

and were undersold by him until some or all were ruined and left for new fields. The Northwest Company, founded in 1783-4, was a result of such competition. No capital was deposited, but each party supplied a proportion of the articles needed for trade. The Northwest Company pursued a vigorous policy, founding posts to control all the best fur districts. The Hudson's Bay Company felt the keenness of the competition, and was forced to abandon its ancient policy of waiting for furs to be brought to the bay. By 1816, the rivals had absorbed or ruined eleven other partnerships, and were themselves on the verge of ruin. Finally, in 1821, the two were joined under the name of the older company. The Northwest Company brought with it full control of the Pacific and Arctic watersheds, to be added to the lands draining into Hudson bay, and over the whole region the Hudson's Bay Company secured legal recognition of its monopoly of the fur trade. There followed 40 years of great prosperity. The company's rights of exclusive trading in Indian territory expired in 1859, and ten years later it surrendered its other privileges. In return, Canada granted £300,000 to the company, as well as lands about its trading posts, and one-twentieth of the land in the fertile belt between the North Saskatchewan river and the United States boundary. The Hudson's Bay Company thereupon became a trading company, with no extraordinary privileges.

The Modern Industry.—Great changes have come over the trade in recent years. The railway has revolutionized conditions wherever its influence reaches. Steamboats now ply upon the larger lakes and rivers. Rising values have led to new processes of treatment and to the utilization of products once rejected. Competition has been encouraged, and new territory is eagerly sought as in the days prior to 1821. The modern competition, though it ranges throughout Canada, has centred at Edmonton, on the edge of the great preserve. Winnipeg is now the chief collecting and distributing point of the Hudson's Bay Company, and Montreal collects the furs of the Ottawa valley and the Quebec hinterland.

During the Great War, the important market changed from London to the United States. Of the \$5,100,000 worth of undressed furs exported to England and the United States in 1914, England received \$3,000,000; in 1919, out of \$13,300,000 worth, only \$3,700,000 went to England. The English market is now regaining its former place in the fur trade and in the fiscal year 1930 took \$10,314,193 worth of raw furs, while the United States took \$7,603,282 out of a total export of \$18,706,311. (Figures of exports in recent fiscal years will be found in Table 12 of the chapter on External Trade.) A century ago the value of furs exported exceeded that of any other Canadian product; the total output is not declining, but exports for the year 1930 were only about 1.7 p.c. of our total exports of Canadian merchandise. The following graph shows the trend of exports over the past ten years; it will be seen that, on the whole, it has been definitely upward in face of the fact that the general trend of fur prices has been downward. Of the total exports of raw furs in 1930, nearly 55 p.c. went to the United Kingdom and 41 p.c. to the United States.

At the close of the war, Montreal took a position as an international fur market, holding the first Canadian fur auction sales in 1920, when 949,565 pelts, valued at \$5,057,114, were disposed of. At the auction sales held in Montreal in 1929, 2,399,708 pelts were sold for \$7,303,836. Sales are also held at Winnipeg and Edmonton. A growing industry is that of the dressing and dyeing of furs