 in Outfit 1876 as compared with 1874.

The wages of Servants employed in the Depot, charged in the Factory Accounts were as follows:—

Outfit 1874	..	..	..	..	..	..	..	£1,493
" 1875	..	..	..	..	..	..	..	1,403
" 1876	..	..	..	..	..	..	..	1,416

Valuation of the Returns of the Depot in the Country Accounts:—

Outfit 1874	..	..	..	..	..	..	..	£2,763
" 1875	..	..	..	..	..	..	..	2,005
" 1876	..	..	..	..	..	..	..	2,233

RESULT OF TRADE.

Apparent Loss, Outfit 1874	..	..	..	..	..	..	..	£3,408
" " 1875	..	..	..	..	..	..	..	2,056
" " 1876	..	..	..	..	..	..	..	3,717

Had the Returns of Outfit 1876 been valued at the prices of 1875, the apparent loss of £3,717 would have been reduced by a sum of £1,062, showing an increased expenditure of £700 in Outfit 1876, with regard to which the Officer in charge at the Factory has not offered any explanation.

MONTREAL DEPARTMENT.

Abstract of the Inventories of the Montreal Department.

	Outfit 1874.	Outfit 1875.	Outfit 1876.
English Goods	£26,616	£24,545	£23,561
Canadian ,,	14,786	17,611	17,695
Live Stock	903	859	917
Outstanding Debts	6,822	7,695	5,391
Cash	1,404	901	1,080
Buildings and Improvements	2,541	2,028	2,301
Boats	313	387	409
Balances transferred	18,770	31,019	26,106
	£72,158	£85,048	£77,463

These Balances are represented by goods received or purchased at Montreal on account of the Districts contained in this Department, as well as on account of the Northern Department, for the trade of the following Outfit.

The largest item is for account of the Northern Department, the amount at the close of Outfit 1876 being \$57,134.

The following is a list of the Outstanding Debts:—

Fort William	\$6,885
Nipigon	689
Michipicoton	822
Tomiscamingne	4,680
Ottawa River	4,378
Saguenay	2,447
Bersamis	479
Mingan	2,642
St. Augustine	1,164
Esquimaux Bay	2,048
	<u>\$26,239 or £5,391</u>

The amount written off for bad debts in Outfit 1874, appears to have been \$13,000, as compared with \$3,326 in Outfit 1875, and \$2,200 in Outfit 1876.

Indian Debts are not valued, nor have the amounts outstanding been reported.

Supplies from England.

Outfit 1874	£21,819
,, 1875	17,090
,, 1876	14,606

A further reduction in the amount of the shipments to the Montreal Department was made in Outfit 1877 in consequence of the unsatisfactory results of the trade of the Department. The amount was £9,804.

The Returns of the Department realized £58,750 in Outfit 1874

,, ,, ,,	51,448	,, 1875
,, ,, ,,	43,028	,, 1876

These Returns were valued in the Country Accounts as follows :—

Outfit 1874	..	..	..	..	..	\$264,850 = £52,970
„ 1875	..	..	..	..	..	244,859 48,971
„ 1876	..	..	..	..	..	231,902 = 46,380

Result of trade upon these valuations :—

Outfit 1874, apparent Loss	..	..	..	..	..	\$11,162 = £2,232
„ 1875	..	..	..	..	..	11,746 = 2349
„ 1876	..	..	..	..	..	3,377 = 675

In Outfit 1876, Abitibi District, included in the result of trade of the Montreal Department for the first time, showed an apparent profit of \$3,550, which should be allowed in comparing the result with that of Outfit 1875. The valuations of that Outfit applied to the returns of Outfit 1876, would have produced an apparent profit of \$28,000, as compared with an apparent loss of \$11,746 in Outfit 1875.

The actual result of trade, without taking into account, Interest and London charges, is as follows :—

Outfit 1874, Loss	..	..	..	..	..	..	£1,000
„ 1875, „	..	..	..	..	..	..	4,522
„ 1876, „	..	..	..	..	..	..	4,812

RESULT OF TRADE, MONTREAL DEPARTMENT, UPON THE
COUNTRY VALUATIONS.

	Outfit 1874.		Outfit 1875.		Outfit 1876.	
	Profit.	Loss.	Profit.	Loss.	Profit.	Loss.
Fort William	\$61	..	..	\$13,439	..	\$3,843
Nipigon	22	..	..	497	..	322
Michipicoton	12,949	..	\$5,953	..	\$4,777 25	..
Lake Huron	7,453	..	4,660	..	263 89	..
Abitibi .. .. .	..	..	..	..	3,550 66	..
Temiscamingue	6,245	..	..	2,719	..	2,546
Ottawa River .. .. .	..	\$4,380 69	..	3,665	..	829
Simcoe .. .. .	..	9,059 30	..	..	closed	..
Saint Maurice	512	..	1,515	..	..	3,681
Saguenay .. .. .	..	1,957 11	..	2,847	..	3,086
Bersamis	179	..	623	..	..	3,154
Mingan .. .. .	..	1,977 09	..	6,434	..	7,340
St. Augustine .. .. .	..	3,006 83	..	4,575	21 33	..
Sandwich Bay .. .. .	..	..	..	..	..	..
Esquimaux Bay .. .. .	..	13,473 68	3,329	..	2,153 64	..
Ungava	1,525	..	7,641	..	13,757 32	..
Montreal Agency .. .. .	..	2,290	..	213	..	1,170
General Charges .. .. .	..	1,184	..	1,038	..	1,508

FORT WILLIAM.

Inventory at the commencement of Outfit 1874	..	..	\$44,005
" close of Outfit 1876	..	..	<u>33,255</u>
Supplies sent out in Outfit 1874	..	..	\$41,932
" " " 1875	..	..	34,553
" " " 1876	..	..	<u>30,693</u>
Goods traded in Outfit 1874	..	..	\$42,555
Sales	..	..	<u>24,000</u>
Leaving for Fur Trade	..	..	\$18,500
" " " 1875	..	..	\$49,110
Sales	..	..	<u>19,000</u>
Leaving for Fur Trade	..	..	\$30,110
" " " 1876	..	..	\$30,517
Sales	..	..	<u>19,000</u>
Leaving for Fur Trade	..	..	\$11,500

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

Outfit 1874	..	..	..	..	..	..	£1,274
" 1875	..	..	..	..	..	..	1,508
" 1876	..	..	..	..	..	..	<u>1,158</u>

RESULT OF TRADE.

Apparent Profit in Outfit 1874	..	..	..	..	..	..	\$61
" Loss	..	..	..	..	..	..	\$13,439
" " " 1876	..	..	..	..	..	..	<u>3,843</u>

In consequence of the heavy loss sustained in Outfit 1875, the Officer in charge at Montreal was directed to proceed to Fort William, and report fully upon the mode in which the business had been conducted, and the cause of the losses. He found it necessary, in order that each item of expenditure might be charged to its proper account, to make out a fresh set of books for the district, and to lay down rules for the guidance of Mr. JOHN McINTYRE, who only remained in charge of the District till his successor, Mr. JOSEPH HARDISTY, arrived from Lake Huron. It was found that almost the entire loss had been sustained at the Post of Fort William, and that although profits had been made on sales of goods, yet these had been more than swept away by the expenses of the Post, losses from unpaid advances to Indians, and from bad debts. Mr. BISSETT added that the Indian advances were for supplies given during Outfit 1876, but that the outstanding debts, in respect of which allowances had been made in Outfits 1875 and 1876, had been brought forward from previous Outfits.

There were some goods on hand at Fort William in excess of the probable requirements of the District.

Mr. BISSETT's Report shows clearly that the business at Fort William District had been mismanaged by Mr. McINTYRE, and that the losses arose chiefly from Indian debts.

Mr. HARDISTY, now in charge of Fort William District, received clear instructions to adhere to a system of trade that would prevent bad debts, and the Chief Commissioner added, "As I feel satisfied he will carry out these instructions, another year will demonstrate whether it is advisable to continue business there or not."

The sales of goods were larger in Outfit 1874 than in 1875 and 1876, on account of the Government having in 1874 concluded a Treaty with the Indians inhabiting the country between Lake Superior and the Lake of the Woods. The cash paid to the Indians was

expended by them in the purchase of goods, and the annual payments to them are similarly employed. In Outfit 1876 the Profit on Merchandise Account amounted to \$3,215, while the losses from advances and the expenses alluded to by Mr. BISSERT exceeded that amount by \$3,700, the apparent Loss stated in the District Accounts.

. NIPIGON.

Inventory at commencement of Outfit 1874	\$29,465	
" close of Outfit 1876	28,599	
Supplies sent out in Outfit 1874	\$28,062	
" " " 1875	17,361	
" " " 1876	10,799	
Goods traded in Outfit 1874	\$28,900	
Sales	17,000	
Leaving for Fur Trade		\$11,900
" " 1875	\$14,500	
Sales	2,000	
Leaving for Fur Trade		\$12,500
" " 1876	\$15,226	
Sales	2,000	
Leaving for Fur Trade		\$13,226

Valuation of the principal Returns in Beaver, Fisher, Lynx, Marten, Mink, and Otters, at 1876 prices:—

Outfit 1874	£1,917	
" 1875	1,709	
" 1876	2,200	

RESULT OF TRADE.

Apparent Profit in Outfit 1874	\$22 ² / ₁₀₀	
" Loss " 1875	497	
" " " 1876	322	

Had the Returns of Outfit 1876 been assumed at the valuation of Outfit 1875, there would have been on an apparent profit in the District of about \$1,500, upon a capital of about \$40,000, so that even at last year's prices the District would not yield 5 per cent. In this District also the Sales of goods to the Indians were larger in 1874, in consequence of the conclusion of the Treaty with the Government.

MICHIPICOTON.

Inventory at commencement of Outfit 1874	\$9,701	
" close of Outfit 1876	14,188	
Increase		\$4,487
Supplies in Outfit 1874	\$21,034	
" " 1875	21,402	
" " 1876	18,851	

Goods traded in Outfit 1874	\$18,801
" " 1875	18,114
" " 1876	18,055

Valuation of the Principal Returns—Beaver, Fisher, Lynx, Marten, Minks, and Otters—at 1876 prices :—

Outfit 1874	£3,857
" 1875	3,532
" 1876	3,975

RESULTS OF TRADE.

Apparent Profit on Outfit 1874	\$12,949
" " 1875	5,953
" " 1876	4,777

At last year's prices the returns of the District would have amounted to £5,626, or £900 more than the valuation put upon them. This would have increased the apparent profit to \$8,377, or about 25 per cent. upon the capital of \$30,000 employed in the District.

LAKE HURON.

Inventory at the commencement of Outfit 1874	\$14,884
" close of Outfit 1876	10,978
Supplies sent out in Outfit 1874	\$22,006
" " 1875	17,869
" " 1876	15,873
Goods traded in Outfit 1874	\$22,434
" " 1875	21,324
" " 1876	23,436

Valuation of the principal Returns—Beaver, Fisher, Marten, Mink, Musquash, and Otters—at 1876 prices :—

Outfit 1874	£3,966
" 1875	4,016
" 1876	4,375

RESULT OF TRADE.

Apparent Profit, Outfit 1874	\$7,453
" " 1875	4,660
" " 1876	263

Mr. BISSERT reported that the apparent profits of the District had declined mainly on account of additional expenses incurred in meeting greater opposition than in former years; but the result would have been equal to that of Outfit 1875, had the same valuation of the returns been adopted.

The capital employed in the District is about \$30,000, upon which the apparent profit of Outfit 1875 would be 15 per cent.

TEMISCAMINGUE DISTRICT.

Inventory at the commencement of Outfit 1874	\$29,913
" close of Outfit 1876	32,083
Supplies sent out in Outfit 1874	\$27,777
" " 1875	33,584
" " 1876	25,040
Goods traded in Outfit 1874	\$28,599
" " 1875	31,719
" " 1876	27,667

Valuation of the principal Returns—Beaver, Fisher, Lynx, Marten, Mink, Musquash, and Otters—at 1876 prices:—

Outfit 1874	£4,373
" 1875	3,997
" 1876	4,062

RESULT OF TRADE.

Apparent Profit in Outfit 1874	\$6,245
" Loss .. 1875	2,719
" " " 1876	2,546

Accordingly it will be seen that there is a difference of \$8,900 between the result of Trade in Outfits 1874 and 1876. The returns of last Outfit, valued at prices adopted in 1875, would have amounted to £5,574, or about \$5,000 more than the valuation in the Accounts. This addition would have resulted in an apparent profit of \$2,500, instead of a loss of about the same amount. But as the capital employed in the district is nearly \$60,000, the profit should not be less than \$15,000, or 25 per cent. upon the capital. The explanation given by the Officer in charge of the unsatisfactory state of the accounts of Temiscamingue district is that great effort has been required for some years back to keep out opposition, which would have materially affected the trade of the outlying posts from James' Bay in the Southern Department.

Last year Mr. BISSETT explained that the Returns of the District showed a decrease as compared with those of Outfit 1874, but the fact that a larger amount of goods had been traded in Outfit 1875 for the smaller quantity of Furs, shows that in consequence of opposition the prices had been largely increased.

OTTAWA RIVER.

Inventory at the commencement of Outfit 1874	\$17,829
" close of Outfit 1874	17,743
Supplies sent out in Outfit 1874	\$8,823
" " " 1875	10,616
" " " 1876	6,417
Goods traded in Outfit 1874	\$12,670
Transfers	6,656
Leaving for Fur Trade	\$6,000
" " 1875	\$10,000
Transfers	3,769
Leaving for Fur Trade	\$6,231
" " 1876	\$10,951
Transfers	\$3,300
Sales	3,500
Leaving for Fur Trade	\$6,800
Leaving for Fur Trade	\$4,151

Valuation of the principal Returns—Beaver, Marten, Mink, Musquash, and Otters—
at 1876 prices:—

Outfit 1874	£299
" 1875	485
" 1876	649

RESULT OF TRADE.

Apparent Loss in Outfit 1874	\$4,380
" " " 1875	3,665
" " " 1876	829

The total value of the Returns of Ottawa River District is £722 against £800, the value of goods traded. The Furs, valued at the prices of Outfit 1875, would have amounted to £932, leaving a margin of £130, which falls short by £200 of the amount paid in the District for wages.

In reporting upon the Accounts of Outfit 1875, Mr. BISSETT wrote as follows:—

"The Ottawa River and Saguenay Districts are again unsatisfactorily showing deficits, and except as frontier Posts holding a check on the intrusion of outside traders with the interior Districts, would hardly be worth maintaining."

As regards Outfit 1876, he wrote:—

"The transactions at Ottawa River are principally for Cash, and the loss has been reduced since last year from \$3,600 to about \$800, and the trade of this Station, might perhaps, with advantage, be relinquished altogether were it not for the protection it gives to the Inland Districts."

ST. MAURICE DISTRICT.

Inventory at commencement of Outfit 1874	\$1,341
" close of Outfit 1876	4,731
Supplies furnished in Outfit 1874	\$10,973
Drafts by Officer in charge	14,995
Supplies furnished in Outfit 1875	\$15,371
Drafts by Officer in charge	11,934
Supplies furnished in Outfit 1876	\$14,235
Drafts by Officer in charge	7,261
Goods, &c., traded in Outfit 1874	\$25,476
Transfers	3,000
	<u>\$21,476</u>
Goods, &c., traded in Outfit 1875	\$23,000
Goods, &c., traded in Outfit 1876	19,400

Valuation of the principal Returns—Beaver, Marten, Mink, Musquash, and Otters—
at 1876 prices:—

Outfit 1874	£3,103
" 1875	3,649
" 1876	2,893

RESULT OF TRADE.

Apparent Profit in Outfit 1874	\$512
" " " 1875	1,515
" Loss " 1876	3,681

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

Outfit 1874	£2,357
1875	1,836
1876	1,243

RESULT OF TRADE.

Apparent Loss in Outfit 1874	\$1,957
" " 1875	2,867
" " 1876	3,086

Saguenay was referred to by Mr. BISSERT as being a Frontier District kept up for the protection of the trade in the Interior. In his last report he alluded to the falling off in the quantity of the returns of the District, in consequence of the scarcity of fur-bearing animals. The returns at last year's prices would have amounted to £1,911, being an increase of £300, or \$1,500 on their valuation in the accounts. Even with that addition there would be a loss on the trade of the District. It will be observed that both the supplies and the profits of the Officer in charge for funds, with which to purchase furs, have decreased in amount; and it may be remarked, that during Outfit, 1877, the purchase of furs has been still further restricted in this and other districts of the Montreal Department.

BERSAMIS AND MINGAN.

Bersamis and Mingan Posts, in the Gulf of St. Lawrence, have hitherto been kept up at a loss, in view of the protection they have afforded to some of the valuable districts in the Southern Department, to which opposition traders have not yet penetrated.

BERSAMIS.

Inventory at commencement of Outfit 1874	\$4,986
" close of Outfit 1876	3,801
Supplies furnished in Outfit 1874	\$11,011
Drafts by Officer in charge	4,673
Supplies furnished in Outfit 1875	\$7,667
Drafts by Officer in charge	4,980
Supplies furnished in Outfit 1876	\$13,005
Drafts by Officer in charge	5,803
Goods, &c., traded in Outfit 1874	\$12,710
" " 1875	16,357
" " 1876	19,957

RESULT OF TRADE.

Apparent Profit in Outfit 1874	\$179
" " 1875	623
" Loss 1876	3,154

The Returns, valued at the prices of Outfit 1875, would have shown an improvement of about \$3,000. Mr. BISSERT reported to the Chief Commissioner that Mr. GREGOR BURGESS, the clerk in charge of Bersamis, had taken upon himself to make advances to the Indians in Outfit 1876 far beyond the amount he was authorised to make, and when their hunts were received in the Spring, a large sum remained unpaid (about \$8,100). Had this amount not been advanced, the post would have exhibited an apparent profit of \$4,000.

In reply, the Chief Commissioner addressed Mr. BISSERT as follows:—

“Such reckless mismanagement as that of Mr. BURGESS is extremely reprehensible, and can only be dealt with summarily. As soon, therefore, as you can provide a successor, you will remove him from his charge, and inform him that his services are no longer required.”

He continued:—

“The system of outfitting Indians at the Gulf Posts must be abandoned, as from your own showing it invariably results in loss, and you cannot trust to the judgment of Post Managers; while there is no possibility of an experienced commissioned officer being at all these stations when advances are made to the Indians, who could discriminate between the responsible and the irresponsible ones.”

MINGAN.

Inventory at the commencement of Outfit 1874	\$14,850
" the close of Outfit 1876	13,154
Supplies furnished in Outfit 1874	\$13,173
Drafts by Officer in charge	3,373
" " Outfit 1875	\$12,587
Drafts by Officer in charge	4,394
" " Outfit 1876	\$15,000
Drafts by Officer in charge	2,412
Goods, &c., traded in Outfit 1874	\$16,164
" " Outfit 1875	18,551
" " Outfit 1876	19,447

Valuation of the Principal Returns—Beaver, Marten, Mink and Otters—at 1876 prices:—

Outfit 1874	\$1,554
" 1875	1,285
" 1876	1,475

RESULT OF TRADE.

Apparent Loss in Outfit 1874	\$1,977
" " 1875	6,434
" " 1876	7,340

As regards the unfortunate result of the trade at Mingan for Outfit 1875, Mr. BISSERT reported that it arose from “undue advances, which were still unpaid;” and in reference to Outfit 1876 he wrote:—

“At Mingan, the result of the business is far from satisfactory, showing as it does an increased loss from year to year for some time back, the amount this year being upwards of \$7,000. We have no satisfactory explanation with regard to this. Mr. DANIEL McLAREN, Clerk, who has been in charge of Notashquan Post, at which a portion of the loss was made, has been dismissed from the service, but it is evident that a further change, either in the management or of the business, is very necessary.”

Upon both occasions a considerable amount of correspondence took place with the Chief Commissioner, who issued to Postmasters the following instructions:—

“That goods to Settlers or Planters must only be sold for cash, or furs, or other produce, which can be sold at Quebec or Montreal at a profit, and advances to Indians can only be given to such hunters as have given in all their furs to the Company, and are able as well as willing to pay their debts.”

Valuation of the principal Returns of Silver and White Foxes, Marten, Deerskin, and Salted Salmon, at 1876 prices:—

Outfit 1874	£2,164
„ 1875	1,714
„ 1876	2,822

RESULT OF TRADE.

Apparent Profit in Outfit 1874	\$1,525
„ „ 1875	7,641
„ „ 1876	13,757

The Capital employed in the District where there is no competition amounts to \$26,000, and the return for last year is therefore 50 per cent. The collection of White Foxes at Ungava during Outfit 1876 exceeded that of any former year.

MONTREAL AGENCY OR DEPOT.

Inventory of goods at commencement of Outfit 1874	\$9,204
„ „ close of Outfit 1876	8,646
Supplies furnished in Outfit 1874	\$191,854
„ „ 1875	272,389
„ „ 1876	207,737
Transfers to Districts in the Department, Outfit 1874	\$210,553
„ „ „ 1875	282,510
„ „ „ 1876	215,380

The wages of clerks and servants employed at Montreal are charged to the Agency, together with rent of offices, and other expenses.

Sales of goods at Montreal are credited in the account as follows:—

Outfit 1874	\$523
„ 1875	1,192
„ 1876	615

The final result is:—

Outfit 1874	Loss \$2,290
„ 1875	„ 213
„ 1876	„ 1,170

GENERAL CHARGES.

This account is charged with travelling expenses of Officers in visiting Posts, and petty disbursements. In the three Outfits, the charges were \$1,184, \$1,038, and \$1,508 respectively.

SANDWICH BAY DISTRICT—LABRADOR COAST.

In 1874 the Company purchased the buildings, plant, and stock of Messrs. A. B. Hunt & Co., who had for many years carried on a profitable business in this district. The Company also engaged Messrs. Hunt's manager, Mr. S. DAWE, to superintend the business, which is somewhat different from that conducted at Esquimaux Bay.

Mr. DAWE's accounts are completed in London after the returns of the District are sold. The Returns consist of Salmon (salted and preserved), and cod fish.

In Outfit 1874, the supplies of goods from England and Montreal amounted to £3,058. to which the freight of chartered schooners, duties, and other charges of considerable amount, were added. The Returns amounted to £5,551, and the Outfit produced a profit of £160. The Capital at the close of that Outfit amounted to £6,402.

In Outfit 1875, the Supplies amounted to £3,900, and the Returns £7,150; while the trade resulted in a loss of £915.

In Outfit 1876, the Supplies amounted to £4,800, and a much larger outlay was incurred at St. John's than in 1874 and 1875, in consequence of an increase in the quantity of cod-fish and the payment of the fishermen by shares. The Returns of Outfit 1876 realised £11,560, and the accounts of the District exhibited a loss of £1,700.

These accounts have been analysed, and the loss has been found to arise from the transactions in salmon. Notwithstanding the depressed state of the market for cod fish, that branch of the business shows a profit of £90 for Outfit 1876, while the loss on salmon amounts to £1,793.

In consequence of the result of trade during the past two Outfits, Mr. DAVE has been instructed to close an establishment at Earl Island, where other traders had been offering higher rates for salmon than the London market prices; and although his limits for purchases of salmon were reduced last season for the operations of Outfit 1877, further reductions have been decided upon for the current season, in order, if possible, to secure a profit on the business.

At the close of Outfit 1876, the Capital employed in the business amounted to £21,000, while the Returns were realized during the same season as that in which the goods were supplied.

A considerable reduction is now being made in the amount of Capital employed at Sandwich Bay.

WESTERN DEPARTMENT.

The following is an abstract of the Inventories of the Western Department, at the close of Outfits 1874, 1875, and 1876:—

	Outfit 1874.	Outfit 1875.	Outfit 1876.
Goods	£60,036	£80,337	£88,836
Live Stock	2,729	2,960	2,662
Farm Produce	365	330	382
Transport Equipments	70	72	59
Buildings and Improvements .. .. .	..	417	371
Steamers	12,206	9,928	10,660
Cash	3,897	6,116	527
Outstanding Debts	17,480	18,687	17,652
	£96,793	£118,848	£121,149
Outstanding Liabilities	3,526	1,326	2,123
	£93,266	£117,522	£119,016

With regard to the Debts, it is to be observed that, of the Outstanding Balances, the sum of £9,500 appears under the head of Customers' Account at Victoria, and £3,000 at Cariboo District. In Outfit 1876, the amount written off in respect of Bad Debts at Victoria appears to be \$3,933, against \$746 in 1875, and \$841 in 1874. At the other Posts, about \$1,000 appear to have been written off for Bad Debts in Outfit 1876.

The supplies from England have been as follows:—

Outfit 1874	£50,168 8 4
,, 1875	65,480 16 10
,, 1876	52,240 12 5

The shipments to the Western Department, like those of other Departments, were largely curtailed in Outfit 1877, with the view of reducing the stocks of goods on hand at the different posts and the capital employed in the Fur Trade. The amount sent for Outfit 1877 was £37,109 14s.

A portion of the supplies and provisions required for the Trade of the Western Department is purchased in California and in Sandwich Islands, and paid for out of the cash in hand at Victoria arising from sales of goods.

Remittances in Bills of Exchange have been made on account of the Western Department, as follows:—

In Outfit 1874	£17,513
,, 1875	20,395
,, 1876	20,839

The Fur Returns of the Department have realised the following amounts:—

Outfit 1874	£50,084
,, 1875	32,841
,, 1876	28,818

At the valuations adopted in Outfit 1874, the Returns would have been—

Outfit 1874	..	..	..	..	£50,584
„ 1875	..	..	..	..	40,796
„ 1876	..	..	..	..	38,260

In the Country Accounts they are valued as follows:—

Outfit 1874	..	..	..	..	\$242,912 =	£48,582
„ 1875	..	..	..	..	159,281 =	31,856
„ 1876	..	..	..	..	139,770 =	27,954

The trade of the Western Department for the last Three years has produced the following result on these valuations, namely:—

Outfit 1874, an apparent Profit of	..	..	..	..	\$101,915 =	£20,383
„ 1875	..	..	..	..	47,678 =	9,535
„ 1876	..	..	..	..	6,407 =	1,281

The actual results of the trade, without taking into account Interest and London charges, are as follows:—

Outfit 1874, Profit	..	..	..	..	£17,049
„ 1875, „	..	..	..	..	6,011
„ 1876, Loss	..	..	..	..	2,663

The following is a Statement of the Profit and Loss Account of the Western Department, as made up at Victoria, upon the Country valuations:—

	OUTFIT 1874.		OUTFIT 1875.		OUTFIT 1876.	
	Profit.	Loss.	Profit.	Loss.	Profit.	Loss.
Merchandise account	\$23,285	..	\$37,552	..	\$23,100	..
Customers (bad debts)	..	\$ 841	..	\$ 764	..	\$ 3,933
Furs Purchased	21,415	..	..	4,572	2,908	..
Returns of Trade	..	12,046	..	9,518	..	11,598
Victoria Depot	..	12,368	..	12,883	..	12,314
Storage, &c.	3,472	..	4,789	..	3,496	..
General Charges	..	3,425	..	2,573	..	3,617
Victoria Wharf	..	4,148	..	4,148	..	4,148
Esquimalt	..	1,534	..	1,534	..	1,534
Repairs, &c.	..	3,618	..	4,476	..	7,456
Fort Rupert	5,919	..	1,176	..	436	..
Comox Posts	1,910	..	308	..	..	216
Fort Simpson	2,853	..	..	4,868	..	7,005
Skeena	..	399	..	5,707	..	8,308
Bella Coola	2,709	..	990	..	1,530	..
Bella Bella Post	1,810	..	207	..	600	..
Massett	1,986	..	..	132	..	1,189
Stekino District	3,327	..	2,083	..	4,340	..
Fort Langley	821	..	385	..	475	..
Fort Hope	572	..	876	..	773	..
Fort Yale	1,494	..	2,703	..	3,218	..
Thompson's River	3,940	..	3,904	..	3,209	..
Cariboo District	16,612	..	13,900	..	12,736	..
New Caledonia	13,334	..	1,537	..	..	5,095
Steamer "Beaver"	8,425	..	..	..	..	..
„ "Enterprise"	22,675	..	22,181	..	15,458	..
„ "Otter"	4,325	..	678	..	..	352
Inland Transport	..	611	..	14	72	..

MERCANDIZE ACCOUNT.

This Account is charged with the whole of the Supplies furnished to the Department each Outfit, together with Customs duties and charges, and is credited with the amounts supplied to the various Districts.

Inventory at commencement of Outfit 1874	..	..	\$189,019
" close of Outfit 1876	..	..	261,919
		Increase	.. .. \$72,000
Supplies furnished in Outfit 1874	..	..	\$316,286
" " 1875	..	..	438,311
" " 1876	..	..	345,374
Transfers to Districts:—			
Outfit 1874	..	..	\$203,349
" 1875	..	..	287,180
" 1876	..	..	228,738
Sales in Outfit 1874	..	..	\$190,925
" 1875	..	..	234,301
" 1876	..	..	208,641

Mr. CHARLES reported that the decline of \$26,000 in the amount of the Sales in 1876, as compared with those of the previous year, arose from the greater difficulty of effecting Sales, and the consequent necessity of reducing the prices of goods, and thereby diminishing the margin of profit.

RESULT OF TRADE.

Outfit 1874, Profit	..	..	\$23,285
" 1875, "	..	..	37,522
" 1876, "	..	..	23,100

FURS PURCHASED AT VICTORIA FOR CASH.

These purchases are made at prices which are regulated from time to time by advices from London.

The following is the result upon the Valuation of the Returns of the respective Outfits:—

Outfit 1874, an apparent Profit of	..	..	\$23,285
" 1875, " Loss	..	..	4,572
" 1876, " Profit	..	..	2,908

By the tariff of Outfit 1875, the apparent profit of Outfit 1876 would have been \$9,460.

RETURNS OF TRADE.

The whole of the Returns of the Department are debited to this Account at their Country Valuation, together with expenses at Victoria and freight to London. The valuation of the Returns is placed to the credit of the Account, and the balance, representing expenses and freight, forms an annual charge.

In Outfit 1874 it was	..	..	\$12,046
" 1875, "	..	..	9,518
" 1876, "	..	..	11,598

In Outfit 1876 there was more Oil than in 1875; consequently, the charge for Casks and Freight was heavier. For Casks alone there was an additional \$1,000 in Outfit 1876.

Goods Traded in Outfit 1874	\$4,812
" " 1875	4,587
" " 1876	3,750
Valuation of the Returns in the Country Accounts, Outfit 1874	\$10,833
" " 1875	5,840
" " 1876	4,523

RESULT OF TRADE.

Apparent Profit in Outfit 1874	\$5,919
" " 1875	1,176
" " 1876	436

Mr. CHARLES reported in 1875, that the trade at this Post had been economically managed, but that the effects of opposition from other Fur buyers had been severely felt; and he gave the same reasons for the falling off in the apparent Profit of Outfit 1876.

Rupert is supplied by the Steamer "Otter," which calls for its return on her way back to Victoria.

COMOX.

Inventory at commencement of Outfit 1874	\$5,119
" close of Outfit 1876	7,339
Increase	<u>\$2,200</u>
Supplies furnished in Outfit 1874	\$12,247
" " 1875	8,989
" " 1876	8,466
Goods Traded in Outfit 1874	\$10,749
Sales	7,092
Leaving for Fur Trade	<u>\$3,657</u>
" " 1875	\$9,504
Sales	6,966
Leaving for Fur Trade	<u>\$2,538</u>
" " 1876	\$7,751
Sales	6,287
Leaving for Fur Trade	<u>\$1,464</u>

The amount of Furs traded has declined in nearly the same proportion as the goods supplied. It will be seen that the Sales of Outfit 1876 are only \$800 less than those of 1874, but the result of trade shows a much greater difference.

Valuation of Returns in the Country Accounts Outfit 1874	\$3,848
" " 1875	2,206
" " 1876	1,255
In Outfit 1874 the apparent Profit was	\$1,910
" 1875	308
" 1876 Loss	216

“directly Mr. Williams left the Coast on his return, immediately resumed their extravagant prices, and also trusted out quantities of trade goods to the Indians.

“In returning this spring to Fort Simpson, I instructed the deceased Mr. Williams to make a scheme of the receipts and disbursements, which he did; showing a deficiency of goods, from the 1st of January to the 22nd of May, of about \$1,100. Mr. MORISON on being questioned, could give no explanation as to what had become of the goods further than that they had been paid to Indians, and credited out. On his giving security for the payment of the missing goods, Mr. MORISON was discharged. Mr. FEAK, at Skeena, was also got rid of, as it transpired he was in the habit of getting intoxicated.

“Mr. FACTOR MCKAY is now resident at Fort Simpson, and supervises the trade on the coast north of Fort Rupert, so that I hope, if it is possible, he will be able to restore the trade, or at all events prevent any further losses from carelessness or unsteadiness.”

SKEENA.

Inventory at commencement of Outfit 1874	..	..	..	..	\$4,525
" close of Outfit 1876	..	..	..	..	2,961
Supplies furnished in Outfit 1874	..	..	..	..	13,247
" " 1875	..	..	..	..	23,103
" " 1876	..	..	..	..	13,577
Goods traded in Outfit 1874	..	..	..	..	\$16,546
Sales	..	..	..	..	1,305
Leaving for Fur trade..	..	..	..	..	\$15,241
Goods traded in Outfit 1875	..	..	..	..	\$20,118
Sales	..	..	..	..	1,207
Leaving for Fur trade..	..	..	..	..	\$18,911
" " 1876	..	..	..	..	\$19,270
Sales	..	..	..	..	2,199
Leaving for Fur trade..	..	..	..	..	\$17,071
Valuation of the Returns in Country Accounts, Outfit 1874	..	..	..	..	\$11,535
" " " 1875	..	..	..	..	10,417
" " " 1876	..	..	..	..	7,052

RESULT OF TRADE.

Apparent Loss, Outfit 1874	..	..	..	..	\$399
" " 1875	..	..	..	..	5,707
" " 1876	..	..	..	..	8,308

In reporting this result and the mismanagement of the Officer in Charge, Mr. CHARLES states that the Post at Skeena had been closed, and the goods on hand there transferred to Fort Simpson.

BELLA COOLA.

Inventory at commencement of Outfit 1874	..	..	..	..	\$1,733
" at close of Outfit 1876	..	..	..	..	4,166
Supplies furnished in Outfit 1874	..	..	..	..	\$3,311
" " " 1875	..	..	..	..	6,116
" " " 1876	..	..	..	..	3,416

Goods traded in Outfit 1874	.. .. .	\$3,793
Sales		205
Leaving for Fur trade		<u>\$3,588</u>
" " 1875	.. .. .	\$4,378
Sales		1,158
Leaving for Fur trade		<u>\$3,220</u>
" " 1876	.. .. .	\$4,495
Sales		1,942
Leaving for Fur trade		<u>\$2,553</u>
Valuation of the Returns in the Accounts, Outfit 1874	.. .. .	\$7,449
" " " 1875	.. .. .	4,288
" " " 1876	.. .. .	4,314

RESULT OF TRADE.

Outfit 1874, apparent Profit	.. .. .	\$2,709
" " "	.. .. .	990
" " "	.. .. .	1,530

BELLA BELLA.

Inventory at the commencement of Outfit 1874	.. .. .	\$948
" close of Outfit 1876	.. .. .	1,957
Supplies furnished in Outfit 1874	.. .. .	\$1,685
" " 1875	.. .. .	2,533
" " 1876	.. .. .	2,455
Goods traded in Outfit 1874	.. .. .	\$2,843
Sales		8,709
Leaving for Fur trade		<u>\$2,134</u>
" " 1875	.. .. .	\$2,281
Sales		897
Leaving for Fur trade		<u>\$1,384</u>
" " 1876	.. .. .	\$1,723
Sales		479
Leaving for Fur trade		<u>\$1,244</u>
Valuations of Returns in the Accounts, Outfit 1874	.. .. .	\$4,131
" " " 1875	.. .. .	1,758
" " " 1876	.. .. .	2,159

RESULTS OF TRADE.

Outfit 1874, apparent Profit	.. .. .	\$1,810
" 1875, "	.. .. .	207
" 1876, "	.. .. .	600

MASSETT.

Inventory at commencement of Outfit 1874	..	..	..	..	\$1,888
" close of Outfit 1876	..	..	..	..	8,190
Increase	..	..	..	..	<u>\$6,300</u>
Supplies furnished in Outfit 1874	..	..	..	..	\$7,902
" " 1875	..	..	..	..	14,102
" " 1876	..	..	..	..	12,956
Goods Traded in Outfit 1874	..	..	..	..	\$9,184
Sales	..	..	..	..	95
Leaving for Fur Trade	..	..	..	..	<u>9,089</u>
" " 1875	..	..	..	..	\$11,845
Sales	..	..	..	..	617
Leaving for Fur Trade	..	..	..	..	<u>\$11,228</u>
" " 1876	..	..	..	..	\$13,190
Sales	..	..	..	..	345
Leaving for Fur Trade	..	..	..	..	<u>\$12,845</u>
Valuation of Returns in Country Accounts, Outfit 1874	..	..	..	..	\$11,491
" " " 1875	..	..	..	..	9,796
" " " 1876	..	..	..	..	<u>11,696</u>

RESULT OF TRADE.

Outfit 1874, apparent Profit	..	..	..	..	..	\$1,986
" 1875, " Loss	..	..	..	..	..	132
" 1876, " "	..	..	..	..	..	1,189

Mr. CHARLES attributes the loss in Outfit 1876 to inclement weather, which interfered with seal fishing; but he fails to notice that the Returns include a larger quantity of Fur Seals, which, if valued at the prices of last year would have changed the result of trade to a profit of \$2,400.

STEKINE DISTRICT.

Inventory at commencement of Outfit 1874	..	..	..	..	\$3,404
" close of Outfit 1876	..	..	..	..	38,120
Increase	..	..	..	..	<u>\$34,616</u>
Supplies furnished in Outfit 1874	..	..	..	..	\$20,202
" " 1875	..	..	..	..	33,509
" " 1876	..	..	..	..	21,859
Goods Traded in Outfit 1874	..	..	..	..	\$13,129
Gold-dust and Sales	..	..	..	..	12,380
Leaving for Fur Trade	..	..	..	..	<u>\$749</u>

FORT HOPE.

Inventory at commencement of Outfit 1874	..	..	..	\$2,407
" close of Outfit 1876	..	..	..	1,272
Supplies furnished in Outfit 1874	..	..	..	\$3,429
" " 1875	..	..	..	4,035
" " 1876	..	..	..	2,220
Goods Traded in Outfit 1874	..	..	..	\$4,554
Transfers to District	..	..	..	3,609
				<u>\$945</u>
Goods Traded in Outfit 1875	..	..	..	\$3,765
Transfers	..	..	..	4,112
Goods Traded in Outfit 1876	..	..	..	\$3,059
Transfers	..	..	..	3,402
Returns of Trade Outfit, 1874	..	..	..	\$1,436
" " 1875	..	..	..	479
" " 1876	..	..	..	444

RESULT OF TRADE.

Outfit 1874 apparent Profit	..	..	..	..	\$572
" 1875	..	..	..	..	876
" 1876	..	..	..	..	772

Fort Hope and Fort Yale are principally kept up for the facilities which they afford in transporting supplies to interior Districts.

FORT YALE.

Inventory at commencement of Outfit 1874	..	..	..	\$13,061
" at close of Outfit 1876	..	..	..	15,739
Supplies furnished in Outfit 1874	..	..	..	\$15,857
" " 1875	..	..	..	24,224
" " 1876	..	..	..	19,117
Goods, &c., traded in Outfit 1874	..	..	..	\$23,519
			Sales	\$4,388
			Transfers	21,869
				<u> </u>
" " 1875	..	..	..	\$31,845
			Sales	\$2,815
			Transfers	31,965
				<u> </u>
" " 1876	..	..	..	\$30,071
			Sales	\$4,244
			Transfers	29,748
				<u> </u>

Valuation Returns in Country Accounts:—

Outfit 1874	..	..	..	..	\$1,491
" 1875	..	..	..	..	562
" 1876	..	..	..	..	367

RESULTS OF TRADE.

Outfit 1874, apparent Profit	..	..	..	..	..	\$1,494
„ 1875, „	..	..	..	..	..	2,703
„ 1876, „	..	..	..	..	..	3,218

It will be observed that in this District, and at Cariboo, the Sales and Transfers exceed the amount of goods supplied. This arises from the employment of the proceeds of the sale of goods in purchasing others, and in providing for the wants of other Districts.

THOMPSON'S RIVER DISTRICT.

Inventory at commencement of Outfit 1874	..	..	..	..	..	\$25,000
„ at close of Outfit 1876	..	..	..	..	..	24,512
Supplies furnished in Outfit 1874	..	..	..	..	..	\$15,219
„ „ 1875	..	..	..	..	..	12,367
„ „ 1876	..	..	..	..	..	12,808
Goods traded in Outfit 1874	..	..	..	..	..	\$20,255
				Sales, &c.	..	17,940
				Leaving for Fur Trade	..	\$2,315
„ „ 1875	..	..	..	..	..	\$11,128
				Sales, &c.	..	10,627
				Leaving for Fur Trade	..	\$501
„ „ 1876	..	..	..	..	..	\$16,941
				Sales, &c.	..	17,399

Few Furs are traded in this District, where Sales are effected to parties proceeding to the Mines.

RESULT OF TRADE.

Outfit 1874, apparent Profit	..	..	..	..	..	\$3,940
„ 1875, „	..	..	..	..	..	3,904
„ 1876, „	..	..	..	..	..	3,209

Capital employed about \$40,000, including \$7,426 for outstanding debts. Average return $7\frac{1}{2}$ per cent.

CARIBOO MINING DISTRICT.

Inventory at commencement of Outfit 1874	..	..	..	..	..	\$36,308
„ at close of Outfit 1876	..	..	..	..	..	62,291
				Increase	..	\$26,000
Supplies furnished in Outfit 1874	..	..	..	..	..	\$48,009
„ „ 1875	..	..	..	..	..	79,826
„ „ 1876	..	..	..	..	..	54,447
Goods traded in Outfit 1874	..	..	..	..	..	\$73,417
				Sales	\$65,569	
				Transfers	6,899	

Goods traded in Outfit 1875	.. .. .	\$75,303
	Sales	\$63,256
	Transfers	14,883
" " 1876	.. .. .	\$71,569
	Sales	\$60,016
	Transfers	21,305

RESULT OF TRADE.

Outfit 1874, apparent Profit	.. .. .	\$16,612
" 1875, "	.. .. .	13,900
" 1876, "	.. .. .	12,736

Capital employed \$130,000, including \$15,339 for outstanding debts.

Return about 10 per cent.

NEW CALEDONIA.

Inventory at commencement of Outfit 1874	.. .. .	\$16,007
" at close of Outfit 1876	.. .. .	33,278
	Increase	17,000
Supplies furnished, Outfit 1874	.. .. .	\$34,706
" " 1875	.. .. .	33,791
" " 1876	.. .. .	39,476
Goods traded, Outfit 1874	.. .. .	\$33,540
" " 1875	.. .. .	40,777
" " 1876	.. .. .	34,576
Valuation of Returns in Country Accounts, Outfit 1874	.. .. .	\$47,615
" " " 1875	.. .. .	44,838
" " " 1876	.. .. .	30,827

Valued by the tariff of Outfit 1875, the Returns of 1876 would have amounted to \$38,013, and the District would then have appeared with an apparent Profit of \$2,091.

Valuation of the principal Returns, viz:—

Bear, Beaver, Marten, Mink, and Lynx, at 1876 prices, Outfit 1874	£5,270
" " " " 1875	5,594
" " " " 1876	5,220

The Accounts show the following result of trade:—

Outfit 1874, apparent Profit	.. .. .	\$13,334
" 1875, " "	.. .. .	1,537
" 1876, " Loss	.. .. .	5,095

There is thus a difference of \$18,000 between the result of Outfit 1874 and that of Outfit 1876, \$8,000 of which is due to the reduced valuation of the Returns.

It appears that during the last two years, the District has suffered from a great scarcity of Salmon and Provisions, but in consequence of the unsatisfactory result of the Accounts of the last two years, Mr. CHARLES reports that certain changes in the management of the District would be carried into effect as soon as the arrangements could be made.

STEAMER "ENTERPRISE."

Outfit 1874	..	..	..	Profit	\$22,675
" 1875	..	..	..	"	22,181
" 1876	..	..	..	"	15,458

The reduction in the amount of Profits for Outfit 1876 was owing to the fact that the vessel was laid up at Victoria for two months while being repaired.

STEAMER "OTTER."

Outfit 1874	..	..	..	Profit	\$4,523
" 1875	..	..	..	"	678
" 1876	..	..	..	Loss	352

The steamer is employed in taking the goods and returns to and from the Coast Posts, and in carrying goods and passengers to the Cassiar or Stekine Mines. But on this route there have been opposition steamers during the past two years, and hence the profits of the carrying trade have been reduced.

SHIPS' ACCOUNTS.

London Expenses and Balances of Ships' Accounts:—

Outfit 1874	..	..	..	£19,800
„ 1875	..	..	..	19,660
„ 1876	..	..	..	17,500

In Outfit 1876 the charge of £2,000 for the Credit of the Fur Trade Fire Insurance Fund was omitted, there being no profits of the Outfit against which to charge it. The Fund in question, amounting to £11,792, is transferred to Outfit 1877 in the Fur Trade Accounts.

As regards the Ships' Accounts, it should be explained that the cost of permanent repairs is added to their valuations, from which deductions are made at the rate of 15 per cent. for the steamer "Labrador," and 7½ per cent for the ships. These deductions are made each Outfit in the Ships' Accounts. The freights earned by the Vancouver's Island ships, including freight on the Company's shipments and returns, are placed to their credit, and the balances shown in the annexed Statement represent the actual results of their Accounts.

The Hudson's Bay ships, in Outfits 1875 and 1876, received credit for freight on the Company's outward shipments, and the balances of their Accounts appeared under the head of Charges in the London Books. Arrangements have been made by which the Northern and Southern Departments are to be charged with freight on their Returns sent home by way of Hudson's Bay, as well as on the outward shipments. The balances of the Ships' Accounts in the London Books will consequently be reduced.

The expenses of the steamer "Labrador," on her voyage to the Coast and Ungava and back to London, have hitherto been charged to the Montreal Department. The amount varies according to the time during which the steamer is employed.

In Outfit 1874	the charge	amounted to	£2,832
.. 1875	..	..	3,279
.. 1876	..	..	2,479

The result of the Steamer's sealing voyage to Greenland has this year been set out separately in the Accounts published to the Shareholders. In former years the profit or loss on the venture was dealt with as affecting the balances of the Ships' Accounts.

The loss of nearly £1,900 on the "Prince Rupert" in Outfit 1875, arose from additional expenses incurred by the the long detention of the vessel in London and San Francisco, and by the low rate of freight obtained on her homeward voyage.

SHIPS' ACCOUNTS.

	OUTFIT 1874.		OUTFIT 1875.		OUTFIT 1876.	
	Profit.	Loss.	Profit.	Loss.	Profit.	Loss.
	£	£	£	£	£	£
I. VANCOUVER'S ISLAND SHIPS:—						
Barque "Lady Lampson," 412 tons	523		44		171	
" "Princess Royal," 613 "	670			520	169	
" "Brierley Hill," 520 "	243					475
" "Prince Rupert," 490 "				1,895		
" "Lady Head," 457 "					113	
" "Prince of Wales," 524 "			187			
(now in H.B. trade)						
Profit	1,436		Balance of Loss	2,174	Balance of Loss	22
II. HUDSON'S BAY SHIPS:—						
Schooner "Walrus"		755				
(now at York Factory)						
Barque "Lady Head"				2,627		
(now in Vancouver's Island trade)						
Barque "Prince of Wales" ..						9
" "Ocean Nymph," 309 tons		2,061		829		1,364
III. GREENLAND VOYAGE:—						
Steamer "Labrador," 265 tons ..		1,383	1,852			2,479
Balances of Ships' Accounts, representing in part freight of Returns from Hudson's Bay		2,763		3,778		3,874

APPENDIX I.

Statement of Bills remitted from Departments.

	Outfit 1874.	Outfit 1875.	Outfit 1876.
Northern Department	£7,218 18 4	£14,054 8 1	£21,586 8 2
Southern	584 5 11	738 10 5	704 18 10
Montreal	5,027 17 10	128 17 4	7,000 0 0
Western	17,513 11 0	20,395 8 10	20,839 16 0
	£30,349 13 1	£35,217 4 8	£50,131 3 0

APPENDIX II.

Bills drawn by Departments.

	Outfit 1874.	Outfit 1875.	Outfit 1876.
Northern Department	£2,379 19 6	£1,686 0 6	£30,116 3 1
Southern	707 3 0	532 3 1	614 17 1
Montreal	57,541 19 1	63,584 2 6	34,258 14 8
Western	107 0 0	67 0 0	72 0 0
	£60,736 1 7	£65,869 6 1	£65,061 14 10

Hudson's Bay House,

LONDON, *May*, 1878.

