For it must be understood that, although Thompson had originally entered the service of the Hudson's Bay Company, he had disagreed with its authorities as to what he should do, had withdrawn from its employ, and had, in 1795, entered the service of its strenuous rival, the Northwest Company, which had been organized in 1783-84. His position was that of chief surveyor and astronomer.

Making a detour from Grand Forks, in order to avoid the ice then in the Red Lake River, Thompson struck the upper banks of that river and followed the banks until he reached Red Lake. Leaving this lake, he made a portage to the south some 12 or 15 miles and came to Turtle Lake (in what is now the southern portion of Beltrami County), and this lake he considered to be the source of the Mississippi; but of course he was mistaken, for 40 years later Schoolcraft determined that Lake Itasca (in the southern corner of Clearwater County), some 35 miles to the southwest of Turtle Lake, is the true source of the great Father of Waters. But in early days many geographical mistakes were made. Thus when the treaty between the United States and Great Britain was made, in 1783, following the close of the War of the Revolution, the Turtle Lake visited by Thompson was thought to be farther north than the northwestern angle of the Lake of the Woods.

After leaving Turtle Lake, Thompson visited Red Cedar Lake and Sand Lake, in the direction of Lake Superior, and at length reached the Northwest Company's trading post near the mouth of the St. Louis River and the Fond du Lac. On the Sand Lake River he found a trading post of his Company. Indeed about this time posts of the Northwest Company fairly dotted the country now comprising the northern portion of Minnesota. Singularly enough, however, when Thompson, in March, 1798, came to the present site of Winnipeg there was no trading post or other white habitation there. The Verendrye post of Fort Maurepas, built 70 years before, and succeeding white men's establishments had all disappeared.

THE NORTHWEST COMPANY FORMED.

The profitable operations of the Hudson's Bay Company excited the envy and cupidity of certain independent traders who in 1783 and 1784 organized a rival corporation which they called the Northwest Company. The leading members of the Company were Simon McTavish, Benjamin and Joseph Frobisher, Peter Pond, and William McGillivray. Peter Pond was a Connecticut man but an early trader in the Northwest. At one time he had a post near the mouth of the Minnesota River. He was of an impetuous, violent disposition and killed at least two other traders in quarrels over business matters. The Northwest Company entered with great energy upon its enterprises and soon had more trading posts in Manitoba and northern Minnesota than the Hudson's Bay Company.

Then, in 1795, the New Northwest Company, commonly called the XY Company, was formed, with Alexander Mackenzie as the leading spirit. This became a strong corporation and a formidable rival of both the Northwest and the Hudson's Bay organizations. But in 1804-5 it was merged with the Northwest Company under the old name. This Company now drove out, practically speaking, nearly all the Hudson's Bay traders from lower Manitoba and northern Minnesota. When Lieut. Pike came up, in 1805, he found Northwest Company trading houses on the upper Mississippi at the mouth of the Red Cedar, at Sandy Lake, at the mouth of the Prairie River and below Pokegama Falls, on Upper Red Cedar Lake, and the main establishment at Leech Lake, with Hugh McGillivray as the general agent or chief factor. He noted that there were numerous other posts to the north and northwest of Leech Lake. All of these establishments were flying the British flag in token of their allegiance to Great Britain, notwithstanding the scenes of their operations had been American soil, fairly won by the War for Independence, ever since the treaty of 1783. Lieut. Pike made all the traders with whom he came in contact haul down the Union Jack and run up the