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ADAPTING TO ALTERED CIRCUMSTANCES:
TRADE COMMISSIONER JOSEPH WRIGLEY AND THE HUDSON'S BAY COMPANY
1884 - 1891

BY

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A thesis submitted to the Faculty of Graduate Studies of
the University of Manitoba in partial fulfillment of the requirements
of the degree of

MASTER OF ARTS

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ABSTRACT

This thesis examines the development of the Hudson's Bay Company from a fur trade partnership to a diversified modern corporation, focussing on the fur trade and commercial operations under the management of Trade Commissioner Joseph Wrigley from 1884 to 1891. It makes no claim to be a comprehensive history of the Company during that period. Specifically, it excludes the activities of the Company's Land Department which have been dealt with at length in various publications.

The first chapter provides an overview of the Company's operations from 1870 to 1884 as it attempted to come to terms with the loss of its monopoly and the circumstances which led to the creation of the position of Trade Commissioner. Shortly after Wrigley's appointment, the North-West Rebellion broke out and the role he played in supporting the military operations is discussed in Chapter Two. Despite its many detractors who were eager to capitalize on the Company's land and commercial opportunities, the fur trade remained a vital enterprise and Wrigley's attempts to streamline its operations through transportation innovations and administrative centralization are discussed in Chapter Three. The Company's Commissioned Officers, the traditional mainstay of its Canadian fur trade operations, were a casualty of this process and their decline in status is

examined in Chapter Four. The final chapter deals with the Company's mills and sales shops, and Wrigley's attempts to cope with a depressed economy. Throughout this thesis, special attention has been given to the relationship among the London-based Governor and Committee, the Trade Commissioner and the Commissioned Officers which was a significant factor during this transition phase in the Company's history.

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LIST OF ABBREVIATIONS

GI	Glenbow-Alberta Institute
HBCA	Hudson's Bay Archives
HBCL	Hudson's Bay Company Library
HSM	Historical Society of Montana
MTL	Metropolitan Toronto Library
PABC	Provincial Archives of British Columbia
PAC	Public Archives of Canada
PACL	Public Archives of Canada Library

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INTRODUCTION

The post-1870 period was one of rapid change in Hudson's Bay Company history. Where it had once governed the vast expanse of Rupert's Land, in accordance with the original charter of 1670, the Deed of Surrender had reduced it to the status of a private company, forced to compete in an open market under the jurisdiction of the Canadian government.

With the transfer of a major portion of its territory to the Dominion Government, the nature of the Company's trading operations altered significantly over the next decades. As the focus of attention shifted northwards to the fur resources of the distant Athabaska and Mackenzie River regions, the consequent spiralling transportation costs prompted attempts to streamline the entire fur trade system. Greater emphasis was placed on developing more efficient routes and adopting less labour-intensive methods of inland transportation, such as steamers, which enabled heavy cargoes to be moved at a fraction of previous costs. In southern regions, consolidation measures inaugurated by Governor Simpson were continued. Winnipeg was designated as the major depot, leaving York Factory and Norway House to function as mere trading posts serving the immediate district. On the prairies the surge of new settlers which followed the completion of the railway dramatized the potential of the Company's retail trade that was becoming an

increasingly important part of its operations by the 1880's.

In 1884, to ensure the proper administration and effective control of its commercial interests in conjunction with those of the fur trade, the Company created the position of Trade Commissioner to which it appointed Joseph Wrigley. This appointment broke the Company's long-standing tradition of selecting administrators for its British North American trade from among its Commissioned Officers with past fur trade experience. Although Wrigley had an established background in the commercial field, having spent many years in the English textile business, he had had no previous connections with the Company, the fur trade or Canada.

Wrigley's seven year term of office (1884 - 1891), which will be the subject of this thesis, was marked by several important developments which will be examined in detail. As Trade Commissioner, he was involved in the ongoing efforts to tap the rich fur resources of the Northern and Western Departments in as efficient a manner as possible. While the Company's focus of attention would gradually shift towards its land holdings and commercial interests, the fur trade nevertheless remained a viable part of the Company's operations whose revenues provided a base from which it could diversify. The 1880's also witnessed a decline in the role of the Commissioned officers, the traditional backbone of the Company's North American fur

trade operations since its inception. Their success in obtaining major concessions from the Governor and Committee in 1879, to compensate for their loss of revenue during consecutive lean years, was the high point of the post-1870 period and their importance in the Company's operations declined steadily over the next decade. In 1887, in Winnipeg, Wrigley presided over the last of the historic Fur Trade Councils. Shortly after, in 1893, the Company extinguished the Deed Poll of 1871 and with it the traditional system of profit-sharing, reducing the status of the Commissioned Officers to that of salaried employees.

The decline in the status of the fur trade was to be compensated by the development of an expanding retail trade under Wrigley's administration. As towns and urban centres sprang up in the wake of the railway, local fur trade posts often assumed the role of general stores. Bartering was replaced by a credit and cash system of trade which capitalized on treaty payments, government contracts and an expanding wage-earning society. As the number of its retail outlets increased, centralized depots were established to serve as storage facilities as well as a base for commercial and fur trade operations in an attempt to compete more effectively with other entrepreneurs. Their aggressive competition, coupled with a widespread economic depression, would be determining factors in the success of Wrigley's efforts to develop the Company's retail operations.

A second facet of the Company's operations which emerged in response to increased settlement was the development of its land interests under the administration of Land Commissioner Charles J. Brydges. The arrival of the railway, coupled with a temporary easing of world depression, had stimulated land sales and resulted in a short-lived economic boom. To increase the attractiveness of its land holdings, the Company undertook an expansion of its network of retail outlets, where feasible, and constructed grist and saw mills.

The collapse of the boom had serious financial repercussions for the Company which occasioned a major reorganization of management in 1884. Donald A. Smith, former Land Commissioner (1874-1879) and outspoken critic of Brydges, had obtained a position on the London Board and, with Sandford Fleming, was appointed to a two-man advisory committee to supervise the Company's North American operations. All of the Land and Trade Commissioners' correspondence was subsequently rerouted through their office creating a significant shift in the balance of power within the corporate structure. The relationship between the office of Trade Commissioner, the Canadian Sub-Committee and the London-based Governor and Committee will be examined in detail with particular emphasis on the role of Donald A. Smith. Of primary consideration will be the Board's inability to recognize the need to separate the

responsibilities of ownership from that of local management which hindered the Company's development in all sectors of the trade.

A further aspect of this research will be an examination of the relationship between the Hudson's Bay Company and the Dominion Government during Wrigley's term of office. Particular reference will be made to the North-West Rebellion of 1885 in which Wrigley played a major role as the individual responsible for the provisioning and transport of field forces travelling west. Although Wrigley was critical of the government's inept handling of Indian and Métis concerns, he recognized that the Company had an important stake in supporting the government's attempt to suppress the uprising. Its network of trading posts and transportation routes made it particularly vulnerable to attack which in turn could have disastrous consequences for its land and commercial interests. Wrigley's task was hampered by the lack of knowledge of western Canada exhibited by Ottawa bureaucrats and military personnel and an entrenched patronage system which frustrated his attempts to establish an efficient logistics system. Even more important was the failure to institute a clear cut chain of command, a problem that would have serious financial repercussions when the Company submitted its accounts to the War Claims Commission.

Finally, an attempt will be made to determine the exact

circumstances surrounding Wrigley's abrupt departure from the Company's service in 1891. He returned to England with his family where he remained until his death in 1926.

The majority of the general histories of the Hudson's Bay Company have focussed on the pre-1870 period of the fur trade. Outstanding among these is E. E. Rich's History of the Hudson Bay Company, 1670 - 1870 which, although it does not deal with the 1884 - 1891 period which comprised Wrigley's term of office, nevertheless provides excellent background material which is crucial to a thorough understanding of the events of subsequent decades. Morris Zaslow's The Opening of the Canadian North 1870 - 1914 offers a concise overview of the Hudson's Bay Company's diversified operations during this transition period. It touches briefly on its land and commercial interests but the emphasis is on the evolution of new transportation systems and routes within the wider context of northern development. Zaslow's work is complemented by A. A. den Otter's article "The Hudson's Bay Company's Prairie Transportation Problem 1870 - 85" in John E. Foster (ed.) The Developing West which focusses on Commissioner Grahame's role in the development of water transportation and his attempts to reconcile it with railway technology. Robert V. Oleson's thesis, "The Commissioned Officers of the Hudson's Bay Company and the Deed Poll in the 1870's with Particular Emphasis on the Fur Trade Party, 1878 - 1879", examines the

changes in the fur trade component of the Company's operations and sets the stage for the shift in attention to land and retail trade which occurred during the next decade. Greg Sealey's thesis "History of the Hudson's Bay Company, 1870 - 1900", also studies the development of the fur trade but the scope of his research was then limited by the Hudson's Bay Company's restriction on its post - 1870 archival material. Consequently, his conclusions are based on manuscript sources, Company publications and government documents which refer only tangentially to the Company.

Several historians have focussed on the growing importance of the Company's land holdings during the 1880's which coincided with the development of retail trade. Included among these are J. S. Galbraith, "Land Policies of the Hudson's Bay Company, 1870 - 1913", in Canadian Historical Review, March, 1951; Alan Wilson, "In a Business Way: C. J. Brydges and the Hudson's Bay Company, 1879-1889", in Carl Berger and Ramsay Cook (eds.) The West and the Nation; H. John Selwood and Evelyn Baril, "The Hudson's Bay Company and Prairie Town Development", in A. Artibise (ed.) Town and City, Aspects of Western Canadian Urban Development; and H. Bowsfield (ed.), The Letters of Charles John Brydges, 2 vols. The second volume, which involves the period from 1883 - 1889, is particularly important in establishing the relationship between the newly created office of Trade Commissioner, with that of the Land

Commissioner and the London Board.

In the works which deal specifically with the period from 1884 to 1891, Wrigley has received little more than passing mention. For example, Zaslow chooses to emphasize the role of Wrigley's successor C. C. Chipman in outlining the development of the Company's commercial interests. The only exceptions are Desmond Morton and Reginald H. Roy (eds.) Telegrams of the North-West Campaign 1885 and J. E. Rea's article, "The Hudson's Bay Company and the North West Rebellion" in which Wrigley figured prominently but discussion is confined to his role in the events of 1885. Therefore, by focussing on a previously neglected aspect of the Company's post-1870 operations, it is hoped that this research will contribute to a better understanding of the formative period of its modern day commercial enterprises.

CHAPTER I
RISING TO THE CHALLENGE

In August 1884, Joseph Wrigley arrived in Winnipeg to assume his duties as the first Trade Commissioner for the Hudson's Bay Company, in charge of fur and general trade. Unlike his predecessors, Chief Commissioners Donald A. Smith and James A. Grahame, who had both risen through the ranks within the fur trade, Wrigley had had no previous connection with any facet of the Company's operations. By choosing to look outside the Company for a man with broad commercial experience, the Governor and Committee entered upon the final phase of the Company's transition from a fur trade Company to a multi-faceted corporation, a process which had been evolving since 1870.

That year marked both the beginning and the end of an era in Hudson's Bay Company history. The Order in Council, signed in London on June 23rd, admitting Rupert's Land and the North-Western Territory into the Dominion of Canada, completed the transfer of authority and brought to an end two centuries of Company rule.¹ Effective July 15, 1870,

¹ Rupert's Land was defined in the original Charter of 1670 as: "those Seas Streights Bayes Rivers Lakes Creekes and Soundes in whatsoever Latitude they shall bee that lie within the entrance of the Streights commonly called Hudson's Streights together with all the Landes and Territoryes upon the Countryes Coastes and Soundes aforesaid that are not already actually possessed by the Subjectes of any other Christian Prince or State . . .". (Hudson's Bay

its status was reduced from that of a royally chartered British company with judicial and administrative responsibilities as well as economic goals, to that of a private business operating under the regulations of Canadian law. Stripped of the privileges of monopoly, it was now forced to contend on an equal footing with more aggressive entrepreneurs, whose trading skills had been honed by competition, in an area on the brink of rapid expansion.

The terms of the transfer were straightforward. Based on the Deed of Surrender, signed by Governor Sir Stafford H. Northcote on November 19, 1869 in anticipation of a transfer on December 1, the Company would receive L300,000 from the Canadian Government in return for its landed rights. The Company was entitled to retain all its trading posts and to select a block of land adjoining each within twelve months of the final surrender, the total area of which was not to exceed 50,000 acres. In addition, for a period of forty years after the surrender, the Company was empowered to select from any township or district within the Fertile Belt grants of land not exceeding one-twentieth of total area.²

Company, Charters, Statutes, Orders in Council, etc. Relating to the Hudson's Bay Company, London, 1931, p. 11).

² The forty year restriction was the only major difference between the Order in Council of 1870 (Ibid., p. 176) and the Deed of Surrender of 1869 (Ibid., p. 196) which stipulated a period of fifty years.

The Fertile Belt was described as the area bounded on the south by the United States Boundary, on the west by the Rocky Mountains, on the North by the northern branch of

This selection was to be completed within ten years of a township's survey, with the Company's claim restricted to the remaining unsold land.³ Respecting the Company's traditional operations, it was granted the liberty to carry on its trade "without hindrance in its corporate capacity". No "exceptional" tax was to be placed on its land, trade or servants, nor any import duty on goods introduced prior to the surrender. Finally, all Indian claims for compensation for lands required for the purposes of settlement were to be the obligation of the Canadian Government, and the Company was to be relieved of all responsibility in respect of them.⁴

Relieved of the burden of governing, the Company was now free to direct its energy towards the development of its resources. By November 1870, the Governor and Committee had begun a review of the Company's organization and, in this regard, had commissioned Cyril Graham to undertake a fact finding mission to North America.⁵ His mandate focussed on

the Saskatchewan River and on the east by Lake Winnipeg, the Lake of the Woods and the waters connecting them. (Ibid., p. 176).

³ The last transfer of land to the Company under the terms of the Deed of Surrender was not completed until 1925 (Hudson's Bay Company, Hudson's Bay Company, A Brief History, London, 1934, p. 37).

⁴ Hudson's Bay Company, Charters, p. 177.

⁵ His was to be an objective report. It was stressed to shareholders that Graham was not connected in any way with the Hudson's Bay Company. He had served as private secretary to Lord Carnarvon during his tenure as Colonial

three major areas of concern. First, he was to determine how the Fur Trade could be made more productive and economical. Second, he was to consider an adjustment of arrangements between the Company and its Commissioned Officers "so as to place the latter on a footing better adapted to existing circumstances".⁶ Finally, he was to investigate ways in which other branches of the Company's business could be developed. The subsequent wide range of options that Governor Northcote offered for Graham's consideration indicates the degree to which the Board was willing to entertain new ideas at this critical stage in the Company's development.⁷ Despite the relatively brief time at his disposal, Graham's report demonstrates a realistic appraisal of the Company's position and served, in large part, as the blueprint for the Company's programme of reorganization over the ensuing decades.⁸

Recognizing that the relationship between the Company's London operations and its Commissioned Officers was crucial

Secretary and, in this capacity, he had made many important contacts with the Canadian Government during negotiations for Confederation and had also visited Red River, qualifications which suited him admirably for the task. (Hudson's Bay Company, Proceedings at a General Court of the Governor and Company of Adventurers of England Trading into Hudson's Bay, London, November 22, 1870, p. 5).

6 HBCA, A.7/4, fo.152, Northcote to Cyril Graham, Confidential, October 30, 1870.

7 Ibid., fos. 153-155.

8 HBCA, A.11/100, fos. 68-89, Cyril Graham to Governor Northcote, March 15, 1871.

to its success in any sphere of business, Graham recommended that the Board reconsider its opposition to the continuation of the Guarantee of 1865.⁹ Any other course, he warned, "would be regarded by them as little short of a breach of faith" and would ensure troubles of the gravest nature.¹⁰ No matter how distasteful such a measure might be to the shareholders, the Company could not afford to alienate experienced men or risk a transfer of their allegiance that would effectively cripple the Fur Trade, threaten any aspirations toward a general business and, in short, "practically ruin you".¹¹ Affirming his belief in the prospects of the trade, he recommended the infusion of a Canadian element who appeared most eager to invest. Such a move would serve a double purpose. It would stifle competition and "guarantee to those immediately concerned and the public at large that in the opinion of thinking men on the continent, the Company's prospects appear very

9 This referred to a minimum annual income established for Commissioned Officers by the Governor and Committee in 1865 to compensate for fluctuations inherent in the fur trade. The agreement, which expired in June 1869, was important in that it established a precedent on which future claims were based. (Robert Oleson, "The Commissioned Officers of the Hudson's Bay Company and the Deed Poll in the 1870's, with Particular Emphasis on the Fur Trade Party, 1878-1879", Unpublished MA Thesis, University of Manitoba, Winnipeg, 1977, p. 12).

10 HBCA, A11/100, Cyril Graham to Governor Northcote, March 15, 1871, fo. 68.

11 Ibid., fo. 68a.

bright".¹² The first step toward realizing its potential was a redistribution of the wintering partners' emoluments.¹³ Graham proposed the addition of two more grades of service which would allow younger men greater scope for promotion and hopefully attract a better class of men.

The Company's outmoded transportation system was singled out as the major contributing factor in its upwardly spiralling annual capital outlay. Graham recommended the introduction of a technologically superior system of steam vessels on the Saskatchewan River, Lake Winnipegosis and Lake Manitoba which could later be expanded to the Mackenzie, Slave and Peace Rivers.¹⁴ Such a system would be

12 Ibid., n.f.

13 The term "wintering partner" was used by the North West Company, and later adopted by the Hudson's Bay Company after the amalgamation of 1821, to refer to men who lived in the Company's territories and were responsible for the management of the business. This term will only be used where it is specifically referred to by sources. Otherwise, the more common title, Commissioned Officer, will be used.

14 Graham rejected the more obvious and traditional Lake Winnipeg route. He describes the lake as long, narrow, shallow and boisterous without a harbour and with scarcely a place of shelter. As well, the bar at the mouth of the Red River was continually shifting and the water levels were very low just above the Lower Fort. In comparison, the Lake Manitoba route appeared much safer and cart brigades could be used to complete the final forty miles to Fort Garry. (Ibid., fo. 73).

His was not a new idea. Graham based his recommendations on engineers' reports on the Saskatchewan River made six years earlier and on discussions with Chief Trader Lawrence Clarke of Carlton House and Donald A. Smith. In 1870, at a meeting of the Northern Council, the Chief

less labour intensive, freeing the Company from its dependence on tripmen, who were increasingly being tempted away by higher wages elsewhere, and releasing goods for the trade that were normally paid as wages.¹⁵ As a result, the Company would be able to transport cargo at a fraction of the cost of York Boat and Red River cart brigades and, ideally, realize a one year turnover on its capital investment.¹⁶ Although steamers might barely pay their way at first, Graham believed that the Company's corporate image could only benefit from its taking the initiative in opening up the country and improving communications.

This was a factor not to be considered lightly. Anti-Company sentiment was chronic and widespread for a variety of reasons. Tway notes that the lengthy, semi-secret negotiations preceeding the surrender were the source of

Factors instructed Donald A. Smith to request the Board to build steamers for the Saskatchewan River and Lake Winnipeg and a tramway to skirt the turbulent Grand Rapids. (A.A. den Otter, "The Hudson's Bay Company's Prairie Transportation Problem 1870-1885" in John E. Foster (ed.), The Developing West, Essays in Canadian History in Honour of Lewis H. Thomas, Edmonton, 1983, p. 28).

¹⁵ Hudson's Bay Company, Proceedings, June 28, 1871, p. 6. Isaac Cowie noted that never a season passed without a rebellion of the "Long Portage Brigade" at Norway House. Sir Charles Piers, Past and Present Transportation Systems of the Hudson's Bay Company with Routes, Voyages and Journeys, unpublished manuscript, 1926, p. 52.

¹⁶ Harold A. Innis, The Fur Trade in Canada, Toronto, 1956, p. 342.

much misunderstanding on the part of the general public.¹⁷ These perceptions were compounded by Governor McTavish's passive role in the Red River uprising, which led many to conclude that the Company was implicated in the insurgents' cause. The Dominion Government's argument that the Company's territories should have been ceded without payment of an indemnity was supported by a majority of Canadians, who feared that the final cash and land settlement would be a major component in the Company's ongoing campaign to retard progress in the North West.¹⁸ Finally, its demands for 5 per cent interest on the transfer settlement and the subsequent rebellion losses claims were cited as further evidence of greed on the part of what was widely perceived to be an enormously wealthy company.

Other areas in need of reform touched upon by Graham's report were the ruinous system of rationing, Indian advances, the costly practice of running after furs and the entire system of selecting, pricing and merchandising goods. The general business aspect received little more than passing mention, reflecting both the Company's priorities and the current economic climate in the North-West.

17 Duane C. Tway, "The Influence of the Hudson's Bay Company Upon Canada, 1870-1889", Unpublished PhD. Thesis, University of California, 1962, p. 9.

18 Chester Martin, The Natural Resources Question, The Historical Basis of Provincial Claims, Winnipeg, 1920, p. 29-34.

Graham's consultations revealed that many Canadian businessmen were surprised that the Company had never taken advantage of its reputation and means to pursue an extensive business in Canada. Although Graham predicted a good future in this area, banking appeared to be a more immediately lucrative venture. In fact, he had already taken initial steps on the Company's behalf on the premise that if the Company were to move aggressively in these two sectors, it might regulate the commerce of the North-West.¹⁹

The final section of the report dealt at much greater length with the land question which, based on the grandiose expectations raised by the Company's 1863 Prospectus, was perceived by the shareholders to be the main, and in some cases the only, source of future profits. In response to Governor Northcote's queries, however, Graham recommended that, given its current low value and generally undetermined quality, if a buyer could be found to take the bulk of it at a good price, the Company should seize the opportunity. Otherwise, he counseled an intermediate policy of holding back in areas likely to attract settlers and placing a minimum price on the remainder.²⁰

Opinion as to which direction the Company should take was mixed. The Commissioned Officers, not surprisingly,

¹⁹ HBCA, A.11/100, fo. 83, Cyril Graham to Governor Northcote, March 15, 1871.

²⁰ Ibid., fo. 85a.

were unimpressed by the shareholders' optimism regarding the landed estate, although fur trade prospects, at best, were gloomy. Profits from Outfit 68 (June , 1869 - May 31, 1870) were admittedly the lowest in years.²¹ The situation appeared no better the following year when an actual loss was recorded. The Guarantee of 1865 had expired in June 1869 and, consequently, no remuneration was forthcoming for the Officers. Seeing little future for the Company in the fur trade and with visions of more immediate profits to be made in land sales, an independent group of shareholders tabled a report urging that it be abandoned. The Board countered with a recommendation to reorganize the fur trade completely, arguing that, despite the very large capital outlay involved, it could be made both productive and remunerative. Controllable expenses, not fur returns or prices, were the major culprit, and a reorganization of the transportation system, taking advantage of recent advances in railway and steamer technology, would enable them to make it economically viable.²²

The Company had much in its favour to recommend such a move. It had an established reputation for trading in quality goods, expertise, large resources and almost

²¹ Hudson's Bay Company, Report of the Governor and Committee of the Hudson's Bay Company, to be Laid Before the Shareholders, London, July 5, 1870, p. 5.

²² Hudson's Bay Company, Proceedings, June 28, 1871, p. 5-6.

unlimited credit. Its position at the head of the North-West's economy placed it in an enviable position from which to capitalize on the anticipated influx of settlers which, as Governor Northcote noted in an attempt to persuade recalcitrant shareholders, would also reflect favourably on its land holdings.²³

The major obstacle was the lack of commercially qualified staff which could only be surmounted by the infusion of new blood from England and Canada. Nothing could be done, however, without the consent of the Commissioned Officers. Relations between the two groups had been strained periodically since the reorganization of 1863. Their resentment at not being legally entitled to a share in the Oregon Claims settlement of 1868 and the £300,000 transfer fee, coupled with several years of inadequate or no remuneration, culminated in their sending Donald A. Smith, as President of the Northern Council, to represent their settlement claims in the abrogation of the Deed Poll of 1834.

As the first step in reorganization, the new Deed Poll of 1871 would incorporate a new body of officers which would include much-needed men with commercial experience.

²³ In 1870-71, the only commodities of the new territory of the Dominion to figure in external commerce were furs and other products of the hunt, as well as placer gold from the Pacific. (Morris Zaslow, The Opening of the North 1870-1914, Toronto, 1971, p. 1).

Hudson's Bay Company, Proceedings, June 28, 1871, p. 7.

Retiring interests of the Commissioned Officers would be commuted by the payment of a sum of L107,055.24 Discussion at the two General Courts was protracted and heated but finally an agreement was reached with the shareholders which was ratified by the Commissioned Officers over the next year and scheduled to take effect on June 2, 1872.25

While the Commissioned Officers had successfully used the threat of establishing a rival company to obtain their monetary demands, they were ultimately the losers in the new agreement. Briefly, it provided for the addition of three new grades of officers who would share the traditional 40% of the clear gains and profits from the fur trade as well as the general trade.26 They were, however, excluded from any

24 The Commissioned Officers' relations with the Company were very different from that of an ordinary company in that they were not considered employees in the normal sense. They were not paid a salary nor could they be dismissed at will. They had legal rights outlined in the Deed Poll and were entitled to a share of the profits to a defined extent. Therefore in order to ensure their retirement, their legal interests in the Company had to be bought out.

25 Hudson's Bay Company, op. cit., p. 1-50 and Hudson's Bay Company, Proceedings, July 12, 1871, p. 1-60.

26 This brought the total number of grades to five. The shares were apportioned as follows:

Inspecting Chief Factor (4)	3 shares each	12
Chief Factor (8)	2 1/2 shares each	20
Factor (20)	2 shares each	40
Chief Trader (10)	1 1/2 shares each	15
Junior Chief Trader (8)	1 share each	8
	TOTAL	95

The remaining five shares were applied to the fund to

share of the land revenues, although they were expected to assist with the management and disposal of land, if required.²⁷ In addition, the 40% was subdivided into 100 shares instead of 85, as had been done formerly, giving each officer a smaller share. The net result was fewer men with greater responsibilities. The Board refused to consider any provision for a guaranteed income, assumed complete control of the fund set aside for the benefit of retired officers and their families and claimed exclusive right to make promotions and appointments which had previously been determined by seniority thus opening the way for making appointments from outside the ranks of the fur trade.

Under the terms of the Deed Poll, a new salaried position of Chief Commissioner was created which assumed authority formerly vested in the Governors and Councils of the various departments which were now abolished. As the Company's chief representative in Canada, all Commissioned Officers were under his direct authority. His primary responsibility was to ascertain and investigate annual trade results and submit accounts to the London Board. In

benefit retired officers and their families. (HBCA, A.33/1, Agreement between the Governor and Committee of the Hudson's Bay Company and the undersigned Chief Factors and Chief Traders appointed under the terms of the Deed Poll of June, 1834). Although there were three new grades, the total number of officers dropped from 54 to 50.

²⁷ Hudson's Bay Company, Deed Poll by the Governor and Company of Hudson's Bay for Conducting their Trade in North America and for Defining the Rights and prescribing the duties of their Officers, Article I, p. 4.

addition he was to make arrangements with respect to trading posts, stations and staff winter residences, establish rules and regulations for the conduct of the trade, investigate complaints regarding officers' conduct and dismiss or suspend clerks for stipulated reasons.²⁸

The man appointed by the Board to this position was Donald A. Smith. A native of Scotland, he had signed on with the Company as an apprentice clerk in 1838 and had spent the majority of the next twenty-nine years in Labrador. In 1851 he was promoted to the rank of Chief Trader.²⁹ Ten years later he became a Chief Factor and, in 1869, he was appointed to the charge of the Montreal Department.³⁰ During his final years in Labrador he embarked on an investment career, acting on behalf of many of the Commissioned Officers in conjunction with his cousin George Stephen, an entrepreneur and skilled investor who introduced Smith to other influential men of the period such as E. H. King, manager of the Bank of Montreal, and shipowner Hugh Allan. Smith gained national prominence in 1870 as one of three Special Commissioners for the Canadian Government appointed to act as mediators and fact-finders during the Red River uprising. After Riel's escape, Smith

28 Ibid., Articles V - XI, Article XIII, p. 5-6.

29 HBCA, A.33/5, fo. 190.

30 Ibid., fo. 192.

became the chief civil authority in Rupert's Land until Lieutenant Governor Archibald's arrival. In July of that year, the Company appointed Smith President of the Council of the Northern Department and in this capacity he was empowered by the Commissioned Officers to represent their claims before the London Board for a share of the L300,000 transfer money.

His increasing influence was not confined to the Hudson's Bay Company. In 1870 he was appointed by John A. Macdonald to sit on the first Council of the North-West Territories and later that year he was elected to the first Provincial Assembly of Manitoba. This appointment was followed, in 1871, by his successful bid to represent the riding of Selkirk as an Independent in the Dominion Parliament. Thus, in the brief span of less than a decade, Smith had become firmly enmeshed in a national network of business, financial and political interests. It was during this period that Smith conferred with Cyril Graham, who reported favourably on his rapport with the Commissioned Officers. Coupled with Smith's obvious capabilities, it was sufficient in Graham's eyes to recommend him for the position of the Company's chief representative abroad.³¹ As a result, he was appointed Commissioner in June 1871 and Chief Commissioner a year later.

³¹ HBCA, A.11/100, fo. 32, Graham to Northcote, January 31, 1870.

Smith's extensive background in the fur trade, combined with his business and financial expertise, suited him admirably for the task of spearheading Northcote's campaign to revive the trade. Given the limited population, major expansion of the general trade sector was not feasible and, until surveys could be completed and the land could prove its worth, the fur trade would have to provide the requisite operating revenue. Under Smith's local direction, the Company proceeded with its programme of reorganization and increased capital investment. Unremunerative posts were closed, placing the Company's affairs, particularly in the formerly troubled Western Department, on a firmer footing.³² The success of his efforts was reflected in the dramatic rise in net trading profits in 1872 which were supplemented by the final payment of the Oregon settlement.³³

As Cyril Graham had noted in his report, transportation was the key to the efficient development of the Company's resources. At that time there were two major routes to the North West. The Edmonton Trail, stretching overland from Fort Garry to Edmonton via Forts Ellice, Carlton and Pitt, functioned as the main supply artery for a radiating network of cart trails serving northern posts. However, under the proposed new scheme, the traditional water route linking the

32 Hudson's Bay Company, Report, June 28, 1872, p. 8.

33 Ibid., p. 5. Net profits rose from L27,356 the previous year to L85,522.

Red River, Lake Winnipeg and the Saskatchewan River was destined to become the primary supply route for the Northern and Western Departments.³⁴ This area was the domain of the York boat brigades whose schedules were so meticulously synchronized that any unforeseen circumstance could result in a year's delay in an outfit reaching its destination. The only serious obstacle over its 1100 mile length was at Grand Rapids, at the juncture of Cedar Lake and Lake Winnipeg, where the Saskatchewan River dropped eighty feet in three miles. By the 1870's, this system had reached its limits and could not be expanded to carry the expected volume of bulky freight required by developing settlements and government agencies.³⁵ Consequently, the Company's first steamer, the Chief Commissioner, was launched on Lake Winnipeg in May, 1872, followed the next year by a riverboat on the Saskatchewan. It was hoped that this move, combined with the continued development of the American railway system and the promise of a Canadian transcontinental line,

34 The Northern Department consisted of the present-day provinces of Manitoba, Saskatchewan and Alberta, the two northern Territories, the Peace River country in what is now British Columbia and parts of northwestern Ontario including the Severn and Winnipeg River systems. The Western Department took in the remaining area of British Columbia. The Southern Department consisted of present-day northern Ontario and part of Quebec and the Montreal Department the remainder of Quebec and Labrador. (Philip Goldring, Papers on the Labour System of the Hudson's Bay Company 1821-1900, Parks Canada, Manuscript Report #362, Volume 1, 1979, p. 25).

35 A. B. McCullough, Prices, Transportation Costs and Supply Patterns in Western Canada, 1873-85, Parks Canada, Microfiche Report Series #78, 1982, p. 359.

would enable the Company to realize faster returns and turnover on its capital investment.

Unfortunately, the Company's experiments in modern technology failed to live up to expectations. The Chief Commissioner proved unsuitable for navigation on Lake Winnipeg and it was replaced by the Colville.³⁶ The riverboat was lost while attempting to ascend rapids near Cedar Lake and was replaced the following year by the Northcote, a sternwheeler built on the American model recommended by Graham.

While the relatively low priority assigned by the Board to its land interests was evident in their letter of instructions to the new Chief Commissioner, Smith did take initial steps in formulating a land sale policy.³⁷ The tract with the best potential for immediate profit was the 500 acre Fort Garry Reserve. The Reserve was subdivided in 1872 which were gradually placed on the market. Initial sales were promising, but delay in obtaining land patents and the general depression, which struck both Europe and

36 The Chief Commissioner was originally built to sail on Lake Manitoba. However, when the Dominion Government refused to subsidize the three canals needed to complete the route that Graham had recommended, it was shifted to Lake Winnipeg to which its construction was ill suited. (Bruce Peel, Steamboats on the Saskatchewan, Saskatoon, 1972, p. 14-16. See also MTL, Alexander Matheson Papers, "History of Saskatchewan Steamboating", unpublished manuscript, n.d.).

37 HBCA, A.6/44, fos. 343-346, Armit to D. A. Smith, August 1, 1871. "The Company have no intention at present of employing a separate staff for the management and sale of the land".

North America in 1873, resulted in a decline in speculative enthusiasm that did not revive until 1880.³⁸ The effects of the slump were compounded by the fact that the Canadian Government, under the terms of the Dominion Lands Act, was granting free homesteads to settlers, rendering Hudson's Bay Company rural land holdings practically unsaleable.³⁹

Smith's tenure as Chief Commissioner was brief. Growing optimism regarding the potential of their urban tracts resulted in the Board's decision that the task of administering both the land and general trade was too burdensome for one man.⁴⁰ In July 1873, Smith signed an article of agreement stating that effective July 1, 1874 he would be relieved of his duties in order to head up the Company's land business under the newly created title of Land Commissioner reporting directly to London.⁴¹ Although Smith would no longer be involved in the fur and general trade sector of the organization, he retained his ties with the Commissioned Officers and clerks as their investment

38 John S. Galbraith, "Land Policies of the Hudson's Bay Company, 1870-1913" in Canadian Historical Review, Vol. XXXII, March, 1951, p. 3.

39 Hudson's Bay Company, Proceedings, July 1, 1873, p. 19.

40 Evelyn Baril, "The Hudson's Bay Company and the Urbanization of the Prairies 1870-1888", Unpublished BA thesis, University of Winnipeg, 1977, p. 37.

41 HBCA, A.33/5, fo. 196.

broker.⁴²

Assessment of Smith's tenure as Chief Commissioner has been varied. Rich has compared his role in the Company's early post-1870 development favourably with that of Governor George Simpson, who masterminded the fur trade empire after the merger with the North West Company in 1821.⁴³ Willson, in his very sympathetic portrayal of Smith, attributes the short term rise in fur trade profits to his "sheer talent for management".⁴⁴ Recent scholarship has taken a more critical stance. Sealey, Oleson and Wilson have argued that he was too involved in his political career and financial dealings to devote the time and energy necessary to a large-scale reorganization.⁴⁵ His years in Labrador had not provided him with any practical experience in the management

42 Beckles Willson, The Life of Lord Strathcona & Mount Royal, London, 1915, p. 351.

43 E. E. Rich, Hudson's Bay Company 1670-1870, Vol III, 1821-1870, Toronto, 1960, p. 935.

44 Willson, op. cit., p. 64.

45 Gary David Sealey, "History of the Hudson's Bay Company, 1870-1900", Unpublished MA thesis, University of Western Ontario, 1969, p. 107.

Oleson, op. cit., p. 64.

Hartwell Bowsfield, (ed.), The Letters of Charles John Brydges 1879-1882, Hudson's Bay Company Land Commissioner with introduction by Alan Wilson, Winnipeg, 1977, p. xvii. Wilson does admit that Donald A. Smith served the Company best in developing transportation in and to the west and in his provincial and federal career (Ibid., p. xviii).

of inland transportation which, coupled with a chronic habit of procrastination and a haphazard system of record keeping dating back to his early days in the fur trade, gave rise to numerous complaints from senior Commissioned Officers regarding his divided loyalties.⁴⁶

Fortunately for Smith, the London office of the Company's operations was interested only in profits and dividends and his deficiencies as Chief Commissioner, which were evident at the support staff level, were masked by the satisfactory results of a slowly rising fur market. Despite the apparently favourable outlook, however, Smith was astute enough to realize the futility of depending solely on the fur trade for revenue and turned his attention to the Company's land interests instead.

Smith's successor was James A. Grahame, the former Sub-Commissioner who had been stationed in the Western Department and the man, some felt, who should have been given the position of Chief Commissioner from the start.⁴⁷ He had joined the Hudson's Bay Company as an apprentice

⁴⁶ PAC, MacFarlane Papers, fo. 263, Chief Factor Robert Campbell to MacFarlane, September 14, 1872; fo. 283, Chief Trader J. Lockhart to MacFarlane, December 16, 1872; fos. 301-328, Chief Trader Joseph Fortescue to MacFarlane, May 25, 1873; fos. 386-389, Fortescue to MacFarlane, March 25, 1874; fos. 392-397, Inspecting Chief Factor Robert Hamilton to MacFarlane, April, 1874 as cited in Oleson, op. cit., p. 65-67.

⁴⁷ Ibid., fo. 263. Chief Factor Robert Campbell to MacFarlane, September 14, 1872 as cited in Oleson, op.cit., p. 65.

clerk at Fort Garry in 1843 and was transferred the following year to Fort Vancouver. He was promoted to Chief Trader in 1854 and to Chief Factor eight years later when he was transferred to the Norway House District.⁴⁸ In April 1872 he was appointed to the position of Sub-Commissioner.

In one of his first letters to the new Chief Commissioner, Deputy-Governor Eden Colvile warned Grahame of the precarious nature of his position, especially regarding his future relations with Smith. While the Committee had done all it could to prevent a clash of authority, Colvile cautioned that it would require considerable tact on his part to keep things working smoothly. "You have sole and supreme authority over all clerks and servants in the fur trade and you must put a stop to any interference with this authority on the part of D.A. Smith or anyone else. Avoid giving offence and with a person of D. Smith's temperament this will require tact and management".⁴⁹ All future correspondence with the Dominion Government was to be directed through, or in concert with, Smith. Finally, in an attempt to avoid repeating past mistakes, he cautioned Grahame against any political interference. "We are now simply a trading corporation and wish to confine ourselves to our own business, cultivating the most friendly relations

⁴⁸ HBCA, A.33/3, fos. 155, 157. See also HBCA, Vertical File, James A. Grahame.

⁴⁹ HBCA, A.7/4, fos. 197-198, Colvile to Grahame, June 15, 1874.

with those in authority but taking no side with one party or the other".⁵⁰

The beginning of Grahame's tenure coincided with that of the new Governor, George Goschen, who had served as First Lord of the Admiralty in the recently defeated Liberal government and who had been elected by the shareholders to replace Northcote upon the latter's return to British politics. Both Grahame and Goschen would be hampered in the execution of their duties by a catastrophic decline in fur prices.

Committed to upholding a policy of heavy capital investment in the fur trade, from which the Company could not withdraw without weakening its competitive edge over ever increasing numbers of free traders, Goschen considered the retention of vast land holdings to be a hazardous business venture. In 1874 a group of Canadian investors enquired into the possibility of the Company's selling its land. However, when it became obvious that they wanted only

⁵⁰ Relations between the general public and the Company had been strained by what was perceived to be the Company's opposition to Winnipeg's bid for incorporation in 1873. This opposition, it was generally believed, was to avoid taxation as it owned approximately one third of the taxable land within the proposed city limits. Smith and J. H. McTavish were accused of using their public positions as members of the legislature to protect their private interests. Alan Artibise, Winnipeg, A Social History of Urban Growth 1874-1914, Montreal and London, 1975, p. 16-17.

a one year option, negotiations ceased.⁵¹ Private interest in its holdings was successfully used as an inducement to attract public interest and the next year the Canadian Government, under Alexander Mackenzie, stated its intention of entering into negotiations with the Company for the purchase of the bulk of its land holdings.⁵² The purchase price was settled at L500,000 and the Company retained the right to its Winnipeg tract and to 50,000 acres around its trading posts from which it might expect to obtain early and profitable returns.⁵³ Negotiations and the depression dragged on, with the Company not wishing to appear "anxious sellers" and the Government refusing to commit itself. By 1876, worsening economic conditions made it inadvisable to continue discussions and, with the return of a measure of prosperity and the Macdonald Government in 1878, the purchase was never reconsidered.⁵⁴

Another of Goschen's plans to raise revenue resulted from the problems that the Company had experienced with its initial introduction of steamers. The increasing number operating in the Western and Northern Departments were vital

51 Galbraith, op. cit., p. 4.

52 Hudson's Bay Company, Proceedings, June 29, 1875, p. 5.

53 Galbraith, op. cit., p. 4.

54 Hudson's Bay Company, Report, November 29, 1876, p. 8.

Galbraith, op. cit., p. 5.

to expanding both the Company's revenue and resources and, as such, it was imperative that they be protected. Consequently, he announced that the Company would embark on a Marine Insurance scheme which would be funded with money now being paid to outside interests and would prevent the recurrence of dividends lowered by uninsured losses.⁵⁵ The Fur Trade would be charged an annual fee which would be applied to the separate insurance fund and any sums deducted to cover losses would be debited to Fur Trade Accounts. An initial amount of L40,000 was set aside despite the protests of shareholders who demanded to have it returned in the form of a dividend. The scheme was only reluctantly approved, but it continued to provide a steady source of revenue over succeeding decades.

Grahame's experience in both the Northern and Western Departments made him much better qualified than his predecessor to oversee the reorganization of the Company's transportation system. Despite initial setbacks, progress was being made, altering traditional patterns which had evolved over the last century. In 1872, the Northern Pacific Railway had reached Moorhead and shortly thereafter it was announced that the bulk of Northern Department returns had been shipped by rail to New York, bypassing the historic Hudson Bay route. This shift spelled the end for

⁵⁵ Hudson's Bay Company, Report, June 30, 1874, p. 6.

York Factory's pre-eminence as a shipping and supply centre. 1874 marked the last run of York boats from the Swan River District to York Factory and the District's headquarters were transferred from Fort Pelly to Fort Ellice to accomodate improved inland transportation routes.⁵⁶ York Factory and Norway House quickly declined to the status of simple trading posts serving the immediate area and finally, in 1878, the Company's Northern Department headquarters were removed from York Factory to Fort Garry.⁵⁷ Company steamers, having established a regular route along the Assiniboine in 1875, pushed the jumping-off point for the cart brigades 230 miles west to Fort Ellice.⁵⁸ Their pre-eminence was short lived, however, as the arrival of the railway finally ended long distance carting on the Edmonton trail.

Although the Northcote's success on the Saskatchewan River and increased immigration to Manitoba were cited as positive signs, the spectre of economic depression still loomed large. The Spring Sale of 1877 only confirmed the downward trend as fur prices tumbled a further 30 per cent over the previous year which had registered a twenty year

56 N.M.W.J. McKenzie, The Men of the Hudson's Bay Company, Fort William, 1921, p. 13.

Innis, op. cit., p. 341.

57 See A.J. Ray, "York Factory: The Crisis of Transition, 1870-1880" in The Beaver, Autumn, 1982, p. 26-31.

58 McCullough, op. cit., p. 375.

low. By fall there was another decline of 20 per cent in finer furs, such as marten and mink, in which the Company specialized. Therefore, although fur returns remained steady, L13,000 less was realized. Buffalo robes, another staple, were also declining in number and importance with the price plummeting 50 per cent in five years.⁵⁹ Russia, the chief market for the Company's furs, was in the midst of a grave commercial depression and was now embroiled in a war with Turkey. Consequently, Russian buyers were no longer willing to purchase at the Leipzig fair. The Board ordered reductions made to the fur tariff, but given the time lag in communicating this information to the Commissioned Officers who purchased the furs, a considerable period of time elapsed before prices could be adjusted downwards. Faced with a loss of L2,911, the Board declined to issue a dividend and no remuneration was forthcoming to the Commissioned Officers. At the same time, requisitions, which often had to be paid for two or three years in advance, were escalating to meet the demands of settlers, missionaries, government agencies and destitute Indians, as were Canadian duties on Company imports and interest charges

⁵⁹ The decline of the buffalo herds during the latter part of the 1870's also affected the Company's source of country provisions on which many of the posts depended during the winter. As a result, they were forced to compensate with imported beef from Australia which drove operating costs up further. (Oleson, *op. cit.*, p. 79). See also Hudson's Bay Company, Proceedings, November 27, 1877, p. 5.

on its capital investment. In an attempt to adapt to these altered circumstances, the Board had recommended alterations to the 1871 Deed Poll which would increase the number of Junior Traders from eight to twenty-one.⁶⁰ These additions would remedy a top heavy organization which made it increasingly difficult to get qualified people to fill the upper ranks. However, economic conditions demanded more emphasis on operational economies rather than administrative reform. The Company was faced with two options: either raise additional capital from its already disgruntled shareholders or make permanent restrictions in its overseas operations by closing posts or withdrawing from a portion of the business.⁶¹ After conferring with Grahame, the Board chose the latter course and curtailed credit sales, endorsed further withdrawals from unproductive posts, and reduced the capital employed at others which offered little assistance or protection to inland districts where the majority of the fur trade was carried on.

Cutbacks in transportation were not included, however, and reorganization continued apace. A new steamer, the Lily, had been added in 1877 to service the upper portions

⁶⁰ A similar plan had been recommended by John McTavish in a private circular to the Commissioned Officers in December, 1875. (MTL, Alexander Matheson Papers, Private Circular, J. H. McTavish to Jr. Chief Trader Alexander Matheson, December 1, 1875).

⁶¹ Hudson's Bay Company, Report, November 29, 1876, p. 7.

of the Saskatchewan River between Carlton and Edmonton leaving the Northcote to ferry supplies and returns between Carlton and Grand Rapids. After years of consideration, the Board finally sanctioned the construction of a tramway to bypass the rapids at a proposed cost of L4,000.⁶² As early as 1872, the Company had surveyed and obtained title to small parcels of land at either end and, in 1876, it had acquired a lease to a fifty foot right of way.⁶³ Further improvements were planned with the introduction of small river steamers on the Athabaska River and Lake Winnipeg in the hope that, by the following year, the trade would reflect the benefit.

Unfortunately, the results of the 1878 Spring Sale were even more disastrous. Low water on the Saskatchewan had prevented the use of the Northcote which had to be replaced with more costly cart brigades. The Company's financial losses were compounded by the Manitoba Government's imposition of an education tax on land which was heavily weighted against non-residents.

However, by 1879, the trade appeared to have finally rallied; but by then the Commissioned Officers, after two

62 This was an unusual tramway in that the height of land was in the middle. A platform was built at the summit where the horse would unhook his own whiffletree, enter the second car and ride comfortably to the end of the track. (PABC, Olive French, Leta French and T. W. Hall, (eds.), Autobiography of Charles H. French, 1867-1940, Unpublished Manuscript, p. 35.

63 den Otter, op. cit., p. 30.

years without remuneration, had taken matters into their own hands and mounted an aggressive campaign for a guaranteed minimum income. Two years earlier they had petitioned Grahame to intercede with the London Board and were successful in obtaining a temporary grant of L100 per share.⁶⁴ This money was drawn from funds derived from Directors' salaries and undivided profits, augmented by a transfer of L13,000 from the Marine Insurance Fund.⁶⁵ This failed to satisfy them and, under the leadership of Chief Factor John H. McTavish, the Fur Trade Party was formed. Using the threat of mass resignation, the officers sent McTavish and Donald A. Smith to present their demands to the Board.⁶⁶ Although Grahame, as Chief Commissioner, would have seemed a more logical choice than Smith, there was widespread belief among the officers that Grahame had refused to take the initiative on their behalf in the past and a rift between the two parties had developed.

Oleson credits the formation of the Fur Trade Party with spurring the Board to act quickly and to grant better

64 MTL, Alexander Matheson Papers, George Goschen to Commissioner James A. Grahame, Private, November 17, 1877.

65 Hudson's Bay Company, Proceedings, November 27, 1877, p. 7.

66 This decision was not unanimous. It was opposed by Chief Factor Lawrence Clarke and, to a lesser extent, by Chief Factor Richard Hardisty, both members of the Northern Council. Officers of the Western Department also refused to lend their support. See Oleson, op. cit., p. 137-165.

terms than it may otherwise have considered.⁶⁷ Briefly, the Board acceded to all their demands with the exception of a permanent guarantee of L200 per share. Instead, they would receive a minimum of L150 per share for Outfits 77 to 81 inclusive. If Fur Trade profits exceeded L60,000 this would be increased to L200. In addition, the remaining five unappropriated shares that had been applied to the retirement fund under the Deed Poll of 1871 would now be applied to the Commissioned Officers on the same basis as the other ninety-five. The satisfaction which was generally felt regarding the results of the negotiations was reflected in a letter of conciliation in which the Commissioned Officers reaffirmed their confidence in Grahame as their Chief Commissioner.⁶⁸ An expression of appreciation was also addressed to Smith for his exertions on their behalf and for his firm but moderate stance.⁶⁹ Their contentment was illusory for, by 1879, the Board was tending to promote its general trade and land business to the detriment of the fur trade and the importance of the Commissioned Officers to the Company's organization steadily declined.

With the completion of the rail link between St. Paul

67 Ibid., p. 240.

68 GI, Richard Hardisty Papers, M5908, Box 8, File 242, fo. 1611. Commissioned Officers to James A. Grahame, July 12, 1879.

69 Ibid., File 243, fo. 1612. Members of the Fur Trade Party to Donald Smith and J. McTavish, July 15, 1879.

and Winnipeg in 1878, cheap transportation links to major metropolitan centres became a reality. While it ended the era of the steamboat on the Red River, it assured Winnipeg a role as distribution centre for western Canada. With the prospect of a Canadian transcontinental line, the Company was finally in a position to expand its general trade into areas that would become important service centres for agricultural and urban settlements.

Kerr notes a distinct change that occurred in Winnipeg's trade during this period.⁷⁰ By the mid 1870's, there were five establishments which controlled most of the city's general trade, protected from eastern Canadian competition by its relatively remote location.⁷¹ All had retail outfits, some were involved in the fur trade and others ran a wholesale operation. All, by 1877, were involved to a modest extent in grain buying. Before 1878, foreign imports from the United States and Britain dominated. But with the rail link, eastern Canadian investment increased and branch establishments located in Winnipeg in large numbers. Population figures soared, providing new markets that these companies were quick to exploit. In contrast, the Hudson's Bay Company appeared to

⁷⁰ Donald Kerr, "Wholesale Trade on the Canadian Plains" in Howard Palmer (ed.), The Settlement of the West, Calgary, 1977, p. 136.

⁷¹ These were: A. G. B. Bannatyne; W. H. Lyon; Kew, Stobart and Eden; Higgins and Young and James Ashdown.

maintain a rather aloof position in the community, not wishing, for example, to provide information for early Winnipeg and North West directories.⁷²

Service centre patterns in rural Manitoba were also showing considerable independence from the Hudson's Bay Company. The largest centres were still those associated with Company posts but their importance was based to a large extent on the increasing presence of independent merchants.⁷³ It was obvious that as immigration increased, changes would have to be made in the Company's general trade. Traditionally, the Commissioned Officers were natives of rural Scotland and although they were well suited to the fur trade, they lacked a grounding in modern business principles and an appreciation for the needs of prairie agricultural and urban society that were essential if they wished to compete successfully.

Anti-Company sentiment was again running high in response to what many believed to be Smith's speculative policy of not actively promoting land sales, preferring instead to wait until transportation improvements had increased values. Although the Company had successfully appealed Manitoba's education tax, it was evident that

⁷² Ibid., p. 260, footnote 19. This policy would remain in effect for another decade. See Chapter V.

⁷³ James M. Richtik, "Manitoba Settlement: 1870 to 1886", unpublished Ph.D. thesis, University of Minnesota, 1971, p. 282.

substantial changes had to be introduced to its land policy in the interests of public relations. As a result, Smith resigned in early 1879, ostensibly to spend more time on his private business concerns. Wilson suggests that frequent clashes of will between Smith and the more cautious Grahame, as well as Smith's weakening political clout, offer a more plausible explanation.⁷⁴ Smith, his boundless ambition frustrated by a depressed land market, often impinged on Grahame's authority in his eagerness to make heavy capital investments that would secure lucrative government contracts and enhance land values. Such clashes, Wilson argues, demonstrated the need to resolve inherent conflicts among the Company's senior officers in Canada.⁷⁵ Initial steps were taken in this direction by the Board with the appointment of Charles Brydges, the former General Superintendent of Railways under the Mackenzie Government and political confidant of John A. Macdonald.⁷⁶ Although his official title was Land Commissioner, his mandate was much broader in scope, as revealed in a confidential letter to Macdonald from Committee member Sir John Rose:

74 Bowsfield, op. cit., p. xxv.

75 Ibid.

76 Baril notes that when Smith resigned, the Board was prepared to abolish the position of Land Commissioner and, instead, have a clerk look after the lands. However, when Brydges offered his services, the specifications of the job were revised. (PAM, Macdonald Papers, MG4B1-4, Vol 259, February 10, 1879, as cited in Baril, op. cit., p. 77).

I think you should know, in confidence, that our plan is to place Brydges in a position where he can - as he certainly very soon will - make himself master of the whole business, and ingratiate himself into the good opinion of the officers. This, however, must be done gradually, and Grahame and Smith must be used for a short time. Brydges - although nominally Land Commissioner - will really be instructed to feel his way as expeditiously as he can, so as to master the whole business of the Company - not only as regards the Lands, but as regards the Fur Trade as well ... Brydges is, in reality, the man who is to occupy the confidential relations, and exercise all authority from this day forward.⁷⁷

This radical departure from the traditional practice of control from London, Rea notes, was characteristic of the increasing separation between ownership and management that occurred in business during the late nineteenth and early twentieth century.⁷⁸ While ownership exercised its influence through an elected Board of Directors, in this case the Governor and Committee, who were responsible for the development of general corporate strategy, management became professional executives, such as Brydges, who were committed to maximizing the profits of their respective units. Brydges' private mandate ended the division of responsibilities in the Company's Canadian operations, whereby each Commissioner reported separately to London, and effectively streamlined the vertical corporate structure.

⁷⁷ PAC, John A. Macdonald Papers, Vol 191, Rose to Macdonald, Confidential, March 13, 1879, as cited in Hartwell Bowsfield (ed.), The Letters of Charles John Brydges 1883-1889, with introduction by J. E. Rea, Winnipeg, 1981, p. xxii.

⁷⁸ Ibid., p. xxi-xxii.

Brydges' relations with Grahame were little better than Smith's had been. His suggestions that the retail trade should be expanded to meet new demands and to attract settlers were opposed by Grahame, who preferred to be overcautious rather than act rashly and incur heavy expense.⁷⁹ After a reprimand from the Board, however, his attitude changed and he promised to push such enterprises with vigor.⁸⁰ As a result, the Company proceeded to invest in new stores at Winnipeg, West Lynne and Portage la Prairie, where the recent influx of settlers had significantly altered the nature of the trade. Saw and grist mills were also constructed in suitable locations in hopes of encouraging settlement, as well as providing substantial savings on the cost and transportation of flour to distant posts. These actions raised fears on the part of many of the Commissioned Officers regarding the future of the Fur Trade.

What a fuss is made about mills, opening large and expensive stores &c at the cost of the fur trade, and for the benefit of the people at home. They are pretty sharp those men at home, and in proposing mills etc. as they have done knew well that they would "kill two birds with one stone" that is, keep the gross profits of the Trade under L60,000 so as to keep the guarantee at L150 per share, also to materially enhance the value of their land. I completely fail to see where any benefit is to come to the Trade through these undertakings. If the trade could own the mills

⁷⁹ HBCA, A.12/47, fos. 300-300d, Grahame to Armit, September 16, 1879.

⁸⁰ Ibid., fo. 442, Grahame to Armit. November 5, 1879.

etc. I would then think it a reasonable speculation. As it is, we are simply making these improvements for the people at home at the immediate cost of the Trade and we allow them so many years to pay it in.⁸¹

Their fears were allayed somewhat by the election of a new Governor, Eden Colvile, who replaced Goschen when the latter was appointed Ambassador Extraordinary to Constantinople after the Liberals were returned to power in 1880. Unlike his predecessors, who were noted more for their financial and political expertise, Colvile was familiar with the organization of the fur trade and had served for a brief period as Governor of Rupert's Land. Also, unlike Goschen, he had the good fortune to take office at the beginning of a brief but spectacular land boom in the North West which was occasioned by the choice of Winnipeg as a railway terminal.⁸² Colvile immediately established cordial relations with the Commissioned Officers by touring

⁸¹ HBCA, E.39/3, fo. 16-16d, Ewen McDonald, Isle a la Crosse, to his brother A. McDonald, March 8, 1880, Private.

⁸² Bellan, Artibise and Wilson credit the Hudson's Bay Company with playing a major role in the final selection of Winnipeg as a railway site. Donald A. Smith was a prominent member of the CPR syndicate and a major stockholder in the Company which stood to make large gains in land sales if Winnipeg was chosen. (Artibise, op. cit., p. 71-72). Brydges was instrumental in getting Company officers to testify against the claim that the Winnipeg site represented a flood hazard (Reuben Bellan, "The Development of Winnipeg as a Metropolitan Centre", Ph.D. Thesis, Columbia University, 1958, p. 34) and offered twenty acres for a station near the junction of the Red and Assiniboine Rivers (Alan Wilson, "In A Business Way: C. J. Brydges and the Hudson's Bay Company, 1879-1889" in Carl Berger and Ramsay Cook, The West and the Nation, Essays in Honour of W. L. Morton, Toronto, 1976, p. 121-123).

the North West that summer. He met with the two Commissioners and discussed land and general trade issues which were the subject of a favorable report at the November, 1880 General Court.

One of the highlights was the new Winnipeg store being constructed at York and Main to replace the aging Upper Fort, no longer considered suitable for a modern urban-oriented business. Although Grahame had found it disquieting to take the aesthetics of the Company's facilities into consideration, as well as their utility, the building was described, on completion, as the largest and most imposing building in Winnipeg.⁸³ Four stories high, it boasted steam elevators and a wide variety of departments including dry goods, groceries, carpets, dressmaking, millinery, wines and liquors. The front portion was reserved for retail business and the back and upper floors for storage of furs and general merchandise. Chief Trader John Peebles was appointed manager and shareholders were assured that every effort had been taken to select qualified men from England to assist in running the business.

Brydges' aggressive campaign to expand the role of the Company steamers to accommodate government freight was also repugnant to Grahame, who remained firmly convinced that the

⁸³ HBCA, A.12/47, fo. 261, Grahame to Armit, August 18, 1879.

Steen & Boyce, Winnipeg, Manitoba and Her Industries, Winnipeg, 1882, p. 67.

Company's chief interest was still in the fur trade. He argued that carrying outside freight would interfere with crucial fur trade shipments and that, given the uncertainty of water levels in the Saskatchewan River, failures would leave the Company open to costly damage claims for non-fulfilment of contracts.⁸⁴ The Board upheld Brydges' argument that if the Company did not take the initiative in this area competitors would, but it also ordered him to work more closely with Grahame.⁸⁵

Therefore, by 1880, Company steamers were opened to public traffic and Brydges began to bid for government contracts. Accustomed to massive government railway subsidies, he did not hesitate to approach the Dominion Government for funds to dredge some of the more troublesome areas of the Lake. Competition, in the form of a rival line of steamers backed by Scottish capitalists, was a major concern, for it was feared that, if they were allowed to operate, they would corner the public business and gain access to prime fur trade areas. Consequently, in 1881, the

⁸⁴ McCullough, op. cit., p. 360-361. Hardisty complained to Grahame that often very necessary articles for the fur trade had to be freighted overland in winter at high rates after steamers had failed to deliver them at the proper season. Otherwise, goods were left far from their destination and could not be made use of until the following outfit which had serious financial repercussions for the District. GI, Richard Hardisty Papers, M5908, Box 8, File 247, fo. 1637, Report of Trade in Edmonton District, Hardisty to Grahame, September 20, 1882).

⁸⁵ den Otter, op. cit., p. 34.

Board approved an amalgamation with the Winnipeg and Western Transportation Company in which the Company already had a minor interest. The Company contributed its three steamers, barges, Grand Rapids tramway and the use of its warehouses, totalling \$100,000 in property. In return, the Winnipeg and Western Transportation Company contributed \$62,000 of property which consisted of four steamers, barges and warehouses. The original name was retained but the Hudson's Bay Company held controlling interest. Grahame was elected President and Brydges and Sedley Blanchard, the solicitor for both Companies, sat on the Board of Directors. By the terms of the agreement, the Company was also entitled to a 15 per cent reduction on public freight rates and was guaranteed precedence for its business.⁸⁶ Another agreement was reached with the other major rival, the North West Navigation Company, whereby the latter assumed control of all shipping on Lake Winnipeg and the Winnipeg and Western Transportation Company retained the monopoly on the Saskatchewan River. Traffic on the Assiniboine River was to be evenly shared.

These negotiations were based on the assumption that the Canadian government would take steps to improve navigation on the Saskatchewan. Such support was crucial to the system's reliability and its ability to compete with the

⁸⁶ HBCA, F.36/1, fos. 44-46, Winnipeg and Western Transportation Company - Minute Book, 1878-1900.

CPR. The government, however, was more concerned with railway construction and by the time the work was approved it was too little too late. By 1883, when the prairie section of the railway was completed, steamboats had been largely eclipsed, although they remained an important feeder service north from the railhead.

While the importance of steam transport was dwindling on the prairies, the opposite was true in the Athabaska region. As early as 1875, soundings of the lower Athabaska had been made to assess the practicability of steam transportation.⁸⁷ For years, Roderick MacFarlane had urged the use of steamers which finally came to fruition with the construction of the Grahame in 1883 and, in 1885, the Wrigley. The former travelled between Fort McMurray and Smith's Landing where the freight was then portaged across Slave River to Fort Smith. Here it was loaded on the Wrigley and transported either to the Mackenzie delta or to Fort McPherson on the Peel River. In addition, the Grahame travelled west on the Peace River to Vermilion Chutes, striking a blow, in the process, at the fierce competition in the Peace River District and on Lake Athabaska.

In anticipation of the end of the agreement for a guaranteed remuneration in 1882, the Commissioned Officers made a representation to the Board, which was supported by

⁸⁷ Sealey, op. cit., p. 166.

Donald A. Smith, to have the Guarantee extended for an additional three years. Their request was approved without the usual debate by shareholders appeased by a capital return of L2 per share accruing from land sales.⁸⁸ These gains were counterbalanced, however, by a further erosion of the Commissioned Officers' power within the corporate structure. The Board altered the clause in the resolution passed in 1879 which entitled Inspecting Chief Factors and Chief Factors to recommend officers to the Governor and Committee for appointment. By the terms of the new agreement, these recommendations were to be restricted to appointments within the fur trade "exclusive of that branch of the business in settled and partially settled Districts in which the general trade predominates".⁸⁹ While it was recognized that men with special training were needed in this area, the hope was expressed that outside appointments would be limited as much as possible.

Brydges' fortunes waned with the collapse of the land boom in the spring of 1882. The Board, becoming increasingly alarmed at the amount of capital expenditure involved in his plans for expansion, had earlier reverted to their original policy of a distinct separation between the

⁸⁸ Hudson's Bay Company, Report, June 27, 1882, p. 6, 10.

⁸⁹ GI, Richard Hardisty Papers, M5908, Box 8, File 248, Armit to Grahame on behalf of the Governor and Committee, October 24, 1882.

land and trade departments. Grahame was now to be totally responsible for fur and general trade matters and careful research was to be undertaken before any recommendations for further expansion were made.

Complaints had reached the Board implicating Brydges and Grahame in questionable dealings in Company land. As a result, Deputy Governor Sir John Rose visited Canada with Secretary William Armit and Committee member Sandford Fleming to investigate the allegations and to assess the Company's position.⁹⁰ In his report, Rose concluded that the general trade could not remain viable under existing conditions. Upon visiting towns along the CPR, he noted the thriving business being conducted by independent traders from the United States and eastern Canada. Operating out of tents which could be easily moved to keep pace with construction, they carried a wide range of goods and had access by telegraph to suppliers in Winnipeg, St. Paul and Chicago who could fill their orders within two days. He contrasted this situation with the Company's post at Qu'Appelle which he considered a fair representation:

⁹⁰ Sandford Fleming had been Engineer-in-Chief and Superintendent of the surveys for the CPR and was also a Director of that Company. He became a Committee member in 1882. He and Brydges had a long history of rivalry as railway advisors to the Dominion Government. Brydges had criticized Fleming's engineering with the Intercolonial Railway (Wilson, *op. cit.*, p. 117) and had clashed with Sir Charles Tupper, Fleming's mentor, and Fleming over their support for the Selkirk route through Manitoba as well as Tupper's support of a private contract for constructing the railway (*Ibid.*, p. 122).

The English goods had only arrived on the first week in July. The Canadian goods ordered the previous year had actually not come to hand at the date of our visit but were expected in carts from Fort Ellice. Many of the goods sent from England on requisitions prepared the previous year were unsuitable and a great demand existed for articles that had either not been ordered at all, or in insufficient quantities; some of them, such as potted meats, &c., having actually been procured from passing traders. When they run short at the store they have first to send a requisition by what is called express to the officer in charge of the district, at Fort Ellice (some 140 miles off). This, after it is examined and approved of there (which I am told takes some time), is forwarded by the usual cross-country road to Mr. Graham [sic] in Winnipeg. The same process recurs there, and he sends the order perhaps to Montreal, St. Paul, Chicago or England. Many months elapse before the article - which the independent trader would in the meantime have turned over two or three times - arrives.⁹¹

Rose felt that there were few officers, from the Chief Commissioner on down, who were competent to act as traders even if the Board did sanction the power to act independently. Instead, the Company needed a thorough and efficient businessman at the head of its trading operations. While he acknowledged that the Company's prestige and reputation were widely recognized, he questioned if it had the wherewithal to turn this asset to account. In his opinion, it had two options: to confine itself to a wholesale general dealership at Winnipeg or to restrict itself to a small number of the best places where it could secure competent managers and avoid offending the

⁹¹ PACL, Papers Relating to the Hudson's Bay Company, Confidential Letter from Sir John Rose to the Governor, September 12, 1882, p. 2.

Commissioned Officers. Either option would require a strict and efficient head at Winnipeg, and although Grahame was "a thoroughly trustworthy and upright man, deserving every consideration at our hands for his long and faithful services . . . he has not the qualities fitting him for the new and varied duties that must be undertaken if we are to carry on an active commercial business.⁹² He suggested instead, A. Conrad, one of the partners of I. G. Baker and Son, the Company's chief competitor in the North West which was based in Montana, or Secretary Armit. The latter's selection, he noted, might be viewed more favorably by the officers as it could be considered as a promotion from within the service.

He also recommended that the Company dispose of its interest in bridges and in the Winnipeg flour mill which was in need of costly modernization after six years of operation.⁹³ As soon as the railway was established, he recommended that a similar policy be applied to the Company's steamers.

He absolved Brydges of any wrongdoing in the controversial purchase of the Old Fort by Grahame, Sedley Blanchard and another Company officer, Mr. Balsilly [sic],

92 Ibid., p. 3.

93 For a discussion of the Red River and Assiniboine Bridge Company, see Chapter V.

who had planned to hold it for speculative purposes.⁹⁴ Grahame was not so fortunate. In March, 1883, Governor Colvile requested that he tender his resignation, stating that the Committee recognized that a younger and more active man was needed to run the business.⁹⁵ Grahame complied immediately but the Committee chose not to accept his resignation, stating that they were unwilling to terminate his long service so abruptly. Instead, they preferred that he continue in his position for the present until his retirement could take place "at a time and a manner that would be agreeable to yourself and the Committee".⁹⁶ This decision placed Grahame in the unenviable position of having to maintain a facade, knowing that he did not have the Board's full support or confidence and that he could be dismissed at any time. In the meantime, the Board had effectively ensured his cooperation while they sought a successor. As a parting shot, Colvile informed Grahame that Secretary Armit would be returning to Canada to carry out arrangements for the future conduct of the business. As a result of Armit's recommendations, T. R. Smith, the

94 As a result of the land scandal, a resolution was passed by the Board forbidding any officer, clerk or surveyor from purchasing land belonging to the Company without the express permission of the Board. (HBCA, A.1/152, fo. 40, October 17, 1882).

95 GI, Richard Hardisty Papers, M5908, Box 8, File 253, fo. 1670, Grahame to Hardisty, June 20, 1884.

96 HBCA, A.7/5, fos. 98-99, Colvile to Grahame, June 7, 1883.

Assistant Secretary, was appointed to take temporary charge of the Company's general trade in place of Peebles who would be dismissed.⁹⁷

Although Rose was a powerful ally, attacks on Brydges persisted from new quarters. At a meeting of the General Court in November 1883 to elect a new member to the Committee, Donald A. Smith voiced other shareholders' concerns regarding local management of both the land and commercial departments. He stated that land dealings at Fort Garry were not made in the Company's best interests and showed a lack of judgement which, in his opinion, called for an alternative form of supervision in Canada than that which currently existed. Not enough money was being obtained for lots, especially those nearest the railway, and he described the conduct of the commercial business in Canada as "not such as would recommend itself to gentlemen concerned with commerce in England".⁹⁸ Although he was aware that the Board had recently looked into these complaints, he called for a more thorough investigation which, in turn, was rejected by the Board.⁹⁹

The election then took place and when the ballots were

⁹⁷ HBCA, A.7/5, fo. 104, Colville to Grahame, November 15, 1883.

⁹⁸ Hudson's Bay Company, Minutes of the General Court, November 22, 1883, p. 9-10.

⁹⁹ PAC, Sandford Fleming Papers, MG 29 B1, Volume 48, Folder 331, Letter to the shareholders in the Hudson's Bay Company from Donald A. Smith, n.d.

counted, it was discovered that Smith had staged a brilliant coup. Since there were no provisions in the Charter for voting by proxy, Smith had used his position as the major shareholder to nominate his own list of directors, which included himself.¹⁰⁰ As his shares outnumbered those in support of the House List, the Board decided to negotiate rather than risk a legal dispute. The result was an arrangement whereby Smith and one of his nominees, Charles Russell, were given seats on the Committee at a special General Court the following month; and Smith and Sandford Fleming were requested to investigate the former's allegations concerning the Company's Canadian operations.¹⁰¹ This was formalized May 1, 1884 with the formation of the two-member Canadian Subcommittee. Copies of all correspondence between North America and London, including the sale and disposition of lands, were to be submitted to the Subcommittee and they were to approve all purchases of goods in North America. Satisfied that these actions would answer any complaints, the Board ordered that any further

100 HBCA, A.7/5, fos. 105-106d, Colville to Sandford Fleming, December 8, 1883. Shareholders' votes were apportioned by the amount of stock each person held. For every L100 stock held, they were entitled to 1 vote and those with less could amalgamate with others for 1 vote. (Hudson's Bay Company, Charters, p. 28). On September 9, 1884 a supplemental Charter was issued which allowed voting by proxy. (Ibid., p. 31-32).

101 PAC, Sandford Fleming Papers, MG 29 B1, Volume 96, Folder 13, Copy of a Resolution passed by the Governor and Committee on the 22nd January, 1884, p. 1.

enquiries into questionable land transactions be halted.

Having established a new administrative structure, the Board set out in earnest to find a replacement for Chief Commissioner Grahame. Applications began arriving in January, 1884 from candidates with a wide range of business experience in England, the West Indies, Australia, and Winnipeg, as well as from others with military and judicial backgrounds.¹⁰² Of these, only J. F. Cassy appears to have merited a personal interview with Armit. He described himself as a salesman of eleven years standing with an established firm who had also served as a buyer and manager of their major departments. In addition, he had seven years experience in the retail drapery business.¹⁰³ Despite his relatively impressive credentials, he was not successful in obtaining the appointment. At the same time, applications were being sought for Peebles' replacement. T. R. Smith had declined to remain permanently in Canada and W. H. Adams was subsequently hired.¹⁰⁴

By May the Board had still not found a suitable

¹⁰² HBCA, A.10/115, fos. 392; A.10/116, fos. 66, 69, 95, 129, 180, 248, 295; A.10/117, fo. 155.

¹⁰³ HBCA, A.10/116, fo. 180, J. F. Cassy to Armit, February 6, 1884.

¹⁰⁴ In his application for the position as manager of the Winnipeg store, Adams described himself as having ten years experience in the army and two years experience in the timber trade. He had managed a factory and had also been general manager of a store. He also stated that his sons attended school with Armit's children. (HBCA, A.10/116, fo. 266, Adams to Armit, February 26, 1884).

candidate. Casting farther afield, Edward Harris, a Committee member, contacted a friend in Huddersfield, W. R. Haigh, who, in turn, approached an old and valued friend, Joseph Wrigley, who was currently living in Great Yarmouth and looking for suitable employment. He had been born in Yorkshire in 1839, four miles from Huddersfield, the eldest son of Joseph Wrigley and Hannah Spurrell Wrigley, the daughter of a prosperous London brewer.¹⁰⁵ The Wrigley family traced its roots back to the early seventeenth century in the village of Saddleworth, east of Manchester, in wild Pennine country. Official records begin with James Wrigley, who was born in 1743 and became a small farmer as well as assisting his family in the early wool trade. Successive generations became engaged in the rapidly developing woolen industry in Netherton, on the southern outskirts of Huddersfield.¹⁰⁶ The family founded two large woolen mills in the valley and, during the early years of the nineteenth century, there were no fewer than eleven

¹⁰⁵ Correspondence with Dr. Joseph Wrigley, grandson. See also Legislative Library of Manitoba, Biographical Scrapbook #1, p. 10, "Eminent Winnipeggers".

¹⁰⁶ The town of Huddersfield owed its origins to the wool textile industry. Although the climate was inhospitable, the key to the development of this industry was the abundance of soft water in its moorland streams which was used in felting the fibres. Water power and numerous small coal mines in the area provided the basis for expansion long before the arrival of steam. The advent of the power loom in 1822 allowed for the development of a fancy trade in fine woolens, cord and velveteens. (Roy Brook, The Story of Huddersfield, London, 1968, p. 138).

Wrigleys in the village who had their own club but apparently "fought like cat and dog".

Joseph Wrigley was educated at Rugby College and, following tradition, entered the family textile manufacturing business in Huddersfield with his father and younger brother, Norman. On September 10, 1868 he married Emilie Tillett, from a prosperous Norfolk family of Huguenot origin who were also involved in the wool trade. They had one son, Joseph Harry, and four daughters. After his father's death and with a reduced demand for their special line of goods, the brothers reluctantly sold the business. Wrigley's wife died unexpectedly of pneumonia shortly after, which resulted in his leaving the Huddersfield district.¹⁰⁷ Wrigley was successful in obtaining an interview with Armit and two of the Directors on May 15, which was followed by a second interview with the entire Board.¹⁰⁸ Before this meeting Wrigley was requested to provide some additional personal information. Although he admitted "it is not pleasant to speak of oneself", he stated that he was on the Commission of the Peace and had served as President of the Huddersfield Chamber of Commerce, "an office of considerable

¹⁰⁷ HBCA, A.10/117, fo. 57d, W. R. Haigh to Edward Harris, May 10, 1884.

¹⁰⁸ HBCA, A.10/117, fo. 114, Wrigley to Armit, May 15, 1884 and fo. 115, Haigh to Harris May 16, 1884.

importance and consideration in that district".¹⁰⁹ He had taken part in semi-official commercial missions to Russia and France and for many years had been Examiner in the Technological Examinations now carried on by the city of London and formerly by the Society of Arts.¹¹⁰

By May 21, Armit informed Smith that the Committee had seen Wrigley and that his application would probably be considered the next week.¹¹¹ Haigh also met with the Directors to discuss Wrigley's application on June 8, when it was formally decided to appoint Joseph Wrigley as Trade Commissioner.¹¹² He was to receive an annual salary of L1200, a free house in Winnipeg and an additional grant of L250 towards an outfit.¹¹³ Wrigley accepted the position the next day, promising to "do my utmost in the interests of

¹⁰⁹ Wrigley was elected President of the Huddersfield Chamber of Commerce in February, 1874. W. R. Haigh was also a member and seconded his appointment. (Huddersfield Examiner, February 14, 1874, p. 6)

¹¹⁰ HBCA, A.10/117, fos. 117-117d, Wrigley to Armit, May 17, 1884.

¹¹¹ HBCA, A.6/55, fo. 344, Armit to Donald A. Smith, May 21, 1884.

¹¹² HBCA, A.5/52, fo. 187, Armit to Wrigley, June 8, 1884.

¹¹³ HBCA, A.4/47, fo. 74d, June 10, 1884. This mansion, located at 71 Smith Street near Assiniboine Avenue, at the southern end of the Company's Reserve, was built in 1881 and was fitted throughout with the latest modern conveniences such as gas and electric bells. It was marked architecturally by a high turret on the west corner and a conservatory which encircled the house. (Manitoba Sun, October 1, 1887). It was sold to the Winnipeg Winter and Skating Club in 1929 and was demolished to make way for a new club house (Manitoba Free Press, April 12, 1929).

the Company and I trust I may also be able to increase the confidence already shown, which I would assure you I duly appreciate".¹¹⁴

An indenture, dated June 17, 1884, curiously describes Wrigley's appointment as "Fur Trade Commissioner, in place of Chief Commissioner", to exercise the same power and authority as Chief Commissioner.¹¹⁵ However, the fact that he was consistently referred to as Trade Commissioner denotes the more important role that the general trade was to play within the Company's operations, as well as acknowledging that Smith would be in a position to control Canadian affairs effectively.¹¹⁶ Wrigley's appointment was for the standard five year term, during which time he was not to be engaged in any business or trade outside the Company or to undertake any public functions without the consent of the Governor and Committee. The latter could terminate his engagement with at least one year's notice and could dismiss him without notice for wilful neglect of duty or other misconduct.

Grahame's resignation, which had been tendered on April 17, 1883 was formally accepted on June 11, 1884 when he was

¹¹⁴ HBCA, A.10/117, fos. 235-235d, Wrigley to Armit, June 11, 1884.

¹¹⁵ HBCA, A.33/5, fo. 339-340, Articles of Agreement between the Governor and Committee and J. Wrigley, June 17, 1884.

¹¹⁶ Bowsfield, op. cit., p. xlvii.

informed of Wrigley's appointment.¹¹⁷ In a circular to the Commissioned Officers, he admitted that he resigned with some reluctance after nearly forty-two years in the service as he felt himself yet equal to some years of work yet.¹¹⁸

Historians' assessments of Grahame's tenure as Chief Commissioner has been no more consistent than that of his predecessor. Sealey concluded that Grahame could have attained real power from his position within the Company's Canadian administration, as he was an earnest worker, but he was hampered by Governor Goschen's apparent disinterest in the Company.¹¹⁹ As well, widespread economic depression took its toll. In comparing Armit's harsh assessment of Grahame, in the former's report to the Board of his first inspection trip to Canada, with Sir John Rose's more moderate stance, Sealey suggests that Armit may have been probing for a directorship or simply obscuring the fact that he had been somewhat neglectful in not noticing the illicit land transactions earlier.

Wilson views Grahame as typical of the fur trade mentality, one who had no real comprehension of how altered circumstances would affect the Company's economic situation. He argues that Grahame's failure to realize the importance

¹¹⁷ HBCA, A.7/5, fo. 108, Colville to Grahame, June 11, 1884.

¹¹⁸ GI, Richard Hardisty Papers, Box 8, File 253, Circular from J. A. Grahame, June 20, 1884.

¹¹⁹ Sealey, op. cit., p. 20.

of cheap transportation and the need to control the Saskatchewan River in order to protect northern fur trade areas were major failures in a man he portrays as a plodder along well worn grooves.¹²⁰

In his rebuttal, den Otter argues that Wilson's assessment is too harsh, perhaps in an attempt to portray his subject, Charles Brydges, in a more favourable light. den Otter sees Grahame as a scapegoat for the Company's transportation problems during the latter half of the 1870's.¹²¹ Unfortunately, he notes, his tenure as Chief Commissioner coincided with a major decline in fur prices, just when the Company had committed itself to an expensive capital investment program that failed to streamline its cumbersome transportation system. After eight years of planning and vigorous action, steamship technology had failed to conquer the unpredictable water levels in the Saskatchewan River and as the CPR encroached further into its sphere of operations, Grahame, as its proponent, became merely another victim of the railway age.

Oleson also views Grahame in a more positive light, emphasizing his strengths as an organizer and administrator. Despite the fact that he lacked Brydges' dynamism or Smith's ability to inspire loyalty among the officers, all authors agree that his fatal flaw lay in his exposing himself to

120 Bowsfield, Letters, p. x.

121 den Otter, op. cit., p. 31-32.

charges of mismanagement as a result of his land dealings.

Wrigley's appointment reflected the general trend, which the Company had followed over the past decade, towards a salaried system and away from the appointment of men to upper management positions from within the ranks of the fur trade.¹²² It was widely recognized that the Company needed an infusion of new blood if it was to capitalize on the general trade. In particular, a man with broader experience was needed to assume the duties of Trade Commissioner and there was no obvious successor to Grahame within the Company's ranks.¹²³ His appointment was, as anticipated by Smith, met with disapproval on the part of many of the "old guard".¹²⁴ As early as July, 1883 several of the Commissioned Officers had written to Grahame regarding rumours of his retirement. They stated: "it is needless for us to point out that the appointment of a Stranger to the Fur Trade and its Officers, would probably prove most injurious to our interests, besides creating much discontent and dissatisfaction among all in the Service - this belief is general, we might say almost universal, among the

122 Oleson, op. cit., p. 245.

123 Ibid., p. 249.

124 Smith wrote: "There are, I think, some indications that at least a few of the Commd. Officers are disposed to cavil at his (Wrigley's) part of what has been done latterly but I hardly think the resentment will be of much consequence or weight". PAC, Sandford Fleming Papers, MG 29 B1, Folder 331, Vol 48, D. A. Smith to Sandford Fleming, August 19, 1884.

Commissioned Officers and we would therefore deprecate any change for the present."¹²⁵

Others, such as P. W. Bell, were more positive. In responding to the Board's circular announcing Wrigley's appointment, he offered his cordial cooperation, noting that the time had arrived when the Company's commercial operations should be made remunerative. He revealed his true loyalties, however, when he went on to state that in the past the Company had lavished thousands of pounds on stores, mills and steamers without adding to the dividend and if it were not for the Fur Trade, the fabric would not have been worth maintaining.¹²⁶

What Wrigley faced, then, as he arrived in Winnipeg with his family¹²⁷ after brief orientation sessions in England and Montreal, was the herculean task of reorganizing the Company's general trade on a more profitable basis, while at the same time maintaining and streamlining the Fur

¹²⁵ MTL, Alexander Matheson Papers, Chief Factor Richard Hardisty to Grahame, July 7, 1883. It was also signed by Chief Trader L. Clarke, Chief Factors R. MacFarlane, Archibald McDonald, Factors William McKay, H. Belanger, J. McDougall, Ewen Macdonald, Chief Traders J. Ogden Grahame, Alexander Matheson and Junior Chief Traders G. S. Davison and James B. McKenzie.

¹²⁶ HBCA, A.10/117, fo. 544d. P. W. Bell to Armit, August 21, 1884. This letter is ironic as P. W. Bell was to become one of Wrigley's chief detractors in later years.

¹²⁷ After his first wife's death a housekeeper, Anne Ayre, the daughter of a doctor, was hired to assist with the children, some of whom were "decidedly contrary". She became Wrigley's second wife shortly before his departure for Canada. (Correspondence with Dr. Joseph Wrigley, grandson).

Trade and transportation system on which the entire operation hinged.

CHAPTER II

THE FIRST CRISIS: THE NORTH-WEST REBELLION

Immediately upon his arrival, Wrigley issued a circular to the Commissioned Officers outlining the responsibilities of the new office of Trade Commissioner.¹ In closing, he stated his desire to make their personal acquaintance and asked their cordial cooperation in carrying on the Company's business, assuring them, at the same time, that they could write freely and confidentially on questions regarding the trade as well as on any matters pertaining to their comfort and welfare. There would be little time to settle into the job gradually, however. The North-West was in a state of unrest and would soon erupt into violence, disrupting the Company's plans for reform. With a major stake in the area, it could not help but be deeply involved.

One of his first correspondents was Chief Factor Lawrence Clarke, head of the nearby Saskatchewan District. Clarke was currently negotiating with the Dominion Government concerning the housing at Prince Albert of a detachment of Mounted Police that had been dispatched in response to the recent return of Louis Riel to the North-West. After a mild reproof for making arrangements without the Commissioner's approval, Wrigley asked for a memorandum

¹ HBCA, D.14/8, fo. 255, Wrigley to Commissioned Officers, August 22, 1884.

detailing Clarke's actions to forward to Ottawa for confirmation.² Wrigley had noted the growing dissatisfaction among the half breeds in the North Saskatchewan district and echoed Clarke's concerns which had been expressed to Grahame earlier that year.³ Despite the fact that Wrigley and Brydges had visited Regina on March 5, 1885, no hint of trouble was officially reported until two weeks later, when Wrigley informed Armit that the French half breeds, excited by Riel, were arming and had proclaimed the country closed effective March 16.⁴ Wrigley had communicated with Lieutenant Governor Edgar Dewdney, who had ordered Colonel Irvine north from Regina to Fort Carlton with a detachment of Mounted Police. Wrigley had also sent instructions to Clarke to cooperate with the Government but to leave responsibility to them and not to take more prominent action than was absolutely necessary. He reassured Armit that there was no cause for great uneasiness "as the Government forces must be quite sufficient to deal with the matter if it should happen to assume a serious aspect".⁵ He realized, rightly, that the main danger to the

² HBCA, D.14/8, fo. 298, Wrigley to Clarke, October 31, 1884.

³ HBCA, D.13/7, fo. 41, Wrigley to Armit, November 3, 1884 and HBCA, D.48/2, fos. 47-49, Clarke to Grahame, May 20, 1884.

⁴ HBCA, D.13/7, fo. 150d, Wrigley to Armit, March 19, 1885.

⁵ Ibid., f. 151.

Company lay in Riel's tampering with the Indians' loyalty. When he was last in Ottawa, Wrigley had discussed the possibility of Riel's arrest with various members of Parliament but it had been considered an unwise move to make him a martyr. It was possible, Wrigley concluded, that recent events might alter that decision but that would be left entirely in the government's hands.

Military resources in Manitoba and the North-West, under the command of Lieutenant Colonel Charles F. Houghton, were feeble at best.⁶ Winnipeg had the only organized militia units; the 90th Rifles, a small battery of field artillery and a little troop of cavalry. A small permanent garrison, part of the Wolseley expedition of 1870, had been disbanded seven years later as an economy measure.⁷ In 1885, the Minister of Militia and Defence was Joseph Philippe Rene Adolphe Caron, a Quebec lawyer and close personal friend of John A. Macdonald. At 42, he was the youngest member of Macdonald's cabinet, a man with no former military experience but one with many friends and political allies in the force. Militia and Defence was generally regarded as a patronage department and Caron had been

⁶ Houghton, age 47, was a former British army officer who had spent fourteen years on the militia staff in British Columbia and Manitoba. One official report described him as having "not much head and still less judgement" and he was an acknowledged drinker.

⁷ Desmond Morton and Reginald H. Roy, Telegrams of the North West Campaign 1885, Toronto, 1972, p. xxi.

selected for his skills in this area. After more than four years in office, the North-West campaign was to be his first taste of serious responsibility.⁸

By March 22 Caron had cabled Houghton to determine how quickly 300 active militia could be supplied and telegrams were arriving from Dewdney regarding the housing of 100 men who would be arriving shortly at Qu'Appelle. With no transport or support units Caron was forced to rely entirely on civilian assistance and in this regard he approached Charles Brydges who was in Ottawa at the time.⁹ The Hudson's Bay Company was a natural choice given its established network of posts, personnel and transportation routes throughout the North-West. However, this also made it a prime target for rebel attack and, as such, it was in the Company's best interests to support any attempts by the Government to quell the uprising. Brydges assured the Minister that the Company could provide everything necessary and, at the Government's request, cabled Wrigley and informed Smith of the arrangements.¹⁰ The Company was officially approached on March 25 and Caron informed Houghton and Dewdney that it would undertake to provide all

⁸ Ibid., p. xxv-xxvi. See also Bob Beal and Rod Macleod, Prairie Fire, the 1885 North-West Rebellion, Edmonton, 1984, p. 168-169.

⁹ J. E. Rea, "The Hudson's Bay Company and the North-West Rebellion", in The Beaver, Summer, 1982, p. 46.

¹⁰ Bowsfield, Letters of Brydges, 1883-1889, p. 171.

transport and supplies for the troops. There was a brief delay when Wrigley was unable to obtain proper authority from Ottawa to incur expense but, with Smith's assistance, definite arrangements were completed. Wrigley was advanced \$30,000 and a system was arranged whereby the Government would be charged regular wholesale prices plus 5 per cent on all advances and payments for transport, wages and supplies.

Wrigley's worst fears appeared to be realized as reports reached him that a number of Indians had joined the uprising, cut telegraph wires and threatened Fort Carlton and Prince Albert.¹¹ Fear spread rapidly throughout the country as settlers armed themselves against possible attack. In response, the Government dispatched General Frederick Middleton to Winnipeg on March 23.¹² Despite all this, Donald A. Smith remained confident. After conferring with Macdonald he assured Armit that he had "no doubt the

11 HBCA, D.13/7, fo. 153, Wrigley to Armit, March 26, 1885 regarding cable of March 22, 1885.

12 Major General Frederick Middleton, at age 60, had seen extensive military action around the world but had never been in western Canada. He joined the British Army in 1842, fought in the Maori war in New Zealand, distinguished himself in the Indian Mutiny of 1857-58 and served as commandant of the military college at Sandhurst from 1874 to 1884. As an alternative to immediate retirement on half pay, he accepted the appointment of Major General of the Canadian Militia, a post which was not considered particularly demanding. He replaced Major General Richard Luard who had resigned, unsupported by Caron, as the result of conflict between himself and MP's for rural constituencies who wished to spread defense spending as widely as possible. (Beal and Macleod, op. cit., p. 170, p. 220-221).

Government will act promptly in restoring order, nor is it at all likely that there will be any difficulty in doing so the circumstances being so entirely different now with the great facilities for immediate despatch of aid (the CPR) from those which existed at Fort Garry during the former disturbances".¹³ Two days later he assured Armit "there can be no question that the condition of affairs had been greatly exaggerated" and that the government would act promptly to establish law and order with the result that "we shall likely soon have an end to the affair".¹⁴ A three man committee had been established to enquire into the grievances and this, Smith believed, would have the best effect in calming the situation.

Wrigley was not so sanguine. He informed Armit that "the crisis is grave and considering the stake the Company has in the country I feel confident that it will be the wish of the Board that everything possible should be done to assist the Government in restoring order."¹⁵ Business over the entire south Saskatchewan region was being seriously disrupted. The great unease caused by Riel's actions, Wrigley feared, would probably result in settlers withdrawing from farming operations as well as deterring

¹³ HBCA, A.12/53, fo. 94, Smith to Armit, March 24, 1885.

¹⁴ HBCA, D.49/1, fos. 397-396, Smith to Armit, March 26, 1885.

¹⁵ HBCA, D.13/7, fo. 163d, Wrigley to Armit, March 30, 1885.

much needed immigration, the potential market for the Company's expanding commercial and land business.

The following day Middleton left Winnipeg for Qu'Appelle accompanied by Houghton, Wrigley's only contact with the Militia, and members of the 90th Battalion, leaving Wrigley forty-eight hours in which to get everything ready. Upon reaching his destination, Middleton appointed as Chief Transport Officer S.L. Bedson, current warden of the Manitoba Penitentiary and former British soldier, and Captain Swinford Chief Commissariat Officer. Lord Melgund, the future Lord Minto, was appointed Chief of Staff and Chief Factor Archibald McDonald, in charge of Fort Qu'Appelle, was selected to hire teams. A major problem was that both Bedson and Swinford were under Middleton's orders and did not answer to Caron.¹⁶ Another problem arose with the appointment of Major Bell to the position of Quartermaster at Qu'Appelle with orders to obtain wagons, horses and forage. As one of the founders of the Qu'Appelle Valley Farming Company, a large commercial farm near Indian Head, he became one of the major suppliers of teams for the militia as well as one of its major contractors, a very obvious conflict of interest.

By March 28 transport, supplies and everything else required for thirty days had been dispatched. Noting that the Company's stock of supplies had been greatly diminished

¹⁶ Rea, op. cit., p. 47.

and that demands for provisions were already being received from Fort Carlton, Wrigley queried Caron if large numbers of reinforcements would be arriving from the east and if he was to supply them. He feared that the area north of Qu'Appelle could not be depended on as a source of supplies and consequently they must look to the United States for goods which, hopefully, would be allowed to cross the border duty free. In response to Wrigley's request for exact figures to facilitate planning Caron informed him that an additional 780 men and 40 horses had been dispatched by rail.

Three days after the Company had accepted the role as primary supplier to the Government's troops, organization was still chaotic. However, Wrigley assured Caron that despite the fact that there was no supply officer in Winnipeg, the incoming troops would be supplied once particulars regarding time and point of delivery were received. The Company had incurred over \$76,000 worth of debts and he immediately requested to draw an additional \$30,000, which was granted.

Others, too, hoped to cash in on the bonanza. Marvin Burk of Toronto offered assistance in the form of 100 horses and supplies to get troops over the gaps in the CPR between Dog Lake and Nipigon.¹⁷ Thomas Marks and Company of Port Arthur made a similar offer to supply troops west of that

¹⁷ PAC, Caron Papers (hereafter referred to as CP), Marvin Burk to Caron, March 28, 1885, p. 19.

city.¹⁸ In all cases the hopeful entrepreneurs were referred to the Hudson's Bay Company. Although Wrigley stated that the Company was buying outside as cheaply as possible, his efforts were also hampered by local merchants anxious to capitalize on the situation. Alexander Galt, head of North West Coal and Navigation Company, telegraphed to place his flotilla of steamboats and barges located at Medicine Hat at Caron's disposal. In the same breath he added "As you will want large supplies of canned goods, groceries, etc. from Winnipeg, I wish you would bear in mind that my son Jack is in business there and has the largest assortment of wholesale articles of this kind. His firm is GT and J Galt and you may depend on all they undertake to do . . . Pray do this for me".¹⁹ On the same day Kenneth Mackenzie, President of the Winnipeg Board of Trade and Conservative MLA, wrote to John A. Macdonald stating that, owing to the utter prostration of business in the area due to the present troubles, the wholesale merchants wished the Government to purchase Commissariat supplies locally, as

18 Ibid., Marks to Caron, March 28, 1885, p. 33.

19 Ibid., Galt to Caron, March 30, 1885, p. 79. A.T. Galt, one of the Fathers of Confederation, served as Canada's High Commissioner in London from 1880 to 1883. He had invested substantially in the North-West, particularly in the coal industry. The Hudson's Bay Company also had a fleet of steamers but the majority of them were wintering at Prince Albert behind rebel lines.

much as possible, as stocks were large in all areas.²⁰ Similar sentiments were expressed by J. Royal, the Conservative member of Parliament for Provencher. He cabled Caron informing him of the great dissatisfaction within the Winnipeg business community because the Hudson's Bay Company had all the contracts to supply troops. Caron, in turn, asked Wrigley if he could, without interfering with present arrangements, obtain his supplies as much as possible from Winnipeg merchants in order to allay any bad feelings.

Confusion still reigned in early April as Wrigley informed Caron that he had received word that 2200 men were expected to arrive in addition to those of which he had previously been advised. Were they to provision them? Moreover, a local paper had reported that the Government had contracted with Armour Packing Company of Chicago to supply tinned meat, a rumour that Caron denied, reassuring Wrigley that no contracts had been made with any company other than Hudson's Bay.²¹ Even Smith became anxious, but he was also placated by Caron who assured him that no changes were planned. By then Colonel Jackson had been ordered to Winnipeg as Principal Supply Officer to form a commissariat corps to take responsibility for transport, payments and supplies for the force despite the fact that Middleton had

²⁰ Ibid., K. Mackenzie to Macdonald, March 30, 1885, p. 110.

²¹ Winnipeg Daily Times, April 1, 1885.

recommended that Houghton return to fill the position.²² Jackson arrived to find Wrigley "alive to the necessity of prompt action in all matters tending to facilitate operations".²³ While this helped to streamline the chain of command there was still some uncertainty. In response to Caron's orders to direct all requisitions through Jackson, Wrigley replied "There must be some mistake - can send rations of provisions when ordered but have been stopped. There must be somebody here to give instructions. Jackson says he has no authority and if I had not acted on my own responsibility, trouble would have been caused. No difficulty if you will arrange for us to receive instruction. Urgently call your attention to this" with the result that Jackson received full instructions that same day.²⁴

Events had their humorous side as well. After ordering 100,000 pounds of canned beef, Wrigley received a warning from Caron to beware of tinned meat from Chicago-based Armour Packing Co. He had received information that it had been poisoned by Fenians who had targetted the

22 Middleton stated at first that although Houghton was a good man he would be better back in Winnipeg organizing and forwarding supplies. One week later his appraisal was more blunt. He reported confidentially to Caron that Houghton was "absolutely useless and I wish I could find some excuse to get rid of him".

23 Canada, Sessional Papers, 1887, 9a, (Jackson's Report), p. 6.

24 CP, Wrigley to Caron, April 5, 1885, p. 157.

British Government, another purchaser. Caron suggested, instead, the purchase of live cattle from I. G. Baker and other suppliers. Wrigley anxiously enquired if they should issue more tinned meat, noting that delivery of cattle would not be a problem at Qu'Appelle although he feared it was less convenient. A flurry of cables ensued, each party reluctant to take responsibility. Finally, after a satisfactory provincial analyst's report was issued and the troops' needs had escalated to a point where they must be met immediately, the meat was forwarded.

The question of fresh beef was not abandoned, however. The Free Press reported complaints from the front regarding poor food and inadequate clothing. The editorial did not find fault with the purveyors for supplying poor goods as they were exactly what had been ordered. Rather, it attacked the government for not ordering anything more palatable than hard tack and bacon.²⁵ Wrigley and Jackson had enquired into the logistics of driving cattle north to the front and concluded that although they could be purchased for approximately six cents a pound, extra drivers and horses would be required at a time when both were in extremely short supply. Shrinkage of cattle on the march, uncertainty of fodder, risk of stampede and the lack of fuel for cooking all presented extra problems that made it more

²⁵ Manitoba Free Press, editorial, April 6, 1885 and April 7, 1885.

desirable to contract out for fresh beef. This could be accomplished for 25 cents a pound although canned meat currently cost 19 cents a pound including duty. Caron, influenced by reports of volunteers' complaints from Amos Rowe, the editor of the Conservative Times of Winnipeg, suggested that contracts be made with Gallagher and Sons as, in Rowe's words, they were "good men".²⁶ Not content with this, Rowe later telegraphed Hon. M. Bowell, petitioning him to instruct Wrigley to give the contract for biscuits and bread to Thomas Chambers as "he is a good conservative and brother-in-law to Colonel Kennedy. The man that has it now are Grits and bad ones at that".²⁷

Despite the arrival of Jackson, the situation was still chaotic. On April 7, Wrigley had still not been advised exactly how many men to provide for, the length of time they were to be supplied and what provisions to buy. Once he was apprised of the exact situation, he informed Caron, there would be no difficulty in meeting demands but until then, he would be operating in the dark. In response, Caron informed him that 2,450 men were on the move and Wrigley was to

²⁶ They were Conservative butchers in Winnipeg who were considered reliable party supporters.

The canned meat scare came back to haunt Wrigley when it was reported that the first shipment of cattle from the United States was diseased. Rumours persisted to such an extent that they could not be ignored and the entire herd had to be checked out by a Veterinary Surgeon. (Jackson, Report, p. 22).

²⁷ CP, Amos Rowe to Caron, April 13, p. 263.

provide for them and an equal number of horses for one month. Wrigley and Jackson countered with a plan to stockpile rations for five thousand men for two months and only on Caron's insistence did Wrigley reluctantly agree to thirty days, noting however that merchants were already buying up goods on speculation and prices were rising rapidly. Finally, after dogged persistence on Wrigley's part, Caron agreed to establish a Winnipeg depot to facilitate the filling of large requisitions that were coming in without notice, requiring immediate execution. However, recommendations that an independent commissariat be established to supply General Strange in Calgary, now that General Middleton was out of reach and there was only weekly rail contact with Winnipeg, were firmly vetoed by Caron as "very undesirable".²⁸ Strange was, however, authorized to requisition supplies from Winnipeg as was Colonel Otter, who was based in Swift Current. At the same time officers in the field were applying to Caron for authorization to purchase supplies from local posts and civilians were bombarding the Ministry with requests for arms with which to defend their towns and cities.²⁹

²⁸ As Calgary was the point on the railway nearest to Edmonton, it became the base of an expedition to relieve the latter city under General Strange's command.

²⁹ Desmond and Roy, op. cit., Mayor C. E. Hamilton of Winnipeg to Caron, March 28, p. 22 and March 31, p. 43; Mayor James A. Smart of Brandon to Caron, March 31, p. 44, April 1, p. 56; Mayor J. P. Young of Rat Portage to Caron, March 31, p. 49; Mayor D. L. Scott of Regina to Caron,

Wrigley continued to placate Winnipeg merchants by buying nothing outside of Winnipeg with the exception of the infamous tinned meat. By mid-April he was able to report that anti-Company sentiment was abating, assisted by a donation of L500 to the Volunteer Fund on behalf of the Board and an additional \$100 in Wrigley's name.³⁰ The major problem was not, as Caron had suggested, in the distribution of contracts but in the avoidance of inferior articles which would cause a great outcry if sent to the troops and reflect adversely on the Hudson's Bay Company.

As expenses continued to mount, Wrigley tried to mollify Caron whose balance sheet was being carefully scrutinized by both John A. Macdonald and the Opposition. He assured Caron that the Company was purchasing at the lowest price possible, paying immediate cash and charging the Government that price plus a small commission. Without samples of quality, he continued, figures would be useless but in no single case were Company prices more than Winnipeg market price. The total cost, he concluded, was far less than that of setting up a similar organization which, in any case, would take a comparatively long time to mobilize.

In official reports to the Board, Wrigley expressed his

April 1, p. 63; J. Norquay to Caron regarding the arming of the Emerson home guard in response to secret Fenian meetings in Pembina, April 3, p. 85.

³⁰ The Free Press reported that the relief fund was started with individual \$5,000 donations from Donald A. Smith and George Stephens. Free Press, April 4, 1885.

concerns regarding the difficulties faced by the Militia, as it was doubtful that the rebels would meet them in an open fight but rather apply the tactics of guerilla warfare. He noted in some quarters a feeling of sympathy towards the rebels' cause that could increase with serious political repercussions especially if Middleton met with a decided reverse.³¹ Although Wrigley tried to remain apolitical in his dealings, he could not refrain from an expression of regret that sufficient enquiry had not been made into the justice of the claims of the half-breeds: "in fact, discontent in the North West has increased to such an extent that had not this outbreak occurred it is not impossible that there might have been trouble even in Manitoba".³² He commented briefly on the Government's "miserably defective" supply organization which would have been serious if the Company had not immediately lent aid.

Unfortunately, as his time was completely taken up with the rebellion, he was forced to neglect regular business and correspondence with the posts. The Athabaska Outfit was in Winnipeg awaiting transport but it was considered unsafe to let it go. Wrigley had ordered the construction of flat bottomed boats to carry the Outfit for 1885, which had wintered at Green Lake, to northern districts and

³¹ HBCA, D.13/7, fo. 167d, Wrigley to Armit, April 6, 1885.

³² Ibid., fo. 172, Wrigley to Armit, April 13, 1885.

arrangements had been made to ship winter supplies for northern posts through British Columbia or by the Cumberland Route.

Once the question of supplies was more or less settled, Wrigley turned his attention to the problems associated with transportation. Gaps in the railway presented only one of many logistical problems which were circumvented by shipping ammunition, horses and baggage by American routes through Detroit and Chicago. That year spring arrived late in central and western Canada. While this enabled a good road to be built over the ice at the Nipigon gap it played havoc with mobilization. Information that the Saskatchewan River was open on March 28, prompting Caron to order the Northcote to be readied at Medicine Hat to ferry troops northwards, proved to be premature by at least a week. Middleton accurately summed up the situation when he was organizing his transport team at Qu'Appelle. He grumbled that "these scoundrels" had selected the worst possible time when roads and rivers were nearly impassable and all the teams would be urgently required for seeding. The major problem would be expense "which I fear would be enormous though I do all I can to keep it down. Everybody seems to think the Government fair prey, and the long distance away from the Railway necessitates so much team transport, and that is so

expensive".³³ A prime factor in this was the cost of forage, as it was too early in the year for grazing and hay would therefore have to be hauled overland. On April 19, Jackson cabled Caron that although there were large quantities of hay at Troy and Fort Qu'Appelle, the difficulty lay in the fact that there was a shortage of teams beyond the Touchwood Hills. By April 24 the situation had worsened. Baled hay was selling for \$30 at Qu'Appelle and loose hay for \$25. As a result, Wrigley obtained permission to import hay from the United States but only if it could be purchased at a lower price. The Company attempted to remedy the situation with the addition of 100 teams, on Wrigley's authorization, as Middleton could not be reached. Meanwhile Middleton had been halted at Carlton Crossing for lack of forage, the troops having moved so quickly that the transport teams could not keep up the pace.

³³ CP, Middleton to Caron, April 8, 1885. Bedson estimated that each team could consume 80 lb. of oats and 30 lb. of hay per day. (PAC, Extracts from Lord Melgund's Journal, NW Campaign, Transport Supply Report, n.p., n.d.).

Major wagon trails leading off from the CPR were:

Qu'Appelle to Fort Pitt	376 miles
Qu'Appelle to Prince Albert	279 miles
Swift Current to Fort Pitt	393 miles
Calgary to Fort Pitt	398 miles

(Jackson, Report, p. 37). The various routes were divided into twenty mile stages, in forwarding supplies to the front, with an assistant transport officer in charge of each. (Major C. A. Boulton, Reminiscences of the North-West Rebellions, Toronto, 1886, p. 396). One hundred teams would leave base camp and ten teams would be dropped off at each post along the way.

The cost of team transport was also cause for concern.³⁴ Caron queried reports that the Company was paying \$7-\$8 a day for teams which had originally been hired for \$3 a day, with middlemen pocketing the difference. Wrigley protested that they could not be obtained any cheaper and the Company was obliged to allow some margin of profit to contractors as the teams were gathered from across the country.³⁵ By April 24th Wrigley reported that although there were one thousand teams working, he had received a cable from Major Bell, Quartermaster at Qu'Appelle, that they were failing to keep up with demand and were beginning to play out. Consequently he had hired an additional 100 ox teams and 100 horses. He calculated that of 450 teams on the Qu'Appelle route, 160 were with the General's advance. To feed both them and the men would take another 800 teams and they had but 300. While an additional 300 could be raised over the next few days he feared that no more would be available unless they crossed the border.³⁶ An additional 24 teams of oxen were hired from I. G. Baker and

34 By April 20, Wrigley estimated that the Company had spent over \$100,000 on provisions and stores, a figure which was increasing daily. He had laid out advances of up to \$70,000 for teams and hay, had drawn on the government for \$110,000 and was asking for another \$100,000. Since remittances were not coming in from the posts during the rebellion, he also requested to draw on London for L10,000.

35 Teamsters received \$1.25 per day plus rations. (CP, Strange to Caron, April 12, 1885, p. 255).

36 Ibid., Wrigley to Caron, April 24, 1885, p. 315.

two days later Middleton was pushing on to Prince Albert still complaining that communication and transportation were his greatest difficulty given the poor state of the roads over which they were forced to march.

The last regiment left Winnipeg on April 29th. Colonel Jackson was ill with pleurisy and there was no one in authority to take his place. \$100,000 was owed by the Government for supplies forwarded on requisition and an additional \$150,000 for teamsters. To economize, Wrigley suggested that men be sent to build boats to transport freight from Saskatchewan Landing to Clarke's Crossing, a measure that Middleton supported as it would cost one quarter the amount of teams. He had advised Caron that land transportation between the two points was a serious problem particularly as the destination was so far from the railway. As a result all teams that could be spared from Otter's column were rerouted over the Moose Jaw Trail to Clarke's Crossing loading up, en route with supplies from the Northcote at the elbow of the South Saskatchewan River. By May 2, however, the immediate crisis was over and the Transport Officer cabled Wrigley that no further teams were needed.

Arrangements had yet to be defined with respect to the Northcote which belonged to the Winnipeg and Western Transportation Company of which Wrigley was President. General Middleton had been unable to finalize details before

he left Winnipeg and the boat was pressed into Government service. Wrigley, unwisely, chose to leave the matter in Caron's hands asking "would you prefer to charter her or leave for present question of payment on understanding she is on Government service?".³⁷ Caron stalled for several days forcing Wrigley to again cable for instructions, closing "matter can be settled now or stand over for a time".³⁸ Galt was not so reticent. With all his steamers and barges now actively engaged he asked for \$1000 per day or \$600 plus expenses in addition to a guarantee of indemnity from rebel damage.³⁹ Wrigley finally suggested a figure of \$300 per day including expenses to which Caron responded with \$250, hoping "you can meet my views on this point" to which Wrigley politely concurred, "will leave pay of Northcote entirely to you and accept 250. Anxious only to do everything to assist Government in putting down this disastrous rebellion".⁴⁰

Economy was not restricted to water transport. Caron focussed next on the teams already in service. After being informed by Wrigley that the hire price ranged from \$6.50 for teams hired after April 8 to \$10, Caron queried if they could be secured at lower rates if tenders were called for.

37 Ibid., Wrigley to Caron, May 2, 1885, p. 352.

38 Ibid., Wrigley to Caron, May 5, 1885, p. 363.

39 Ibid., Galt to Caron, May 6, 1885, p. 385.

40 Ibid., Wrigley to Caron, May 10, 1885, p. 394.

Another suggestion was to substitute higher priced teams with cheaper ones to which Wrigley responded positively noting that he had suggested the same approach to military authorities some time ago but, receiving no reply, he concluded it was best not to interfere with experienced men as well as incur serious additional expense through an exchange.⁴¹ In any event, Lake Winnipeg was expected to break in three weeks which would allow goods to be shipped by water to Prince Albert, Battleford and Edmonton and the more expensive teams could be dismissed. This would avoid the possibility of disrupting service by the introduction of inexperienced men with the possible failure of prompt delivery. Also, Wrigley surmised that as most of the new teams would be from the States, it would be an unpopular move to dismiss Canadians. Jackson supported his arguments, pointing out that the cost of bringing in new teams and disengaging old ones would be more than the money saved in wages. All the expensive teams were with General Middleton and it would take at least three weeks to replace them. Finally, Caron left the decision in Wrigley's hands.

Two days later, however, he was again advising Wrigley to cut expenses if it could be done without interfering with the level of service, to which Wrigley reiterated that the Company did not have the authority to dismiss teams as they were entirely at the disposal of the Military. Lord Melgund

⁴¹ Ibid., Wrigley to Caron, May 8, 1885, p. 387.

was designated to enquire into the situation as well as the price structure between Winnipeg and Qu'Appelle, and Lieutenant Colonel Whitehead, a Montreal businessman on the Retired List, was dispatched to Winnipeg to relieve the ailing Jackson. Whitehead immediately advised Caron that he would act with discretion in reorganizing the transport system which he complained was "all wrong". The most obvious problem was Major Bell. Whitehead wrote "Is (he) a contractor serving two masters viz himself and the Government?"⁴² and refused to issue requisitions on his orders. Wrigley retaliated by arguing that he had called attention to the high costs many times in the past. He offered, instead, three alternatives: contract for transportation by the ton instead of by the day, issue orders to reduce cost on the penalty of terminating the contract or wait two weeks and dismiss several hundred teams when the river opened. If Caron wished, the Company would stand aside and hand over supplies now in the depot but, he warned, "I must remind the Government that, at their request, the Company at a moments' notice came to their assistance with their whole organization and have worked incessantly not so much for money as of assistance in subduing the Rebellion. A change now would be looked upon as placing the Company in a position with regard to the

42 Ibid., Whitehead to Caron, May 15, 1885, p. 423.

public I cannot think the Government contemplate".⁴³ Mounting pressure on Caron was reflected in his curt reply "Still think for protection of Department all should be done by tender and expect you to help me in carrying this out. Company of course can tender like anybody else".⁴⁴ He ordered that existing transport contracts be cancelled and that new teams be engaged directly in order to save the contractors' markup.

Whitehead's first step in reorganization was to pay teamsters by the ton resulting in an estimated daily saving of \$5000 but Caron's authorization was needed first. Teamsters would supply their own forage and meals for additional savings. As Whitehead put his plan into motion, cables were being exchanged between Winnipeg and Ottawa with Caron on one hand ordering Wrigley to cancel all contracts while Wrigley, on the other, protested that the Company did not have the authority. This culminated in Caron's confused reply "I am under impression transportation under your control - who manages this?". Wrigley was supported by Chief Transport Officer Bedson who in turn had consulted Middleton with the result that the latter recommended that it was impossible to reduce transport at once.⁴⁵ Caron argued that Whitehead had been appointed Transport and

43 Ibid., Wrigley to Caron, May 16, 1885, p. 438.

44 Ibid., Caron to Wrigley, May 18, 1885, p. 438.

45 Ibid., Middleton to Caron, May 20, 1885, p. 454.

Supply Officer and by working through him, considerable savings could be affected without disturbing efficiency.

Wrigley's counter proposal demonstrated a more astute grasp of the situation. The Company had supplied teams as they were required, then passed control over to the Military Transport Officer. The system had worked well. Now there were too many government officials whose authority clashed. In Wrigley's opinion, transport should be the responsibility of an officer under Middleton's immediate control, whom everyone was instructed to obey for only he knew the exact requirements. He pointed out that many teams were hired during a time of emergency and middlemen were needed as it was seeding time and overland travel was difficult. In any case, winter rates were always double. He warned Caron to beware of the tender system as, from experience, some made offers but didn't produce. "Fully understand difficulties of Department", he continued "but from late experience and see & hear, however Department may strive, great difficulty and trouble will most likely prevail to an extent which would make Company fear to tender".⁴⁶

"By Transport Officer do you mean Bedson? Who are Government officials whose authority clash?" replied a still-confused Caron. Whitehead, as far as he was

⁴⁶ Ibid., Wrigley to Caron, May 20, 1885, p. 455. The Company did in fact tender for transport and supplies more from necessity than from choice. (HBCA, D.13/7, fo. 200, Wrigley to Armit, June 8, 1885).

concerned, was solely authorized by the Government. Clarification was then requested as to whose orders the Company should follow, Bedson's or Whitehead's as they often conflicted; "we will do anything if we only know what is wished".⁴⁷ In response to hearsay that the Company had been negligent in reducing teams, Wrigley countered that the Company had always passed on its suggestions to the Transport Officer but it could never get him to act and apparently the situation was no different now.⁴⁸

The main problem in cancelling contracts was that they contained a clause that teams must be immediately transported back to their point of hire, which was expensive and would prevent many experienced teamsters from tendering on new contracts. Whitehead fumed:

This ruse on the part of Wrigley is to cause delay which is to his Company's advantage. I am willing to give them the preference for future contracts but they are not willing to resign their present hold and throwing obstacles in the way. In meantime running on tonnage system in spite of him at great saving. Suggest you telegraph them that I have full power to relieve them and insist on immediate cancelling.⁴⁹

47 Ibid., Wrigley to Caron, May 20, 1885, p. 456.

48 At this point Wrigley backed up his argument that he had previously suggested a reduction in teams by referring to eight cables dating from April 1, offering to forward copies to Caron.

49 CP, Whitehead to Caron, May 21, 1885, p. 461. Wrigley's so-called "ruse" was substantiated by Sedley Blanchard of Blanchard and Bain, the Company's solicitors. He emphasized that the Company was responsible to the

Caron was of no help. He admitted to Middleton that he never knew that Bell, who was a recognized speculator, was employed by the Government or that Bedson, with an equal reputation, was in charge of transportation.⁵⁰ Accountability was his only concern at this stage as he confessed "I need not tell you that I am anxious that all charges which will be submitted to Parliament be such that they can bear the light of day".⁵¹

Complaints were also being received from the teamsters themselves. One of the major suppliers, Armit and Kelly, deplored the manner in which their teams were being returned. Teams, of which they had no knowledge, were being shipped to them while theirs were sent elsewhere, making it impossible to get them back by rail without needless delay. Others complained that drivers were "passed" from Swift

contractors for payment as, by the terms of their contract, the latter had no recourse to the Government. The contract could only be cancelled by return of teams to the point of delivery after having given reasonable notice, the contractor being entitled to payment up to the time of final delivery. It was also noted that cancellation meant that all of a contractor's teams must be returned, they were not bound to take them in installments. (HBCA, D.15/4, fos. 274-275d, Blanchard to Whitehead, May 21, 1885, cancelled and not sent).

50 Middleton supported his selection of Bedson and Swinford stating that if the former had headed the entire supply and transport unit, he would have done it better and cheaper than anyone else.

51 CP, Caron to Middleton, May 22, 1885, p. 462.

Current to Winnipeg while their teams remained behind.⁵² In other cases, official parties claimed that the teams had been sold while, in fact, they were still engaged by the military for which contractors demanded payment. Some teams that had been given notice by the Company had subsequently been rehired by the Government. As many of the original contracts provided for return to Winnipeg some contractors could claim that the first contract had not legally been terminated, which could have serious repercussions for the Company involving sums in excess of the total of its claims.

By May 22 Whitehead was able to report that contracts had been cancelled by the Company, teamsters had been legally notified and tenders were being forwarded to Caron for approval. With this completed, he could now turn his attention to reorganizing the supply system and call for tenders.⁵³ He warned Caron "You are surrounded by thieves. Supplies have been sent forward sufficient for 20 thousand

⁵² HBCA, E.9/3, fos. 85-86d, Armit & Kelly to HBC, June 9, 1885.

⁵³ The Company was not the only one put out by the shift in policy. It raised the ire of one of their suppliers, Gallagher and McGregor, who felt that the spirit of the government's ad in the May 23rd edition of the Winnipeg Daily Times was antagonistic to that of the present contract which they believed was to remain in effect until the end of the campaign. They noted that they had already gone to great expense and felt they had discharged their duties faithfully. Therefore they asked that their contract be honoured until the stock on hand had been fully disposed of. (HBCA, D.15/4, fo. 300, Gallagher and McGregor to Wrigley, May 23, 1885 with a copy to Whitehead).

troops - the waste is ruinous".⁵⁴ The entire supply department was "disgusting" and it appeared to him as if everyone was taking advantage of the rebellion as an excuse to make all they could. He reported that in two weeks all supplies would be delivered to the front and transport at Qu'Appelle, Moose Jaw and Swift Current could be discharged.

After three weeks in office, Whitehead was still complaining that the Hudson's Bay Company was executing orders from the front without consulting him, theoretically on Caron's authority. He argued that he had to be in sole control in order to run an efficient system and advised that they be relieved of their authority as he was well able to handle any small requisitions that might come in. As telegrams flew, each person scrambling to cover himself, Wrigley appeared to have washed his hands of the whole business. After being notified of Caron's intention to keep him informed regarding the tenders he replied "Thanks for the telegram. Shall be glad to hear results of tenders, am almost as anxious as you for success, and if you will privately tell me what I can do I will cordially co-operate with you but now I hear little about either transport or supplies".⁵⁵

By mid-May, with Batoche taken and Riel captured, Wrigley was looking to the future. Although it was

54 CP, Whitehead to Caron, May 24, 1885, p. 471.

55 Ibid., Wrigley to Caron, June 16, 1885, p. 514.

impossible to estimate the Company's losses on buildings and property, he suggested that the Board take steps to seek legal advice prior to doing anything definite regarding the Company's claim to the Government.⁵⁶ At the same time Wrigley was looking into having inventories made of Company property that had been destroyed. Such precautions were not premature, for on May 18 Indians pillaged the Company warehouse at north Green Lake and the following day the store at Lac la Biche was raided.

There were more immediate problems to be dealt with however. With questions from the Opposition mounting, Caron insisted that all vouchers be sent to him before any more drafts would be accepted. Wrigley protested that the teamsters had to be paid immediately while vouchers could take months to process. He was under the impression that they were being forwarded by Brigade Officers although he noted that there were \$80,000 worth of vouchers awaiting signature at Calgary as no one had been authorized to sign for Strange.⁵⁷

With no money forthcoming, Donald A. Smith added pressure but to no immediate avail. On Smith's assurance that if vouchers equalling one quarter of the desired draft could be produced, approval would follow, Wrigley prepared to draw the requisite funds. His request was met with a

⁵⁶ HBCA, D.13/7, fo. 186, Wrigley to Armit, May 11, 1885.

⁵⁷ CP, Wrigley to Caron, June 16, 1885, p. 512.

curt "Don't draw until I tell you . . . Mr. Smith is under misapprehension".⁵⁸ Only after Wrigley pointed out that if he had to tell the teamsters that they weren't to be paid, it would reflect poorly on the Government, did Caron reluctantly issue a draft for \$250,000 which was raised later that day to \$350,000 after a personal visit from Smith. A further draft of \$250,000 was promised in thirty days.⁵⁹ For his part, Wrigley assured Caron that vouchers would be forwarded to the Brigade Office without delay and Company employees, such as Lawrence Clarke, would be warned to pay nothing without obtaining vouchers with authorized signatures.

With the rebellion essentially over, the jealousy and ill feeling that Wrigley had reported as having subsided flared up again, with contractors who had not assisted the Government deprecating others who had. Major Bell and the Qu'Appelle Valley Farming Company came under particularly close scrutiny. Caron ordered Middleton and Wrigley to withhold further payment until their accounts had been audited, while the Farming Company desperately tried to

58 Ibid., Caron to Wrigley, June 17, 1885, p. 516.

59 Ibid., Caron to Wrigley, June 18, 1885, p. 519. A statement of payment and supplies to June 19 totalled \$1,067,604 against which the Company had drawn \$960,000 leaving a balance due of \$107,604. (HBCA, D.15/4, fo. 359, Wrigley to Caron, June 25, 1885). Wrigley estimated that further requirements were likely to total another half million with a total profit to the Company of between \$15,000 and \$20,000.

disassociate itself from Bell.⁶⁰ Having anticipated such action, the Company sent its solicitor to Prince Albert to seek evidence discreetly for the Company's claim with the assistance of Lawrence Clarke. At the same time Wrigley again requested that the Board obtain a legal opinion on the Government's liability for losses sustained as a direct result of the Rebellion. Middleton had already proposed bringing troops home via Lake Winnipeg and if this occurred before Big Bear was suppressed the Company could suffer additional damage to its property.⁶¹

By late August a War Claims Commission had been appointed, consisting of Lt. Colonel Jackson as chairman, Lt. Colonel Whitehead and Lt. Colonel Forrest, to investigate all Rebellion claims. The Government's intentions were made clear in a private letter to Jackson.

Every claim must be gone into and I trust to you to cut down without mercy. The country will stand by you and we need not be anxious about any little dissatisfaction arising among those who may be disappointed as to the amount they shall receive . . . You need have no hesitation in using the knife.⁶²

Once the Commission was appointed Caron refused to accept further drafts. Wrigley, in turn, protested that the drafts were not to satisfy outstanding claims but to cover

⁶⁰ CP, Secretary Treasurer J. Eberts to Caron, July 17, 1885, p. 579.

⁶¹ HBCA, D.13/7, fo. 214, Wrigley to Armit, June 22, 1885.

⁶² CP, Caron to Jackson, August 21, 1885, p. 620.

payments already made in the North-West, totalling more than \$230,000, on the basis of a definite arrangement with the Government.⁶³ Continued refusal on Caron's part prompted Wrigley to make a personal appeal in Ottawa followed up by appeals to the manager of the Ottawa branch of the Bank of Montreal and to Donald A. Smith.⁶⁴ Even Whitehead joined the chorus, advising Caron to modify his stance as "there had begun feeling here in consequence which is not doing our party any good".⁶⁵ Finally, on September 29, Caron authorized a draft of \$100,000. Reassured, Wrigley turned his attention to regular Company business which had been neglected during the Rebellion crises. However, upon his return from a month in the Western Department, he discovered that nothing had been paid during his absence. Requests to Ottawa for a settlement resumed with Wrigley threatening to report to the Governor and Committee unless his just demands were met. By November 17 he had received an additional \$100,000 with the balance of between seventy and eighty thousand to be paid once the Commission's investigations had been concluded. ⁶⁶ Cables were exchanged at weekly

63 Ibid., Wrigley to Caron, August 24, 1885, p. 621.

64 Desmond and Roy, op. cit., F. Gundry, Manager to Caron, September 8, 1885, p. 404. CP, Wrigley to Donald A. Smith, September 14, 1885, p. 629.

65 Ibid., Whitehead to Caron, September 22, 1885, p. 631.

66 HBCA, D.13/7, fo. 290, Wrigley to Armit, November 17, 1885.

intervals with Wrigley insisting that the money owed was a debt not a losses claim, while Jackson and Whitehead advised Caron to advance no more than \$25,000. Matters were finally concluded in February 1886 when the Company received a settlement of \$65,471.05.⁶⁷

Negotiations for the settlement of the Company's rebellion losses claim were equally protracted. Bain's initial report, based on his trip to Prince Albert, was presented to Wrigley in early November 1885. In it he recommended that the Company claim \$168,053.05 in damages to which he added \$40,305.88 to cover the cost of feeding refugees, transportation, supplies to Indians and additional furs and goods, bringing it to a total of \$208,358.93.⁶⁸ He

⁶⁷ PAC, Military Papers, Vol 159, Jackson to Minister, February 16, 1886 as cited in Rea, op. cit., p. 56.

⁶⁸ HBCA, E.9/28, fos. 30-33. The claim was subdivided as follows:

Carlton	53,342.38	Buildings, goods, flour for Sask. and Swan R. Dists.
Battleford	22,969.61	Goods for Battleford and the Indian Dept. contract
Pitt	38,463.00	Goods
Lac la Biche	9,445.87	Goods and furs
Whitefish Lake	138.76	Furs
Battle R. Crossing	1,770.15	Goods and furs
Green Lake	41,923.28	Goods including those for the English River Dist. as well as those in transit for Atha- baska and Mackenzie R. which had been pillaged and lost.

confirmed claims that the destruction of buildings at Carlton by fire, including the Company's warehouse where the bulk of the Company's goods were stored, was accidental. The major question in this portion of the claim was whether to charge replacement costs or to allow for depreciation. At any rate, he concluded, he saw no reason why the Government would refuse to compensate.

At Green Lake, the site of the Company's largest loss of goods, the Company had a trading post at the north end and a storage depot at the south end of the lake at the terminus of the Green Lake road. The advance outfit, which had been pillaged consisted of 1876 pieces, 500 at the post and the remainder at the depot.⁶⁹ Basing his argument on statements given by Paul de la Ronde and Pierre Morin, who had acted as scouts for Colonel Irvine, Bain concluded that the Police were directly responsible for a large portion of the loss.⁷⁰

In assessing the various claims, Bain stated that all goods and merchandise were charged at cost landed at the place where they were pillaged. With respect to

Also included were 250 pieces
destined for northern
missions.

⁶⁹ Goods were packed securely in bales or pieces weighing approximately 100 pounds. Each was marked and numbered showing the District and post for which it was destined.

⁷⁰ HBCA, E.9/28, fos. 2-6, fos. 7-9.

compensation for furs Bain recommended that the fairest settlement would be for the Government to pay London prices less what it would cost to ship the furs to London. This, however, would necessitate a delay of several months in order to determine London fur prices. Instead, therefore, he used the average price over the last three years, leaving the final decision up to the Board.

In forwarding Bain's recommendations to the Board, Wrigley cautioned that any unnecessary delay would only hurt the Company's case. In the interests of expedience he supported Bain's suggestion that furs be valued at an average price. He also advised that claims for all stores be calculated at cost landed, which was the only system that the officers could understand, despite the fact that it did not account for interest or expenses.⁷¹

With respect to serious accusations regarding the Police, Wrigley noted that the Company was on excellent terms with them and had most of their contracts. Therefore, while it was true that both police and troops had returned laden with Company furs taken from rebels and Indians, Wrigley felt it best to hold back those declarations that would reflect poorly on them, as he was sure that the Board would wish to avoid any questions that might lead to ill feeling.

⁷¹ HBCA, D.13/7, fo. 281, Wrigley to Armit, November 4, 1885.

In reply, the Board directed Wrigley to add 25 1/2 per cent to the valuation of goods at cost landed to bring the amount up to sale price. Wrigley complied and the revised claim with a supporting statement from Edmund Beeston, chief accountant for the Northern Department, was forwarded to Ottawa by late December.⁷² The Royal Commission on Rebellion Losses Claims chaired by J. Alphonse Ouimette, a Montreal lawyer, was scheduled to meet at Battleford the end of February and Wrigley was hopeful that all claims would be settled by the end of the year. The Company's claim was heard in late April and early May, 1886 and Wrigley advised Armit that although it would take some time before the final report was presented, he would contact the Minister of the Interior for a preliminary statement. The Commission's

⁷² HBCA, E.9/28, fos. 81-83, December 30, 1885. In his letter of support to the Board's claim for an additional surcharge, Beeston based his calculations on

Interest for 1 1/2 years @ 6%	9%
Charges not included in first cost & freight	12%
Shrinkage and breakage	4 1/2%
TOTAL	25 1/2%

This was necessary to bring the cost of the goods lost up to the actual cost landed. The time period of 1 1/2 years was used as this was the average time elapsed from the date of purchase of the goods until they were pillaged or destroyed. Extra charges of 12% included the cost of construction and maintenance of transport routes and vehicles which were used to freight the goods in question. Also included were employees' salaries except when they were actually engaged in transport.

first report, issued on May 28, 1887 dashed Wrigley's hopes for a speedy recovery of money owing. It found that amounts claimed for furs were excessive as well as those charged for flour, country produce and buildings at Carlton.⁷³ They concluded with the following recommendations:

	Claimed	Allowed
Carlton	51,501.07	46,224.92
Green Lake	45,840.50	45,808.50
Battleford	22,969.61	22,932.64
Lac la Biche	9,798.38	8,717.78
Battle River Crossing	1,770.15	1,765.72
Fort Pitt	39,321.99	35,971.66
Carlton	1,039.71	1,039.71
Forte a la Corne	1,274.63	618.91
Swan River	801.60	801.60
Cumberland special	1,053.40	Nil
General to all mdse on first claim 25 1/2%	34,172.83	Nil
TOTAL CLAIM	209,443.83	163,881.44
ON AUDIT		163,768.5974

A cheque for the final amount was subsequently mailed to Wrigley on August 1.⁷⁵ He responded that it was his understanding that the items of the claim which had not been recommended for payment, totalling \$45,675.24, would be

⁷³ HBCA, E.9/30, fo. 47.

⁷⁴ The Company was not the only major loser. The CPR was cited as having had their claim reduced by \$114,713, the Winnipeg and Western Navigation Company by \$17,970, the Northwestern Navigation Company by \$11,651.50, Northwest Coal and Navigation Company by \$17,804 and W. R. Sinclair, freighter, by \$11,530. The Commercial, December 7, 1886.

⁷⁵ HBCA, A.12/53, fo. 275a, cable, Donald A. Smith to London, August 3, 1887.

considered by Thomas White, the Minister of the Interior, when he visited Winnipeg.⁷⁶ In a letter to John R. Hall, Secretary of the Department of the Interior, George Young, the secretary of the Rebellion Losses Commission expanded on the reasons for disallowance.⁷⁷ While the Company had charged what he believed to be London prices minus insurance and shipping for its furs, the Commission could only allow the same price as those lost by other merchants and claimants which was the price at which the furs were purchased at the various places where they were lost. The Commission entirely rejected the additional charge of 25 1/2 per cent, stating that prices charged in the claim were ample to cover all expenditure that was chargeable to these goods.

Wrigley's response was quick. With respect to Carlton he contended that the Company should not have to suffer the loss of both the rent and the buildings. He argued that the sum expended by the Government, which the Company invested in improvements, was, in fact, rent paid in advance and, had the buildings not been destroyed, rent would have been paid when the value of the improvements had been exhausted.⁷⁸

⁷⁶ PAC, RG15, Vol 532, File 154289, Wrigley to Secretary of the Department of the Interior, John R. Hall, August 9, 1887.

⁷⁷ HBCA, D.9/30, fo. 50-64, Young to Hall, August 15, 1887.

⁷⁸ PAC, RG15, Vol 532, n.f., Wrigley to White, September 9, 1887.

Hay, abandoned at the fort when the police retreated, had been delivered according to contract and the Company was therefore not liable for its loss. In addition, cost landed prices on beef and flour did not represent the actual cost to the Company, as they had to be carted at great expense because the country was denuded of provisions. Wrigley refuted the Commissions' fur pricing system on the grounds that there was no local market worth mentioning at Battleford, Fort Pitt, Lac la Biche and Battle River Crossing. In addressing the question of the 25 1/2 per cent surtax, Wrigley stated that the fact that the Commission offered no detailed explanation for their refusal appeared to him as a simple denial of evidence. Sworn evidence provided by Beeston proved that the Company had paid this money, which did not include any profit or consequential damage, and if they were not reimbursed they would be losers to that extent.

Turning to the supplementary claims which had been disallowed, including the furnishing of supplies to Indians and loyal settlers, Wrigley pointed out that the Indian Department had acknowledged the justness of their claim and repaid a portion. However they were not empowered to pay for supplies to other than Indians. The Company's actions undoubtedly prevented a number of half breeds from joining the rebels. It was under this conviction that the Indian Department had awarded compensation and Wrigley expressed

the hope that the Company would not be asked to bear the remaining expense.⁷⁹

Wrigley filed a supplementary claim with the Commission for \$1,694.76 of which \$1,369.32 was allowed.⁸⁰ In acknowledging its receipt Wrigley regretted that as the amount fell short of the original claim, he was unable to acknowledge this payment as a complete settlement of the Company's claim against the Government although he admitted to Armit that he had not much hope of obtaining more. His fears were realized. Over the next three years he continued to importune the Minister of the Interior but his reasoning fell on deaf ears. Finally, he was informed that the file had been closed and after careful consideration they did not feel justified in revising that decision.⁸¹

All this was well in the future. What Wrigley had to contend with at the close of the Rebellion was a transportation system in disarray, entire northern outfits, on which the forthcoming year's trade and sustenance were dependent, destroyed and the area separating them from headquarters still in a state of unease. As the Company approached the beginning of a new outfit, its financial

⁷⁹ PAC, RG15, Vol 532, n.f., Wrigley to White, September 9, 1887.

⁸⁰ PAC, RG15, Vol 532, File 182410, Copy of a Report of A Committee of the Privy Council, July 11, 1888.

⁸¹ PAC, RG15, Vol 532, n.f., Hall to Wrigley, draft, March 4, 1890.

picture was bleak. Over \$209,000 was still owed by the Canadian government and, of this, \$46,000 would never be recovered. The economic depression was worsening throughout Manitoba and the North West with disastrous effects on its land and general trade. With the consequent decline in purchasing power, cancellations of land sales escalated and, rather than promoting further sales, the Land Department's prime objective was to try and collect arrears, with less than satisfactory results. By 1885, charges for taxes and surveys coupled with returns to the shareholders had eaten up all the profits leaving a balance on hand of L12.82. As funds dried up, demand for consumer goods declined. Despite protests to the contrary in The Commercial, immigration and with it future markets for the Company's retail ambitions had been drastically affected. The Board had long recognized the need for a thorough reorganization of its general trade, which was one of the major reasons Wrigley had been hired, but the rebellion had delayed any firm steps in this area. Citing a 72 per cent drop in profits from the previous year and an uncertainty how long its capital would be tied up by the rebellion, the Board declined to issue a dividend. It was obvious that immediate profits could not be expected from either land or general trade. Therefore, the Company had no choice but to turn to its traditional mainstay, the fur trade, to sustain it through the current

financial crises.

Wrigley's handling of the Company's key role in the suppression of the Rebellion, demonstrated that he was equal to the task ahead of revitalizing the fur and retail trade. In seven short months he had made the transition from partnership in a family business to directing the Canadian operations of a large international Company. His resourcefulness during the crisis had earned him public praise from Caron and his fellow workers.⁸³ Now it was time to turn his attention to long term objectives which had been thrust aside by national concerns.

⁸³ House of Commons, Debates, 1885, Volume IV, p. 3462.

CHAPTER III

MAINTAINING TRADITION: FUR TRADE AND TRANSPORTATION

In taking on the direction of the fur trade, Wrigley would find himself at a distinct disadvantage. Armed with no more background than what little could be gained from a brief orientation session, he arrived in Winnipeg with a mandate to reorganize the trade in accordance with modern business principles. What Wrigley had to confront was an organization with two hundred years of tradition run by men who had spent all their adult lives in the trade. Each geographic department operated autonomously, indenting and corresponding directly with London. Although the Canadian Sub-Committee had been established in May, 1884 to provide closer control of Canadian operations, the focus of its attention would be on the Land Department. Accounting procedures were minimal, with the result that it was impossible to determine how individual districts or posts were doing at any given time. Inefficiencies in the traditional systems of indenting and supply had been of less concern when the Company enjoyed a monopoly. However, as the west opened up and competition for diminishing resources increased, the Board finally had to recognize that major changes would have to be made if the fur trade were to remain viable.

There was much to be done. Competition for furs the

previous autumn had been keen and Wrigley lamented to Armit that opponents were paying London fur prices which the Company was forced to meet while, at the same time, lowering its prices on goods.¹ Although Wrigley proposed doing everything possible in defence, he acknowledged that such a policy would do little to reduce capital. Too much had already been invested in the fur trade in relation to the amount of business done, but the Company had little option if it was to remain competitive. Initial steps had already been taken with the establishment of guard posts in areas hardest hit and some independent traders had been bought out. Bad debts and Indian advances would be closely reexamined and attempts would be made to reduce stock on hand at the Winnipeg Sales Shop but, Wrigley cautioned, it would take some time for the effects to be felt. In order to gain a thorough insight into the scope of the problems besetting the Fur Trade, he proposed a three month inspection tour of the Northern Department the following summer. In the meantime, to remedy the lack of an accurate map of Company posts on which to base future recommendations, Wrigley forwarded maps to eleven officers asking them to note all relevant details.²

1 HBCA, D.13/7, fo. 14d, Wrigley to Armit, Oct. 16, 1884.

2 Areas of major concern were York Factory, Oxford House, Cumberland House, English River, Victoria, Moose Factory, Norway House, Montreal, Fort Chipewyan (Athabaska) and Fort Dunvegan (Peace River).

Lack of supplies in northern districts was a chronic problem to which Wrigley immediately addressed himself. His object was to have northern posts supplied frequently with new and suitable goods while, at the same time, buying at the cheapest possible rates. To achieve these ends, Wrigley recommended that part of the new Winnipeg store be designated as a supply depot for the Northern Department. To make the most efficient use of the facilities, government contracts would also be supplied from the Depot under separate accounts. Trade goods would be shipped to northern posts at the Winnipeg cost landed price. While this would mean that the depot would not make a profit, half of all salaries, building costs and supply depot costs would be included in estimating the cost landed price. This, he trusted, would quell the common misconception among Company officers that the Winnipeg store was making a profit on goods shipped to them. To save the expense of large stocks on hand and to cut down on unsaleable goods at individual posts, samples and patterns would be sent from the depot. Indents would be submitted to the Commissioner and Sub-Committee for approval and, once approved, officers of nearby districts could come to Winnipeg, when practicable, to assist in the selection of their goods. The final authority, however, would rest with the Depot buyers.

The inefficiency of the traditional practice of indenting was soon evident to Wrigley, as he repeatedly had

to deal with senior officers' requests for supplies late in the season without detailed statements or letters of explanation.³ In most cases supplies that were most urgently needed were forwarded to save time and expense. Consequently some officers, such as Factor William Charles of Victoria, were quick to take advantage of Wrigley's inexperience, noting "he will sign any damned thing at present because he thinks it is business. . ."4

While the Committee approved in principle of Wrigley's proposal regarding the separation of the supply depot and sales shop, they admitted to some reservations concerning the new system of indenting through the Depot which they felt would incur extra expense. Wrigley persisted and the Board finally capitulated, inaugurating the new system the following February. Old habits died hard, however, and Wrigley had to question time and again why large indents were being forwarded from posts along the railway line which

3 HBCA, D.14/8, fo. 278, Wrigley to James McDougall, Edmonton, October 16, 1884; fo. 298, Wrigley to L. Clarke, Prince Albert, October 31, 1884; fo. 482d, Wrigley to Richard Hardisty, Calgary, January 6, 1885. It had been common practice to indent up to two years in advance to allow for transportation time. Under this system the amount of unsaleable stock on hand at individual posts was always a problem as it was impossible to predict requirements with any accuracy that far in advance.

4 PAC, MacFarlane Papers, MG29 D9, fo. 1037, William Charles to MacFarlane, February 21, 1885, Private.

received daily service.⁵

Wrigley turned his attention next to the Western Department which, according to Charles' annual report, was in a very unsatisfactory state with future prospects dim. The arrival of the Northern Pacific railway had permanently changed the nature of the business. Prices had dropped and officers were now forced to search out markets where trade goods could be obtained at lowest possible rates. Wrigley advised the Board that with the completion of the CPR it would not be advantageous to close posts. Rather, he argued that the Company should make every attempt to adapt its business to altered circumstances, making a vigorous effort not only to hold its ground but to advance and increase both its general business in the south and the collection of furs in the north.⁶ Without more first hand information, Wrigley was wary of making major changes, but he did suggest that, once the railway was completed, many parts of the Western Department would be better served through Winnipeg rather than by clipper ship via Cape Horn or the Isthmus of Panama.⁷ As a first step in reorganization, Wrigley

⁵ HBCA, D.14/9, fo. 239, Wrigley to A. Matheson, Rat Portage, September 30, 1885 and fo. 243, Wrigley to Archibald McDonald, Fort Qu'Appelle, September 30, 1885.

⁶ HBCA, D.13/7, fo. 50, Wrigley to Armit, November 17, 1884.

⁷ These voyages usually took six months, leaving London in December and arriving at Victoria in June. The shortest return trip was 94 days. HBCA, D.19/13, n.f., Armit to T.R. Smith, November 6, 1886.

suggested that an inspection team should examine the possibility of increasing fur returns by rearranging posts, determine what steps were necessary to advance the trade in more settled areas and the most efficient method of obtaining supplies. To achieve these objectives, one member should be conversant with the fur trade and the other with modern business principles. Ever cautious, the Board replied that with the Western Department in a state of transition they would prefer having the Districts inspected and necessary changes made at a later date when railway completion was nearer at hand.⁸

It was not until the following April that the Board finally agreed to a continuous system of inspection of principal trading districts and posts. Wrigley had advised against putting inspectors in charge of specific districts to prevent clashes with the officer in charge.⁹ He

⁸ HBCA, D.19/12, n.f., Armit to Wrigley, December 10, 1884.

⁹ In devising the scheme, Wrigley placed great emphasis on not weakening the authority of the officer in charge. This appeared to have been the case with the former position of Inspecting Chief Factor which was a superior rank and occasioned jealousy and suspicion. Instead, the title Inspecting Officer was used which carried no additional rank and was a salaried position rather than one based on an apportionment of shares. The success of his efforts was evident in his general report of 1888 in which he noted that the officers of the districts inspected not only did not feel jealousy or hesitation but cordially offered assistance. Joseph Wrigley, Report of the Commissioner to the Governor, Deputy Governor and Committee of the Hudson's Bay Company of the Trade of the Company, Winnipeg, 1888, p. 178.

suggested instead, that the Company follow the model of bank inspectors whereby the inspector could be sent to any district or post. Inspection Officers would report directly to the Commissioner and recommendations would be made through him rather than subordinate officers against whom an appeal could be filed. Inspectors would have the authority to take immediate provisional charge of a District if embezzlement or improper proceedings were discovered but this would occur only in an emergency. The new system of inspection would focus on the supply, sale and inventory of goods as well as general operations and trade prospects in each district. To provide a basis for comparison, the Board asked Wrigley to supply them with a list of trading districts, inventories and a complete financial statement for the past three years. Chief Factor P. W. Bell was appointed Acting Inspector but his time in office was brief. A bout of intemperance following his first inspection tour of the Western Department resulted in the request for his resignation as Inspector. Junior Chief Trader Edmund K. Beeston, chief accountant at Winnipeg, carried on with some difficulty, as he lacked familiarity with the fur trade, until he was joined by Richard Hardisty who was appointed Acting Inspector in 1888.

At the same time, the Board took initial steps to reorganize the Western Department by granting a leave of absence to Factor William Charles preparatory to his

retirement at the close of Outfit '85. Charles had foreseen his fate in a letter to MacFarlane earlier that year:

Well I have been expecting catastrophies for some time and expect they are not far off. I am personally unknown to all the members of the Board, to D.A. Smith and the officers on the other side & when they want to "reorganize" the Western Department, off will go my head to make room perhaps, either for a relative, a protege or a modern man, up to snuff.¹⁰

Chief Factor Alex Munro assumed command until Thomas R. Smith, the Company's Assistant Secretary, could take up the new post of Assistant Trade Commissioner in charge of the Western Department.¹¹ In conjunction with his appointment, a new system was inaugurated whereby copies of all of T.R. Smith's correspondence as well as Western Department Officers' reports would be forwarded to Wrigley for instructions. Wrigley would also receive copies of their London outward correspondence to keep him better apprised of Department affairs.

Another integral part of the fur trade that came under Wrigley's scrutiny was the transportation system. Chief Factor Julian Camsell of Fort Simpson had visited Wrigley in the fall of 1884 and endorsed Roderick MacFarlane's urgent

¹⁰ PAC, MacFarlane Papers, MG29 D9, fo. 1038, Charles to MacFarlane, February 21, 1885, Private.

¹¹ In reporting Charles' resignation, The Daily British Colonist noted that Munro was a highly respected senior officer of the Company whose permanent appointment as manager of the Western Department would give general satisfaction. The Daily British Colonist, Victoria, June 3, 1885.

recommendation, which had also received enthusiastic support from Donald A. Smith, for a steamer on the Mackenzie River.¹² The potential benefits were numerous. With a more reliable and efficient mode of transportation, a year's shipping time would be saved, costs halved, indenting reduced and opposition effectively wiped out along the 1200 miles to the Arctic Coast. As steamers were less labour intensive, Indian freighters would be freed to hunt. This, Wrigley noted, would have the added advantage of keeping tariff rates down as Indians would have less opportunity to travel to other districts and report on higher tariff rates offered elsewhere. In combination with the steamer service, a new overland route was proposed. Hardisty was authorized to repair the road between Edmonton and Athabaska Landing and plans were made to test the new route with some of the Northern Department Outfits while the remainder would be sent by the traditional Portage la Loche route. Ideally, northern outfits could be shipped from England in the spring, carried by rail to Calgary then carted overland to Athabaska Landing. If this could be accomplished by the first of June, the outfit would reach its destination within the same shipping year.

The Board authorized the construction of the steamer in February, 1885. Captain Smith, who had built the Grahame,

¹² PAC, MacFarlane Papers, MG29 D9, fo. 997, Donald A. Smith to MacFarlane, November 25, 1884.

was sent to Athabaska Landing to construct the necessary boats and superintend the transport of the outfits and steamer machinery to Fort McMurray. From here the Grahame would carry the cargo to Fort Smith where the steamer would be built to meet the June 1, 1886 deadline. At the same time, Smith would oversee the transportation of Fort McMurray returns to Athabaska Landing. The entire system, Wrigley estimated, would save the Company \$2500 annually.¹³

To maintain control over the operation, Wrigley emphasized to the Commissioned Officers that no independent decisions on the matter would be entertained. In response to protests from MacFarlane that he had not been consulted, Wrigley pleaded lack of time and requested him to fall in with the new plan, promising a full report. Later, when MacFarlane's plans to make his own transportation arrangements with Richard Hardisty of Calgary were revealed, Wrigley warned Hardisty that all relevant communications must be forwarded to Winnipeg and no changes would be tolerated.¹⁴ MacFarlane was undeterred and, after receiving seven letters from him, Wrigley replied that there was no time to exchange views and ordered MacFarlane to carry out

¹³ HBCA, D.13/7, fo. 103, Wrigley to Armit, January 12, 1885.

¹⁴ HBCA, D.13/7, fo. 521, Wrigley to Hardisty, Calgary, January 13, 1885.

orders strictly.¹⁵

To embark on a scheme to expand traditional modes of transportation in the face of new railway technology might appear foolish in hindsight but, as den Otter points out, the railway could not be used to shut out competition in the same way a Company-owned transportation system could.¹⁶ Railways were dependent on commerce and settlement, the antithesis of fur trade, and, in any event, such technology was far beyond the Company's financial capabilities.

At the same time, however, the Company recognized it was about to lose exclusive control over transportation of trade goods, which was one of the most vital aspects of its operations, and its only recourse was to negotiate a special arrangement with the CPR. The new CPR line was the key to transportation reorganization and, as it neared completion, the question of freight rates became ever more pressing. In the Company's favour was the size of its shipments, the distance involved and, not least, the fact that Donald A. Smith was a member of the railway syndicate. In February, 1885 Wrigley travelled to Montreal for his first meeting with the officers of that Department. While he was there, he met with William Van Horne, General Traffic Manager of the CPR, who promised to provide a discount of 10 per cent

¹⁵ HBCA, D.14/8, fo. 588, Wrigley to MacFarlane, March 2, 1885.

¹⁶ den Otter, op. cit., p. 42.

off current rates over the entire system to offset National Policy tariffs, as well as a special rebate east of Winnipeg in return for a monopoly on shipping wherever possible.¹⁷ However, no discount would be allowed on furs or pelts due to their high value and great risk of damage or loss. Also excluded were grain and flour. It was felt that current rates in the railway's western division already placed the Company in a favourable position to compete with other millers who had invested substantial money in their operations.¹⁸ This would effectively exclude the Company's two major sources of export revenue. Wrigley's counterproposal for a 15 per cent rebate argued that current freight rates already included risk to furs and, if they accepted a CPR monopoly, they would be subject to restrictions not faced by other millers. A discount of 12 1/2 per cent on all freight except flour was finally negotiated but it was a fragile one. After not receiving the usual rebate one week, Wrigley learned informally that the CPR was "much put out" at the want of friendliness towards it on the part of T.R. Smith and Chief Factor Samuel K. Parsons of Montreal. Both were warned that, considering the connection that must exist between the two Companies, it

¹⁷ HBCA, D.13/7, fo. 176, Wrigley to Armit, February 2, 1885.

¹⁸ D.13/7, n.f., Robert Kerr, General Freight Agent, CPR to Wrigley, April 14, 1885. For a more detailed account of the Company's milling operations, see Chapter V.

was absolutely necessary that they remain on good terms even though the Company might not get its due.¹⁹

The Company needed all the financial assistance it could get. The results of the March, 1885 fur sales had been disastrous, declining 30-40 per cent over the previous year in response to the serious state of England's diplomatic affairs.²⁰ With profits declining from L110,000 to L20,000, the Board decided against diminishing available resources any further by paying a dividend. On the recommendation of the Canadian Committee, the Board proposed limiting the tariff, on which cash prices of furs were based, to 2/3 of present prices.²¹ Wrigley was instructed to assess the effects of the new ruling by consulting post officers who frequently made cash purchases. It was anticipated that it would result in fewer furs being taken in but it was hoped that it would not adversely affect transactions at sales shops where goods rather than cash were often exchanged for furs. Wrigley responded that prime furs could not be purchased at 2/3 valuation. A policy

19 HBCA, D.14/10, fo. 689, Wrigley to T. R. Smith, Private, March 15, 1887.

20 Britain regarded Russia's increased interest in Afghanistan as a threat to her interests in India. War was finally averted by the formation of several commissions to establish boundaries between Russia, northern India and Afghanistan.

21 The Board's original proposal was to cut the tariff by half but it was raised on the recommendation of the Canadian Committee. HBCA, D.19/12, n.f., Armit to Wrigley, March 19, 1885.

reassessment was urgently needed as traders were moving in and the Company was losing control of the market. The Board sanctioned a 10 per cent increase but stressed that goods be given over cash advances. In distant northern districts, however, it was agreed to allow opposition traders to take the furs rather than have the Company suffer a loss.

During August, Wrigley visited the Saskatchewan River District to assess the effects of the Rebellion, travelling by rail to Calgary, overland to Edmonton, then back by boat. Upon his return, he embarked on a series of staff cuts in the district's more unprofitable areas. Rather than close posts, Wrigley preferred to change management and a series of transfers was accomplished that autumn with letters of warning forwarded to other post officers. His report to the Board was not optimistic. Many of the fur trade posts had suffered damage, either from troop occupation or raids. In several locations, such as Fort a la Corne and Battle River, posts were found to be poorly located and capital was needed to upgrade others along Lake Winnipeg. Indian debt was a growing concern. Wrigley favoured its abolition in frontier areas, since Indians spent their treaty money where it was worth full value, not where some of it was pledged in debt. Consequently, the Company lost both the debt and the furs.²² Wrigley was not without conscience however. Firmness and

²² HBCA, D.14/9, fo. 191d-192, Wrigley to P. W. Bell, September 16, 1885.

decision were necessary but "it may be possible also to show a desire for the welfare of the Indians".²³ He had met with band chiefs at various posts and remarked that they seemed anxious to trade and to maintain good relations with Hudson's Bay Company officers. Their situation would be less difficult, he concluded, if the Government officials treated them as well as Company officers.

That October, Wrigley made his much postponed visit to the Western Department. He found the Company's business generally unsatisfactory and laid much of the blame on William Charles' shoulders.²⁴ He noted a lack of discipline throughout the entire department. Most of the capital had been invested in Victoria where the retail business was very small, the emphasis being placed on its wholesale trade. Stock on hand and outstanding debts were excessive but not uncommon to the wholesale trade. The completion of the CPR would remedy the stock problem and Wrigley hoped that any increase in freight rates would be outweighed by the interest saved on the seven month sea voyage as well as by the more frequent supply of new and fresh goods. Towards this end, he recommended the establishment of a central depot for both Northern and Western Departments and the purchase of Canadian goods by tender, in his opinion the

²³ HBCA, D.14/8, fo. 625, Wrigley to Murdoch Matheson, York Factory, March 13, 1885.

²⁴ HBCA, D.13/7, fos. 272-279, Wrigley to Armit, October 26, 1885.

best and safest mode of buying. He cautioned against extending the Company's wholesale facilities on Wharf Street which would only lead to a corresponding rise in outstanding debts.²⁵ On the other hand, if they were to cut back, their only recourse would be to establish a separate retail trade. A site had been proposed on Government Street but, at present, the city was amply provided with retail outlets and, with Vancouver rumoured as the terminus for the CPR, Victoria's economic future was uncertain.

Things appeared little better elsewhere in the Department. While officers were generally competent they did not appear to understand their duties.²⁶ Considerable confusion existed regarding District boundaries and trade was seriously affected by high prices offered by independent traders. Posts had been closed needlessly and stocks on hand were excessive, the most blatant example being at Quesnelle where the officer in charge appeared to have set up a small depot from which he supplied other districts in direct contravention of Company regulations. As a result, new orders were issued to all Departments forbidding the

²⁵ A detailed description of the Company's wholesale trade facilities was reprinted in The Commercial, August 27, 1888.

²⁶ William Charles was less charitable in his assessment of his former fellow officers. "Between you and me there is not an officer or clerk in the Company's place here now that knows a damn about furs and they don't seem to care". PAC, MacFarlane Papers, MG29 D9, Charles to MacFarlane, November 23, 1885, Private.

transfer of goods between districts without the Commissioner's permission.

In an effort to expand Company operations into previously untapped areas, Wrigley asked Chief Factor James McDougall to visit the area north of New Caledonia, between Alaska and the Mackenzie River District, and report on the most economical means of obtaining furs which were presently being siphoned off by American fur traders. As a result of his report, Wrigley authorized the establishment of a new post at the junction of the Dease and Nahanni, with the Liard River to halt the advance of their main opponent, Sylvester. In addition, a steamer was recommended for the Stikeen River.

By November the yearly indents for England were arriving and Wrigley took the opportunity to reduce further capital investment by encouraging those districts which could indent twice a year to do so. He also asked the Board if contracts for goods supplied on a yearly basis could have the quantities left open as was normally done in government and English railway tenders. This would allow officers a maximum amount of time to fix quantities and the Company would not have to pay for the goods until they were actually required. The Board gave Wrigley full authority to act on his own responsibility with respect to indenting and reducing stock on hand. The success of the new system was soon evident when, in January, Wrigley forwarded the

Northern Department indent for Outfit 1886 noting that it had decreased by L13,342 over the previous year.²⁷ The Board's confidence in Wrigley was reflected in the rosy picture it painted of the fur trade's prospects to shareholders at the annual December meeting. His efforts on the Company's behalf were praised as those of a gentleman who "although not formerly connected with the business, has given himself with such assiduity and ability to it, that I believe he will be able to give you a good account both of the commercial business and the fur trade from year to year".²⁸

A chronic problem which was often raised by officers was that small traders appeared much better informed on fur prices as well as the current state and prospects of the market. For example, although results of the previous March sale had been cabled to Wrigley, the figures had been known in Winnipeg for two to three days before the telegram arrived. As a result, large quantities of prime quality furs were lost to the competition. Wrigley suggested, as a first step, that current information on price fluctuations could be telegraphed on a more frequent basis and the tariff updated periodically. To persuade the Board, he noted that in the case of a decline, uninformed officers would be

²⁷ HBCA, D.13/7, fo. 330, Wrigley to Armit, January 11, 1886.

²⁸ Hudson's Bay Company, Minutes, December 15, 1885.

paying too much and incur even greater losses. Conversely, as Outfit '85 would demonstrate, a low tariff based on a poor March sale could be followed by a rise in the market. Company officers would be unable to adjust their prices with the result that furs would go to traders who were not tied to a fixed tariff.²⁹

The Board was not convinced. In their opinion, the only safe guide in setting the annual tariff was the spring sale results.³⁰ In other commodities, sales were more frequent and, therefore, prices were easier to forecast. Most of the Company's returns were not sold until long after they were collected during which time prices could change greatly. Although they conceded that, at times, small traders might be correct in anticipating price changes, experience had proved that even the best informed were considerably out in their calculations. The Company's broker would continue to prepare fresh valuations after each spring sale and these were to remain unaltered except in special cases.³¹ Persistence finally paid off the following

²⁹ When setting its tariff, the Company also had to take into account the cost of maintaining its Canadian network of posts which independent traders did not. A. J. Ray, "Marketing Canadian Furs, 1870 - 1945: A Preliminary Discussion", 1985, p. 2.

³⁰ For a discussion of the various fur fairs which were held in London and Europe see Poland, op. cit., p. liv-lvi.

³¹ HBCA, D.19/12, n.f., Armit to Wrigley, March 17, 1885.

year, however, when, during the January sale, news of a rise in beaver prices was cabled to Wrigley. This gave the Company a few hours head start and several lots of fur were purchased at a trifle over the old prices.³²

Advances to Company officers and clerks were also a serious concern to the Board.³³ Statements of officers' accounts were forwarded to Wrigley who was instructed to collect all outstanding balances with interest. Northern Department clerks owed \$23,000 and orders were given to reduce this amount by annual deductions from defaulters' salaries and allowances. In future, advances to clerks and servants were to be strictly regulated and in no case were they to exceed an individual's pay. Wrigley responded by forwarding a circular to the Commissioned Officers reminding them of the regulations established by Grahame in 1884.³⁴ Officers were allowed to take money equivalent to a board allowance in cases where the mess was abolished and its value commuted. In addition, they were entitled to half the guarantee which varied according to the individual officer's grade. If further amounts were needed, they were instructed to draw on their private accounts in London.

At the same time, another memo was circulated to

³² HBCA, D.13/8, fo. 144d, Wrigley to Armit, January 31, 1887.

³³ HBCA, D.19/12, n.f., Extract of Minutes, March 2, 1886.

³⁴ HBCA, D.14/9, fos. 741-742d, April 24, 1886.

district officers requesting them to provide cost estimates for maintaining all persons who lived at the post at Company expense and names of servants who could be dispensed with without detriment to Company operations. Wrigley proposed that some could be persuaded to settle in the country with a payment of a small sum or the equivalent in goods plus a small pension for a number of years to keep them out of opposition.

Fur market prospects appeared moderately better that spring of 1886 due to a turn in fashion away from a variety of dyed skins to rich natural colours. Round boas in raccoon, opossum, mink and skunk were the latest rage on the London market from which the Company was able to profit as reflected in the 28 per cent advance in fur prices at the annual spring sale.³⁵

The Company's transportation system appeared to be flourishing as well. In May 1886, Julian Camsell reported that steady progress was being made on the Mackenzie River steamer. Several cabins had been included, "nothing elaborate", and Camsell recommended, on behalf of the Northern Department officers, that it be called the

³⁵ The Commercial, May 18, 1886. Ewing notes that the full length fur coat made its first appearance during the 1880's. This she attributes to the great influx of clothing workers escaping persecution in eastern Europe who had been closely tied to the fur industry. Elizabeth Ewing, Fur In Dress, London, 1981, p. 106.

Wrigley.³⁶ A warehouse, store and other buildings were also being constructed at the Landing which would serve as a depot for northern trade. That summer, however, transportation was halted on the Saskatchewan River system due to low water levels which made it impossible for the Northwest and the Northcote to pass the cut-off at Cumberland. Orders were given to transport as much as possible from Grand Rapids to Cumberland House but, instead, an exasperated Wrigley reported that cargo was shipped back downriver at great risk only to be returned when water levels rose.³⁷ Fortunately, the Athabaska, Peace River and Edmonton Outfits had gotten past Cumberland before the water dropped and the Mackenzie River outfit had been shipped to Calgary by rail. The major problem was that goods to fill Indian Department and North West Mounted Police contracts were left stranded and would have to be duplicated and shipped overland at greater expense. Low water levels were to plague shipping on the Saskatchewan for the rest of the decade and by 1890 only the Northwest was in operation. The opening of branch lines to Prince Albert did away with the Grand Rapids route and it was considered inadvisable to

³⁶ In reporting Camsell's recommendation to the Board, Wrigley suggested that a member of the Board or someone longer connected with the Company would be more worthy of the honour.

³⁷ HBCA, D.14/10, fos. 306-307d, Wrigley to Horace Belanger, Cumberland House, November 13, 1886.

repair the Northcote due to the low volume of business.³⁸

Wrigley returned to the Western Department that fall and again submitted an unfavourable report. Opportunities to increase the Company's business had been neglected and much ground had been lost to the opposition with a consequent blow to the officers' morale. Fur supplies were dwindling and, given the small population, a large increase in trade was not feasible. However, it was hoped that the mining industry would have a positive effect, especially at Yale, Hope and Langley. Frequent and costly losses had been sustained by Company ships sailing to the West Coast and there was great difficulty in obtaining return cargo since the Company had closed its Hawaiian agency in the early 1860's, but Wrigley hoped that lower insurance rates would help to make the Department more competitive. For the first time, Western Department furs had been shipped east by rail and favourable freight rates to Vancouver encouraged Wrigley to open a temporary establishment there under the direction of Factor W.T. Livock, formerly of the Victoria depot. With care, energy and cooperation, Wrigley concluded, the trade could be worked up and lost ground recovered.³⁹

As 1886 drew to a close, Wrigley could reflect on the success of major changes to the Company's general supply

³⁸ HBCA, F.36/1, n.f., 13th Annual Report, Winnipeg and Western Transportation Company, February 28, 1891.

³⁹ HBCA, D.13/8, fos. 87d-91d, Wrigley to Armit, October 23, 1886.

system. The wreck of the Cam Owen that autumn, with the loss of its cargo destined for Churchill, York Factory and surrounding areas, would have been a disaster in previous years when all Northern Department indents were funneled through York Factory. Now, while its loss would create problems in transporting next year's returns to London, the Board was able to assure shareholders that it would not seriously affect the trade.⁴⁰

Much remained to be done, however. Letters to Horace Belanger and Alex Matheson outlined many of the problems that still beset the fur trade.⁴¹ Indents were incorrectly made out, accounting procedures were inadequate or non-existent, posts were overstocked with damaged and unsuitable goods, and Indian allegiance to the Company was lessening with a consequent rise in native debt. Some posts were overstaffed with incompetent men while others had fallen into disrepair. Outstanding balances were grossly neglected, bad debts were too high and the fur tariff was not being applied correctly. Officers had to be reassured that it applied primarily to cash purchases and that the Company had no intention of changing the manner in which skins were

⁴⁰ Hudson's Bay Company, Minutes, December 7, 1886.

⁴¹ HBCA, D.14/10, fos. 402-419, Wrigley to Belanger, Cumberland House, December 4, 1886 and fos. 486-497, Wrigley to Matheson, Rat Portage, December 28, 1886.

bartered.⁴² District officers were still given a considerable amount of latitude, however. While Wrigley made suggestions, the final decision was often left in the officer's hands as the person being most familiar with the local situation.

In examining the Company's pricing system, Wrigley had questioned the the traditional policy of setting one value for the same species of fur regardless of quality. Officers' promotions were based on the apparent rather than the actual value of the district or post they commanded and, consequently there was often greater emphasis on obtaining furs of inferior quality which were in greater supply. Realizing this, Indian traders would offer common skins to the Company and reserve finer pelts for the opposition where they would command a better price. With everything based on quantity it was impossible to determine how each Department was actually doing with any accuracy. To remedy this, Wrigley recommended that a record be kept by district of the various grades of fur. After a sale, the average valuation for each grade would be calculated and, from this, the actual value of each Department's balance sheet determined.

After some consideration, the Board responded that separate valuations of prime and common skins would not

⁴² The Company had been forced into the cash trade reluctantly in order to compete with independent traders but it was confined mainly to urban areas along the railway. Ray, op. cit., p. 3.

assist officers in regulating their purchases. The only reliable guides were the sale catalogues which classified each district's returns and listed the actual sale price.⁴³ Valuations were then calculated by deducting 20 per cent to cover expenses and profit. However, Wrigley was authorized to allow officers to exceed the tariff rate for prime skins.⁴⁴ In a separate report, Committee member Edward Harris vetoed Wrigley's proposal to value each post's returns by separate assortment citing extra expense and time involved in preparing goods for sale that such a method would entail.⁴⁵

In the spring of 1887, news from the northern districts was gloomy. The Peace River, English River and Athabaska Districts all reported outbreaks of measles from which the Indians had suffered many deaths. Game was scarce and there had been reports of widespread starvation which placed an even greater strain on the Company's resources with the consequent shift to imported provisions.⁴⁶ Medicine had

⁴³ At this time there was nothing to identify furs from a particular post as only district marks were used on the packs.

⁴⁴ Between March 30 and April 28, 1887, 16 authorizations were given in the Montreal, Western and Northern Departments.

⁴⁵ HBCA, D.19/14, n.f., extract from Board minutes, January 11, 1887, enclosure in letter from Armit to Wrigley of the same date.

⁴⁶ Efforts to arrest the decline in the native population had also been made by Catholic and Protestant missions but without success. HBCA, D.13/8, fo. 257,

been forwarded by the northern packet and permission had been obtained from the Government to furnish all necessary aid to treaty Indians and, if absolutely necessary, to non-treaty Indians.⁴⁷ Wrigley had written to Mr. Vankoughnet, Deputy Superintendant General of Indian Affairs, earlier in the year regarding the northern Indians' plight only to receive the reply that the Prime Minister was the only one who could make any decision and he was presently engaged in electioneering. Wrigley then met with Vankoughnet, during his annual visit to the Montreal Department, and "spoke very strongly on the absolute necessity of action as human life was even of more importance than electioneering" whereupon aid was promised without delay.⁴⁸

Morale among the Company's men dipped even lower as competition reached as far north as Fort Simpson, contributing to a general decline in trade. Fears were expressed among the officers regarding the Company's ability to meet the challenge. While it had the advantages of an improved transportation system and prestige built up over many years, they were offset by high expenses in maintaining

Wrigley to Armit, August 27, 1887.

⁴⁷ HBCA, D.13/8, fo. 166d, Wrigley to Armit, March 14, 1887.

⁴⁸ HBCA, D.14/10, fo. 661d, Wrigley to L. Clarke, Prince Albert, March 12, 1887.

posts and supporting large numbers of "hangers on".⁴⁹ In addition, the competition specialized in imported goods and a wide range of popular novelties which were easily transported, leaving the Company to supply the heavy and less profitable goods such as flour, bacon and blankets. As independent traders expanded their territory, the Company was forced to hire runners to visit the Indian camps in hopes of getting the jump on the competition. Wrigley had learned that the Company's main opponent in New Caledonia, Sylvester, was considering retirement and he suggested that the Company offer him \$10,000 for his stock, currently valued at \$8,000, and his good will if he would withdraw from the trade.⁵⁰ While Wrigley supported Company policy of not buying out the competition, he argued successfully that it would benefit from this transaction as it was an area rich in furs and important to the protection of the Mackenzie River District which was the only one free of traders.⁵¹ In the Fort Simpson area competitors had outflanked the Company by purchasing a schooner to tap the Queen Charlottes and attacks were being made on other fronts. Americans trading in Hudson Bay paid no import duty on their goods, placing Company posts at a distinct

⁴⁹ At Fort Chipewyan alone there were 70 such persons each costing the Company an estimated £25 per annum. HBCA, D.13/8, fo. 259d, Wrigley to Armit, August 27, 1887.

⁵⁰ D.13/8, fo. 167d, Wrigley to Armit, March 14, 1887.

⁵¹ This was later renamed the Cassiar District.

disadvantage. The problem had been raised in Ottawa but the government declined to underwrite the expense of sending a Revenue cutter north leaving the Company to fend for itself.

That spring Wrigley set off on a two month tour of the troubled Northern Department. Injecting a rare personal note into his correspondence, he admitted his anxiety about proving himself a good traveller but he assured the Board that he would do his best as the visit was very desirable.⁵² Posts were visited as far north as Fort Simpson and, during the trip, the Wrigley, with the Trade Commissioner on board, became the first steamer to cross the Arctic Circle.⁵³ His subsequent report only confirmed those of previous years. Competition was strong in all areas and increased demands from Indians had been acceded to for fear of refusal. Indian debts had been allowed and cancelled without discretion and gratuities given freely resulting in much dishonesty. A general feeling existed among the natives that the Company was timid and dependent, which in turn resulted in even greater demands. Administrative reorganization coupled with a new Indian policy was badly needed. Although a start had been made with changes in district management, it would take several years for any effects to be noticed. After conferring with officers, Wrigley was convinced that abolishing the Indian debt system

52 HBCA, D.13/8, fo. 231d, Wrigley to Armit, May 21, 1887.

53 Edmonton Bulletin, August 20, 1887.

was the right course to pursue. He cautioned that changes would have to be introduced gradually and that necessities such as ammunition would still have to be advanced. The transition period would be difficult but he had every confidence in the result which would offset needed increases in fur tariffs if the Company were to remain competitive. The decline in fur bearers, particularly beaver, was a major problem. There was no closed season and the young were being ruthlessly killed. Law enforcement was difficult in remote districts and, although the officers did their best, in the face of increased competition the situation was almost hopeless.⁵⁴

The Western Department was little better. Although T. R. Smith appeared to have a firm grasp on the Company's commercial operations, he had difficulty in gaining a thorough understanding of the fur trade and there was no one in Victoria to give him much assistance. The wholesale business often conflicted with inland trade and the charge that the Victoria Sales Shop showed more promptness and care in executing competitor's orders over those of Company posts was not unfounded. Many of the Commissioned Officers appeared to be operating in the dark as evidenced by Roderick MacFarlane's request for a list of stock at the

⁵⁴ D. A. Smith, when approached, did not think it advisable to establish seasons as this might introduce officials into more remote districts. HBCA, D.49/1, fo. 244d, Smith to Armit, October 28, 1887.

Victoria depot to assist in preparing indents. His request was forwarded to Smith but no promises could be given.⁵⁵ At this point Wrigley had said nothing to discourage Smith's enthusiasm and he was confident that, given time, he would succeed.

Improvements had been made to the Thompson River District by ordering goods by the carload wherever possible and the reassignment of Roderick MacFarlane to New Caledonia was an attempt to alleviate the deplorable condition to which it had sunk under former management. Transportation costs were a major expense and Wrigley again petitioned for a small steamer to service the Skeena and Stikine River area. The Board's response was not enthusiastic. The problem, they informed Wrigley, was that it would afford access to the competition. The difficulty and expense of transportation had proven a protection to trade in the past and it was felt that the competition would only be too glad to build a steamer if a new route was opened up. Huge losses had also been sustained in the Caribou District. A formal inspection revealed that the officer in charge had been falsifying accounts for ten years. As such a case would not have been uncovered by normal procedures, it demonstrated the merits of the newly organized system of

⁵⁵ PAC, MacFarlane Papers, MG29 D9, Alex Munro to MacFarlane, January 27, 1888.

inspection.⁵⁶

Destitution was still widespread in northern areas and would continue for the remainder of the decade. Wrigley had forwarded Horace Belanger's report to Ottawa, prompting a reprimand to the Indian Agent at The Pas for his failure to report the alleged distress. He was ordered to distribute supplies that had been sent the previous summer and purchase whatever extra was needed from the Company. In addition money was to be forwarded to Belanger to pay annuity arrears.⁵⁷ Later Wrigley informed Fortescue of the Government's plan to assume some responsibility for non-treaty Indians. A sum of money had been forwarded for relief provided that it be kept confidential, even from Company servants and government agents, as the government didn't "want it supposed that they acknowledged that non-treaty Indians have the same rights and claims as treaty Indians" and "the continuance of government aid depends on no small degree on the manner in which the present plan is found to work and in the ability of the Company's officers to keep

⁵⁶ Consistent with his practice of treating the officers fairly, Wrigley recommended a demotion noting that there was no proof of embezzlement and the officer in question made no attempt to defend his actions. His defence was of no avail and the officer was dismissed.

⁵⁷ HBCA, D.14/11, fos. 298d-300d, E. McCall, Inspector of Indian Agencies, to G. W. Gowly (?), Indian Agent, The Pas, December 23, 1887.

confidentiality".58

By March 1888 Wrigley was deeply involved in preparing his general report on the Company's trade. He requested that his visit to London be delayed until late fall to enable him to visit more districts and examine the Outfit 86 accounts, which would not be finalized until July. A major slump in fur sales prompted him to request that the new tariff not be lowered in proportion to the decline unless continued low prices were expected. The present system of flexible fur tariffs was working well and he did not want any repetition of the financial losses incurred with the last price drop, whose repercussions were still being felt through increased competition. The downward trend did not hold, and within a month Wrigley advised the Board that prices exceeding last year's tariff by up to 18 per cent were being offered with the result that the Company continued to be unsuccessful in

58 HBCA, D.14/11, fos. 49-52d, Wrigley to Fortescue, August 4, 1888, Strictly Private. Similar letters were sent to D. Mackay, Lesser Slave Lake; James McDougall, Ft. Chipewyan; J. S. Camsell, Ft. Simpson; Ewan Macdonald, Norway House; Horace Belanger, Cumberland House; Cuthbert Sinclair, Oxford House, and the officer in charge of York Factory. Authorized amounts ranged from \$500 to \$1500 and totalled \$8000. There were drawbacks, however, as many free traders convinced the Indians that much of the trade goods brought in by the Company were actually supplied by the Government for gratuitous distribution and that the Company was betraying its trust in using them for trade. PAC, Dewdney Papers, Reel M2817, fo. 2202, W. Ogilvie, Dominion Lands Surveyor, to A. M. Burgess, Deputy Minister of the Interior, February 8, 1892. His entire report was an attempt to dissuade the government from further assistance.

its bids.⁵⁹ In response the Board authorized Wrigley to increase the tariff by increments of 2 1/2 per cent until the state of the market could be ascertained.

Wrigley's general report was presented to the London Board in October. In comparing Outfit 86, which recorded a net loss exclusive of interest of \$37,264, with Outfit 85, which showed a net gain of \$373,679, he explained that both were very different in character. The latter had been obtained under a low tariff and high sales while the opposite was true the following year. Even if they had sold for the same price, however, the current results would have been unsatisfactory, primarily due to competition. It was a detailed report, listing actual gain or loss by Outfit and an assessment of the problems faced at every post in the four departments. The message was clear:

			Net	Net
	0'86	0'85	Gain	Loss
Northern Dept	-\$191,794	-\$89,610		\$281,404
Southern Dept	- 100,565	58,700		41,865
Montreal Dept	- 51,210	- 14,162		65,372

⁵⁹ Small traders in Edmonton and Winnipeg placed their furs with agents who invited tenders on lots containing various descriptions of furs for a 5% commission. One sum was paid for the entire lot and no information was given to anyone but the highest bidder making it difficult to fix a price on individual species.

Western Dept -	22,343	4,912	17,431
		TOTAL LOSS	\$406,072

Wrigley's general discussion reiterated many of the concerns expressed in the past including competition, transportation costs, fur declines, native destitution, tariffs, operating costs and expenses. Detailed perusal of post accounts revealed that profits were made primarily where fur collections were large even though high prices were demanded. He proposed a double thrust policy of wiping out the competition at almost any cost or letting furs pass if they exceeded the tariff which could be adapted to suit the special circumstances of each district. Competition could only increase and Wrigley believed that it could best be met by careful attention to reducing expenses, selection of goods, transportation improvements and the adoption of a definite trade policy based on the principle that expenses remained almost constant regardless of the size of the fur collection.

Although improvements had been made, the present tariff system did not lend itself to a competitive market. Wrigley concluded that in a market such as theirs where the future was always uncertain, the best policy was to buy freely when prices were low and exercise caution when they were high. Currently, the opposite tended to hold true. While sale

catalogues were helpful they only showed the realized price and gave no information concerning colour, condition, quality and size. The importance of obtaining information from American and European markets far outweighed the cost involved and would only increase the Company's trading efficiency.

With Wrigley's report in hand, the Board embarked on a major program of retrenchment. Wrigley had warned the Commissioned Officers that there was a strong feeling among Board members and shareholders that expenses could be cut considerably without detriment to the trade. Consequently, expansion in the Western Department was frozen until unprofitable posts were closed, unless capital could be freed from the Department's current budget. Cash requirements for all Departments were to be kept under the previous year's allotment unless cash sales could provide the needed increase. A new system was being devised by the Northern Department accountant whereby the amount of capital drawn by each Department from London for investment in the trade could be ascertained and efficient control established. New measures were sanctioned for determining trade results which would hopefully check the large number of inferior furs taken. Tickets would now be attached to every pelt indicating its source and records would be kept in London which, combined with the realized price from the sale, would serve as the basis on which post management

would be judged.⁶⁰ Fur tariffs would be set by district and it was stated that this would be the trading limit rather than the average price which, it was feared, had been the practice adopted in trading for poor quality furs to the detriment of the trade in general. Monthly reports of fur collections were now required from each district and a more efficient packing system was adopted whereby each species would be sorted in separate bales. In districts plagued by competition, advances would only be made to loyal friends of the Company and credit would no longer be extended to those purchasing goods to trade inland. Greater latitude was extended to the Athabaska, Peace and English River districts as well as the Southern Department to prevent furs from being taken out of the area to urban markets and every effort was to be made to protect the barter system.

In future, employment would be based on requirements for ordinary levels of work and temporary assistants would be employed as needed, the guiding principle being that every officer and servant should be fully employed at all times. To economize further, officers were now expected to spend more time trading or keeping accounts and if cuts in imports and staff failed to improve the balance sheet, unprofitable posts would be closed.

Wrigley was not simply serving as a mouthpiece for the

⁶⁰ This scheme, which was a reworking of the one proposed by Wrigley in 1887, was devised by Edward Harris, the man who had turned down the initial proposal.

Board's views. He questioned the Board's demand for immediate changes in management, preferring instead to delay any such decisions until the inspection reports could be examined. He defended capital expenditure in inland districts as little more than what was necessary for the trade. Enquiries would be made regarding further reductions, but only withdrawal would have any noticeable effect and this Wrigley did not recommend, for once the Company's hold was relaxed, it was not easily regained. While he admitted that T. R. Smith's plan to extend the Victoria business, on the premise that increased trade volume would compensate for heavy expenditure, was impractical and that business would have to be curtailed, it was impossible to cut expenses proportionally. Instead, Wrigley would have favoured the abandonment of the wholesale trade in favour of a retail establishment if the Company's hold in that area had not already been almost entirely lost.

But the Board was losing patience. In response to Wrigley's request for a raise, no doubt based on his perception of a job well done, Colvile was curt. "As anticipated your application didn't commend itself to members especially at this time. I think you well to exercise patience in this matter and in the meanwhile to carry out loyally and energetically the instructions conveyed in the letter you took out with you and I think the

sooner you set to work at this the better".⁶¹ Wrigley's complaints that the Company was losing furs under the current tariff provoked criticism by the Board for his apparent disregard for information forwarded previously. His authority was further weakened by orders that all district reports be prepared in triplicate, the third copy to be sent to the Sub-Committee similar to that adopted for the Western Department. The absence of relevant reports at year end, not uncommon given the vast distances involved, prompted the Board's comment that a strong impression had been created "that business is not conducted with that careful supervision which is absolutely necessary to ensure its success".⁶² Wrigley's communications with the Commissioned Officers in turn became more abrupt as he embarked on a series of major personnel changes. Alex Matheson was ordered to reduce Indian debts at Rat Portage or "I shall be obliged to take steps which I should much regret".⁶³ T. R. Smith was ordered to pension off employees, give up unprofitable parts of the trade, produce missing balance sheets and run monthly rather than yearly audits on the Company's cash account at Victoria, while

⁶¹ HBCA, A.7/5, fo. 110, Colvile to Wrigley, December 13, 1888.

⁶² HBCA, D.19/16, fo. 8, Armit to Wrigley, January 15, 1889.

⁶³ HBCA, D.14/12, fo. 323, Wrigley to Matheson, February 2, 1889.

Smith continued to insist that he could make the business pay if only he was given free scope.

By now, Donald A. Smith had been elected Governor. His rise to power had been swift. Upon the death of John Rose in October, 1888, he was appointed Deputy Governor. This was ratified by shareholders at the annual December General Court and in January, 1889, with the resignation of Eden Colvile due to ill health, he became Governor, the first in the Company's history to have been actively involved in the Canadian trade. Without any serious contenders, he had both the knowledge and power to govern unchallenged and his intention to centralize control was immediately evident in his early letters to Wrigley, proposing personnel changes which had traditionally been the sole prerogative of the Trade Commissioner. Land Commissioner Brydges, who had a long history of conflict with Smith, would soon find his job in jeopardy.⁶⁴ At a Board meeting in December, 1888 it was decided that the remuneration of the Land Commissioner was out of proportion to the business transacted and consequently Mr. Brydges must be terminated. Smith was authorized to find a temporary replacement and Chief Factor Alex Munro of Victoria was suggested.⁶⁵ Unknown to Brydges,

⁶⁴ For a discussion of the relationship between Donald A. Smith and Charles Brydges, see Shirlee A. Smith, "'A Desire to Worry Me Out', Donald Smith's Harassment of Charles Brydges, 1879-1889", forthcoming in The Beaver, 1987.

⁶⁵ HBCA, A.7/5, fo. 111, Armit to Smith, December 18, 1888.

Munro was invited to Montreal and offered the position. He declined and it was offered to Mr. Browning of Vancouver who also declined. During these negotiations, Brydges died unexpectedly and Wrigley assumed temporary control of the Land Department until Factor J. H. Lawson, of the Victoria office, was appointed Land Agent.

The December General Court was the scene of another upset. Shareholder R. A. McLean headed a small group who supported the adoption of new policies that would capitalize on the Company's land interests, where they believed its future lay, rather than in the fur trade whose prospects they considered dim. A circular to this effect had been published demanding separate and more comprehensive accounts in the fur trade and land departments, a more vigorous land policy and younger men on the Board with commercial rather than social experience. The Board's reponse was predictable. A more detailed system of accounting could do the Company harm by providing more information to the competition and they moved swiftly to stamp out further opposition by recommending the election of Russell Stephenson to the Board over McLean.⁶⁶ Not surprisingly, McLean's resolution to divide shares into two classes, fur trade and land, was soundly defeated at a special General Court held in July, 1889.

⁶⁶ For a fuller discussion of McLean's opposition see Sealey, op. cit., p. 59-63.

To maintain closer control over capital expenditure, Wrigley was instructed to consider the individual merits of each indent before it was approved. However, he reminded the Board that he had no way of knowing how much capital had already been invested in each district and he had practically no control over purchases made in the Montreal and Western Departments which indented directly on London. This, coupled with shareholders' demands for a better accounting system, finally bore fruit. A memo from the Company's auditor was forwarded to Wrigley that summer, outlining recommendations to modernize the Company's accounting system by changing it from single entry to double entry. Towards this end, new forms were enclosed which were to be adopted as soon as possible. In the past, since the outcome of each successive outfit was merely an inventory of assets plus the shipments made to England, there was no means of preparing an orderly statement of Profit and Loss or arriving at a detailed comparison of one year's business with another. Consequently, the Fur Trade Payroll was unknown as was the amount of money drawn on London, the goods forwarded and to what use the money was applied. The goal of the proposed reforms, which would enhance rather than replace the current system, was to indicate on the Balance Sheet the amount of assets and liabilities on current accounts as well as a proper payroll for Company servants and clerks. With this new system, control of

indents would finally be placed in the hands of the Commissioner and would reduce the initiative of individual traders to secure supplies.⁶⁷ As well, it was hoped that it would enable the Board to determine the amount of capital employed and business transacted at any inland post. Its success would depend on whether proper ledgers could be introduced at the post level and if officers could prepare more complex returns. Wrigley assured the Board that the new forms would be used for Outfit 88 but he cautioned that the lack of accounting skills among fur traders in general had to be taken into account. Similar concerns were expressed by S. K. Parsons, head of the Montreal Department, and E. K. Beeston, the Company's Winnipeg accountant. However, the Board insisted that every effort be made to have the new Trading Accounts prepared at every post where possible and asked Beeston to confer with Alex Munro to determine how best to overcome the difficulties that he and Parsons felt were insurmountable. Experience proved them right. The main problem lay in obtaining more detailed information from the individual posts. It was found that many excellent traders and servants could not fill out the simplest records and instruction by correspondence rarely worked. Where doubt existed, the lack of means of communication made it virtually impossible to verify and adjust the figures.

67 Ibid., p. 110.

Although the Western Department appeared to be the only one which adopted the new procedures with any success, due to the talents of A. J. Simpson, the Department accountant, this was overshadowed by chronic problems. In forwarding his annual pessimistic report on the Western Department, Wrigley noted that the nature of the trade along the Northwest Coast had changed dramatically during the last few years with the establishment of independent canneries and sawmills which siphoned off much of the trade. Junior Chief Trader Hall, a dynamic force in the area, was discouraged by the closing of many inland posts. The Company's decision to retire when faced by even the slightest competition, he complained, had resulted in a general lowering of its image and he again submitted that a steamer would do much to lower freight rates and render the Company independent of general freighters.

The Board held fast to its original decision. They expressed regret that Wrigley had gone ahead and employed a stranger without their sanction to assess the navigability of the Skeena, thus placing information in his hands that could be conveyed to other parties. They argued that if a steamer could reduce transportation costs others would follow the Company's lead and gain equal advantage. Wrigley's disappointment and frustration was evident. Reiterating his arguments, he concluded "I will not, however, now venture to submit that the views of the Board

are not the best for the interests of the Company; at any rate they shall be loyally carried out.⁶⁸

If Wrigley had any hopes that the new year would signal a fresh start, they were soon dashed by a letter from Armit regarding officers' and servants' overdrawn accounts. This had been an ongoing concern and in March, 1886 a resolution had been passed directing Wrigley to take steps to collect arrears in the Northern Department where overdrafts were particularly serious.⁶⁹ It had been hoped that the new rules and regulations, passed in 1887, would effect an improvement but now the Board noted that instructions had not been carried out and placed the onus solely on Wrigley. Armit's letter did not reach Wrigley before he left on his annual trip to Montreal. Instead, he was handed a copy by Governor Smith upon arrival and requested to draft a reply before returning to Winnipeg. He stated that he had not understood he was responsible for officers' overdrafts, believing these accounts were private matters between the officer and the Board and he considered his duty fulfilled by advising the men as instructed. Acknowledging the seriousness of the matter, he proposed sending monthly statements to District Officers outlining their advances and

⁶⁸ HBCA, D.13/9, fo. 65, Wrigley to Armit, January 9, 1890.

⁶⁹ HBCA, A.1/153, fos. 68-69. For a full discussion of the new rules and regulations and, in particular, Rule 28 regarding advances, see Chapter 4.

asking them to indicate their status periodically, thus enabling him to maintain tighter control. This method, which was adopted, was superior to the current one where advances were reported only at the close of each outfit. Wrigley expressed concern at the strong tone of Armit's letter, stating that he knew of no single instance where he had failed to carry out instructions and would not knowingly fail to do so.

The Board continued to snipe, citing debts wrongly written off and unauthorized money spent for new buildings. Wrigley scrambled to defend himself. He admitted that the Board's decision against the Skeena steamer had escaped his memory but he pointed out that Governor Smith had also agreed with Hall's recommendations. Competition already existed at Hazleton, which was the key to New Caledonia, and cheap transportation was the only means of checking it. He held fast, however, on the enforcement of Rule 28 which stipulated the amount officers were entitled to take in cash advances. He reminded the Board that when he assumed his position, there were practically no regulations and discipline was decidedly lax. Being new to the Company, he chose to wait several years before taking active steps. The new rules had received the Board's sanction but they had not been fully understood by the officers and there had been difficulty in convincing them that they must be followed.

His arguments appeared to have some effect and the

Board relented with regard to the Skeena steamer. In a complete turnaround, it expressed pleasure at Hall's persistence in advocating a policy advantageous to his district even though they were aware he felt that their reasons for refusal "were worse than absurd".⁷⁰ Further action was deferred until the receipt of the current inspection report. It supported Wrigley and Hall and that year construction was started on the Caledonia, which made its first successful run to Hazelton in 1891. By April their differences appeared to have been resolved. The Board expressed its perfect satisfaction with Wrigley's explanations and trusted that he now clearly understood his duties. They would assume responsibility for drafts on London and country advances would fall under Wrigley's jurisdiction.

His reprieve was short lived. Consistent losses at Bersimis and Saguenay in the Montreal Department had long been a cause for concern and the decision was made that business could not continue without some limitations. In the absence of directives to the contrary, Wrigley chose to reorganize management first and officers at Oxford House and Bersimis were exchanged. This aroused the Board's ire and questions were raised as to the wisdom and expense of such a move. Their displeasure finally culminated in a confidential

⁷⁰ HBCA, D.19/17, fo. 62, Armit to Wrigley, March 19, 1890.

letter forwarded to Wrigley in December, 1890.

Having reference to the verbal communication made to you from the Governor and Committee in Montreal on September 25 last of their intention to make certain changes in the administration of the Company's affairs which would render necessary your retirement from the position of Trade Commissioner and to your letters of the 26th and 29th of that month on the same subject I have to say that these letters have been submitted to the Board. After giving them . . . consideration the Governor and Committee do not see their way to recall the decision as indicated to you at that time.

Not the less are they most anxious that the change should be affected in the way most agreeable to your own feelings and with this view I have now to suggest that the understanding come to when we met in Montreal and again referred to at our meeting in Winnipeg in October be acted on that is to say that on receipt of this letter you will address the Board tendering your resignation to take effect from the date of your letter but subject to the conditions of the agreement entered into between yourself and the Company on the 10th June 1884.

Even without the cordial assurance given in your letters referred to and your favour under private cover of the 17th October the Board have the fullest confidence that so long as it may be necessary you should hold your present office and until relieved in due course you will continue to give the same zealous attention and careful consideration to the discharge of the duties of Commissioner as they have from you throughout your term of service. Let me add that you have the personal best wishes and esteem of myself and every member of the Board.71

His resignation was tendered on December 29, 1890. As a final insult, the Board refused to grant his request for an additional one year's emoluments citing regard for

71 HBCA, D.49/3, fos.497-498, Smith to Wrigley, December 10, 1890.

shareholders' interests as the reason.⁷² Like Grahame before him, Wrigley now found himself in the unenviable position of having to maintain a facade of control while in effect he was powerless. By the end of the year the strain was beginning to take its toll, as Wrigley's letters to the Commissioned Officers became much shorter and the tone more brusque. In his year end letters, the litany of offences grew longer: too many Indian advances at Oxford House, too high prices paid in the Manitoba District, unexplained heavy losses at York Factory, Indian destitution in the Northern and Southern Departments, no accounts received from Lower Fort Garry, the entire Outfit damaged in transit from Mackenzie River, unacceptable transportation costs in the Western Department and so on; each letter emphasizing again and again that rules must be adhered to. The number of correspondents declined and, in the matter of the Skeena steamer, which Wrigley had fought for so persistently, he wrote to T. R. Smith: "It seems as if the whole matter had now better be left to you, acting under my letter of the 17th of October. When all is settled, I shall be glad to receive particulars".⁷³ To make matters worse, the results from Outfit 89 were disappointing in all departments. This was blamed on widespread destitution among the natives, a

⁷² HBCA, A.6/59, fo. 456, Donald A. Smith to Wrigley, January 21, 1891.

⁷³ HBCA, D.14/13, fo. 187, Wrigley to T. R. Smith, November 25, 1890.

low ebb in fur cycles and increased competition despite the large drop in prices experienced in the previous spring sale. As a result, Wrigley dared not recommend the abolition of Indian advances as it would either result in Indians remaining idle around the posts or taking their furs elsewhere out of spite.

In a long defence against the Board's accusations that rules had not been enforced and that he "had failed in acquiring a comprehensive grasp of, and a consequent insight into, the administration of the business of the several Departments and districts", Wrigley admitted surprise and concern.⁷⁴ When he first came, there was nothing in the Commissioner's office, no statements, balance sheets, information or system to help him. A perfect stranger, he had to learn one of the most intricate businesses in existence. Through his efforts of systemizing accounts and statements each sales shop and trading post could now be directly controlled by the Commissioner. His many visits to various districts gave him insight which was reflected in his comprehensive report of 1888. He concluded "It is most distasteful to write of myself, but I trust under the circumstances I may be pardoned".⁷⁵

His hopes were in vain as the Board continued to hammer

⁷⁴ HBCA, D.13/10, fo. 258, Wrigley to Armit, February 18, 1891.

⁷⁵ Ibid.

away at his choice of officer for Bersimis, which indicated to them that business was being conducted in a reckless manner. The entire Montreal Department showed lack of attention as evidenced by diminished profits, escalating Indian balances and ignored tariffs. Despite increased fur returns, the Northern Department was little better and the Board's requests for information and explanations escalated.

At the same time, word was quietly being circulated that the Trade Commissioner's position would soon be vacant and by January applications were being received.⁷⁶ In February Clarence Campbell Chipman began corresponding with Thomas Skinner who had advised him of the impending vacancy. Chipman was currently employed with the Canadian Department of Marine and Fisheries and his letters of recommendation were seconded by Sir Charles Tupper, the Canadian High Commissioner in London for whom he had worked on the Colonial and Indian Exhibition in 1886.⁷⁷

⁷⁶ HBCA, A.10/131, fos. 94-94d, January 22, 1891, W. O. Morrison [?] to A. J. Wilson; fo. 191, H. Reynolds to Board member Thomas Skinner, February 24, 1891.

⁷⁷ Clarence Campbell Chipman (1856-1924) was born and educated in Amherst, Nova Scotia. He began his career with the Canadian Civil Service in 1876 in the Department of Public Works and later worked in the Finance Department. As private secretary to Sir Charles Tupper, who served as Minister of Railways and Canals in 1883 and the following year as High Commissioner for Canada in London, he made valuable contacts within government circles. He served on two Commissions to Washington and was accountant for the Canadian section of the Colonial and Indian Exhibition held in London in 1886 in which the Hudson's Bay Company had been involved. By 1891, however, he found the position limiting and grasped the opportunity to better himself by applying

By the end of March, Wrigley advised Governor Smith that he had been warned by his doctor if he delayed any longer in taking a change and rest he could break down and the result would be serious. In fact, he had already suffered a breakdown and had been forbidden to attend to business.⁷⁸ In requesting a six month leave of absence to restore his health, he offered to return for a period of six to twelve months if the Board so wished. The leave of absence was granted in April but, in a letter to Armit, Smith stated that it would be of little advantage to the Company to have him return and he was cabled accordingly.

With his dismissal, Wrigley became just one more casualty in the Board's battle with the balance sheet and Smith's determination to choose his own staff. Until his general report on the trade was presented in 1888, the Board had had no comprehensive picture of the entire operation. They did not like what they saw and their response was to slash capital investment just when it was needed to hold the line against the competition.

While they may have considered Wrigley a failure, an assessment of his relatively brief career with the Company

for the position of Trade Commissioner. HBCA, A.33/2, fos. 238 - 242, Chipman to Thomas Skinner, February 24, 1891 and Who's Who in Western Canada, Vol I, Vancouver, 1911, p. 138. While Chipman's letter states that he entered the Civil Service in 1867, the date provided by Who's Who in Western Canada appears more plausible.

⁷⁸ HBCA, D.13/10, fo. 333, A. Robertson to Wrigley, March 30, 1891.

reveals that significant steps were taken towards centralizing management of the fur trade operation. Through his efforts, a continuous system of inspection was formalized which, for the first time, gave the Commissioner a true picture of each district and post and uncovered areas of waste and mismanagement that had gone undetected for years. His reorganization of the traditional system of annual indents, taking advantage of railway technology, cut costs and enabled Company posts to match the competition with more frequent supplies of suitable goods at lower cost.

As fur resources dwindled in the south, Wrigley sought out new areas to tap. Under his leadership, the Company established a firm foothold in the fur-rich Cassiar District between Alaska and the Mackenzie River District which was enhanced by the inauguration of steamer service on the Skeena. During his term, steamers were finally introduced to the Mackenzie River and a new transportation route was developed through Athabaska Landing, combining rail, overland and steam transportation, which replaced the backbreaking Portage la Loche route. This saved both time and money allowing outfits to reach northern destinations the same year that they were shipped from London. Despite the fact that Donald A. Smith was a major figure in both the Hudson's Bay Company and the CPR, Wrigley had to work hard to negotiate and maintain favourable freight rates on which the success of its western operations rested.

One of Wrigley's major accomplishments was convincing the Board to emulate the competition and update its system of setting tariffs. This, traditionally, had been done on an annual basis after each Spring Sale. At Wrigley's insistence, the Board adopted a system of flexible tariffs which could be updated in response to international market trends. At the same time, the Commissioner was allowed some authority to alter them to suit local conditions with which he was more familiar. With the adoption of Wrigley's general proposal to change the system of posting furs, it would now be possible to determine the actual value of each district and post, providing a better foundation on which to effect change.

While he had managed to accomplish all this in the face of economic depression, in the end it mattered little if he could not maintain the confidence of the Board, on one hand, and the Commissioned Officers, on the other. The latter was crucial for without their support, as well as that of the Board, Wrigley was left powerless when the final accounting came and, like Grahame before him, he became a ready scapegoat for the Company's misfortunes and the victim of a new Governorship.

CHAPTER IV

ONE STEP FORWARD, TWO STEPS BACK:

THE COMMISSIONED OFFICERS, 1885 - 1888

Wrigley's fortunes were not the only ones on the wane. During his term of office those of the Commissioned Officers would continue the downward slide which had begun the previous decade. Wrigley's relations with the Commissioned Officers would be precarious at best. Despite their failings, his predecessors, Smith and Grahame, had earned the respect of fellow officers throughout the service for their years spent actively involved in the fur trade, rising steadily through the ranks until their appointment as Chief Commissioner.¹ Wrigley, on the other hand was an outsider who had had no previous contact with either the Hudson's Bay Company or Canada. Thus, in accepting the position, he would have to prove himself and earn the officers' respect.

The announcement of his appointment had occasioned rumblings of discontent from several of the senior and most influential officers.² This upper echelon of the fur trade

¹ At the time they assumed this position, Grahame had accumulated 32 years of service in the Northern and Western Departments and Smith had served 34 years in the Montreal and Northern Departments.

² PAC, Sandford Fleming Papers, MG29 B1, Folder 331, Vol 48, Smith to Fleming, August 19, 1884.

formed a powerful and closely knit group of proud, independent Scots linked by common interest and, often, by family ties, who were accustomed to making their own decisions regarding their own districts.³ Although their job was both demanding and difficult, they were compensated in part by material and honorific benefits. Extra allowances were granted, luxuries could be imported at reasonable rates and they had the general respect of the community at large as evidenced by frequent requests from museums and governments for advice or assistance. On the other side of the coin, low remuneration was often coupled with the onerous expense of having to maintain a family 'outside'. Alcohol was commonly used to combat isolation and the monotony of routine and resentment against inspecting officers and the implications of a tight economy were endemic. The underlying cause of most complaints was a deep-seated mistrust of the Company's London headquarters where efforts were being made to reorganize Canadian operations.⁴ They viewed themselves, rightly, as the hub of trading operations and were immediately distrustful of any

³ Although directives concerning the operations of the trade originated from London and were transmitted to the Officers through the Chief Commissioner, the distance and time involved often precluded awaiting orders when immediate decisions had to be made regarding such vital matters as transportation schedules and indents.

⁴ Morris Zaslow, op. cit., p. 59-61.

Englishmen who might presume to dictate to them⁵, particularly one whose background was in retail trade for it was their greatest fear that the Company's fledgling commercial operations would be promoted at the expense of its mainstay, the fur trade. The job called for considerable diplomatic skills. In orchestrating the Company's efforts to capitalize in new areas, Wrigley would be required to make major changes that would affect the officers' livelihood. At the same time, however, he could not afford to alienate them for the success of the entire Canadian trade operations was dependent upon their efforts.

Wrigley's first task was to deal with a politically embarrassing letter, which had been sent by Chief Commissioner Grahame to Governor Colvile, supporting the Commissioned Officers' claim for a share of the indemnity paid by the Canadian Government to the Hudson's Bay Company for losses sustained by the trade in the Red River uprising of 1869-70.⁶ He reminded Colvile of Donald A. Smith's assurances, as the Commissioned Officers' delegate in 1872.

⁵ This sentiment was expressed by P. W. Bell in a letter to Roderick MacFarlane commenting on the recent promotion of E. K. Beeston. "These dd Englishmen are simply having their own way - if kept in my dear fellow for a few years longer Scotchmen and their forebears will be a thing of the past". PAC, MacFarlane Papers, MG29 D9, fo. 1276, September 28, 1890.

⁶ GI, Richard Hardisty Papers, M5908, Box 8, File 1673, Grahame to Colvile, August 5, 1884. See also HBCA, D.19/2, n.f., August 5, 1884.

that their interests would be protected. He pointed out that while the Board and staff in London drew their usual allowances, the Commissioned Officers had received no return for their services for an entire year and, in equity, were entitled to some share of compensation, however small. This he based on the fact that complications arising from the surrender of the Company's chartered rights did not result from any action on the part of the officers and that compensation paid by the Canadian government for the surrender of these rights was absorbed by the shareholders and dealt with as an offset to Surveys of Lands in which they had no interest. Copies of this letter had been forwarded to interested officers while Grahame awaited the Board's reply.

The Board's reaction was predictable. They felt that the matter should have been dealt with first by the Governor and Committee or by Wrigley, under their instructions, before the letter was circulated.⁷ Also, they considered it unfortunate that it originated, as it should not have, with the retiring Commissioner. Briefly, they countered with the argument that after the results of Outfit 69 were determined, the Commissioned Officers had received liberal compensation in full satisfaction of all claims under the old Deed Poll. Upon representation by Donald A. Smith, the

⁷ HBCA, D.19/12, n.f., Armit to Wrigley, September 9, 1884.

Board agreed that, in the event of recovery of losses from the Red River Rebellion, it would reopen and adjust Outfit 69 accounts. However the recent settlement with the Dominion Government, which was an adjustment of the Company's claim for interest on the L300,000 transfer payment, did not include any compensation for Rebellion losses as the Government refused to consider such claims although the Board had tried every means at its disposal to obtain a legal settlement. On the advice of its legal advisors, therefore, it had abandoned further attempts in this regard. The matter was brought to a conclusion in October, 1884 when Armit received a letter of apology from Grahame which was circulated to eight of the senior officers. In it he admitted that he had misunderstood the situation and stated that he had only written at the urging of others. It had not occurred to him that the matter would have to be dealt with by his successor but the damage was already done for, in communicating Armit's reply to the Commissioned Officers, Wrigley was placed in a position in which he was perceived to be unsympathetic to their welfare.⁸

Recognizing this, he set out to win them over. In December, 1884, he wrote to the Board on the officers' behalf, reminding it that the annual guarantee of L200 per

⁸ HBCA, D.19/12, n.f., Grahame to Armit, October 2, 1884.

share was scheduled to expire at the end of Outfit 84. He recommended that it be made a permanent arrangement or, failing that, renewed for another term. This the Board agreed to put before the shareholders at the next General Court.

In his early correspondence with the Officers Wrigley adopted a conciliatory tone which was to mark his relations with them throughout most of his term. A letter to James McDougall of Edmonton, who had made an appointment to a post within his district without consulting Wrigley, best demonstrates his attitude towards the 'old guard'. While he did not object to the appointment, Wrigley reminded McDougall that it was customary for the Commissioner to be consulted and that such matters would normally come under the jurisdiction of the officer in charge of the district, in this case Richard Hardisty. He emphasized the importance of establishing the relative responsibilities of the two officers as the present system could not be allowed to continue. However, he concluded, his remarks in no way cast reflection on McDougall's well known zeal and ability.⁹

The role of the Commissioned Officer was becoming increasingly difficult to delineate. As prominent members of their community, they were often sought out to assume positions of leadership. Traditionally, they had been

⁹ HBCA, D.14/8, fos. 304-305, Wrigley to McDougall, October 31, 1884.

instructed by the Board to remain aloof from political issues at any level, something which Richard Hardisty and James McDougall found difficult to do. In another letter to McDougall, Wrigley admonished him for the part reportedly taken by the Company in an Edmonton School Board contest.¹⁰ This was undoubtedly the letter that raised Hardisty's ire, one which he felt was "so much out of place that Mac won't stand it, and I am sure he will retire from the service. Let me tell you the Cr has a great deal yet to learn and he will find that the old hands in the service are not going to stand the way he is now starting out. Clarke¹¹ may cater to him for a purpose but I know that no honest man will".¹²

In attempting to define his own position more clearly, Wrigley questioned whether the Western, Montreal and Southern Departments should remain semi-independent with the Commissioner little more than the nominal head or, like the Northern Department, be brought under his direct control. He urged a policy of fixed responsibilities with a clear cut chain of command from the Board to the Commissioned Officers

¹⁰ HBCA, D.14/8, fo. 502, Wrigley to McDougall, January 14, 1885.

¹¹ Lawrence Clarke of Prince Albert.

¹² PAC, MacFarlane Papers, MG29 D9, fo. 1008, Hardisty to MacFarlane, January 26, 1885. Hardisty's indignation was probably compounded by the implied threat to his own political aspirations. He was to run unsuccessfully as an independent from the District of Alberta in the first general election of 1887. The next year he was appointed the first senator from that District.

through the Trade Commissioner. He cited several reasons. With greater centralization, capital expenditures could be better controlled and the wishes of the Board could be more easily carried out. The proposed new inspection system would be of great assistance in this regard enabling Wrigley to keep his finger on the pulse of each district.¹³

His first attempts to consolidate authority were unsuccessful. While the Board generally agreed with his arguments that the Commissioned Officers should be responsible to the Commissioner as laid down in the Deed Poll, owing to the difficulties in communication and the nature of the business, a certain amount of authority had to be vested in the officers and it was important that this authority in matters pertaining to trade and discipline in the service not be weakened. Wrigley's attempts to persuade Samuel K. Parson, head of the Montreal Department, to indent through the Commissioner's Office rather than direct on London met with a similar fate and he had to be content with having the Sub Committee assume responsibility.¹⁴

Despite Wrigley's efforts to ensure a continuation of the annual L200 guarantee, the Commissioned Officers were still dissatisfied. Their spokesman was Chief Factor

¹³ HBCA, D.13/7, fos. 193d-194, Wrigley to Armit, May 18, 1885.

¹⁴ HBCA, D.14/9, fos. 288-289d, Wrigley to Parsons, November 9, 1885.

Roderick MacFarlane, a senior Commissioned Officer who had recently been in charge of the Athabaska District.¹⁵ While many of his fellow officers were content to complain among themselves, he chose to take matters into his own hands and personally present their concerns to the Board. Taking advantage of a year's furlough, he travelled to London in April, 1886 to meet with Governor Colvile and Board member Lord Anson. In response to their queries, he defended his right to represent his fellow officers in a letter to Deputy Governor Sir John Rose which he followed up with a memorial, written on his own initiative, setting forth their concerns.¹⁶ He outlined their financial status, which was rapidly deteriorating. In the past, he argued, a Commissioned Officer could retire after a long and hard life with a sufficient nest egg whereas, under the current circumstances, there was not much prospect other than a bare living. This he attributed to the sale of the Company's chartered rights, railway construction and the influx of settlers, new heavy duties on imports and greater

¹⁵ MacFarlane had entered the service in 1852 and had spent many years in the Mackenzie River District. He was active in the negotiations leading to the Deed Poll of 1871 and throughout his years of service he built up a wide network of friends throughout the fur trade who were regular correspondents.

¹⁶ PAC, MacFarlane Papers, MG29 D9, fo. 1060, MacFarlane to Rose, April 29, 1886 and GI, Richard Hardisty Papers, M5908, Box 8, File 258, fo. 1696, MacFarlane to The Governor and Committee of the Hudson's Bay Company, May 1, 1886.

competition which had doubled the price now paid for furs. In addition, he pointed out that the tariff for officers' supplies had been raised without prior consultation, affecting both pocket and pride. He noted that while settlement was advantageous to the shareholders, the Officers' welfare was inversely proportional to the benefits derived from land sales. He stated:

I believe this is perhaps the only Association of equal importance and permanent character which does not provide retiring pensions for its Officers and this can only be explained by the fact that in bygone days the profits of the Officers were sufficient to enable them to put by money and that if this had not been the case, the necessity of pensions would long ago have risen.¹⁷

He requested that the minimum annual guarantee be raised to L250 and, at the end of five years, if the sums paid on each share under guarantee combined with profits did not amount to L300 per year, that the deficiency be made up. If the Company's commercial business succeeded as hoped, the additional guarantee would entail no extra cost to the

¹⁷ Ibid. Prior to the passage of the British Old Age Pensions Bill in 1908, pensions were the responsibility of individual employers. Pension plans were established by the Bank of Australia in 1880 and by the Bank of British North America in 1886 and were considered as models in formulating the Company's own plan. In Canada, the first private-sector employee plan was introduced by the Grand Trunk Railway in 1874 but employees were required to pay 80% of the benefits. In comparison, the bill for militia pensions for officers of the permanent Canadian force was not introduced into the House of Commons until 1901 and the CPR did not inaugurate its pension plan until the following year. HBCA, D.26/32, fos. 1-20, 60-61.

Company. He concluded that "although we are all doing our best and working hard for the interests of the Company, we cannot help feeling and seeing with the greatest concern that the future of ourselves and our families has been very seriously prejudiced by the changes which have taken place, which have all operated to our disadvantage and for which we have received no adequate compensation".¹⁸

On being informed of MacFarlane's petition, Wrigley reassured the Board that a little tact and firmness would be sufficient to meet the difficulty. Their grievances, he felt, were based on sentiment and pride in their role as both officers and partners. Because changes had lately been made without consultation, they naturally felt that their position was being downgraded to not much more than that of a Company servant. He did not detect any feeling of insubordination but stated that he saw no advantage in any further move to lower the status of the officers. If dissatisfaction spread, Wrigley recommended calling a Council of superior officers to give them an opportunity to air their views through normal channels. Again, he hoped that the Board would agree to make the L200 guarantee perpetual but, if they declined, he would try and prevent the officers from presenting a formal petition.

The Board was not so charitable towards MacFarlane. In

¹⁸ GI, Richard Hardisty Papers, M5908, Box 8, File 258, fo. 1696, MacFarlane to The Governor and Committee of the Hudson's Bay Company, May 1, 1886.

July, 1886 he was granted a leave of absence for the remainder of the Outfit whereupon he would be served notice of termination to take effect June 1, 1887.¹⁹ The news was not received quietly. After consulting with Chief Factor Alexander Munro in Victoria and Chief Factor Richard Hardisty of Edmonton, Lawrence Clarke approached Wrigley asking him to intercede with the Board on MacFarlane's behalf.²⁰ The three officers agreed that, while the Commissioned Officers had grievances, it was the manner in which they had been presented to the Board which had given such offence.²¹ They reminded Wrigley of MacFarlane's many years of service and of his assignment in charge of one of the most important districts where he had uniformly shown large returns and good profits at the expense of both his health and financial situation. They expressed their regret

¹⁹ HBCA, A.1/153, fo. 96, London Minute Book, July 13, 1886.

²⁰ Of all the Commissioned Officers, Wrigley appeared to have developed the strongest friendship with Clarke and lengthy private letters often accompanied their official correspondence. In addition to his position as Chief Factor of the nearby Saskatchewan District, Clarke was active in cultural and commercial affairs and, in 1881, had become the first man from the North West Territories to be elected to a legislative post. However, his arrogance combined with his alleged role in the 1885 Rebellion earned him the distrust of many. His health collapsed immediately following the Rebellion forcing his absence from the District for six months while he recuperated in the southern United States and many of Wrigley's later letters refer to Clarke's growing despondency over personal and Company matters. Dictionary of Canadian Biography, Vol. XI, p. 194-195.

²¹ GI, Richard Hardisty Papers, M5908, Box 8, File 259, Munro to Wrigley, August 9, 1886, Draft copy.

that he had not consulted the other officers before approaching the Board and could not condone his actions. While they did not question the Board's authority to dismiss officers, in this case they felt it could arouse a state of panic throughout the service as other officers questioned their security and morale could only suffer as a result.

Their letter was more than a plea on MacFarlane's behalf as they went on to give a frank impression of the existing state of feeling among those in the service. The Company's Commissioned Officers were trained in the fur trade and it constituted their sole means of support. If they were left at retirement with insufficient funds they would have no recourse but to fall back on trading in direct competition with the Company. Although they assured the Board that this was not to be intended as a threat, it was exactly that. There was a prevailing feeling among junior officers that their interests had also been sacrificed under reorganization. As well, it was generally believed that the Board regarded the influx of settlement as having had a detrimental effect on the fur trade. This, they pointed out, was a fallacy as in all districts for the past five years, with the exception of Red River, fur returns had compared favourably with the period prior to the arrival of the CPR despite the fact that the railway had brought competition to all branches of the business. This was ample proof that the officers had the continued confidence of both natives and

white settlers, a fact that had been demonstrated so dramatically during the North West Rebellion when the officers' influence prevented the Indians from supporting the Metis' cause.

Munro went on to argue that the officers' position had changed for the worse. Where a share had once averaged L250 before reorganization, it was currently worth only L200 and the tariff on supplies had jumped from 33.3% on prime cost to 10% on cost landed which amounted to a 60% increase for those living at posts beyond the reach of the railway. Now officers who would gladly have retired from the Company in good feeling were forced to struggle on "afraid as they are, to leave and risk starvation in their old age".²² In the best interests of the Company, therefore, the undersigned believed that retiring officers should not completely sever their ties with the organization. Instead, they supported the formation of a pension fund which would be dependent on their not opposing the Company. This could be done by retaining a sum from the officers' incomes or by reserving a certain number of shares allotted to the Fur Trade.

Munro referred to a report that, upon written request from the senior officers, Wrigley would call a Council in the spring of 1887. Expense would be a major factor in getting a truly representative Council and officers from the

²² Ibid.

Northern Department would be taken away from their duties just when their personal supervision was most needed, but their input was essential. However, if the meeting was limited to the typical agenda of approving appointments, the amount of capital to be employed in the trade, transportation schedules and furloughs, it would not be worth the expense for many to attend. On the other hand, if the Company's trade interests could be freely discussed, if the officers could be allowed a voice in proposed measures to extend and develop the fur trade, in devising schemes to open new branches of industry and in regulating the economy of carrying out the business, they were strongly of the opinion that only good results would follow and the uneasiness now felt by senior officers would be removed.

Munro's letter had come at an opportune time. The previous month, Wrigley had brought to the Board's attention the small number of officers who were familiar with the Company's commercial operations, a major stumbling block if it hoped to expand in this area. He concluded that there were too many officers and suggested that a small pension fund be set up and arrangements made for some to retire. This would provide a tangible incentive to retire and stimulate the flow of promotions.²³ Consequently, a resolution was passed by the Board limiting the number of officers to 50 and the views of both Wrigley and the Sub-

²³ HBCA, D.13/8, fo. 50d, Wrigley to Armit, June 7, 1886.

Committee were sought for the best possible means of achieving these ends.²⁴ Now it appeared that rather than having to face a wall of opposition from the Officers, they had, on their own, put forward an identical proposal albeit from different motives.

In November Wrigley forwarded his recommendations. He suggested that the Board extend the minimum guarantee of L200 per share to unappropriated shares for a given number of years which, in addition to the Fur Trade Officers Reserve Fund, could finance the scheme. He proposed a sum ranging from L100 to L250 to be granted for a period of from five to seven years. Pensioners should be allowed to engage in any trade as long as there was no direct or indirect interest in the fur trade except at the specific request of the Company. He included a list of possible candidates for retirement and suggested, as well, that a number of clerks could be dispensed with in the same manner if a similar fund could be established.²⁵

The next month Wrigley met with MacFarlane, who was again en route to England to argue his case at the annual shareholders' meeting in December. MacFarlane was assured that the Commissioned Officers would be consulted before the

²⁴ HBCA, D.19/3, n.f., Armit to Wrigley, July 7, 1886.

²⁵ HBCA, D.13/8, fos. 100d-102d, Wrigley to Armit, November 9, 1886.

new rules and regulations for the service were drawn up.²⁶ This was a major project that Wrigley had undertaken, after having given himself two years to gain a thorough understanding of the fur trade, and one which he hoped would settle many of the points on which there existed doubt or opposition. In describing their meeting to the Board, Wrigley stated his misgivings about placing MacFarlane on the retired list as it was feared that he had sufficient capital to go into opposition and do serious damage to the entire Department. He reiterated the Commissioned Officers' concerns that the Company had grown independent of them and that their services could be dispensed with at any moment. A serious blunder had been committed in raising the officers' tariff for supplies without prior consultation which, coupled with the continual uncertainty with respect to the annual guarantee, could create a very volatile situation. Tact was needed to prevent these feelings from spreading which could spell grave trouble if seasoned officers were to transfer their allegiance to the opposition. Also, a point that would hit home to the Board, their cordial cooperation was needed to reduce expenses.

²⁶ Ibid., fo. 126d, Wrigley to Armit, December 1, 1886. Similar assurances were forwarded to Hardisty and Clarke stating Wrigley's intention of calling a Council to discuss the new regulations once they were drafted. He assured them that they could depend on his efforts to reconcile the current difficulties as the present state could not be allowed to continue. Their requests were reasonable and, when this was the case, no serious difficulty ought to be found.

The first step at rapprochement, he concluded, was to restore their confidence and let them know that the Board was concerned for their welfare.

Wrigley's diplomacy had no effect on MacFarlane's personal crusade and, in an attempt to mobilize support, MacFarlane wrote to retired Chief Factor Charles in Victoria, asking him to convince Western Department officers of the injustice of the Board's dismissal. However, as Charles replied, "they were so apathetic the fact is, they don't seem to mind, one man Alexander is not going to quarrel with them for anybody's sake - it is each one for himself".²⁷ MacFarlane arrived in London on December 11 only to find that the Board, forewarned by Smith, had called the shareholders meeting four days earlier. The next day he received a cable from Lawrence Clarke asking him to delay any action until he received further communication from Winnipeg. Support among the Commissioned Officers in the Northern Department was slowly building. Six officers, under the leadership of Factor William Clark of Winnipeg, had contacted others in the service by cable and letter soliciting their support for a petition to be forwarded to Wrigley and presented to the Board asking for MacFarlane's

²⁷ PAC, MacFarlane Papers, MG29 D9, fo. 1084, Charles to MacFarlane, December 7, 1886.

reinstatement.²⁸ They further requested that MacFarlane's points be reconsidered as "we feel sure that the settlement of the questions at issue will ensure the continuance of that hearty cooperation of the officers which has proved so essential to the success of the Company generally".²⁹

Following Clarke's instructions, MacFarlane waited in London but, as he explained to Hardisty, his commitment had not wavered. "They must grant us better terms and they are sure to do so if the officers only act unanimously and as men who have rights and claims for fair and just remuneration for their services. No matter whether a person is in a position to retire or not, it is his bounden duty to hold on to the rights and privileges of the service while in it for the sake of his contemporaries and successors. It was this neglect on the part of our predecessors which caused all that has adversely followed since 1871".³⁰ Finally William Clark's letter arrived from Winnipeg advising MacFarlane that Wrigley had forwarded their petition. It was hoped that it would be favourably received and that "you will again be with us instead of against

²⁸ GI, Richard Hardisty Papers, M5908, Box 9, File 260, fo. 1706. The six officers were Chief Factor Archibald McDonald, Factor Clark, Factor W. H. Adams, and Junior Chief Traders David Armit, E. K. Beeston and Jas. Anderson.

²⁹ Ibid., File 262, fo. 1720, Commissioned Officers to Wrigley. It was signed by 21 officers.

³⁰ Ibid., Box 8, File 260, fo. 1707, MacFarlane to Hardisty, 15 December, 1886.

us".³¹ At the same time he made clear his disapproval of MacFarlane's independent actions, cautioning him that, if the Board made overtures, "you will do nothing rashly or be too hasty in your decision and do not attempt to treat for us, as steps are being taken by us to get the views of all the officers in the service" after which it was hoped a united presentation would be made to the Board.³²

As in the past, the united opposition of the Commissioned Officers was effective. Armit subsequently advised Wrigley that MacFarlane's termination had had an undesirable effect on the officers. There was a real fear that he would go over to the opposition and consequently, in the face of mounting pressure, he was reinstated, not to his former prestigious Athabaska District but to the more remote New Caledonia. A circular was enclosed from Governor Colvile to this effect stating that MacFarlane had been retired due to his subversive views but, after he had spoken with Donald A. Smith expressing regret for his actions and asked for reinstatement, the Board had reconsidered. This was to be circulated among the officers with no further comment.³³

Shortly after, a second circular was issued advising

³¹ PAC, MacFarlane Papers, MG29 D9, fo. 1086, Clark to MacFarlane, 20 December, 1886.

³² Ibid., fos. 1086-1087.

³³ HBCA, D.19/14, n.f., Armit to Wrigley January 28, 1887.

officers that the shareholders would be approached by the Board in June for the power to determine the duration of the £200 per share guarantee as well as to extend the guarantee to unappropriated shares.³⁴ This would be used to augment the Fur Trade Officers Reserve Fund, which had been established by the terms of the Deed Poll of 1871 for the benefit of the officers and/or their families, and enable the Board to award pensions to retiring officers, something which had long been desired. Although allocations would continue to be made at the disposition of the Board, officers would be entitled to make recommendations. It was hoped that senior officers would avail themselves of the opportunity, thereby creating vacancies which would hold out the promise of more rapid advancement for junior officers. At the same time, the Board stated its intention to make improvements in clerks' prospects. However, they cautioned that there would be some delay in promotions until the requisite number of shares had been freed up. The Board went on to state that many of the Standing Rules and Regulations revised by Commissioner Grahame in 1877 had become obsolete and now had to be adapted to altered circumstances.³⁵ A new list had been drafted which would be forwarded to every Factor and Chief Factor for their

³⁴ HBCA, D.14/10, fo. 647A, March 9, 1887.

³⁵ HBCA, D.24/1, Standing Rules and Regulations of the Honble. Hudson's Bay Company's Fur Trade, revised October, 1877.

consideration before a Council was called in August.

In introducing the pension plan to the shareholders, the Board assured them that it would not interfere with the efficiency of the service nor make any fresh demands on their pockets. The central thrust was not to allocate all shares as they arose with new promotions but to leave a certain number unfilled and the profits from these would be applied to a pension fund. Appeased by a 17s dividend, the shareholders gave the scheme their unanimous approval and voted to continue the annual guarantee.³⁶ It was subsequently decided that requests for lump sum payments or land allocations, in lieu of a pension, would not be entertained and Wrigley was approached for recommendations regarding potential candidates.³⁷ He was reminded that, in accordance with Article 17 of the Deed Poll, no more than seven officers would be allowed to retire annually³⁸ and that, as a condition of retirement, officers could not be employed or have interest, either directly or indirectly, in any general business in the Territory without the written

³⁶ HBCA, Report, p. 5, June 28, 1887. This would remain in effect until the Deed Poll was extinguished in 1893. See Table IV-I for a schedule of remuneration received by the Commissioned Officers, 1885-1891.

³⁷ HBCA, A.1/153, fo. 161, July 5, 1887.

³⁸ This was subdivided into 1 Inspecting Chief Factor, 2 Chief Factors, 2 Chief Traders and 2 Junior Chief Traders. Article 17 also stipulated that officers would be allowed to retire after one year's notice provided they had had held a Commission for five years and the option of retirement would be by seniority in each class.

TABLE IV-I
 PAYMENTS TO COMMISSIONED OFFICERS
 1885-1894

YEAR	OUTFIT	OFFICERS' SHARE OF PROFITS	HBC CONTRIB. TO GUARANTEE	TOTAL
1885	1883	NIL	L19,200	L19,200
1886	1884	L10,242	9,658	19,900
1887	1885	30,714	NIL	30,714
1888	1886	NIL	19,500	19,500
1889	1887	17,371	2,429	19,800
1890	1888	NIL	19,800	19,800
1891	1889	NIL	19,600	19,600
1892	1890	NIL	18,880	18,880
1893	1891	8,866	9,254	18,120
1894	1892	4,423	13,697	18,120

SOURCE: Hudson's Bay Company, Report, for each fiscal year of the year indicated as cited in Oleson, op. cit., p. 242.

consent of the Board. Wrigley pointed out that this would exclude most forms of employment and, if this were the case, he suggested that the officers be assured that permission would be withheld only in exceptional circumstances.

Invitations to the August Council had been issued in March, 1887 requesting the recipients to meet to discuss the new rules and regulations and, if this was not possible, to submit their views in writing for consideration. Circumstances were rapidly changing and competition was increasing yearly. As a result it was hoped that the meeting would produce recommendations for the Board which could be used for the improvement of the trade.³⁹

Work had progressed steadily on the new regulations throughout the latter half of 1886. It is unclear whether this was begun on Wrigley's initiative or that of the Board but it is probable that, given his mandate from the Board to reorganize the trade, this would include revising the guidelines governing its operation which were sadly outdated. What is evident from the London correspondence is that Wrigley was solely responsible for drafting the revisions. These were completed by January, 1887 and forwarded to the Board who sanctioned many and requested that others be altered or omitted.⁴⁰ Wrigley consulted with

³⁹ PAC, MacFarlane Papers, MG29 D9, fos. 1127-1128, March 10, 1887.

⁴⁰ HBCA, D.19/14, n.f., Armit to Wrigley, March 9, 1887.

the Board on two subsequent occasions primarily regarding the regulations which established tariffs for officers' and clerks' supplies which had occasioned such an outcry in the past.⁴¹ Therefore, the draft which was presented to the Commissioned Officers for discussion had already been carefully screened and sanctioned by the Board and, with Wrigley holding the power of veto, they were assured that the meeting would produce no unpleasant surprises.

The Council, which met at the Queen's Hotel in Winnipeg on August 30, 1888, was an historic one for, unknown to the participants, it would be the last council of the Commissioned Officers of the Hudson's Bay Company.⁴² In addition to the twelve Chief Factors and six Factors who had responded to the invitation, seven Chief Traders and four Junior Chief Traders were included under special invitation when it was learned that they were in the city. They met for a week during which time 104 articles of the new Rules and Regulations were discussed, amended and passed. They covered every aspect of the fur trade: Tariffs for Supplies; Regulations regarding officers, clerks and servants; District Management; Furs; Inventories; Accounts; Requisitions; Mails and Packets; Mission Accounts and

⁴¹ HBCA, D.13/8, fos. 180d-189, Wrigley to Armit, March 28, 1887 and fo. 218, Wrigley to Armit, May 9, 1887.

⁴² The Beaver, July, 1921, p. 3 makes reference to the last Council of fur trade officers held at Athabaska Landing in July 1898 but this is not substantiated by primary sources.

Councils.

The subject of tariffs had been one of Wrigley's major concerns in drafting the regulations for it was felt that changes in this area would help to mend the rift between officers and management. The existing tariff was based on location and Wrigley argued that officers, regardless of their location, should be entitled to receive their supplies at the same rate. He proposed that the basis for the cost landed on which the tariff was based should be the cost landed at the individual department depot.⁴³ This would benefit inland posts that had traditionally been penalized in proportion to the distance they were located away from the depot and who, because of their remoteness, imported nearly all their goods. Since duty on imported articles was uniform and freight charges only a small proportion of the cost landed, the average cost would vary only marginally for each department. The remainder of the eleven regulations under the heading of tariffs set limits on the amount of supplies to be taken by officers, clerks and servants. Seven amendments were proposed by the officers and, of these, four were incorporated.

The next major question addressed was that of cash advances. Rule 27 stipulated that "cash advances to officers, clerks or servants shall be charged to their

⁴³ HBCA, D.13/8, fo. 151d, Notes on draft Rules and Regulations, January 31, 1887 and fo. 180d, Memo on Draft Rules and Regulations, March 28, 1887.

private accounts, and if used for the business of the Company's service shall be accounted for".⁴⁴ Rule 28 stated that in addition to their board allowance or commutation "Commissioned officers may take in the country cash or goods to the amount of one half of the minimum guarantee of L200 per share. For amounts beyond this, drafts on the Governor and Committee, London at sixty days after sight must be drawn, provided the officer has funds there to meet such drafts".⁴⁵ No discussion of the above two rules was recorded and no amendments proposed which was surprising in light of the fact that the officers' inability to operate within these restrictions and Wrigley's inability to enforce them satisfactorily were a major factor in his eventual dismissal. The remainder of the thirty-two regulations governing officers, clerks and servants dealt with written contracts, which would now be mandatory for clerks, post masters and servants, and new statements of accounts which would be forwarded to the appropriate district upon transfer and signed by the individual in question. Guidelines for gratuities, character statements and credit balances were outlined concluding with Rule 41: "Advances and supplies to clerks and servants during each outfit shall not exceed the

⁴⁴ HBCA, D.38/9, fo. 218, Hudson's Bay Company Rules and Regulations Subject to the Provisions of the Deed Poll, (London, 1887).

⁴⁵ Ibid.

amount of wages due at the end of the Outfit".⁴⁶ Thirteen amendments were proposed and nine were sanctioned by Wrigley. These were primarily attempts to define the existing regulations more precisely and in no case was the validity of any rule questioned. Among the rejected proposals was one by Lawrence Clarke to raise the amount of commutation to L300 per annum, an amount that was "deemed necessary to maintain the dignity of the Company"⁴⁷ The amount remained at L250.

The rules for district management established the responsibilities of both the officer in charge and the post masters working under him. Posts were to be visited on a regular basis, unauthorized absences and competition between posts were forbidden and the practice of forwarding annual district and department reports was to be revived. An attempt was made by Samuel Parson of the Montreal Department to amend the latter rule to exclude the Western, Southern and Montreal Departments who would instead forward their reports to the Department Head. This time Wrigley remained firm and the amendment was vetoed. Parson was more successful with his motion to discourage Indian debt throughout the trade and it was embodied verbatim. Other rules dealt with the necessity of keeping journals.

⁴⁶ Ibid.

⁴⁷ HBCA, D.38/9, n.f., Rough Minutes and Motion Papers, Rule 13.

government correspondence and the correct channels to follow when contacting the Commissioner regarding Company business. Discussion was less protracted in this area, with only five amendments proposed on a total of seventeen rules. Of these, three were incorporated.

The third area of concern was the actual fur trade itself. In an attempt to preserve their resources, out-of-season kills would henceforth be discouraged. Parson's motion that officers should assist in enforcing Dominion and Provincial laws and endeavour to prevent the use of poison altogether was adopted and duly inserted. Other rules established how packs of furs were to be shipped and how and when inventory would be taken. In this regard, the procedure for listing outstanding debts and liabilities, Indian advances, repairs to facilities and goods wintering en route were laid down.

Eleven rules were established regarding the keeping of accounts and a list of books and papers to be forwarded annually to the Department and Commissioners' Office was appended. Guidelines for setting freight rates were laid down and the necessity of including invoices and bills of lading were stressed. Only five rules were established which dealt with the traditional system of annual indents reflecting the increasing trend towards more frequent and smaller orders that could be completed by rail.

Taken as a whole, the new set of regulations reflected

the more business-like approach taken by Wrigley towards the Fur Trade. Where its predecessor was little more than a compendium of rules which was expanded to meet new situations as they arose, his was an attempt to create a definitive guideline.⁴⁸ Gone were rules pertaining to inland water routes and brigades, the treatment of Indians, promoting moral and religious improvement and establishing prices for buffalo robes. Times and circumstances had changed and this was concrete evidence of both the Company's and Wrigley's commitment to meet the challenge. In reviewing the minutes of the Council, it is immediately obvious that the Commissioned Officers were present not merely to give assent to the draft but to participate actively in proposing amendments, many of which were adopted.⁴⁹ Where major differences arose, sub-committees were struck to discuss the matter and report after which a recorded vote was taken.

In his report to the Board, Wrigley commented on the excellent spirit which had prevailed throughout the seven

⁴⁸ The majority of Grahame's Standing Rules and Regulations were established in 1843 and added to by each annual Council thereafter.

⁴⁹ Of the 104 rules established, 55 amendments were proposed and, of these, 43 were recorded as having been adopted. Major participants were Samuel Parson, Lawrence Clarke, Roderick MacFarlane, Joseph Fortescue and P. W. Bell who, in total, proposed or seconded 57% of the amendments.

days of meetings.⁵⁰ In addition to the main topic of regulations, there was some discussion of the new pension scheme, the officers' major concern being the duration of the annuity. While they acknowledged the Board's power to place men on the retired list, they were reluctant to give up their Commissions without a clearer idea of their financial prospects. In response, Wrigley suggested a sliding scale be applied whereby the amount of the pension would be commensurate with the applicant's length of service. He enclosed a memo from the officers with a covering letter by Alex Munro, who had chaired the pension committee, outlining their views. They suggested that after having served fifteen years with ten or more as a Commissioned Officer, the applicant should be allowed to retain half of his shares for four years after retirement. For every five years in excess of the first fifteen, retiring officers would receive one extra year's pension to a maximum of eight years. Those with less than ten years service upon compulsory retirement would have their pensions set by the Board. Pensions would be available to those aged 65 or after 35 years of service upon giving the required one year's notice. If officers on the retired list together held 12 1/2 shares, no additional retirements would be permitted. Those who retired when the pension list was full

⁵⁰ HBCA, D.13/8, fo. 269d, Wrigley to Armit, September 17, 1887.

would have their pensions commence as soon as there was a vacancy or whenever the pension fund was adequate.

In response to the Board's request, Wrigley prepared a list of eight men, ranging in rank from Junior Chief Trader to Factor, whose services could best be spared. An additional eight names were appended, including that of Chief Factor P. W. Bell who, in Wrigley's opinion, seemed incapable of adapting to altered circumstances of the trade, thus freeing up a total of twenty-two shares.⁵¹ Wrigley stated that some of the officers would probably settle in the country to farm or trade and possibly their pension would be insufficient. Again he advised that officers appeared to be holding back until specific details were announced and, until then, resignations could not be induced.

By January, the Board had finalized the terms of the pension scheme which Wrigley in turn transmitted to Munro. London concurred with basing the pension on length of service but they argued that placing the disposal of the fund beyond the power of the Governor and Committee contravened Article IV of the Deed Poll. Officers who had already tendered their resignation effective June 1, 1888 were provided for to June 1890 by the terms of the Deed Poll which included a year's notice followed by a year's leave of

⁵¹ Bell managed to outlast Wrigley and did not retire until 1895.

absence at full pay. Following this, pensions amounting to one half the minimum guarantee for their respective rank would begin for a period not exceeding six years.⁵² It was to be understood that pensions were granted at the Board's pleasure and no claims for vested rights would be allowed. The plan met with general approval on the part of the officers as evidenced by Munro's response. "It is true that what is thus given is not all that the Officers asked for, & that some features of the Scheme may have a disquieting effect on some officers; still, a Pension is a clear gain of something not provided for by the Deed Poll, and not to be lightly rejected or lightly esteemed. I feel sure, as Messrs. Lawson & Livock also are, that further agitation about it wd. do not good, but, on the contrary, harm. I firmly believe therefore that it will be wise to accept the terms offered.⁵³

After considering Wrigley's list, the Board selected six men for retirement stating that if they did not resign after receiving Wrigley's communication, a formal notice

⁵² This was very similar to the Deed Poll of 1834 which gave the retiring officer the full share due his class for one year after retirement and half share for six succeeding years.

⁵³ PAC, MacFarlane Papers, MG29 D9, fo. 1143, Munro to MacFarlane, January 27, 1888. On June 1, 1904 a new pension scheme was inaugurated by Commissioner Chipman which provided one half of salaries and board allowance for life upon retirement. This only applied to officers who were appointed after 1870, despite MacFarlane's petitions, as the others had waived their claims under the terms of reorganization.

would be given. Although others were considered equally dispensable, they could not be considered without contravening the Deed Poll. Wrigley argued that given the general satisfaction expressed by the officers regarding the pension scheme it would be advantageous to move rapidly as any arrangements made after June 1 would occasion an additional year's delay. By May the resignations of two factors, two chief traders and one Junior chief trader had been accepted and, in July, another unsolicited resignation was accepted from Junior Chief Trader James Mackenzie.⁵⁴ These and subsequent forced resignations, Wrigley reported, appeared to have a double benefit both as a warning and a reward to those who showed energy and ambition.⁵⁵

This was just the beginning. In November, 1888 the Board prepared a table listing the names of Commissioned Officers in each Department and district with the actual number considered sufficient to carry on the trade.⁵⁶ They concluded that an additional ten officers could be dropped

⁵⁴ The first retirees under the new scheme were Factor Roderick Ross, Factor Alexander, Chief Trader Lillie, Chief Trader Hargrave, Junior Chief Trader Alexander McKenzie.

⁵⁵ That the warning was well taken was evident in J. Ogden Grahame's letter to MacFarlane: "As regards the Officers, what can we do, I am not a Factor & have no voice, if kicking is the order of the day we shall simply receive a years notice, be suspended & probably lose the 6 years 1/2 pay which after all is only at the pleasure of the Board". PAC, MacFarlane Papers, MG29 D9, fo. 1417, J. Ogden Grahame to MacFarlane, May 21, 1891.

⁵⁶ HBCA, D.13/8, fo. 489b, Armit to Wrigley, November 22, 1888.

from the Northern, Montreal and Western Departments and six names were selected to be contacted in the same manner as those of the previous year. At the same time they informed Wrigley that they would be unable to approve many promotions until Outfit 90 or 91.

Given the increasing number of retirees, the question of tariffs on their supplies became a pressing issue and Wrigley asked the Board for a decision, citing several options it could pursue. In response to mounting criticism regarding his mishandling of officers' and servants' overdrafts, Wrigley also proposed that, upon retirement, the officer's account should be closed in London and he be advised of any debit balance. If it was not cleared, his pension would be reduced by the amount owing and no advances in cash or goods would be allowed against the pension. Particulars of each payment could be forwarded to London but the Department office would assume control of the account. The Board declined to relinquish any authority and, in January, 1891, a circular was issued to the effect that pensions would be credited to the officers' London accounts at the close of each Outfit. No advances would be authorized and those receiving pensions would be required to pay ordinary customer prices for supplies at Company stores.⁵⁷

⁵⁷ HBCA, D.13/9, fo. 207, Wrigley to Officers in Charge of Districts, January 5, 1891.

If the Commissioned Officers had won concessions in the formulation of the new regulations and the awarding of pensions, they were more than offset by Wrigley's announcement during the Council that, in future, commissions would no longer be issued to clerks or servants who had entered the service after 1870. This was the second last step in extinguishing the once proud tradition of Commissioned Officers within the Company's operations. It is curious to note that no mention was made of this announcement in any of the Council minutes or in Armit's and Wrigley's correspondence both prior to and after the meeting. Therefore it is difficult to assess whether it was a well planned move in the Boards' overall strategy to consolidate control or whether London was merely taking advantage of an opportune moment when many of the officers were gathered in Council. What is evident is that, true to form, the Board gave material concessions with one hand but they took away much more with the other moving, in the process, one step closer to a salaried system.

It was unanimously deplored among the officers who regarded this decision as one of the Company's biggest mistakes. After that, the traditional esprit de corps was lost and the only interest most servants had was getting their salary.⁵⁸ Many were left dissatisfied, promoting

⁵⁸ N.M.W.J. McKenzie, The Men of the Hudson's Bay Company, Fort William, 1921, p. 46.

disloyalty and furthering competitive efforts.⁵⁹ For example, in 1891 it was reported that "No less than 7 of the staff at Victoria will leave in a month's time. All disgusted and embittered against the Co. - turned out like an old dog or horse out of harness. Under the present regime any man in the service will leave if he can better his condition. Under the old no clerk or other officer would entertain any offer should it have been double his present wages."⁶⁰ In 1902 the apprenticeship system was discontinued and post managers became, to a large extent, men chosen from various fields of business or men who were raised and educated in the country, including half breeds.⁶¹ McKenzie also noted that, in 1889, districts were enlarged due to the fact that no more commissions were being granted and there were fewer qualified men to run the business. This, coupled with more frequent and effective inspection tours, further helped to centralize control.⁶²

It did not take long for the officers to realize that the collective powers that had enabled them to gain concessions in the past were evaporating. When MacFarlane approached Munro to demand pension rights from the Board for

⁵⁹ H.A. Innes, The Fur Trade in Canada, Toronto, 1956, p. 356.

⁶⁰ PAC, MacFarlane Papers, MG29 D9, fo. 1219, W.E. Traill to MacFarlane, May 1, 1890.

⁶¹ Innes, op. cit.

⁶² McKenzie, op. cit., p. 136.

the families of the late Richard Hardisty, Lawrence Clarke and James Cotter, he was advised that the new Board under Smith, who had succeeded to the Governorship in 1889, would not likely have any bias in favour of the officers and that every caution must be exercised before taking any step. "Fortunately, in the good old times, the officers could feel secure, holding in their own hand very substantial powers & a protest from them wd command respect. But circs are very different now, as you well know".⁶³

Frustrated and feeling betrayed, many of the officers saw Wrigley as the instrument of injustice and greeted his resignation with approval. E. McColl speculated "I don't think any will miss him seriously on this side of the Atlantic. He has but mighty few friends in Winnipeg . . . Possibly Sir Donald has something to do with the change".⁶⁴ This was echoed by D. C. McTavish:

Wrigley got his reward in the end, he is leaving hated and abused on all sides he acted a mean selfish part; looked down upon the Fur Traders and did his best to please the Board. He had to leave; has not got one friend at home & Sir Donald would hardly speak to him, he would not speak to him about the business. The Council was a farce, he could not do or say anything, he should have remained at home.⁶⁵

⁶³ PAC, MacFarlane Papers, MG29 D9, Munro to MacFarlane, December 13, 1890.

⁶⁴ PAC, MacFarlane Papers, MG29 D9, fos. 1349-50, E. McColl to MacFarlane, January 7, 1891.

⁶⁵ Ibid., fo. 1396, D.C. McTavish, to MacFarlane, March 28, 1891.

Others were more charitable. In assessing the capabilities of the new Commissioner, J. Ogden Grahame, who perhaps had a better insight into the politics of the position as the son and secretary of former Commissioner James A. Grahame, stated: ". . . it just depends who advises him [Chipman]. Wrigley I think went on what he heard in Winnipeg & I blame his advisers not himself to a great extent for his failure to make the business pay".⁶⁶ The one man who continued to defend Wrigley against all critics was William Clark of the Winnipeg office. Working with Wrigley on a daily basis, he was in a better position to make an assessment. He wrote to MacFarlane:

It made me feel sorry when I read the copy of the letter you sent to the Commissioner. I think it was altogether too strong. What is the use of being so nasty. I can't understand it. The Commissioner always speaks nicely about you & I have never heard him make a remark about you that any person even your best friend could find fault with. I have often said this to you, but you do not appear to believe me.⁶⁷

But it was left to MacFarlane to express the sentiments of the majority of his fellow officers in a letter to Governor Smith written after Wrigley's departure. After voicing complaints, as the senior officer of the service, regarding the appointment of "so young & inexperienced a gentleman as

⁶⁶ Ibid., fo. 1416, Grahame to MacFarlane, May 21, 1891.

⁶⁷ PAC, MacFarlane Papers, MG29 D9, fo. 1240, Clark to MacFarlane, July 19, 1890.

Mr. Chipman⁶⁸ he went on:

Commissioner Wrigley had however, become so generally disliked that almost anybody, except his "assistant" in British Columbia, was certain to receive a more or less 'HBay Welcome' by the officers, and I am therefore pleased to be able to make the following satisfactory quotations from a letter just to hand from Winnipeg. "It is too soon to give an opinion as to how our new Commissioner will do; but so far, I think we are all of the same way of thinking - that he is an improvement on Mr. Wrigley. There is nothing 'stuck up' about him, while he seems a shrewd man of business".⁶⁹

It has been reported that Mr. Wrigley is to have a position on the London Executive. In the general interests I earnestly hope he never will be thus, or otherwise employed by the Company. It would be a misfortune to have aught to do with a man whom nearly [added later] all the officers distrust and cordially dislike.⁷⁰

He never forgave Wrigley and continued to blame the Board's failure to recognize his claims on "the incorrect representations of the then late Commissioner" who, he alleged, had prevented his travelling to Winnipeg in time to present his views to the Governor and Deputy Governor in the

⁶⁸ This was in response to a letter from James McDougal in which he expressed the concerns of most of the senior officers in Winnipeg at the appointment of a man inexperienced in the Company's business and junior to every officer holding an important position. Ibid., fos. 1409-1410, J. McDougall to MacFarlane, 11 May, 1891, Private and Confidential.

⁶⁹ "Stuck up" was a label applied to Wrigley by several of MacFarlane's correspondents, particularly William Charles and P. W. Bell, who consistently referred to him as "English hound" and "The Czar".

⁷⁰ PAC, MacFarlane Papers, MG29 D9, fos. 1468-1469, MacFarlane to Smith, July 18, 1891.

autumn of 1890.⁷¹

MacFarlane might rejoice in Wrigley's defeat but the victory was a hollow one. The complete elimination of Commissioned ranks within the Company was finally accomplished in 1893 when the rights of the Deed Poll of 1871 were acquired by the Board in return for guaranteed salaries. Upon relinquishing their traditional 40% share of the profits, the officers traded away their status as partners for that of mere employees, no different from that of the men they commanded. In 1903 the significance of the Commissioned ranks within the Company finally vanished and new titles, more acceptable to the trade, were introduced including those of Post and District Manager. Commissioned officers still in service were advanced in rank subsequent to that date in deference to their years of service.⁷²

In retrospect, although the officers' appraisal of Wrigley was unfairly harsh, their uneasy relationship with him could never have been otherwise. Wrigley's commission gave him the same authority as the former position of Chief Commissioner whose duty, according to the Deed Poll of 1871, "shall be to represent their (the Governor and Committee's) interests in North America, under instructions to be given from time to time by the Governor and Committee and to whom

⁷¹ Ibid., fos. 1470 - 1471.

⁷² HBCA RG3 Series 43, n.f., Memorandums on Fur Trade Commissions, June 13, 1934 and August 17, 1934.

the Officers, Clerks and Servants shall be responsible."⁷³
In a letter to Armit, Wrigley outlined his perception of the Commissioner's role as the person responsible for carrying out the Board's policies and instructions. If his opinions differed, he considered it his duty to submit them for the Board's consideration, but not to let his divergent views be otherwise known.⁷⁴

Within the parameters of this employer-employee relationship, however, Wrigley made every effort to treat the officers with tact and consideration. If anything, he was too prone to give them the benefit of the doubt whether in the operation of their districts or monitoring their cash advances. While it could be argued that this was merely a guise to win their esteem, it is substantiated by his private correspondence with the Board, which could have afforded him the opportunity to curry favour at the expense of the officers, in which there is rarely a harsh comment made and never an unfair one. In the only major public conflict between the Board and its officers, revolving around the dismissal of Roderick MacFarlane, Wrigley interceded on his behalf, at their request, and added his own personal arguments for leniency which were ultimately responsible for tempering the Board's decision and winning

⁷³ Hudson's Bay Company, Deed Poll, 1871, Article V, p. 5.

⁷⁴ HBCA, D.13/9, fos. 147-148, Wrigley to Armit, April 7, 1890.

MacFarlane's subsequent reinstatement. What was not known were his confidential efforts on behalf of P. W. Bell, whose drunkenness cost him his position as Inspector and threatened to ruin his entire career, and R. J. Skinner of the Caribou District, who had been caught falsifying accounts for over a decade.

Given the distances involved and the limited opportunity for personal contact, the officers' natural mistrust of an English outsider, and Wrigley's own personal reticence, which was often misconstrued as standoffishness, it was impossible for most of the officers to gain any true impression of the man behind the title of Trade Commissioner.⁷⁵ In their minds, the person and the title were one and, as the person ultimately responsible to the Board, Wrigley was perceived to be unsympathetic to their concerns. Changing times dictated that the Company's traditional mode of operations was no longer viable and reform could only be effected by consolidating control at the management level. The consequent decline in the

⁷⁵ Unlike his counterpart in the Land Department, Charles Brydges, Wrigley was a very private person who kept a relatively low profile within the business community and Winnipeg society. Although he claimed membership in the Manitoba Club and the prestigious St. George Snowshoe Club, these were among the perquisites of the position of Trade Commissioner. He served as President of the Lawn Tennis Club for a number of years but his chief interest appeared to lie in the Winnipeg Operatic Society. There are very few unbiased references to him, but the few that do exist remark on his courtesy and gentlemanly qualities. (See particularly, Franklin Remington, "Harvard to York Factory in 1888" in The Beaver, December, 1944, p. 9).

Commissioned Officers' power and pride was inevitable but in choosing to focus on Wrigley as the author of their misfortunes, they rejected what could have been a valuable ally in easing their transition from fur trade partners to employees of a modern corporation.

CHAPTER V

HOLDING THE LINE:

THE COMPANY'S COMMERCIAL VENTURES

Joseph Wrigley had been hired in 1884 for his commercial expertise, rather than for his talents as a diplomat or his familiarity with the fur trade. With the impending completion of the transcontinental railway and the anticipated influx of settlers, the Board was eager to capitalize on opportunities opening up in the west, enticed just as much by boosterism as the very settlers it looked to as a future and prosperous clientele.¹ In a letter to Roderick MacFarlane, Donald A. Smith touched on the decline in the fur trade as districts became more settled: "... there appears to me to be no good cause why the profits formerly derived therefrom should not be drawn instead from a well conducted general business, and, as you are no doubt aware, to promote this was one of the chief reasons, the Govr & Committee had in view in sending out Mr. Wrigley as Trade Commissioner - his knowledge of business generally making him, as believed, well suited for the purpose."²

¹ During the period 1881-1891 Winnipeg's population increased by 7,985 to 25,639 while the population of the entire province increased by 62,260. Alan Artibise, Winnipeg, An Illustrated History, Toronto, 1977, p. 200.

² PAC, MacFarlane Papers, MG29 D9, fo. 998, Smith to MacFarlane, November 25, 1884.

Thus the Company viewed its future in terms of a progressive adaptation. As the old way of life, characterized by the fur trade under Commissioner Grahame, was succeeded by modern civilization, so the Company would adapt and shift its focus to commercial enterprises such as mills and saleshops, headed by a man well versed in modern business techniques.

Wrigley's arrival in Winnipeg in late August, 1884 was not an auspicious one. In his second letter to Armit, he reported that a severe storm had damaged the Company's grist mill and stripped the roof off the old store, spoiling much of the stock. A new asphalt roof was quickly installed but since there had not been a fire, no claims could be made against the insurance. The Fort Garry mill was not so easily repaired for its problems were more serious. Like most of its rural counterparts, it had been constructed to attract settlers to Company land holdings and as a market for grain offered in trade.³ Ideally, the flour produced, beyond that disposed of locally, would be used to supply northern inland posts and to assist in securing lucrative Indian Department contracts. By 1884, the Company had mills at Edmonton, West Lynne, Fort Garry and Riding Mountain with another stone mill being reconstructed at Prince Albert,

³ Its activities were not confined to milling flour. Margaret McLeod noted that, in 1882, electric light for Winnipeg streets and later other businesses, was generated by the Company's mill. Margaret A. McLeod, "The Company in Winnipeg" in The Beaver, September, 1940, p. 11.

none of which had lived up to expectations. Their antiquated methods of grinding flour could not compete with flour mills which employed a roller processing method.⁴ Unable to dispose of their stone ground flour, which was unacceptable for government contracts, several, like the Fort Garry Mill, stood idle, a steady drain on the Company's resources. Wrigley acknowledged that too much money had already been sunk into them for the amount of business done and even more was required on an ongoing basis to fund purchases of roller-produced flour from their competitors to meet the Company's needs.⁵ The Winnipeg mill laboured under an additional handicap in that it was excluded from an arrangement whereby its competitors were relieved of city taxes for extended periods in consideration of their

4 This system, developed in Hungary, produced flour by a system of gradual reduction using steel rollers and was introduced to Manitoba in 1882 by the Ogilvie Milling Company. Combined with the "purifier" invented in France it made it possible to produce pure white flour from hard spring wheat which could be sold at premium prices. By 1887, only stone mills distant from the railway were doing custom work, the rest had been forced to convert or stand idle. The Commercial, February 8, 1887. The Edmonton mill also had to compete with one owned by Chief Factor Richard Hardisty. He was finally induced to sell but not without some hard feelings. The respite was brief, however, as the Company's mill was destroyed by fire in December, 1885 at an estimated loss in excess of \$50,000. The Commercial, December 29, 1885.

5 Sandford Fleming, in his 1882 report on the trade in the Red River District, saw little hope in combatting Ogilvie's firm hold on the city's flour trade and he recommended that the Company's mill be sold. (PAC, Sandford Fleming Papers, MG29 B1, Vol 112, Folder 17, p. 18).

considerable outlay.⁶ The choice was simple: convert or sell and within a week, Wrigley had drawn up a proposal for conversion to rollers at a cost of \$12,000.

In conjunction with this, Wrigley approached the General Superintendent of the CPR to see if freight rates for flour and grain could be considerably reduced. The idle West Lynne mill was rented out on a short term basis in the hope that customers could be attracted back to the local sales shop to settle their outstanding debts.⁷ He also

⁶ A handwritten note, dated January 1886, details the exemptions allowed by the city for the following companies.

McMillan Bros. Mill - \$40,000 with the exception of \$108.40 which they paid.

Ogilvie Milling Co. - \$140,000 except \$379.40 school taxes.

Boddy & Noakes Linseed Oil Mill - \$11,000

Nairn's Oatmeal Mill - \$8,000

HBCA, D.26/12, fos. 22-23, January, 1885. When Ogilvie built in 1881, City Council granted it a 20 year tax exemption (R. Rostecki, "The Growth of Winnipeg, 1870-1886", unpublished MA thesis, Manitoba, 1980, p. 74). After considerable lobbying, Wrigley succeeded in obtaining a 20 year exemption from municipal taxes for the Fort Garry Mill. HBCA, D.13/8, fo. 57d, Wrigley to Armit, June 22, 1886.

⁷ Located on the American border immediately west of Emerson, the once-thriving town of West Lynne had seen two thirds of its population move to nearby Gretna, an alternate port of entry, which had the advantage of a location on the CPR line and served as a major marketing area for grain. Cut off as it was to the south and east, the town had little territory to draw on to meet its growing liabilities and its prospects were dim. Emerson, itself, was bankrupt, having failed to complete the bridge for the CPR within the specified time and the CPR refused to operate a connecting line with the Pembina Branch. James Richtik, Manitoba

proposed that the railway from St. Boniface be extended over the Broadway Bridge to the Fort Garry Mill to make it more competitive with Ogilvie who was situated on the main rail line in Point Douglas. The Company would offer land and right of way where needed and the option was left open to help defray further expenses. Such a scheme would save high cartage expenses and increased toll revenue would make it worthwhile for the Red River and Assiniboine Bridge Company, owners of the bridge, to strengthen it to the necessary levels. However, even if locomotives were forced to remain on the opposite bank and cars were drawn to the mill by horses, Wrigley maintained it would still be advantageous. Land Commissioner Brydges, the founder of the Bridge Company, would be consulted and, armed with Donald A. Smith's support for conversion to rollers, Wrigley set about getting estimates.⁸ By November, 1884 he had received the

Settlement 1870 to 1886, unpublished Ph.D. Thesis, Manitoba, p. 536.

⁸ Brydges' overlapping roles as head of the Bridge Company and Land Commissioner for its major shareholder, the Hudson's Bay Company, appear blatantly irregular by today's conflict of interest regulations. The Bridge Company was founded in 1879 and built two toll bridges into the Company's land reserve (See map). Other Directors included Donald A. Smith, James Grahame succeeded by Wrigley and Sedley Blanchard, the Company's solicitor. Although the Hudson's Bay Company declined to underwrite the entire venture, it did acquire a majority of the stock which was placed in trust and registered in the names of Commissioners Brydges and Grahame. The Main Street Bridge, which channeled traffic past the new retail store was a success and was sold to the city in 1882 after six months of operation. Profits were ploughed into the financially troubled Broadway Bridge which had been destroyed by ice

Board's authorization to add a roller and purifier to the Prince Albert Mill and the following January the Free Press reported that work had begun on the modernization of the Fort Garry Mill. Ten pairs of rollers with a capacity of 150 barrels per day, four Pyes Centrifugal Reels to purify the flour and steam heating pipes brought it up to the most modern standards.⁹ In addition Wrigley requested a further \$10,000 to construct a small elevator to save deterioration of grain which was presently being stored in the open. Until the results of the new roller system had been assessed, however, the Board would only sanction a moderate outlay and asked Wrigley to contact the CPR to see if an elevator could not be constructed for under \$3,000. Once the mill was back in operation, three rail cars of flour were sent to Montreal markets and although the results were disappointing, with one carload unsold, Wrigley noted that it appeared to have been of a satisfactory standard. Given the present low prices it was considered inadvisable to send more but the scheme would not be shelved. He went on to suggest that if property could be leased at Rat Portage, which had an abundance of water power, it could form the basis of a milling operation that could be developed as an

after its first winter and had been plagued by construction cost overruns. The collapse of the boom, and with it new construction, resulted in a decline in toll revenue and it was not completely paid off until 1887. John Selwood, "Mr. Brydges' Bridges" in The Beaver, Summer, 1981, p. 14-21.

⁹ Winnipeg Free Press, January 20, 1885.

alternate source of profit when the fur trade declined.¹⁰

The Company's investment would not be limited to the mill, however. Wrigley had been unofficially advised by Smith that the CPR would not pay construction costs for the branch line to the mill and, given the city's depressed economy, not much help could be expected there. Wrigley assured the Board that a commitment of further funds would be a sound investment. Other subscriptions were being sought and he hoped that the friendliness between the two Companies would induce the CPR to contribute rails, ties and a portion of the estimated construction costs of \$18,557.50.¹¹ The Board refused to act until the CPR's role was more clearly defined. A meeting with Van Horne secured the necessary rails and ties on the proviso that the Company agree to finance the grading. Construction on the bridge itself would be the responsibility of the Bridge Company as one of their assets.¹² In April, 1885, the Board finally approved.

Once this was settled, Wrigley could turn his attention to the Winnipeg Sales Shop. Located at York and Main it had been constructed during the boom of 1881 to attract a

¹⁰ A later inspection tour by Wrigley and Brydges concluded that the benefits of constant water power would be outweighed by transportation costs to and from the site and they advised against moving the Fort Garry Mill there.

¹¹ HBCA, D.13/7, fo. 65, Wrigley to Armit, December 4, 1884.

¹² HBCA, D.13/6, fo. 141, Wrigley to Armit, March 4, 1885.

prosperous clientele. By 1884, it had 54 employees in the retail and wholesale business, under the management of W. H. Adams, and eight in the Northern Department Depot and General Office.¹³ With the collapse of the boom, the Company found itself sharing the plight of hundreds of other businesses faced with mounting debts and diminished income. Distress sales became commonplace, so much so that in 1883 a special committee had been organized to arrange for the orderly disposal of bankrupt stocks, thus preventing slaughter prices which threatened the entire business community.¹⁴ Faced with the Board's demands to curb credit and collect outstanding debts, which by September 1884 totalled \$132,283.90, Wrigley argued that many large debts had been incurred by people he was anxious not to offend in the best interests of the Company.¹⁵ He noted that "nearly

13 HBCA, D.38/4, fo. 100.

14 Bellan, op. cit., p. 64.

15 HBCA, D.13/7, fos. 36-37, Wrigley to Armit, October 23, 1884. Among the worst offenders were Land Commissioner Brydges; the Manitoba Club, of which Brydges was President; and the CPR. Fur traders were also notorious for their high balances but the Company could not risk abolishing their credit for fear of losing the furs. The Manitoba Club finally settled its debt in 1887 for 50 cents on the dollar. Wrigley considered this a satisfactory arrangement as the only alternative, bankruptcy, would deprive the Company of future substantial cash sales.

Prior to Wrigley's arrival, outstanding balances had been secured by chattel mortgages. This practice had been dropped to Wrigley's relief as it was unpleasant to enforce and reflected badly on the Company's image. HBCA, D.14/8, fo. 248, Wrigley to L. Clarke, Prince Albert, September 19, 1884.

everyone, even in the highest position, appears to be more or less embarrassed".¹⁶ Many, trusting in the Company's wealth and leniency, declined to pay their bills, considering the interest saved as a source of income. It was a thin line the retailer trod. Inattention to overdue accounts ensured consistent losses but strict accounting could drive away good customers which formed a profitable and safe part of the business. By February, 1885 Wrigley had met with some success as he was able to report that outstanding balances had been reduced by \$30,000.¹⁷

At its annual meeting in April, 1885, the Board addressed the question of General Trade. In consideration of the large amounts of capital employed in this area and the increasing demands to extend operations into new settlements, they asked Wrigley to review the entire system. By determining the actual trading results at each location, the Board could then make informed recommendations to curtail or expand operations. Specifically, they requested information on the amount of capital involved in each trading district, outstanding debts, stock on hand and net results for the last three years. In addition, a review of the general system of accounts was ordered to enable the Board to maintain a constant check over the Company's

¹⁶ HBCA, D.13/7, fo. 49d, Wrigley to Armit, November 12, 1884.

¹⁷ Ibid., fo. 136, Wrigley to Armit, February 26, 1885.

operations.¹⁸

In reporting the unsatisfactory results of Outfit '84 Wrigley noted "it should be remembered that the accounts of the Sales Shop and the Depot have been so mixed up that it is impossible to form any trustworthy estimate of the result of the Sales Shop".¹⁹ The store suffered from several disadvantages, primarily its location on the edge of an upper to middle class residential area (See map) and away from the busiest part of the city towards Portage and Main, which precluded its attracting a large share of the working class trade which traditionally paid cash. Many of the surrounding businesses such as the Post Office, Custom's Office and the Canadian North West Land Company had relocated there, drawing much of the traffic away from the store. It was badly overstocked with luxury items, such as carpets, lace and champagne, purchased during the boom, which now languished on shelves, depreciating and collecting dust. The new premises, which were now too large for the current depressed market, were also encumbered by high maintenance costs, insurance rates and taxes.²⁰ All branches of the trade were affected by the recession.

18 HBCA, A.1/152, fos. 241-242.

19 HBCA, D.13/7, fo. 201, Wrigley to Armit, June 8, 1885.

20 For another assessment of the stores's prospects, see HBCA, A.10/117, fos. 383-393, Report from T. R. Smith to Armit, July 8, 1884.

Although inventory had been reduced by more than 22 per cent by May, 1886, hardware sales and dry goods sales had declined \$32,000 while expenses had risen \$3,400.²¹ Wrigley and Adams were requested to make a careful investigation with a view to reducing wages, expenses, outstanding balances and stock. Dry goods staff was to be cut and the number of departments reduced from four to two. Clearance sales were moderately successful but the Company's problems were compounded by the fact that other shopkeepers frequently allied with their creditors and bought back their stock at reduced prices, which made it even more difficult to compete. As well, the growing number of shops in the city and surrounding towns were steadily drawing business away and the wholesale business had almost died out as a result of the Company's stringent credit regulations.²²

The policy of charging the same price for goods bought for cash or credit appeared, to Wrigley, to penalize the cash customer but he was advised that a change would be inadvisable. Due to competition, they could only lower cash prices not raise credit prices and it would be difficult to maintain these reduced prices for long. He explained to the

21 HBCA, D.19/12, n.f., Armit to Wrigley, July 6, 1885.

22 Clearance sales were encouraged by the Board as a solution to the overstock problem. However, as Wrigley explained, given the great number of them in a limited market such as Winnipeg, one could not expect the same results as in England and even suitable stock could not be disposed of in quantity.

Board "This may appear strange and contrary to English experience but in this Western country most live up to the utmost extent of their income, readily paying cash when they have it, but objecting to have what they would call an advantage taken of them during their temporary want of ready money".²³ If a clearance store was opened featuring cash sales only the result would merely lower prices at the York Street Sales Shop in order to maintain the safe and profitable cash trade it carried. If both cash and credit were offered, a considerable portion of what little North End working class trade they were able to attract would be siphoned off. The prime concern was whether enough new business could be attracted to support two stores and in July the Board announced that until the Winnipeg trade became more settled, it was not desirable to open another store.

Additional problems were raised by the revised Exemption Act which stipulated that in towns and cities, personal property of up to \$500 and real estate up to \$2500 were exempt from seizure. Machinery and buildings of rural debtors were also exempt and only land in excess of 160 acres could be seized.²⁴ While this legislation had not yet

²³ HBCA, D.13/8, fo. 208d, Wrigley to Armit, April 25, 1887.

²⁴ An Act respecting the Administration of Justice, May 2, 1885 in Statutes of the Province of Manitoba, Winnipeg, 1885, p. 106-185.

affected the Company Wrigley reported that, on the whole, debtors were being found more difficult to deal with and the revised act gave them legal power to evade debts. Adams had been warned to exercise caution in extending credit but greater stringency could not be maintained without hurting business as evidenced by the current reduction in sales which was attributed, in part, to the Company's refusal to extend further credit. In April, 1886 Wrigley approached Premier Norquay, arguing that the law was detrimental to the interests of the province by keeping out capital and preventing credit. He was successful and amendments limiting allowable exemptions were passed the following month.

The situation was little better in the Western Department. Wrigley discovered that most of the capital was invested in Victoria where the retail business was small amounting to one sixth of total sales. Stockpiling had been common due to the uncertainties of the long voyage around Cape Horn but the arrival of the CPR was expected to alleviate this.²⁵ Emphasis was on the wholesale trade, which conflicted with the retail trade to some extent, and where 90 days to settle accounts was commonplace. Any

²⁵ This would not be in the immediate future, however. In 1891 Donald A. Smith cautioned T. R. Smith that it would be some time before railway rates could be much reduced to the point where it would be practicable to ship English goods by rail. HBCA, A.12/53, fo. 36, Donald A. Smith to T. R. Smith, March 20, 1891.

expansion in this area would automatically increase these outstanding balances but if it was curtailed the retail trade would have to take up the slack or the Company would irrevocably lose ground. Wrigley did not recommend such a move as Victoria was amply provided with stores and with the possibility of Vancouver as the railway terminus, Victoria could lose its economic dominance. The CPR had given the Company two choice lots on Granville Street in the best part of Vancouver but, until the area was more settled, Wrigley advised opening a temporary store only on Cordova Street so as not to lose advantage.²⁶

At the same time requests were being received to open new retail outlets and upgrade old ones. Many of these were former posts which were now delapidated and located on the fringe of reserves or settled areas, built when the Company enjoyed a monopoly and could afford to disregard customer convenience.²⁷ Fort William, Morden, Manitou, Fort Macleod

²⁶ The lots were situated diagonally opposite the CPR's Hotel Vancouver at Georgia and Granville. In 1887 T.R. Smith complained that many fine buildings were going up nearby while the Company's land remained vacant. It was hoped that George Stephen could persuade the Board to act as Victoria could not maintain its dominance much longer. However, nothing was done until the spring of 1892 when the 'New Store' was constructed on Granville immediately opposite the Donald A. Smith block. H.T. Lockyer, "Development from 'Corner Grocery' to Magnificent Department Store During Thirty-Three Years" in The Beaver, December 1920, p. 20-21.

²⁷ There was considerable resentment against the Company for taking wealth from the country without contributing any impressive buildings which could be seen as a statement of faith in its future. D. McKay, The

and Regina were proposed as new sites but, in the last case, the Board declined to sanction a move into an area where large debts would soon be contracted, despite Dewdney's lobbying. Other post managers complained that business was being lost to competitors with better salesmanship and Wrigley responded with a request for men with shopkeeping or warehouse experience. As an alternative, he proposed that newcomers serve a short apprenticeship at the Winnipeg store to learn the business. He also sought out the Board's opinion on newspaper advertising, noting that the Company was operating at a disadvantage in this area. Personally, he was distrustful of its merits.²⁸ Perhaps as one who found it distasteful to promote himself in a letter of application, he found the whole idea somewhat common and unsuitable for a business of the Company's stature. This was in direct contrast to the aggressive advertising campaign mounted by Land Commissioner Brydges. Even when he was repeatedly ordered to curtail advertising expenditures, Brydges continued to defend its merits, noting: "We spend a good deal less than others similarly situated and unless we let it be known that we have wares to sell we shall get few

Honourable Hudson's Bay Company, Toronto, 1949, p. 306.

28 In response to Acton Burrows' query regarding an ad the Company had placed in Waghorn's Guide, Wrigley stated: "Personally, I have not much faith in the Company's advertising but if they do advertise, it is only right you should have a share." HBCA, D.15/4, fo. 253, Wrigley to Acton Burrows, editor, The Manitoban, April 21, 1887.

buyers. The Store here for a long time did not advertise at all but they are doing so now with considerable advantage."²⁹ This raises the obvious question regarding the accuracy of the Board's claim that Wrigley was well versed in modern business principles. His reluctance to take advantage of new opportunities placed the Company at a disadvantage with respect to more aggressive entrepreneurs and only strengthened its elitist reputation.³⁰

Another area that the Company looked to for profit was that of government contracts, both to supply North West Mounted Police posts and Indian reserves. Its chief competitor in this area was I. G. Baker & Sons, a Montana-based firm which had gradually expanded into the Canadian west and which held a virtual monopoly on cattle ranching, transportation, banking and mail service. It had been established at Fort Benton by the Baker brothers in 1866 when it was the only Indian trading post in the eastern two thirds of Montana.³¹ With the arrival of competition the next year, they established a series of outposts which were

²⁹ H. Bowsfield (ed.), The Letters of Charles John Brydges, 1883 - 1889, p. 344, Brydges to Armit, November 10, 1888.

³⁰ For a discussion of Timothy Eaton's move into the mail order business during this period, see Joy Santink, "Timothy Eaton - Expansion Into the West: The Development of the Catalogue, The Mail Order and The Opening of the Winnipeg Store in 1905", presented at the Canadian Historical Association Annual Meeting, June, 1986.

³¹ HSM, MC49, Box 1, Folder 7, Notes on the Business of I. G. Baker & Co. at Fort Benton.

successful in capturing most of the market in buffalo robes and furs. An influx of gold miners funded a steady cash trade which in turn financed further expansion. In 1873, the three Conrad brothers became partners in the firm which now controlled the lion's share of the trade north from Fort Benton to Blackfoot territory. With their intimate knowledge of the area, it was only natural that they be consulted when the Canadian government decided to establish a NWMP force at Fort Walsh. I.G. Baker secured freighting and supply contracts for the police and government at Fort Walsh and Fort Macleod, as well as for American army troops and supplied Indian reserves and ranches on both sides of the border. By the 1880's they had become one of the largest and richest firms in the region, presenting formidable competition to the Hudson's Bay Company as their sphere of dominance widened. For example in September, 1882 seven Baker teams, each carrying 17,000 pounds and representing a total investment of up to \$210,000, hauled flour to Fort Edmonton then returned to Fort Macleod with a cargo of imported goods.³² Another subsidiary was the Benton, Macleod and Calgary Stage Company which linked Fort Benton with Canadian towns and, until the arrival of the CPR, carried their mail to the east bearing American

³² Paul Sharp, Whoop-Up Country: the Canadian American West 1865-1888, Minneapolis, 1955, p. 185.

stamps.³³ A third and very important area that I. G. Baker & Sons were able to capitalize on was as a financial agency. As one of the founders of the Benton National Bank they supplied cash for Police payrolls and treaty payments that could not be handled from Winnipeg given the undeveloped east-west Canadian communication system. Thus the region became an economic unity with Canadian and American currency circulating freely on both sides of the border.

As the business expanded, Isaac Baker returned to St. Louis where he supervised the purchase and shipment of goods to Fort Benton on his fleet of steamers, leaving the Conrads to shape the Company's western policy and direct its rapid expansion. What gave I. G. Baker & Sons the advantage over the Hudson's Bay Company was its location on the Missouri River with direct links to the east. Since the major market for buffalo robes was in the States, many Western Canadians preferred to do all their shipping through Fort Benton.³⁴ What appeared to be a major setback, when Congress imposed new tariff barriers in 1876 which doubled the rate on imported robes and pelts, was soon circumvented when Fort Benton merchants secured permits to ship goods from England and eastern Canada through the States to western Canadian markets by posting a bond with the Government in Washington.

33 Ibid., p. 188.

34 Sharpe states that shipping costs on the Macleod, Fort Benton route were 6-8 cents/pound compared to 18 cents/pound by the Manitoba route. Ibid., p. 218.

By shipping bonded cargo in this manner, Benton merchants were able to save 25 per cent in freight costs and further undercut the Hudson's Bay Company who shipped through St. Paul. In addition to supplying the basic necessities, Baker's retail outlets established in Fort Macleod, Fort Walsh and Calgary catered to Canadian consumers' fashion tastes boasting tailors, bootmakers, milliners and dressmakers.

But one of the most lucrative aspects of the business was government contracts, and the winning of a major contract could spell the difference between success or failure for western businessmen. Political lobbying on both sides of the border was intense. Police officials were well known and cultivated by the Conrads. Lieutenant Governor Edgar Dewdney was responsible for many of Baker's Canadian contracts while, in return, he was granted handsome investments in Benton enterprises.³⁵ Between 1875 and 1883 Baker won all the major contracts to supply the police force which averaged \$100,000 per year.³⁶ Even more lucrative were the contracts to supply beef and supplies to Indian reserves authorized by Treaties 4 and 7 and, again, with its vast cattle ranches, Baker was the undisputed leader. The

³⁵ Ibid., p. 221. In 1882 he was offered 40 shares in First National Bank of Fort Benton in return for his help in securing government deposits of between \$100,000 to \$200,000. A. McCullough, op. cit., p. 27.

³⁶ Ibid., p. 22, 25.

granting of large government contracts to American firms was unpopular among Canadian merchants, particularly those who supported the party in power. Despite numerous complaints and parliamentary investigations, Conrad managed to monopolize the contracts due to his expertise, financial assets and geographic location. In addition, once contracts had been secured, Conrad enlarged and protected them by a combination of public relations, monopolistic arrangements which neutralized the competition, and bribery.

With the advance of railways into the American west, Baker lost the advantage it had held with its steamer fleet and river freighting was replaced by the wagon freighting business north to Canada. As the buffalo robe trade declined it was replaced with Southern Alberta coal which was supplied to its commercial centres. The completion of the CPR in 1885 finally spelled the end of Fort Benton's economic dominance in the Canadian west. Seeing the handwriting on the wall, Charles Conrad and his regional rival, T. C. Power, agreed in 1881 to divide up the government contracting business in return for one quarter of the other's contract profits.³⁷ If a rival was successful

37 James M. Francis "Business Enterprise and the National Policy: the Role of T. C. Power & Brother and I. G. Baker & Company in the Political and Economic Development of the Southwestern Canadian Prairies and Northern Montana, 1870-1893", unpublished MA thesis, UBC, 1978, p. 27-28.

Another Fort Benton entrepreneur, T. C. Power was Baker's major competitor. Despite this, they had combined forces on several other occasions, notably as co-founders of the

in his bid, they agreed not to assist in supplying or shipping. In a subsidiary agreement Power purchased Baker's store in Fort Walsh and gave up his in Fort Macleod. Agreements between the two companies were renegotiated annually and the success of their efforts was evident when in April, 1883 a third party was included. Once he had made the initial adjustment to the Canadian railway, Power continued to expand his contracting and ranching interests, infusing further capital into the area through the securing of grazing leases.

The Hudson's Bay Company had hoped that by equalizing supply routes the railway would allow them to compete more effectively in the retail business.³⁸ By 1884 Isaac Baker appeared ready to retrench and he offered to enter into negotiations with the Company to sell his Canadian holdings.³⁹ Realizing that, for once, the Company had the upper hand, Wrigley informed Conrad that the goods must be taken on their own merit rather than paying a good price just to rid themselves of the opposition. Adams' assistant, Mr. Hendry, was sent to inspect the Calgary stock which he described somewhat haughtily as "American and inferior to

Benton National Bank and the Benton and St. Louis Cattle Company.

38 HBCA, D.20/23/2, fo. 161d, Richard Hardisty to Grahame, June 20, 1882.

39 HBCA, D.48, Folder 8, I.G. Baker, St. Louis to HBC London, August 21, 1884.

the Company's goods".⁴⁰ At the same time Conrad met with Wrigley to try and arrange a similar deal as that with T.C. Power whereby the two Companies would divide up government contracts, each one taking a prescribed area. Although Wrigley awaited the Board's instructions, he viewed such an arrangement with suspicion. The Board declined either to deal or buy, agreeing with Wrigley that I. G. Baker would undoubtedly not remain long in Calgary. By June 1885, Wrigley was able to report with satisfaction that the Company had obtained the greater part of the Indian contract including the contract for flour and for the remainder of the period to 1891, I. G. Baker's profits derived mainly from its vast herds of cattle (See Table V-I).

An obvious problem that the Company would face in its attempts to diversify its operations was to reconcile conflicting demands raised by its various enterprises. This was aptly demonstrated by the bitter debate over bridge tolls. By January, 1886 the branch line to the Fort Garry mill was progressing despite the CPR's refusal to accept responsibility beyond the eastern edge of the bridge. Wrigley's headaches were just beginning, however. The next obstacle was setting tolls to be paid by railway cars crossing the bridge to the mill. Disagreement developed

⁴⁰ HBCA, D.14/8, fo. 564, Wrigley to Hardisty, Calgary, February 16, 1885.

TABLE V-I

AMOUNTS AWARDED BY THE DEPARTMENT OF INDIAN AFFAIRS
FOR SUPPLY CONTRACTS

YEAR ENDING	HBC	I.G. BAKER	T.C. POWER
1883	\$ 32,618.10	\$521,330.34	\$ 497.29
1884	102,428.32	416,409.34	683.31
1885	229,812.60	265,453.79	12,478.48
1886	133,195.06	377,178.96*	-
1887	116,534.91	172,206.24**	5,710.27
1888	104,762.00	81,459.00***	304.09
1889	77,812.44	134,540.73+	-
1890	65,679.80	4,271.26	-
1891	101,371.46	112,607.86++	-

* Includes five orders for beef totalling \$328,438.02.

** Includes four orders for beef totalling \$156,582.77.

*** Includes two orders for beef totalling \$62,005.33.

+ Includes two orders for bacon totalling \$49,953.60
and three orders for beef totalling \$48,638.36.

++ Includes two orders for beef totalling \$107,907.71.

SOURCE: Report of the Department of Indian Affairs,
Sessional Papers for the year end of the year
indicated.

immediately between Wrigley, as Commissioner for the Fur Trade Department, and Land Commissioner Brydges, President of the company that owned the bridge. Wrigley argued that the Hudson's Bay Company had built the line, funded jointly by the Fur and Land Departments.⁴¹ The Bridge Company benefitted from the upgrading of the bridge at no expense and now was trying to impose ruinous tolls that far outweighed any money saved by the Company which, in turn, would be forced to raise the price of its flour to cover expenses. Wrigley also pointed out that when wheat was brought in at harvest time, flour was difficult to sell and cars often returned empty. As a result it could take two trips to process the wheat entirely incurring additional expense. He proposed that a regular sum be paid by the Company to cover right of way and maintenance costs but Brydges remained adamant that the Hudson's Bay Company would not receive preferential treatment. The matter was laid before the Board who concluded that the two Commissioners' figures were so much at variance that a decision could not be reached. Abdicating their responsibility to decide policy when confronted with conflicting recommendations from its managerial staff, the Board returned the matter for

⁴¹ This had been authorized by Brydges while Wrigley was involved in the North West Rebellion.

further consideration.⁴² As potential winners no matter what was decided the Board no doubt felt it could afford to waffle. As a major shareholder, the Company would benefit from higher tolls and as an independent user its profits would be enhanced by a reduction. Donald A. Smith and Van Horne added their opinions to the flurry of correspondence and cables with Brydges insisting he and Wrigley had an agreement and Wrigley denying everything. To further complicate matters, an accidental fire at the mill forced its temporary closure until repairs could be made.⁴³

After studying the mill's balance sheet for Outfit '85 the Board reluctantly concluded that if no agreement could be reached between the Commissioners they would accept the Sub-Committee's compromise recommendation of \$1.75 for full cars and .50 for empties, softening the blow for Wrigley with the promise of \$10,000 for an elevator.⁴⁴ Wrigley would never concede. Over ensuing years his reports would have recurring requests for relief from high tolls which, he

42 HBCA, D.19/13, n.f., Extract from Board Minutes, February 16, 1886 enclosed in a letter from Armit to Wrigley, February 18, 1886.

43 Fire was one of the Company's most dreaded hazards which would destroy its Riding Mountain mill the next spring. Trading posts kept buckets of sand or water on hand and one of Wrigley's first priorities was to approach the Board for a modest outlay to outfit each trading district with Harden-Star Hand Grenade Fire Extinguishers which were considered the latest in fire prevention technology.

44 Wrigley's original proposal was \$1.00 for a full car and .50 for an empty one and Brydges had countered with \$2.00 and \$1.00.

argued, placed the mill at a disadvantage in competing for contracts. While he acknowledged that the major culprit in the high price of flour was production costs in general, tolls were not an insignificant factor.⁴⁵ Brydges was equally unyielding. His stated duty was to the bridge shareholders and, in justice to their interests, he could not consent to a reduction in tolls. He suggested, instead, that the Company devote a portion of its annual dividend from the Bridge Company to meet the charges.⁴⁶

Wrigley's failure to obtain toll concessions was compensated by victories in other areas of the trade. Claiming total profits of L83,667 for Outfit 84 in fur and general trade, and in hopes that Manitoba's economy had finally bottomed out, the Board loosened its purse strings.⁴⁷ A new brick store was authorized at Rat Portage

45 This was supported in a report comparing the Fort Garry mill to Ogilvie's. In examining the question of shipping charges the author, James Anderson, concluded that for every \$110.37 spent by Ogilvie the Company had to pay \$119.78, the difference arising from additional expenses in hauling cars over the bridge and shipping costs from the mill. HBCA, D.13/8, fo. 289d, Memo from James Anderson, September 1887. When presented with the facts the CPR argued that this was to cover the cost of the siding and extra shunting and declined to reduce the surcharge.

46 HBCA, D.48, folder 37, Brydges to Armit, March 24, 1887.

47 HBCA, Report, June 29, 1886, p. 5. A major flaw in the Company's accounting system was the combination of general and fur trade accounts, making it virtually impossible to determine their individual status. Complaints were raised annually by shareholders but to no avail, the Board insisting that the accounts were amalgamated in accordance with a stipulation of the Deed Poll of 1871

to replace one destroyed by fire. The ailing Portage la Prairie shop was to be relocated to a more central site, separate premises were purchased in Winnipeg to house its liquor sales in compliance with recently passed liquor legislation, and a new store constructed at Fort Macleod. This last would serve a large ranching community as well as nearby Indian reserves while at the same time enhance the Company's chances of securing local contracts. As well, Wrigley was considering extending the Company's trade in southern Manitoba where the best quality of wheat was being produced by a rapidly expanding "good class of settlers".⁴⁸ A foothold had been gained at Morden and Manitou and new sales shops were proposed for La Riviere, a divisional point on the CPR, and Deloraine, the terminus of the Southwestern railway.⁴⁹ In September, 1886 the Company and the CPR announced that they would jointly put their new town site at Fort William on the market and shortly after, new stores were opened at Battle River, Alberta, Shoal Lake and

whereby the Commissioned Officers were entitled to share equally in the profits of both divisions. In addition, it was considered unwise to do anything that would give the competition any further knowledge of their retail business. HBCA, Proceedings, June 26, 1883, p. 15-17.

48 HBCA, D.13/8, fo.191d, Wrigley to Armit, April 4, 1887.

49 Several of these salesshops, such as the one at Manitou, started out in rented premises and, when the business had proven itself, a more permanent arrangement was made through the purchase of land or buildings.

Boissevain.50

In October, a theft at the Portage la Prairie sales shop altered the way in which stores would be managed in the future. Despite the fact that care was taken in selecting men to take charge of the small sales shops, it was acknowledged that they were quite unlike the officers of former times and that the conditions under which they served were different. With the expanding cash trade in settled areas, these men handled considerable sums of money and, although there was no suspicion of embezzlement in this particular case, Wrigley proposed that it would be wise in future to require security from such Company servants. He hesitated asking existing clerks to pay premiums as the resultant reduction in salaries would only breed resentment. As an alternative, he suggested that all new appointments be made on the understanding that the incumbent was responsible for the fee.⁵¹ Other changes were approved and managers were advised that means for alarm and self defence were to be provided. An appointed person was to sleep on the ground floor and windows and doors were to be secured. Where applicable, an account was to be opened at the local bank. Otherwise, sums larger than \$100 were to be forwarded to the

50 The Commercial, November 30, 1886, January 18, 1887 and June 27, 1887.

51 The need for bonded clerks became even more apparent when Mr. Macrae, the clerk at West Lynne, fled to the United States with \$500 of the Company's money followed shortly thereafter by a Fort Garry Mill employee.

Department Office at the first opportunity.⁵²

Wrigley's major report, which was presented to the Board in the autumn of 1888, dealt at length with the Company's retail operations as well as its fur and wholesale trade. In speaking of sales shops in general, Wrigley noted that relatively few existed where mercantile business was not combined with fur trading. In meeting the competition, the Company had the advantage of its capital reserves and prestige. But in both cities and small towns where its sales shops housed dry goods, groceries and other departments it was forced to compete with shopkeepers who specialized in only one area to which they were free to devote all their experience, energy and capital in providing a much wider selection to attract customers.⁵³ Attempts had been made to address this dilemma by keeping small quantities of a wide variety of goods on hand and relying on the telegraph, mail and railway to replenish depleted stock. Slow moving stock was no longer allowed to lie and depreciate as it had in the past. Now it was sold off at clearance prices or transferred to another location and every effort was made to turn over capital as quickly as

52 HBCA, D.14/11, fo.112., Circular, n.d., Precautions to be adopted in all Sales Shops and at Posts in which cash is received.

53 Rostecki notes that the adoption of specialty shops from eastern centres, which occurred during the boom, marked the shift towards a more genteel urbanism. Rostecki, op. cit., p. 93.

possible.

The ease with which credit could be secured from competitors was another major problem and, in agricultural areas in which most of the sales shops were located, it was difficult to secure cash payments until after the harvest. Despite this, great care was being taken on the part of the Company in extending credit as current laws rendered collection of debts by the legal process very difficult. There were no general bankruptcy laws in the Dominion and allowances of property exempt from seizure in Manitoba and the North West Territories were generous. Often property was held in the wife's name and could not be used to cover the husband's debts. Salaries of government employees could not be garnisheed and few had capital reserves. The sentiment still existed that the Company was rich and if it incurred debt no one in particular suffered, which rarely resulted in a favourable verdict from a jury. Consequently, the Company was often forced to rely on the honesty of its customers for payment.

At that time, most of the Company's sales shops were located in areas where the population was likely to remain small for the foreseeable future. This raised the question whether more money could be made in larger cities and more established towns as opposed to places whose prospects were, as yet, uncertain. In small businesses such as these, profits were often eaten up by fixed expenses that would not

proportionately increase with a larger sales volume. Other sales shops, such as the one at Portage la Prairie, were poorly situated within the community with the result that business was lost although the population was considerable and trade opportunities substantial.

Another area of concern was that most Commissioned Officers and senior clerks had abilities and experience more suited to the fur trade. Due to altered circumstances it was no longer sufficient for an officer in charge of a Department to be skilled in the art of fur trade, he must also be well acquainted with the mercantile business, a good accountant and a skilled buyer in almost every market. It was probable that no one would completely satisfy all these requirements but, at present, officers were operating at a disadvantage in not having expertise in dry goods and groceries, where they were called upon to make extensive purchases. Few, in Wrigley's estimation, were capable of learning the principles of modern trade. In many cases, sales shop expenses were driven up by observing the traditional custom of having large staff at Company posts and by the general unwillingness on the part of the officers to recognize that circumstances had changed.⁵⁴ Their refusal to acknowledge that a retail trader must be a

⁵⁴ The feeling of many of the officers towards the sales shops was summed up by D. McKay who described them as "curiously transplanting to the prairie the dingy gentility of the drapery establishment of English provincial towns". D. McKay, op. cit., p. 304.

servant of the public rather than a master of the trade did little to attract customers and was reflected in a lack of order and arrangement which was characteristic throughout the shops. Shopkeepers who weren't Commissioned Officers received a salary which remained independent of the margin of profit or loss. Therefore, as an incentive, Wrigley suggested that better results could be obtained if they could combine a share of the profits with a small guaranteed minimum salary.

He turned his attention next to the buying of stock. Even when the Company enjoyed a monopoly, selection was important and this was even more true in the face of competition. It was becoming increasingly obvious that goods demanded by English markets were not necessarily suitable for the Colonial trade. To dispose of slow moving items in a city such as London it was simply necessary to lower the price but in a small market such as western Canada with a critical public and stiff competition, even ruinous price reductions had no effect. Improvements had recently been made in buying arrangements for the Northern Department whereby everything except English goods was bought by the Depot by competent buyers who visited the markets personally. The dry goods buyer also visited England to base his selection on his knowledge of local needs. Recent district officers' reports testified to the improved selection of depot goods and the system of distribution.

The Western Department found itself at a distinct disadvantage however. Although its Department heads were competent, they were prevented by cost from visiting Canadian and American sources and the Company suffered as a result. Because the Company bought in bulk and paid cash promptly for all its purchases, Wrigley felt it should be entitled to obtain supplies on most favourable terms. At present such benefits were not forthcoming as purchases were made in a variety of places by different buyers and in smaller quantities than would be necessary under other arrangements. Staple goods were best bought by tender but fancy goods had to be selected by someone conversant with the particular market for which the purchases were made. In this vein, Wrigley submitted the following proposals. All groceries should be purchased by officers in charge of the Winnipeg, Victoria and Montreal Depots. In the area of dry goods one trustworthy and competent buyer should be appointed who knew the market thoroughly, was acquainted with the Company's requirements, and who would spend sufficient time in the three Depots to gain a thorough knowlege of their needs. In addition, this buyer would visit England several times a year to give recommendations regarding the selection of goods. Mr. Hendry, Adams' assistant, was recommended as a likely candidate. Thirdly, Wrigley recommended that the Company should make every effort to buy directly from the manufacturer and avoid

middlemen. This, he argued, should be feasible if cash was paid promptly. In districts where year round communication existed, Wrigley proposed that annual English indents be abolished in favour of orders from the nearest Depot which carried the same stock. It would then be the Depot's duty to prepare itself to meet the Districts' demands. This would reduce the stock on hand at the posts and render a better assortment available. The resultant savings would outweigh the small increase in capital investment at the Depots. Again, cheaper rates could be obtained by buying in carload lots but in some cases the Company would lose the advantage of through rates as goods would no longer go straight through to the post.

Current marketing trends indicated a steady demand for cheap goods and flashy novelties which sales shop managers were anxious to obtain but as the Company traded largely on its prestige, great care was needed in yielding to this pressure. The best compromise, Wrigley concluded, was to stock cheap classes of goods but that every customer, whether settler or Indian, be informed of their character so that no article of deceptive appearance might be mistaken for the genuine article. He concluded that no matter how wisely goods were purchased it would be of little avail if care wasn't taken in framing the original requisition and only goods suitable to local markets were requested. Negligence in this area had been rampant in past years with

indents often merely repeated from one year to the next with no consideration given to change in local conditions. In future, considerable improvements would be observed with goods giving the highest profit, providing they were saleable, having preference.⁵⁵

In assessing individual sales shops (see Table V-II), Wrigley touched first on Victoria whose profits had plummeted from \$4431 the previous year to \$54.56 Prior to Wrigley's arrival, business had been conducted in an unsatisfactory manner in both the fur and mercantile trade and, in response, considerable changes had been undertaken under the leadership of the new Assistant Commissioner, T.R. Smith. The major portion of the trade was as a wholesale supplier to shopkeepers and traders throughout the province. This was based on credit with cash sales accounting for only 10% of the business. Retail trade had been allowed to pass into the hands of competitors and it would now be difficult and expensive to regain. Neither the building nor the location was suitable for a retail outlet and both time and new premises on a principal street would be required before much hold could be reestablished. The completion of the railway had stimulated population growth but the district was overrun with competition as many of the settlers were

55 Wrigley, op. cit., p. 169-176.

56 For a detailed description of the Company's operations at Victoria, see The Commercial, August 27, 1888.

TABLE V-II
 NET TRADING PROFIT/LOSS
 HUDSON'S BAY COMPANY SALES SHOPS

LOCATION	OUTFIT 85	OUTFIT 86
Calgary	\$6,750	\$6,547
Fort Macleod	N/A	- 2,736
Keewatin	N/A	- 347
Manitou	1,587	- 567
Morden	- 844	- 2,027
Portage la Prairie	- 3,779	4,731
Rat Portage	664	- 3,850
Sudbury	N/A	- 497
Vancouver	N/A	N/A
Victoria	4,431	54
West Lynne	-10,953	- 441
Winnipeg	-16,728	-21,182

SOURCE: Joseph Wrigley, Report, p. 11, 14-15, 31, 54-60, 66, 74, 121, 138.

TABLE V-III
 NET TRADING LOSS
 HUDSON'S BAY COMPANY MILLS

LOCATION	OUTFIT 85	OUTFIT 86
Edmonton	\$2,095	\$ N/A
Fort Garry	1,911	15,499
Prince Albert	3,133	2,878
Riding Mountain	3,613	1,602
West Lynne	3,273	2,502

SOURCE: Joseph Wrigley, Report, p. 12-13.

also small shopkeepers. Without the realization of rumoured large mineral deposits, Wrigley feared that the Province would be unable to support further population growth as the lumbering and fishing industries could not absorb many more.

In reviewing the list of outstanding balances, he noted that sizeable amounts had been extended to companies of dubious repute. Although large amounts of capital had been invested in the sales shop, it had not been turned over the acceptable minimum of twice per year, despite the sales shop's proximity to the depot and the large wholesale business, and if business increased, even more capital would be required. Competition, coupled with the fact that the Company dealt mainly in staple goods on which a high rate of profit was difficult to achieve, kept profits low. In the Western Department the competition's retail stores were often attached to businesses that employed relatively large concentrations of labour which had an adverse effect on independent traders. As a result there was a strong demand for the Company to enter into salmon fishing and canning operations as well as sawmills. Although this would place added demands on operating capital and they would be forced to compete with already established businesses, Wrigley could see no reason why, with care and as population increased, a satisfactory return on investment could not be obtained. The main question was whether the wholesale business should continue to monopolize the capital allotted

to the Department or if an effort should be made to use a portion of it more profitably in the retail business.

The Vancouver trade, on the other hand, was prospering, recording sales of \$48,044 for the first half of Outfit 88 as opposed to \$16,466 for the same period the previous year which had been its first year of operation. Having been selected as the terminus of the CPR Wrigley concluded that it would likely become the capital of the province. Profits from the Calgary store remained steady at around \$6,650 with an average turnover of three times a year. It was an ideal location on the telegraph and rail line which meant that supplies could be ordered frequently in small amounts which tied up less capital.⁵⁷ In comparison, the Saskatchewan District, which showed a total loss of \$13,678, had been adversely affected by a series of poor harvests. Without any major urban centres in the district, the Company found itself trying to carry on operations in an area of small scattered settlements with sufficient population to banish furbearers but insufficient to enable the Company to sustain a remunerative commercial business. The inevitable outcome was attested to by individual accounts for Prince Albert, Battleford, Fort Pitt, Fort Qu'Appelle and Fort Ellice which had fallen far short of expectations.

The Red River District had suffered an even worse fate with profits plummeting from \$30,123 to a loss of \$10,337 in

57 Ibid. p. 31.

Outfit 86. It was an area of primarily mercantile business with all but one post suffering from active competition. At present W. H. Adams oversaw the entire District including the Winnipeg Sales Shop and Northern Department Depot as well as handling all the buying for the Northern Department. This was far too much responsibility for one man and new arrangements were being considered. As a temporary measure, purely fur trade posts were amalgamated into a sub district. The remainder of the District would be confined to general business which, because of the persisting depression, was not expected to increase until it could be supported by a larger population. Curiously, little was mentioned with respect to Indian and North West Mounted Police contracts. Wrigley noted that although profits were decreasing yearly, they had a beneficial spin-off effect on other district's accounts through charges for freight and handling.

The Board's response reached Wrigley in December, 1888. Although the emphasis was on reducing expenditures in the fur trade, they stated that a specified limit would be set above which stock on hand and outstanding balances at sales shops could not be exceeded without the Board's authorization. Factor W. H. Adams would be relieved of some of his duties and a shopkeeper from England would be hired. In return, Adams was to be appointed Sales Shop inspector and an immediate inspection taken.

The most unprofitable departments in the Winnipeg sales

shop were to be closed and Adams was to be consulted regarding the closing of one floor of the Winnipeg store or otherwise concentrating business and reducing staff. More frequent indents would enable the Trade Commissioner to assess the requirements of the trade more accurately and stock could be kept under better control. The appointment of Mr. Hendry was approved as the Dry Goods buyer. However, to reduce expenses incurred by lengthy visits to England twice a year, the Board authorized Mr. Godfrey Parker, Superintendent of the Company's Packing Department, to visit Winnipeg and Victoria to determine the requirements of the respective Depots. A list of the shopkeepers employed in each department was to be forwarded to the Board in order that they could be bonded. The Board agreed to assume the cost of those already employed and newcomers would be hired on the condition that they were responsible for the guarantee premium.

Addressing the situation in the Western Department, the Board concluded that regaining its former hold on the retail trade would involve considerable outlay which prospects did not appear to warrant. They concluded, therefore, that the best route to follow was the general rule of cost reduction wherever possible.

After studying Wrigley's report on the Fort Garry mill, ongoing competition from Ogilvie and unavoidable maintenance expenses, the Board gladly agreed to consider any proposal

to dispose of all of the Company's mills (see Table V-III). There appeared to be some prospect that a buyer could be found. While in New York, on his return home from England, Wrigley learned that three partners from Ogilvie were starting a new milling operation. William Clark was cabled to make discreet enquiries but hopes were dashed when it was discovered that several towns had offered the group heavy bonuses and tax remissions to locate within their boundaries.⁵⁸

Before accepting the Inspectorship Adams prepared a report on the Winnipeg Sales Shop which was forwarded to the Board.⁵⁹ He felt that the sales shop itself was an attraction and if its general appearance was altered business would suffer. At present a considerable portion of the store was used by the Depot and part of one floor was already closed off. He cautioned that the store must not appear scantily stocked and, in this regard, shelves now only contained a front row of goods with nothing behind. A reduction of salaries totaling \$3500 was being effected but any more would injure trade as there were often more customers in the store than could be served by staff. Smaller and more frequent indents would be made but any definite arrangements would await Parker's arrival.

⁵⁸ HBCA, D. 13/8, fo. 525d, Wrigley to Armit, January 28, 1889.

⁵⁹ HBCA, D.13/8, fos. 500d - 501d, Wrigley to Armit, January 7, 1889.

As the new buying season approached, the Board urged further cost cuts. A 4 per cent profit on Indian and police contracts was considered inadequate since this did not include store or Department expenses and they ordered that tenders only be submitted if an adequate remuneration could be realized. Newspaper advertising expenses in both the Land and Fur Trade Departments were considered excessive and Wrigley was cautioned that a more moderate amount should suffice.

The major focus of their wrath, however, fell on the Saskatchewan District and, more particularly, the apparent mismanagement of Lawrence Clarke. Although Wrigley defended his friend, insisting he was still the best person to put the District into a proper state, he would bow to their wishes if they ordered Clarke removed.⁶⁰

By May, 1889 T. R. Smith's inspection report of the Winnipeg Sales Shop was completed and it contained few surprises. The most important point was the large volume of surplus stock on which clearance sales had had little effect. The Board accepted Parker's and Adams' recommendations that laces, silks and grenadine be shipped to Toronto and Montreal to be sold in lots by tender. The remainder would be moved to a temporary location in the city centre and sold off after the harvest when best prices could

⁶⁰ In the end, Wrigley was spared having to ask for Clarke's resignation as he died suddenly in October, 1890.

be obtained. Although the loss would be great, \$20,000 being projected, almost all could be disposed of except boots and shoes which would be auctioned off in Montreal. The goods would thus be removed from the Sales shop inventory and the loss spread out over the subsequent three outfits. In this manner they would not interfere with the regular business which could then be more easily determined. Wrigley was instructed to give the Winnipeg sales shop his daily personal attention and to exercise control in its management as well as that of the other main sales shops.

Wrigley had anticipated their demands for tighter control. In future, each sales shop would submit monthly statements outlining capital expenditures, stock on hand and outstanding balances.⁶¹ The new system of inspection would prevent future accumulations of stock and he was visiting as many of the posts as possible but "The amount of necessary work, however, which confines me to my office from nine til nearly seven is so great that I cannot go out of doors as much as I should like".⁶²

While there was agreement in what had to be done, it was not so easy to tranlate ideas into action, as many of the Commissioned Officers continued to find it difficult to

⁶¹ The adoption of more formal procedures was also reflected in an undated list of rules governing the Winnipeg Sales Shop prepared by T. R. Smith. HBCA, A.10/117, fo. 405, n.d.

⁶² HBCA, D.13/8, fo. 679d, Wrigley to Armit, August 12, 1889.

adapt to a new way of doing business. Although the Saskatchewan District was the worst offender, it was symptomatic of the entire system of operations. Lawrence Clarke, whose future was in jeopardy, was told repeatedly to reduce stock on hand in his district sales shops. Debts and Indian gratuities were too high as were his prices, all of which were to be reduced at once. Stock was often unsuited to the trade in some cases and more attention was needed in the art of window dressing. Limits were not to be exceeded and the benefits of advertising were queried. Store managers were to be discouraged from purchasing goods from travellers no matter how attractive their goods. They were instructed to buy from the Depot, which had the advantage in buying in bulk and could be visited in May and December when travellers' samples were shown.⁶³

To further complicate matters, W. H. Adams had returned to England for three months rest on the advice of his doctor and had asked to be relieved of his inspectorship. As a result, Wrigley was left short staffed in a crucial area just a week before he was to be informed of his own dismissal. Without Adams, there was no one to oversee the sales at the temporary store which, consequently, were held at the sales shop instead. The problem was alleviated somewhat by the appointment of Mr. Parker as head of the

⁶³ HBCA, D.14/12, fos. 828-829d, Wrigley to E. Gigot, Fort Macleod, July 30, 1889 and D.14/13, fo. 168, Wrigley to G. S. Davidson, Prince Albert, November 21, 1890.

Depot and Chief Buyer for both the Depot and the Sales Shop under orders from the Trade Commissioner and Hendry was transferred to the Western Department as an assistant to T. R. Smith.⁶⁴

Expansion was needed in other areas. Sudbury was a thriving town and a new store was recommended as well as one for Calgary where the present wooden building was inferior to the surrounding stone ones and the Company was losing trade for the lack of suitable premises. The arrival of the railway in Edmonton promised increased business and, in the face of a corresponding increase in overdue accounts, Harrison Young was requested to set up a plan whereby it would be impossible for anyone to obtain credit at both Company locations at the fort and in the townsite.⁶⁵ The Vancouver area was also booming. There had been substantial construction in the west end of the city and trade appeared to be recovering from the depression. It was agreed that the Company needed a good store, well stocked and smartly fitted where everything required within reason could be purchased. Half measures could not be used and it must be done in such a way that denoted belief in the city's prospects with a reasonable disregard for cost. Millinery.

⁶⁴ HBCA, D.13/9, fo. 62, Wrigley to Armit, December 30, 1889. Hendry's buying was considered satisfactory for the Depot but his taste did not suit the sales shop.

⁶⁵ The townsite shop was built in 1884 and was considered the finest store west of Winnipeg at the time. It was replaced by a two storey stone structure in 1891.

carpet and dressmaking departments were to be added to the existing Granville Street outlet⁶⁶ to attract more customers and in plans for the new three storey store, a central elevator similar to one seen in Seattle was included. Travelling overhead cash railways were added which Wrigley hoped would be both useful and economical. Both T. R. Smith and Robson agreed that it would be wise to limit trade to cash as much as possible conducting the business along the lines of the London Co-operative Stores.

Other areas were not so lucky. The extension of the Northern Pacific Railway, instead of benefitting the town of West Lynne as hoped, had diverted trade to St. Jean Baptiste and Letellier. Finally, in May 1890 Wrigley authorized Adams to close the store.

It was at this time that the offer of sale from I. G. Baker was revived. The new offer included its businesses at Fort Macleod, Lethbridge and Calgary which were no longer considered remunerative because they had kept larger stock, taken more risks and held mortgages and other securities in which the Company did not deal. If the Company did not buy them out, they warned, a joint stock company would be formed which could offer strong competition for contracts but Smith again declined to buy.⁶⁷ Undaunted, Conrad put forth a

⁶⁶ The Company had opened a large warehouse in the Crewe Block on Granville in 1887 but continued to maintain the old Cordova Street store.

⁶⁷ HBCA, D.13/9, fos. 84-85, Memo for the Governor, n.d.

second proposal asking \$200,000 for their stock and real estate in return for the right to retain its cattle business. Included in this was \$60,000 in customer credit which would reduce the purchase price by that amount when the debts were realized.⁶⁸

Upon consideration of a report on Baker's operations, prepared by Adams and Beeston, the Company offered \$44,000 paid over a period of six months after delivery. Saleable goods would be purchased at a reduction of 20 per cent on cost landed and the remainder at a mutually agreed upon price. Customer credit was to be turned over to the Company as part of the purchase price but all outstanding balances were to be collected by Baker & Son on the understanding that they not take legal action against any of these customers for a specified time without the Company's sanction. Baker would also agree to trade at Company stores and withdraw from all but beef contracts. The deal was successfully concluded with Wrigley negotiating a final reduction of 25% on cost landed for saleable goods with the remainder taken at valuation.

On the whole, he felt the deal was advantageous for the Company but the ultimate success of its investment would be dependent on the general prosperity of the country and the management of the business. In this regard, Wrigley

⁶⁸ HBCA, D.19/17, fo. 141, Conrad to Smith, May 1, 1890.

proposed making little or no staff changes to ensure that it was disturbed as little as possible.⁶⁹

The papers were no sooner signed when Conrad sought to buy back property in Calgary and Lethbridge, at 10% above purchase price, in order to open butcher shops, which the Company approved. The final transfer was set for the end of March, 1891 but, when he heard that Baker was selling its stock at cost, Wrigley ordered that the transfer proceed immediately.⁷⁰ By March 9, the Calgary stock and fixtures had been taken over for \$25,523 and valuations at Fort Macleod were complete.⁷¹ A week later Wrigley was able to report that cash sales amounting to \$805 and credit sales of \$838 had been completed in what was considered the dullest season of the year. At this rate, he hoped that by the end of the month enough would have been taken in to cover the cost of the first installment.

This would be Wrigley's final accomplishment as Trade Commissioner. During his seven year tenure, the Company's commercial ambitions had fallen far short of expectations. Despite costly upgrading and investment in the Winnipeg branch line, its mills could no longer compete with the numerous small independent mills that were springing up

69 HBCA, D.13/9, fos. 210-212, Wrigley to Armit, January 12, 1891.

70 Ibid., fo 240, Wrigley to Armit, February 2, 1891.

71 Ibid., fo 291, Wrigley to Armit, March 9, 1891.

across the prairies. Three of its five mills had been destroyed by fire and the remainder were to be sold in the unlikely event a buyer could be found. Hopes for an aggressive retail expansion policy to meet the needs of a population boom had also been dashed. Instead of enjoying the freedom of operating within the parameters of a prosperous economy, Wrigley was forced to contend on all fronts with the after effects of the collapse of the boom and disruptions arising from the North-West Rebellion. As a result, his tenure was marked less by growth than an attempt to hold the line in the face of a depressed economy, recalcitrant Commissioned Officers, profit conscious shareholders and an unenterprising Board resistant to change. While he could express some satisfaction at the reorganization of the Company's buying and supply operations, improvements in sales shop management and small scale expansion into prairie towns, these were, for the most part, reactions to crisis conditions rather than part of a long term marketing strategy.

CHAPTER VI

CONCLUSION

Wrigley sailed for England on May 12, 1891, a broken man. The day before his departure he had been honoured at a reception at Government House where, in response to the formal address, he expressed confidence that his health would be restored after a change and rest.¹ Arrangements had been made for a reluctant William Clark of the Winnipeg Office to take control of the business until Commissioner Chipman's arrival for, as Clark confided to MacFarlane, he had "not felt right for a long time and now I am much worse. I can't sleep & am getting a tired sort of way that I have no pleasure in life outside of my own house. I must get

¹ Winnipeg Tribune, May 14, 1891. A dinner party at the Manitoba Club was also planned but Wrigley was forced to decline because of his health. Winnipeg Free Press, May 5, 1891. Little is known of Wrigley's personal life after his departure. The only personal papers of Wrigley's in Canadian repositories for this period are those in the Roderick MacFarlane Collection with whom he corresponded sporadically for two more decades. He seldom saw any Company men with the exception of Lord Strathcona from time to time and brief visits from William Clark and his family. The only official news he received came from annual reports and meetings he attended as a shareholder. (PAC, MacFarlane Papers, MG29 D9, Wrigley to MacFarlane, July 1, 1902). He was under a doctor's care for much of the time and admitted that "since my return from Canada I have not been allowed to take up any definite or public work". (Ibid., April 6, 1908). He died February 20, 1926, at age 87, at his London home at Kensington Park Gardens and was buried in Kensal Green Cemetery (The Times, February 22, 1926). He was survived by one son, Rev. Harry Joseph Wrigley, and five daughters who shared their father's personal estate of L31,915. (Will of Joseph Wrigley, Probated April 17, 1926).

away soon or I will ruin my health forever. This new Commissioner business is a most foolish action of the Board at least we all think so. It is an insult to us all . . ."2

With the appointment of Wrigley's successor, the Company embarked on the final phase of its transition from a monopolistic fur trade partnership to a diversified modern corporation. The path had not been an easy one. In the absence of past experience on which to draw, changes could only be made by trial and error. Retention of its former monopoly would have afforded a welcome cushion, but its surrender had been the price paid for the opportunity to diversify into land and general trade. This factor alone would not have been critical if the North-West had remained relatively isolated during the transition phase. In acquiring the Company's chartered rights in Rupert's Land, however, the Canadian Government set in place the cornerstone of its National Policy. Once this was accomplished, the territory had to be secured and this could only be done by the construction of a transcontinental system of transportation. If it brought settlers to the west to buy the land and support commercial ventures, it also brought competition, ranging from small independent traders to branch outlets of established eastern firms. Thus the Company was forced to contend on one hand with the loss

2 PAC, MacFarlane Papers, MG29 D9, fo. 1419, Clark to MacFarlane, May 29, 1891.

of its monopoly at the same time that major decisions had to be made on which direction its interests in fur, land and retail trade should take. Each of the three had its proponents, the most vocal of these being the Company's shareholders steeped in the British tradition of property but whose expectations were totally at variance with the realities of an undeveloped western Canadian hinterland. There was little time to reflect and weigh the consequences however for, once an opportunity was lost to more aggressive entrepreneurs, it could rarely be regained.

The dominant theme of the post-1870 period in the Company's history was the formation of a more centralized administrative structure and, under Wrigley's direction, this program was accelerated. His first act was to establish a uniform system of inspection which would provide the Trade Commissioner with a basis on which to make recommendations for change. To complement this, annual reports from the various districts were revived, in an attempt to bring autonomous Departments under the authority of the Trade Commissioner. This was not accomplished easily as Department Heads fought, often successfully, to maintain their power but a realignment of the North American corporate structure was essential to the Company's plan and slowly but surely definite progress was made.

In the past, the primary source of information available to the Board had been the year end accounting

which was based on an inventory of assets and the results of shipments made to England. Accounting procedures at the Department level were primitive and consequently there were no means of preparing an accurate Profit and Loss statement or of making a detailed comparison between Outfits. Towards this end, Wrigley introduced an improved system of accounting and promoted a new system of evaluating furs that, for the first time, enabled the Company to determine the actual rather than apparent value of individual posts and districts. Central depots were established to provide a steady supply of uniformly priced goods at competitive prices while at the same time maintaining the quality upon which much of the Company's reputation depended. In conjunction with this, Wrigley established a more efficient supply system which expanded traditional methods of transportation, such as steamers, into the Mackenzie and Skeena River systems and capitalized on modern railway technology. At the same time Wrigley's success in persuading the Board to adopt a more flexible tariff system that could be updated periodically in response to market fluctuations finally brought the Canadian hinterland in closer contact with international markets. This reflected improved systems of communications which finally dispelled the isolation that had allowed many of the Commissioned Officers to work in a semi-autonomous manner.

The Company's efforts to consolidate control would not

be without casualties, however. Its Commissioned Officers had traditionally enjoyed positions of power and prestige within the Company and the community at large and, as profit-sharing partners, they were a vital element in the trading operations. In the past, the officers had successfully used the threat of transferring their allegiance to gain financial concessions, most notably through the formation of the Fur Trade Party in 1879. Declining profits from the fur trade, uncertainty regarding the security of the annual guarantee and recent alterations made by the Board to their supply tariffs fueled concerns for their future which were represented in demands for a pension. The Board's attempt to discredit their claims, through the dismissal of their self-appointed spokesman Roderick MacFarlane, met with defeat, as Wrigley had warned, but in the end they turned it to advantage. While MacFarlane's reinstatement and the inauguration of a pension plan appeared, at first, to be a major victory on the part of the Commissioned Officers, it gave the Board a legitimate excuse to rid itself of senior officers who had the most claims. Lists of retirees were prepared by the Trade Commissioner and the Board and those designated were expected to submit their application voluntarily or suffer enforced retirement. In accordance with the terms of the Deed Poll, pensions were strictly at the pleasure of the Governor and Committee and a restriction clause ensured that

recipients would not go into opposition, effectively destroying the leverage they had wielded so successfully in the past.

But the major blow in extinguishing the Commissioned Officers collective power occurred at the 1887 Council when it was announced that henceforth no new commissions would be granted to persons who had entered the service after 1870. After that, it was simply a matter of time before the Company would become a completely salaried system.

Having accomplished this, the way was now open for the introduction of new men with commercial experience. Despite Wrigley's concerns that the Commissioned Officers be treated with consideration, their inability to adapt was a recurring theme in his annual reports as he struggled to keep the Company's mills and sales shops viable in the face of a depressed economy. In contrast to the Company's fur trade and transportation operations, there were relatively few innovations made in the area of general trade. Costly expansion was curtailed in favour of upgrading older establishments, placing others on a more permanent footing and, in a final admission of defeat, phasing out its milling operations. In his General Report of 1888, Wrigley had questioned whether it would be wiser to concentrate their retail efforts in urban and more settled rural areas instead of spreading itself thinly across the sparsely settled

prairies.³ In committing itself to a retail trade sector, the Company faced the challenge of trying to be all things to all people, from urban upper classes to northern natives. At the same time it was forced to compete with specialty shops and aggressive independent traders for increasingly scarce dollars. On the rare occasion when a major competitor, such as I. G. Baker and Son, was bought out, any advantage gained was short lived as profits from government contracts became increasingly less remunerative and other competitors stepped in. What held many of its customers was its reputation for quality which it could not afford to compromise, despite strict orders from the Board to economize, but which failed to attract working class cash trade. A particular example of this dilemma was the Winnipeg Sales Shop which had to contend with large stocks of unsaleable luxury items, a poor location, the legacy of an unrestricted credit policy during the boom and a population insufficient to support a major department store of its size. Despite these obstacles, however, Wrigley was successful in introducing more formal procedures for the operation of the Company's sales shops, including the bonding of clerks, and improvements in accounting procedures and the purchase and supply of goods.

With Wrigley's dismissal in 1891 the Company turned

³ This step would not be taken for almost a century with the sale of the Hudson's Bay Company's Northern Stores Department in 1987.

away from the two-tiered system of middle management which it had introduced in 1874. After one year as Trade Commissioner, C. C. Chipman was appointed to the joint post of Commissioner and Land Commissioner, head of the entire Canadian operations.

A constant factor in the Company's post-1870 personnel changes was Donald A. Smith. It is unfortunate that there has been no major study of the man since Beckles Willson's hagiographic study was published in 1915, a year after Smith's death. It is evident from primary sources that he was respected by many of the Commissioned Officers for his long years in the service and his investment talents and they used his influence within the Company and public circles to represent their demands to the Governor and Committee on several occasions. What is also known about Smith was that he was difficult to work with, resented the ideas of his colleagues and was "a great hater".⁴ Frequent clashes with Grahame and the latter's appointment to the position of Chief Commissioner to replace Smith earned him Smith's ill-will and it was Smith's insistence on an enquiry into alleged wrongdoings in the Land Department that resulted in Grahame's dismissal. Charles Brydges, Smith's successor in the Land Department, was no more fortunate and after constant harassment by Smith, died of a heart attack

⁴ Dictionary of National Biography, Vol XVII, London, 1909, p. 243.

before he could be hounded from office.

Wrigley's relationship with Smith followed a somewhat similar course. He was never considered "Smith's man" as Chipman would be.⁵ Unlike Brydges and Chipman, he did not have well-placed contacts in the Canadian government or the Company, or within the ranks of the Commissioned Officers as Grahame had. This was not a major factor during Wrigley's early years when Smith, as senior member of the Canadian Sub-Committee, was focussing his attention on Brydges and the Land Department and Wrigley's credentials had been firmly established by his role in the suppression of the North-West Rebellion. But when it became obvious that Wrigley could not translate the dreams of shareholders and management into reality, he had nowhere to turn for support. What had protected him was that the Governor and Committee had no real perception of how the Company was actually doing other than by annual reports. While the Sub-Committee kept close watch on the operations of the Land Department, it did little more than approve indents for the Fur Trade Department and its relations with Wrigley appeared quite cordial. In presenting his report on the Company's trading operations to the Governor and Committee in 1888, however, Wrigley sealed his own fate. His innovations in inspection systems, indenting and accounting procedures resulted in the

⁵ Inkyo, Reflections of Inkyo on the Great Company, London, 1927, p. 498.

most accurate picture the Company had ever been presented and it was a bleak one. Although the Board placed the bulk of the blame on Wrigley's inability to put the Company's trade operations on a more profitable basis, the Canadian Sub-Committee would also have been a natural target, given its mandate to "supervise the affairs of the Company in North America".⁶ As the senior member of the two man Committee Smith would naturally be called to account. Luck and timing were on Smith's side however. The same month that Wrigley presented his report to the Board, Smith, the largest individual shareholder, was nominated to succeed Deputy Governor John Rose who had died unexpectedly the previous August. Within three months Smith became Governor, upon the retirement of Eden Colvile, and he immediately set out to put his personal stamp upon the Company's management. Land Commissioner Brydges was the first casualty. Overdrafts, the Skeena steamer controversy and staffing problems in the Montreal Department provided sufficient ammunition for Governor Smith to demand Wrigley's resignation the following year. In April, 1891 the Company's Secretary, William Armit, resigned after 31 years of service under seven Governors, citing ill health.⁷ This was followed

⁶ HBCA, A.6/55, fos. 302-306, Armit to Brydges and Grahame, May 5, 1884.

⁷ HBCA, A.10/131, fo. 338, Armit to the Governor and Committee, April 6, 1891 and A.10/82A, fo. 114, Armit to Donald A. Smith, October 31, 1891.

shortly thereafter by Factor Lawson's application to retire as Land Agent in order to accept a position as manager of a general mercantile business in Victoria.⁸ The Western Department was further depleted that year by the retirement of Chief Factor Alex Munro, who had acted as spokesman for the Commissioned Officers in their demands for a pension⁹, and Assistant Commissioner T. R. Smith.

With the complete restructuring of the Company's middle management, it was doubtless hoped that fresh insights could be applied to old problems. A more fundamental change in corporate policy was needed at the Board level, however, if the Company was to thrive. Although the selection of men from outside the Company's ranks to head its Canadian operations could be regarded as an attempt on the part of the Board to separate the policy setting responsibilities of ownership from that of its professional managers, who would henceforth be responsible for operational control, they failed to follow through.¹⁰ Throughout his term of office, Wrigley's attempts to revitalize the trade had been consistently hampered by a Board resistant to change and

⁸ HBCA, A.10/82A, fo. 82, Lawson to Donald A. Smith, July 20, 1891.

⁹ When Munro refused the position of Land Commissioner in 1889, Smith expressed his disappointment to Armit, noting "it is doubtless well that his [Munro's] resignation as on the 1st June ensuing should be accepted". HBCA, A.12/53, Smith to Armit, February 22, 1889.

¹⁰ H. Bowsfield (ed.), The Letters of Charles John Brydges, 1883 - 1889, p. xxi - xxii.

swayed by short term financial considerations. This, combined with an unrelenting economic depression, presented overwhelming odds against which the outcome was inevitable.

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A.1/153	do.	1885-1888
A.1/154	do.	1888-1892
A.1/182	Sub Committee Minutes	1882-1883
A.1/183	do.	1883-1884
A.1/184	do.	1884-1885
A.1/185	do.	1885-1886
A.1/186	do.	1886-1887
A.1/187	do.	1887-1889
A.1/188	do.	1889-1890
A.4/47	London Agenda Book	1881-1884
A.4/49	do.	1889-1891
A.5/52	London Correspondence Outwards - General	1883-1885
A.5/57	do.	1888-1889
A.5/59	do.	1890-1891
A.6/55	London Correspondence Book Outwards - H.B.C. Official	1883-1885
A.6/56	do.	1885-1886
A.6/57	do.	1886-1888
A.6/58	do.	1888-1890
A.6/59	do.	1890-1891
A.7/4	London Locked Private Letter Book	1863-1875
A.7/5	do.	1880-1921

A.10/82A	Donald A. Smith - Inward and Outward Correspondence	1889-1904
A.10/84	London Inward Correspondence General	Jul-Dec 1871
A.10/112	do.	May-Aug 1882
A.10/115	do.	Oct-Dec 1883
A.10/116	do.	Jan-Apr 1884
A.10/117	do.	May-Aug 1884
A.10/127	do.	Jan-Jun 1889
A.10/130	do.	Jul-Dec 1890
A.10/131	do.	Jan-Jun 1891
A.11/100	London Inward Correspondence from H.B.C. Posts - Winnipeg	1871-1873
A.12/31	London Inward Correspondence from Commissioners - Joseph Wrigley	Jan-May 1890
A.12/32	do.	Jun-Dec 1890
A.12/33	do.	1891
A.12/47	London Inward Correspondence from Commissioners - James A. Grahame	1879
A.12/53	London Inward Correspondence from Donald A. Smith and Canadian Sub Committee	1884-1897
A.33/1	Agreement between Governor and Committee and Commissioned Officers - Revocation of Deed Poll of 1834	1871-1872
A.33/2	Commissioned Officers Inden- tures and Agreements A - C	
A.33/5	Commissioned Officers Inden- tures and Agreements N - Z	
A.37/19	Deed of Surrender	Nov 19, 1869
A.37/20	Drafts of Deed Poll of 1871 Original HBC Deed Poll for Conducting the Trade in North America and for defining the rights and prescribing the duties of officers dated Dec. 19, 1871.	1871-1887

Section D.

D.13/6	Commissioner's Outward Letterbook - London	1882-1884
D.13/7	do.	1884-1886
D.13/8	do.	1886-1889
D.13/9	do.	1889-1890
D.13/10	do.	1890-1891
D.13/11	do.	1891
D.14/8	Commissioners Outward Letterbook - to HBC Officials	1884-1885
D.14/9	do.	1885-1886
D.14/10	do.	1886-1887
D.14/11	do.	1887-1888
D.14/12	Commissioners Outward Letterbook - to HBC Officials	1888-1889
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D.15/3	Commissioner's Outward Letterbook - General	1881-1884
D.15/4	do.	1884-1886
D.15/5	do.	1886-1889
D.16/2	Commissioner's Private & Confidential Letterbook	1887-1893
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IV. MISCELLANEOUS

Correspondence with Dr. Joseph Wrigley (grandson).

Correspondence with Mrs. Jo Merry (great-granddaughter).