AN ARCHIVAL ADMINISTRATIVE HISTORY

of the

NORTHERN STORES DEPARTMENT, HUDSON'S BAY COMPANY, 1959 - 1987

by

GERALDINE ALTON HARRIS

A THESIS
SUBMITTED TO THE FACULTY OF GRADUATE STUDIES
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF ARTS

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Winnipeg, Manitoba

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ISBN 0-315-99117-8
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ACKNOWLEDGMENTS

I would like to express my sincere appreciation to the members of my committee; Lionel Steiman (Graduate Chair), Jack Bumsted, Ed Rea, Marian Campbell, Anne Morton and my advisor Tom Nesmith for their valuable criticism and guidance in this project. Particular thanks also to the Hudson's Bay Company Archives for its support.

I also wish to thank my husband, George Harris for the support and encouragement which made this thesis possible.
# TABLE OF CONTENTS

Abstract ........................................ i

Introduction .................................... 1

Chapter 1  An Overview of Hudson's Bay Company Administration, 1670-1959  10

Chapter 2  Northern Stores Department Administration, 1959-1987  32

Chapter 3  Northern Stores Department Operations, 1959-1987  56

Chapter 4  Northern Stores Department Records-Keeping Systems and Records  110

Conclusion ...................................... 134

Bibliography .................................... 137
Abstract

The provenance method of retrieving information from archival records has rarely been employed fully. The description of the provenance or institutional creator of records is often merely the name of an administrative department. This thesis emphasizes the importance of understanding how records-creating institutions function in order to understand their records and retrieve the information contained within them.

In demonstrating a functional approach to provenance, this thesis provides an archival administrative history of the Northern Stores Department of the Hudson's Bay Company, 1959 - 1987. The Northern Stores Department operated for twenty-eight years during which time it ran over 200 stores in the northern and remote communities of Canada, often as the sole supplier of groceries and other essential goods. It had an important impact on the people of the North and is thus of considerable interest to researchers. The department developed out of the company's Fur Trade Department, which gradually expanded into the area of general merchandising during the 1940s. It was renamed the Northern Stores Department in 1959 to reflect the changing mandate. While maintaining an interest in furs, the Northern Stores Department was primarily engaged in retailing. Its stores were administered separately from those of the rest of the company due to the special conditions of retailing in the North. The department was equipped with its own personnel, accounting, merchandise, transportation, distribution and fur collection operations. It functioned with a certain degree of autonomy from the company's overall business and was eventually sold in 1987 to become a company in itself, The North West Company.

Chapter one provides a broad overview of the history of the Hudson's Bay Company from 1670-1959 with emphasis on the departmentalization of the company's activities
and, specifically, the development of the Fur Trade Department. It was during this time that many of the activities undertaken by the Northern Stores Department became formal administrative areas. Chapter two provides a close examination of the department's mandate and administrative structure between 1959 and 1987. Emphasis is placed on the upper levels of management and those who played a significant role in shaping the department's administrative structure. Chapter three analyzes the purpose and activities of each of the administrative divisions within the department. This chapter provides a description of the functions of each of the administrative divisions and the department overall as the key to understanding its records. This information sets the records within their proper context and allows the user to interpret the information in the records in relation to this context. Furthermore, much can be inferred about the type of information in the records, and where this information might be found, based on knowledge of the functions of the department. It is this type of functional access to information that will open archival records to greater usefulness and easier access. A chapter on the records-keeping systems and the records of the department concludes the thesis. It again underlines the importance of functional access to archival records because the records-keeping systems of the department were structured upon a functional basis.
INTRODUCTION

Archival endeavours of the twentieth century are marked by efforts to adapt to the sheer volume of records being created and to the increasing variety of documentation and information caused by changing recording technologies. These challenges have prompted archivists to reaffirm the importance of the principle of provenance while developing new strategies to implement the principle in changing circumstances. The principle of provenance, first articulated by European archivists in the nineteenth century, maintains that in order to protect the integrity of the records as evidence of the actions of their creators, the creators of the records must be known. It follows that to protect the integrity of the information in the records, the records of a particular creator must neither be confused with those of another creator, nor have their origin effaced or obscured by physically intermixing them with the records of one or more other creators. According to provenance, records created by one institution or individual must be preserved as a distinct unit and the original order of the records must be maintained. The description of archival records therefore is largely a description of the institution or individual that created them, or the provenance. Archival administrative histories provide the totality of relevant provenance information for institutional records.

Provenance information, however, does more than protect the integrity of archival documentation. It also serves as the most powerful means of information retrieval from very large bodies of archival records. Knowing the origins and original purposes of records allows an archivist or researcher to infer much about the likely information content of the records without first having to read widely in them. An administrative history for archival purposes also includes a description of the records-keeping systems an institution creates and the individual types of documents which these systems hold. The goal here is to understand which components of an institution
documented their work on which filing system(s) and how the filing systems actually work. Changes in the system(s) are clearly important to understand as well. Individual types of documents are studied in order to learn their functions and the categories of information they contain. Knowledge of administrative history, the history of records administration, and the history of particular types of documents enables the archivist to direct researchers to relevant information in the records.

Since the 1980s some leading Canadian and American archivists have rediscovered the possibilities of provenance information as a means of indirect access to subject information. Tom Nesmith, Richard Berner, Richard Lytle, David Bearman and Terry Cook, for example, have discovered that access to the information in archival materials is best provided through a clear understanding of their origins and characteristics. According to Tom Nesmith, Canadian archivists have until recently neglected the contextual, provenance approach to understanding records. Berner too argues that American archivists have overlooked the possibilities of provenance methods of information retrieval while relying on subject-based content analysis and subject indexing. Berner suggests that the provenance method of information retrieval is novel "because it has so rarely been fully employed to extract the information that is inherent in provenancially given data". Both Richard Lytle and David Bearman have developed this insight. They argue convincingly that knowledge of the functions performed by records creators and the types of records they create eliminates much of

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the need for subject indexing. To improve information content retrieval Lytle and Bearman recommend that archivists and archival researchers should focus more on studying the records' creators, their actions, or in the case of institutions, their functions, and the forms of their records. Provenance information once indexed and automated would provide access, inferentially, to subject matter.3 In an article entitled "From Information to Knowledge: An Intellectual Paradigm for Archives", Terry Cook argues that the contemporary archival challenge requires a shift in the intellectual orientation of the archival profession away from a concern about direct provision of subject information in the records to a contextual, provenance understanding of the records. Cook maintains that only provenance knowledge can provide means of access to subject information of interest to a particular researcher within the overwhelming amount of information and documentation facing archivists and researchers today.4 Cook's "Paper Trails: A Study in Northern Records and Northern Administration, 1898-1958" is an excellent example of one of the few detailed studies of the origins of archival records. In this study of the Canadian government's records of northern administration Cook describes the reason for the creation of the documents through an examination of the creators of the records, the administration of the records, and the form and function of various types of documentation.5

Despite the importance of detailed studies of the origins and characteristics of archival


records, this type of research has rarely been done thoroughly by archivists.\(^6\) Furthermore, although administrative histories written by historians are useful to archivists, these histories, when they exist at all, seldom provide the full range of information required for archival purposes because they usually leave out discussion of the institution's records. Archival administrative histories provide descriptions of the functions that resulted in the creation of records, the organizational structure of the creating agency, and the records themselves. Through the study of an institution's administration, the functions or activities that resulted in the creation of records are better understood. Following from this, a clear understanding of the reasons why records were created, or the function they served in the daily operations of the institution, will undoubtedly lead to a better understanding of the information in the records themselves. An archival administrative history which throws the most light on the records of an institution includes the following five elements: i) the overall administrative structure and the specific formal mandate, actual functions performed to carry out the mandate, and other, unofficial, activities of the entity; ii) officials in the institution who played a significant role in shaping its history and records; iii) significant events in the history of the institution in the period under study which shaped its structure and mandate, and thus its records; iv) records creation processes, or how and by whom the records were created; and v) the records-keeping systems (formal and informal) which were used to document the work of the institution.

The Northern Stores Department (NSD) of the Hudson's Bay Company (HBC) is the subject of this archival administrative history. The Northern Stores Department provided an important function in the company's overall operation. It also had an

important impact on the people of the North and is of interest to researchers. The Northern Stores Department operated for twenty-eight years before it became a company in itself, The North West Company, in 1987. During these years it ran over 200 stores in the northern and remote communities of Canada, often as the sole supplier of groceries and other essential goods. The department developed out of the HBC's Fur Trade Department, which by the late 1940s, while maintaining an interest in furs, was expanding into broader areas of general merchandising. These expansionist policies eventually gave rise to a change in the department's mandate. The old fur trade image was no longer appropriate to the new merchandising focus. To better reflect the function of the department a new name was adopted in 1959, the Northern Stores Department.

While the Fur Trade Department had managed a profitable business in the trade of furs, the Northern Stores Department managed a profitable retail business in those fur trading communities. The retail business was imposed upon the structure of the old Fur Trade Department and the focus of business remained in the northern communities. Although the stores, previously referred to as fur trade posts, continued to receive furs from trappers, their profitability increasingly lay in the sale of general merchandise. Very few basic functions changed as a result of this shift in mandate. This is largely due to the fact that the department was still involved in the movement of goods. In the days of the fur trade the primary objective was to move furs out of the northern communities to central depots and, ultimately, to auction houses. The structure of the department was designed to perform this function. Although this function gradually changed to the movement of merchandise into the fur trading communities, the activities which formed the basis of the department's role remained intact. Transport, for example, was central to the department's role in the case of both the fur trade and general merchandising. Similarly the management of store buildings
and staff dwellings continued to be an essential activity regardless of the type of goods bought or sold. Personnel management and accounting continued very much as before. The merchandising function, which had occupied a much smaller part of the company's overall activity, was greatly expanded and this was reflected in the development of the department's own Merchandise Division. Finally, the activity surrounding the collection of furs, which had originally formed the basis of the company's operation, and had been inherited by the Northern Stores Department, became the specialized concern of the department's Raw Fur Division formed in 1930. It managed the acquisition of furs through the stores and their preparation and distribution to the auction houses.

The administration of the Northern Stores Department remained similar to that of its predecessor as it continued to administer stores and the distribution of goods. In fact its activity in northern and remote communities gave the department its unique character in the company. The stores were located in small communities relatively free from other retail interests and required different marketing strategies from those of the department stores in larger centres. The stores were generally located in isolated regions requiring special transportation arrangements for the distribution of goods. The location and extreme climate of many of the northern communities required the construction of staff dwellings and the continual expansion and upkeep of store and warehouse buildings. Special training was required for the staff because it was often relied upon to perform functions beyond the sale of merchandise. The accounts were handled manually and therefore separately from those of the company's department stores. As a result of the isolation of the stores the department administered a quite different retail operation from that of the rest of the company.

The records of the Northern Stores Department document more than the development
of a retail business in the North. In much the same way as it inherited the structure of the Fur Trade Department, it also inherited many of its records and records-keeping systems. Records describing the cooperation of the company with the Government of the Northwest Territories, the federal Department of Transport, and the Department of National Defence are among these records. National Defence, for example, while concerned about the problem of defending the sparsely populated North, secured the cooperation of the company in 1947 in organizing a reserve militia corps, the Canadian Rangers. Its members were drawn from trappers, woodsmen, miners and fishermen in the various northern localities. Leaders of the corps were drawn from HBC employees. The corps provided guides to organized troops in the area, coast watching, rescue work and assistance to the Royal Canadian Mounted Police in the discovery and apprehension of enemy agents or saboteurs.

As the Transport Division of the Northern Stores Department provided the only means of transportation to many of the northernmost communities, the division often assisted government departments and scientific expeditions by transporting individuals and supplies to and from remote areas. The records include evidence of scientific expeditions, government inspections and of photographers and wildlife experts who traveled on board the department's supply ship. Competition in the collection and sale of furs is documented in the records along with the department's involvement with HBC subsidiary companies such as Rupert's Land Trading Co., Fur Sales Inc., New York, Fur Sales Inc., Canada and Hudson's Bay and Annings Ltd.

The records also provide an excellent source of information on the people of the North. Correspondence between the company and the federal government on the subject of Aboriginal game resources, living conditions and relief payments form a substantial part of the records. The records also describe to some extent trade in Inuit art as it
was bought and sold through the HBC Arts and Crafts Centres created in Toronto, Montreal and Winnipeg.

The records of the Northern Stores Department describe the history of one of the most important, distinctive and successful retail businesses in Canada. Its records describe the main functions (accounting, personnel, merchandising, transportation and distribution) of a modern retail operation spread over a huge geographical area. The records range in date from 1940 - 1985 and occupy approximately 300 linear feet of shelf space. They vary in form including photographs, maps, ships logs, architectural blueprints of buildings, accounting ledgers, fur statistics and comparative analyses, correspondence, reports and minutes of meetings. Some of the records are restricted under the Hudson's Bay Company Archives access rules. Access to records that fall under these restrictions must be approved by the Keeper of the Hudson's Bay Company Archives.

My thesis will begin with an examination of the establishment of the Northern Stores Department. This will involve a brief historical sketch of the administration of the Fur Trade Department and an examination of the change in the mandate from fur trading to general merchandising. The purpose of this chapter is to describe the external influences and authorities under which the department operated. In the second chapter I provide a closer examination of the Northern Stores Department's mandate and administrative structure between 1959 and 1987. Emphasis will be placed on upper levels of management and officials in the department who played a significant role in shaping its activities. The third chapter analyses the administrative structure of divisions in the department. The activities of these divisions will be discussed individually with respect to their historical development prior to 1959 and their function in the operation of the department. A chapter on the records-keeping systems of the
department and the records themselves will conclude the thesis.
CHAPTER ONE
AN OVERVIEW OF HUDSON'S BAY COMPANY ADMINISTRATION, 1670-1959

On 2 May 1670 King Charles II of England granted a charter authorizing the "discovery of a new passage into the South Sea and for finding some Trade for Furrs, Mineralls and other considerable Commodityes and by such their undertaking have already made such Discoveryes as doe encourage them to proceed further in pursuance of their said Designe by means whereof there may probably arise very great advantage to us and our Kingdome." The charter was granted to the king's cousin, Prince Rupert. It gave him and his associates exclusive right to the "Trade and Commerce of all those Seas Streightes Bayes Rivers Lakes Creeks and Soundes in whatsoever Latitude they shall bee that lye within the entrance of the Streightes commonly called Hudson's Streightes together with all the Landes Countryes and Territoryes upon the Coasts and Contynes of the Seas Streights Bayes Lakes Rivers Creekes and Sounds aforesaid which are now actually possessed by any of our Subjects or by the Subjects of any other Christian Prince or State." Rupert's Land, as this territory became known, stretched across the northern part of what is now Quebec and Ontario and included all of present day Manitoba, most of Saskatchewan, the southern part of Alberta, and a large part of the eastern portion of the Northwest Territories. From this starting point the company advanced beyond the original limits of the charter until, when at its peak, the company was the effective ruler of 3 million square miles, or one quarter of the land mass of North America.

2Ibid.
Today the Hudson's Bay Company is one of Canada's largest retailers. The company was built, however, on the fur trade. In fact until 1870, the company had dealt almost entirely in the fur trade while gradually moving in the merchandising direction. By the end of the nineteenth century the heyday of the fur trade in Canada was drawing to a close. In 1870 the company surrendered to the Canadian government the whole of Rupert's Land, which was then 38 percent of the land mass of Canada. In return the company was given ownership of 7 million acres of land in western Canada. For the next forty years the company concentrated on selling land, its chief asset, and on developing a merchandising business through its many fur trade posts.

In 1910 the company also reorganized its structure and management to suit the changing mandate. Fur trade activities were assigned to one department, known as the Fur Trade Department, which was under the authority of the Fur Trade Commissioner. The Fur Trade Department was renamed the Northern Stores Department in 1959. By then it operated more than two hundred small retail outlets. It was still involved in the fur trade but the trade had become a peripheral activity. The Northern Stores Department, however, has never been the department primarily responsible for the company's large scale retail business. Its responsibility for retailing lay mainly in small, remote, northern Canadian communities, which the fur trade had served for nearly three hundred years.

The retailing responsibilities of the Northern Stores Department represent the last chapter of the fur trade legacy in the company, but they also represent new commercial interests. In 1987 the Northern Stores Department became an independent company known as The North West Company Inc. This multi-million dollar enterprise hopes to continue the Hudson's Bay Company's tradition of retailing in the North and to build a
circumpolar merchandising conglomerate. Because the new company developed out of
the fur trade operations of the Hudson's Bay Company, there remains a link, both real
and imagined, between the two companies. The Northern Stores Department
represents the end of one era of business history and the beginning of another in the
North. This chapter provides the administrative context in which the Northern Stores
Department emerged from the Fur Trade Department and the general operations of
the Hudson's Bay Company.

The administration of the Hudson's Bay Company was controlled from London through
the Governor and Committee as described in the company's original Charter of 1670:

WEE (Charles II) Doe ordeyne that there shall bee from henceforth one of the
same Company to bee elected and appointed in such form as hereafter in these
presentes is expressed which shall be called the Governor of the said
Company. And that the said Governor and Company shall or may elect seaven
of theire number in such forme as hereafter in these presentes is expressed
which shall bee called the Committee of the said Company which Committee of
seaven or any three of them together with the Governor or Deputy Governor of
the said Company for the tyme being shall have the direction of the Voyages of
and for the said Company and the Provision of the Shipping and Merchandizes
thereunto belonging and alsoe the sale of all merchandizes Goode and other
things returned in all or any of the Voyages or Shippes of or for the said
Company and the manmageing and handleing of all other business affairs and
thinges belonging to the said Company.... 4

Thereafter the company was administered by a governor, a deputy governor and seven
appointed members of the Committee. The number of members of the Committee was
increased in the twentieth century through Supplemental Charters. The Supplemental
Charter of 1912 increased the Committee to nine members. In 1957 the number was
increased again to twelve thus allowing for the creation of the Canadian Committee of
the Board of Directors:

4Charters: 5-6.
The Board shall consist of a Governor, Deputy-Governor and a Committee of not less than ten nor more than twelve members. The Governor and Deputy-Governor shall be persons ordinarily resident in Our (Elizabeth II) United Kingdom of Great Britain and Northern Ireland and not more than six Members of the Committee may be persons ordinarily resident outside our said United Kingdom.5

In 1960 the number was increased to sixteen and in 1963 to 20. Finally, according to the Supplemental Charter (Canada) of 1970, the company was to be managed by a board of directors consisting of not less than twelve and not more than twenty-two, of which one was to be elected governor and another to be elected deputy governor of the company. During the early days the governor and Committee made all of the decisions regarding business. As indicated in the minute books, matters such as the hiring of trades people and the appointment of individuals to posts in Canada were documented as rigorously as decisions to expand into new territory and to purchase new ships. The governor and Committee were kept informed of all aspects of the company's operation in North America and very little occurred without the Committee's knowledge or approval.6

The Hudson's Bay Company initially conducted its business at factories on the shores of Hudson Bay and James Bay. There the early company governors established their headquarters, first at Charles Fort, Rupert River, then at Moose Factory, and later at Albany Factory. When the French were in possession of this area, from 1686 to 1693, the company moved its headquarters to York Factory, on the west coast of Hudson Bay. York Factory was subsequently lost to the French and recaptured from them several times until under the Treaty of Utrecht (1713), it was finally secured by the company and remained thereafter an important site of company operations.

5Ibid., 7.

6Ibid., 72s-72u.
Although not all of those who were in charge of this area resided there, York Factory continued to grow in importance throughout the eighteenth century. Dependent posts were established at Churchill (1717), Severn (1759), and along the Saskatchewan River (from 1774). Albany had been re-established by the company in 1693. Along with the other posts at the southern end of James Bay, Albany received instructions directly from London and remained independent of York Factory.7

In 1810 the company's posts were divided into two departments. The large Northern Department consisted of York Factory, Churchill, their dependencies, the posts on the Saskatchewan River, and those west and south of Lake Winnipeg.8 The Southern Department included Albany, Moose, Eastmain, and their dependencies. A governor was placed in charge of each department. In 1815 the position of Governor-in-Chief was created in response to a desire for greater central control over the company's territories. In the reorganization following the coalition of the Hudson's Bay Company and the North West Company in 1821, William Williams and George Simpson were appointed Governors of Rupert's Land. William Williams was appointed Governor of the Southern Department and George Simpson Governor of the Northern Department.9

As a result of the 1821 union between the Hudson's Bay Company and the North West Company, the "new" company was faced with the task of reorganizing in order

9Ibid.
to control the vast territory and to protect it from American and Canadian competition. Central control was established through a committee in London which managed the southern area through Moose Factory, the northern area through York Factory, and the eastern area through former agents of the North West Company. By then the Northern Department's area extended beyond the boundaries of Rupert's Land into country east and west of the Rocky Mountains. The Southern Department's area extended to the Labrador coast and the former King's Posts in Upper and Lower Canada. When Governor Williams retired in 1826, Simpson assumed responsibility for the Southern Department as well as the posts formerly managed by the North West Company agents in Montreal. Governor Simpson was therefore the governor of the whole of territories under the company's influence, although he was not formally recognized as such until 1839.

In 1826 Simpson reorganized the company's territory into four departments: the Montreal, Southern, Western, and Northern departments. The Montreal Department had control over all of the business in Upper and Lower Canada, including the King's Posts and a portion of Labrador. The Southern Department controlled the east shore of Hudson Bay and the entire territory between James Bay and the Montreal Department. The area west of the Rocky Mountains was the responsibility of the Columbia District, later the Western Department. The Northern Department was the largest and most important one. It included the region between Hudson Bay and the mountains and between the United States and the Arctic Ocean.

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10 Hudson's Bay Company Archives, Provincial Archives of Manitoba (hereafter HBCA) London Office correspondence, A.6/20 fos. 12-21, Governor and Committee to Simpson, 27 February 1822.

11 HBCA, Minutes of Council, D.4/2 fos. 3-6, Simpson to the Governor and Council of the Southern Department, 30 August 1822.

12 HBCA, London Office Correspondence, A.6/21 fo.71d, Governor and Committee to
By the late 1840s it was becoming increasingly evident to the British government that action would have to be taken regarding the company's charter. In spite of great opposition the company attempted to enforce a strict trading monopoly. In the Red River area this eventually led to an armed demonstration on the part of the Metis who objected to the trading restrictions and turned their trading interests south to the American settlements at Pembina and Grand Forks. The demonstration occurred when company officials attempted to prosecute three Metis people charged with illegal trafficking in furs. The incident drew considerable attention to the conflict between trade and settlement.

The Oregon Treaty of 1846 between the British and American governments accepted the 49th parallel as the international boundary from the Rocky Mountains to the Pacific coast. However no such boundary existed between the Union of the Canadas and Rupert's Land. As Canadian politicians drew attention to the potential wealth in the vast areas to the west which lay under the company's commercial aegis, and some Americans talked of annexing the area to the United States, company officials, including Simpson, recognized that the company's trade monopoly and political powers might well be challenged.

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Governor Williams, 23 February 1826.


14 Ibid., 551.

15 Ibid., 517-529.

16 Ibid., 748.

17 Ibid., 806-811.
Limited financial resources and reduced personnel scattered over an immense territory offered little protection against external pressures.\textsuperscript{18} The License for Exclusive Trade awarded in 1821, and renewed in 1838 for twenty-one years, was up for review in 1859. In February 1857, Henry Labouchere, Secretary of State for the Colonies in Lord Palmerston's first administration, arranged a Select Committee of the House of Commons to inquire into the company's position and practices. Both the British and Canadian governments agreed that the company's traditional rights were no longer appropriate in the coming era of continental expansion. The report of the Select Committee, which was accepted by the House of Commons, favored annexation by Canada of the Red River and Saskatchewan districts.\textsuperscript{19} The company's settlements on Vancouver Island, together with the mainland opposite, were to be given Crown Colony status as soon as possible. Those portions of "Indian Territory" considered unsuitable for settlement were to remain under company control, and in them the company's monopoly was to be retained. Two years later, however, the License for Exclusive Trade was revoked. The company retained its territorial rights but lost its monopoly.\textsuperscript{20}

Between 1859 and the Deed of Surrender, which went into effect in 1870, the fur trade continued as usual. Regardless of the ongoing negotiations, business activities were conducted in much the same way as previously.\textsuperscript{21} Simpson died in 1860 and three years later the company opened its shares to the public. The International

\textsuperscript{18}\textit{Ibid.}, 816-848.

\textsuperscript{19}\textit{Ibid.}, 851-890.

\textsuperscript{20}\textit{Ibid.}

Finance Society acquired a controlling interest. London management changed as a result. The new governor, Sir Edmund Head, favoured the opening of the southern portion of Rupert's Land to settlers, recognizing the settlement, mineral and communication potential of the territory. The shift away from fur trading and towards the profits to be reaped from settlement was to begin.22

Under the Deed of Surrender of 1870, the company was granted one twentieth of all of the lands in the "Fertile Belt", the land stretching from the Rocky Mountains east to Lake of the Woods and from the 49th parallel north to the northern branch of the Saskatchewan River. In addition to this the company was allowed to keep its 120 posts with some adjoining land.23 The grant amounted to almost seven million acres of land. Emphasis shifted from the fur trade to the sale of land. Since 1866, net profits from the fur trade had been dropping, reaching an all time low of £27,000 in 1871.24 In the company's annual report of that year it is reported that the Governor and Committee were carefully considering the future position of the company. A thorough and efficient reorganization of the fur trade was essential.25 While some of the shareholders believed that the fur trade was no longer viable the majority did not concur with this view and plans were made to reduce the high operating costs. It was decided that goods would be shipped by way of the United States railroad system - - a shorter and faster route than by York Factory on Hudson's Bay - - and that steamers would be utilized on major inland lakes and rivers to replace transport by land. In

22Ibid., 17.


24Oleson, "The Past Hundred Years": 16-17.

25HBC, Hudson's Bay Company Reports and Proceedings of Shareholders Meetings 1871: 1-60. (Available in HBCA)
1872 the first steamer was put into operation on Lake Winnipeg and by 1875 the Northcote had made a round trip between Grand Rapids and Edmonton.26 Unprofitable posts were abandoned and as a result expenses were curtailed. The annual reports of 1873 and 1874 record a rise in the cost of fur and overall company profits of over £100,000 for both years. The profitability of the fur trade had, for the time being, been restored. As for the company's new interest in land sales, it was evident that a mechanism was required for the management of this asset. Accordingly, in July 1873 the Committee decided "that it [was] expedient to separate the duty of managing the sales of land and arrangements connected with the management of land from the Chief Commissionership, and to appoint an Officer with proper assistance to manage the land business from the 1st June 1874."27 For this purpose Donald Smith, previously Chief Commissioner, was instructed to establish an office in Montreal to manage the company's land business. Smith resigned as Land Commissioner in 1879 and was replaced by C.J. Brydges who held the position for ten years.28 Until the 1900s, land sales were only moderate except for a brief rise from 1880 to 1883 when many settlers arrived in Winnipeg, Kenora, Emerson and Portage La Prairie. Between 1898 and 1928 demand for land resulted in the sale of 4.8 million acres. Profits from the land department in 1870 were used to pay taxes, increase investment, pay dividends and to establish a Capital Reserve Fund. This fund was of vital importance during the depression of the 1930s. It was also used to expand the company's retail business.29

26Ibid., 73.

27HBCA, Minutes of Meetings of the Governor and Committee A1/299 fo. 167, July 1873.

28HBCA, Fur Trade Department (RG3) Finding Aid.

29Oleson, "The Past Hundred Years": 21.
As settlement continued, the demand for dry goods increased. Fort Garry, for example, served the Winnipeg area as a fur trading post until 1881 when the company replaced the original sales shop with a new three-storey building at Main and York. The population of Winnipeg had grown significantly from several hundred in 1870 to about 10,000 in 1880. New stores were erected in response to a growing demand for dry goods and groceries. HBC retail stores were opened in Vancouver in 1887, Edmonton in 1890, Lethbridge in 1891, Saskatoon in 1922 and Calgary in 1891. Although the budding retail industry was beginning to reap substantial profits many shareholders in London were pessimistic about its possibilities. The saleshops, as the retail stores became known, remained on the periphery of the company's interest and were not given department status until 1910.

Prior to this date many attempts had been made to reorganize company affairs in Canada. Years of discussion about the prospects of centralized authority versus decentralized authority amounted to little more than a clarification of the role of the district officer, whose position was described to the governor in 1888 as "the main or central point in the organization of the service...." At this time the company's retail operation was organized into four departments representing geographical regions, Northern, Southern, Western and Montreal. The posts were organized further into various districts, within their respective departments, each with a district officer in

31Ibid.
32Ibid.
33Ibid.
34HBCA, Letters from the Commissioner to the Governor, 1888, A.6/58/fo.222-244.
charge. The management of each district was the responsibility of the district officer. All other staff reported to this person. It was the district officers' responsibility to apportion work and to see that all instructions were carried out according to the rules and regulations of the company. The district officer reported annually on the district and on all clerks and servants therein to recommend changes and promotions. In the Southern, Montreal and Western Departments, where difficulties in communication between districts and the commissioner's office in Winnipeg prevailed, there existed an intermediary position, an officer in charge of each department. Whereas in the Northern Department, the district officers reported directly to the commissioner, in the other departments the district officers reported to the officers in charge of the departments.

In 1891 the company made a decisive move in the direction of centralizing authority with the abolition of the Sub Committee for Canada, established in 1884, and the appointment by the London Board of C. C. Chipman, as Fur Trade Commissioner. As Fur Trade Commissioner, Chipman had a mandate to centre the company's business in the offices at Winnipeg. Chipman instigated the first major reorganization of the company through a consolidation and centralization of operations. He recommended that in order to increase administrative efficiency and reduce costs operations should be controlled under one administrative head. He also proposed

35 Ibid.
36 Ibid.
37 Reports and Proceedings, 1892: 5.
38 Ibid.
39 HBCA, Search File, "Chipman, C. C.", C. C. Chipman to HBC Officers in Charge of Districts, 11 May 1892.
that the offices of the various departments be located in one building in Winnipeg instead of being spread over several as they then were. All communications with officers of the company were to be made through Chipman and copies of urgent correspondence with individual officers were to be forwarded to him as well. He also brought the Land Department under his control. By 1901 he had reduced the number of districts in the Fur Trade Department from twenty-eight to eleven. It is reported in the *Hudson's Bay Company Reports and Proceedings* in 1892 that these strategies to bring the company's posts under the control of a central authority in Winnipeg resulted in a reduction of £10,000 in annual working expenses. Chipman also instigated the separation of the fur trade accounts from the saleshop accounts, in order to separate these two branches of the company's business. As a result the accounts of the districts were separated into fur trade districts and saleshop districts thus initiating a separation of administration between the two areas of business.

Chipman's centralization scheme did not meet with the anticipated results. Profits declined. In 1910 a policy reversal took place. This time the administration of company operations was decentralized. A special committee of the board of directors in London announced that the company was to be divided into three departments.

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40 *Reports and Proceedings*, 1892: 5.


44 *HBCA, London Minute Book, A.1/159. fos. 221, Minutes of a Special Committee, 15 September 1910.*

The head of each department was to report to the board.46 The three departments were Saleshops, Fur Trade, and Land. Chipman remained in charge of the Land Department. A new commissioner, Robert H. Hall, was appointed to head the Fur Trade Department. Richard Burbidge was sent from England to take the position of Commissioner of the Saleshops.47 The establishment of the Saleshop Department marked a recognition of the company's emphasis on merchandising.

The decentralization of company administration did not ease the difficulties of communication between London and Canada and in 1912 the board created, once again, a Canadian Advisory Committee.48 The governor announced that "with the object of having the best local advice and cooperation for themselves and the three Commissioners, the Governor and Committee invited Mr. A. M. Nanton, Mr. George Galt and Sir William Whyte, all resident in Winnipeg, to act as a Local Committee in an advisory capacity, for which their long acquaintance with the North-West pre-eminently fits them".49 As before, the Canadian Advisory Committee, held no executive powers and was bound to refer to London for all major decisions concerning administration, policy and finance.50

The new Fur Trade Commissioner, Robert H. Hall, only held his position for three

46HBCA, London Correspondence Inward from Commissioners, A.12/Ft 229.3. fo.224, C. C. Chipman to Secretary Wm. Ware, 4 December 1900.


49HBCA, Fur Trade Annual Reports, RG3/1a/2 fo.7, Year Ending 31 May 1916.

50Ibid.
years. Hall had joined the company on 1 June 1872. After forty-one years of service he retired in 1913. His successor, Norman H. Bacon, was recommended for the position by Frank C. Ingrams, company secretary, to whom the position was originally offered. Bacon was the manager of the company's Export Agency in Montreal, a responsibility which he retained in addition to his position as Fur Trade Commissioner. However, in 1918 the salaries of the various commissioners became an issue over which Bacon resigned. Bacon had moved the Fur Trade Department office to Montreal in order to manage the Export Agency. He explained in 1916: "In view of the fact that so much of my time was engaged in work connected with the Export Department, which necessitated my constant presence in the East, authority was requested from the Governor and Committee to transfer the headquarters of the Fur Trade from Winnipeg to Montreal...."

The headquarters was moved back to Winnipeg in 1918 when Bacon resigned. The responsibilities of the Fur Trade Commissioner were temporarily transferred to the Land Commissioner, James Thomson, until Angus Brabant was appointed in 1920. During that year the board reported that "force of circumstances" had driven it to examine carefully the possibility of turning some of the departments into purely Canadian enterprises with a separate board of directors in Canada administering their

51"R.H. Hall Retires", The Beaver (December 1921): 3-4.
53HBCA, Fur Trade Annual Reports, RG3/1A/2.fo. 7, Year Ending 31 May 1915.
54HBCA, London Correspondence Inward from Commissioners, A.12/229/3 fos.259-60, J. Thomson to the Governor and Committee, 17 October 1918.
55Oleson, "The Past Hundred Years": 14-23.
affairs. The circumstances referred to were taxes. In 1920 taxes on company land in Canada were more than $2,000,000. Furthermore profits and holdings were taxed in England as well. It was this double taxation that led the company to increase local control and administration. For this purpose, the Canadian Advisory Committee was renamed the Canadian Committee in 1922 and given authority over all departments in Canada in the following year. Its responsibilities were further broadened in 1929-30 when power of attorney was granted and Winnipeg was made the headquarters for all Canadian operations.

In the Fur Trade Department the practice of selling furs on consignment had begun. As early as the 1920s a number of special agencies had been established to purchase raw furs from organizations and individuals for cash. This in turn resulted in the establishment of the fur auction at Montreal in 1949. In 1924 the company purchased Messrs Fraser and Lampson Ltd. and a controlling interest in Revillon Frères Trading Company. Revillon Frères was a raw fur branch of the Paris-based furriers with forty posts and seventeen outposts in Northern Canada. In 1925 the Labrador Company was also acquired. To accommodate the administration of this expanding area the Fur Trade Department created the Raw Fur Division in 1930.

57 Ibid.
58 Ibid.
60 Ibid.
61 Ibid.
Between 1914 and 1923 overall company profits increased but the retail business was suffering from the postwar slump. Sir Frederick H. Richmond, managing director of Debenham's in London, was sent to Canada to survey the stores and make recommendations on improvement strategies. A major overhaul was implemented. Stores were remodeled and run more efficiently. The company had also ventured into wholesale activities, acting as a buying agent for the Government of France between 1915 and 1919. During these years the company supplied France with over thirteen million tons of goods. The wholesale activities were expanded in 1928 through the establishment of an office in New York and the formation of La Compagnie de la Baie d'Hudson in Paris. In 1928 a wholesale department was created.

Between 1931 and 1934 the company underwent a thorough reorganization instigated by the new governor, Patrick Ashley Cooper. Governor Cooper assumed his responsibilities during the early years of the Depression and was faced with the task of turning the company's financial situation around. Between 1931 and 1935 the Land Department operated at a substantial loss. Cancelled land sales exceeded new sales and, owing to heavy land taxes, the company wrote off over half a million acres of land between 1933 and 1943. Even so, losses in the land department alone were just under £200,000 from 1933 and 1943. Other departments combined suffered losses of £1.2 million and provisions to protect investments and subsidiary companies

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62 Oleson, "The Past Hundred Years": 21-22.
63 Ibid.
64 "Sir Patrick Ashley Cooper", The Beaver (December 1952): 46.
65 Reports and Proceedings, 1931-1945.
66 Ibid.
provided a further deficit of £2.2 million.\(^67\) Cooper's reorganization included all levels of management and personnel and every facet of the company's business. In 1931 complete authority was given to the Canadian Committee to control affairs in Canada. Philip A. Chester was appointed General Manager for Canada.\(^68\) New commissioners were appointed to the Fur Trade Department and the Land Department and a new general manager and chief executive officer to the Retail Department.\(^69\) Charles H. French had replaced Angus Brabant in 1927 as Fur Trade Commissioner and in 1931 Ralph Parsons was appointed to this position. The wholesale operations were restricted to the sale of wines and spirits, Fort Garry coffee and tea, tobacco and the traditional "point" blankets. In the Retail Department, large stores were separated from small stores. The small stores were grouped under one executive so that they could be managed separately and yet benefit from similar lines of policy as the larger stores. The "Small Stores", as they became known, consisted of the four smallest retail stores and the four largest posts from the Fur Trade Department. Unprofitable retail stores were closed and old buildings were sold. A training program was established for managers of the Retail Department.\(^70\)

The largest and most significant change took place in the Fur Trade Department. Fur Trade posts and districts were regrouped. Several posts were closed and management strategies were improved. The responsibilities of the Fur Trade Commissioner were subdivided under subordinates in the areas of personnel,

\(^{67}\)Ibid.

\(^{68}\)HBCA, RG 2, Records of the Canadian Committee Office, Canadian Committee Minutes, RG 2/1/14, #4805, 21 October 1930.

\(^{69}\)HBCA, RG 2, Canadian Committee Minutes, RG 2/1/18, #6483, 9 March 1933.

\(^{70}\)Oleson, "The Past Hundred Years": 20-21.
merchandise, depots, transport, buildings, accounts, fur purchasing agencies control and fur purchasing tariffs. Each responsibility became a specialization and eventually, a division under the control of division managers. Fur purchasing agencies, later known as the Raw Fur Departments, were increased and a supervisor was appointed in 1930.71 In 1931 the transport district of the Mackenzie River area was placed under its own manager and in 1938 all the department's transport was made the responsibility of a Supervisor of Transport.72 A Merchandise Division was created in 1933,73 a Personnel Division by 1938, a Building Division in 1938 and a Radio Division in 1939.74 During the late 1940s the Transport, Building and Radio Divisions were combined as the Engineering Division. In northern settlements furs were still collected, but merchandise of every sort was also sold. The use of short wave transmitters and air transportation was greatly increased.75

By 1935 all of the departments were showing a profit and in 1937, for the first time ever, every store was showing a profit.76 In 1941 fur prices were higher than they had been since 1929 and a record number of consignments were sold.77 The company had recovered its international prominence, selling furs from almost every fur-producing area in the world, when in 1946 it re-established the London auctions. Merchandising

71HBCA, RG 2, Canadian Committee Minutes, RG 2/1/14, #4805, 21 October 1930.

72Ibid., RG 2/1/23, #9083, December 1938.

73Ibid., RG 2/1/18, #6083, December 1933.

74Ibid., RG 2/1/24, #9348, January 1939.

75Oleson, "The Past Hundred Years" : 21.


at the fur trade posts was becoming increasingly more profitable and reorganization of the post and district administration, to improve the merchandising operation, was given priority.\textsuperscript{78} R.H. Chesshire, Supervisor of the Western Districts (1938 - 1940), began reorganizing the administration of the posts in B.C., Mackenzie - Athabasca and the Western Arctic.\textsuperscript{79} When in 1940 Ralph Parsons retired, the supervision of the Fur Trade Department was made the responsibility of the General Manager, Philip Chester, and Chesshire was promoted to the position of Assistant General Manager. Two years later he was made Manager, Fur Trade Department.\textsuperscript{80} The title of Fur Trade Commissioner was discontinued with the retirement of Parsons. In his new capacity as Fur Trade Manager, Chesshire continued his work on the reorganization of the district administration into four geographical areas - western, central, eastern and arctic. The districts in each area also corresponded to geographical areas. Posts that were located in remote areas were referred to as Inland Posts and districts that consisted of Inland Posts were called Inland Districts. Posts located on many transportation lines were referred to as Line Posts and the districts, Line Districts.

In 1947 the Fur Trade Department embarked on a major expansion plan "to establish about 200 new posts in ten years wherever potential business in Fur, Merchandise or both existed".\textsuperscript{81} In 1948 the existing six Bay Stores, which had been under the administration of the Retail Stores Department, were transferred to the Fur Trade Department but remained a separate division from the rest of the Fur Trade

\textsuperscript{78}Ibid.

\textsuperscript{79}Ibid.

\textsuperscript{80}HBCA, Fur Trade Department (RG3) Finding Aid.

\textsuperscript{81}HBCA, RG 2, Canadian Committee Minutes, RG 2/1/33, #E43, December 1948.
Department stores. These stores were smaller than the large department stores and were considered to have more in common with the smaller stores in the Fur Trade Department. Following this amalgamation, the larger fur trade stores were also transferred to the Bay Stores Division and, coupled with new openings, the division expanded to over thirty stores during the fifties.\textsuperscript{82} The expansionist policies of 1940 gave rise to a change in the department mandate in the 1940s and 1950s. The old fur trade image of the department was no longer applicable and so a new name, the Northern Stores Department, was adopted to better reflect the broader merchandising function of the department. Throughout the 1940s and 1950s the department maintained its hierarchical structure with a general manager in charge and several divisional managers reporting to him. The administrative offices were located in Winnipeg in Hudson's Bay House. There were also regional offices in Montreal and Edmonton. Transport agencies, Raw Fur Departments, Merchandise Centres and, of course, stores existed throughout Western, Central, Eastern and Arctic Canada.

In the early twentieth century the Hudson's Bay Company edged towards decentralizing the management of the company through the Canadian Committee. What began in 1912 as an advisory committee designed to watch over the company's affairs in Canada and report to the Board of Governors in London, gradually developed into the chief company administrative body for Canada. While decentralization of the company's management was inevitable, given that most of its operations were in Canada, financial losses through double taxation eventually persuaded the board in 1920 to establish a separate board of directors in Canada to administer its affairs. Even then it was another two years before the Canadian Committee became more than an advisory board. This change was reflected in the name change of 1922 from

\textsuperscript{82}Oleson, "The Past Hundred Years" : 21.
Canadian Advisory Committee to Canadian Committee. It was another six years before it was given power of attorney with executive authority over the company's operations in North America. Under this arrangement the Canadian Committee, which consisted of six appointed members, reported to the Board of Governors in London. By 1956, given overall company growth, the role of the Canadian Committee was once again taken into consideration. A new Supplemental Charter abolished the Canadian Committee of six and created the Canadian Committee of the Board. The London Committee was to consist of the governor, deputy governor and from ten to twelve members, not more than six of whom were resident outside the United Kingdom. Essentially the Canadian Committee was promoted to an equal footing with the London Committee. 83 From this point until the transfer of the company's head office to Winnipeg in 1970, the Canadian Committee acted as the highest administrative body of the company in Canada. All executive appointments and corporate decisions were made by the committee.

CHAPTER TWO
NORTHERN STORES DEPARTMENT
ADMINISTRATION, 1959-1987

The Fur Trade Department had the mandate to manage a profitable business in the trade of furs and, by the late 1950s, to operate a general retail business in those fur trading communities.\(^1\) Given the nature of the fur business, most of the posts or stores were located in small, remote, northern communities. This gave the department its distinct character within the company's retail business operations. The stores were small and relatively free from competition from other larger retail businesses. The stores were very often hard to reach and required special transportation arrangements in the distribution of goods. The material needs of the various communities varied from region to region, thus resulting in the need for special merchandise management. Furthermore, the extreme climate of many of the northern communities required special construction techniques in the building of stores, warehouses and staff dwellings. Personnel required special training and the accounting of this department was much less centralized than that of the Retail Stores. As will be shown, these department needs shaped its administrative structure.

In general the department concentrated its efforts in markets of 3 to 50 thousand in population in terms of the primary trading area.\(^2\) Markets of less than 3000

\(^{1}\)HBCA, RG 9, Head Office Records, RG 9 unclassified, Sutherland's files (Original file no. 10.4.3), NSD Appreciation Report, H.W. Sutherland to Board Members, 28 November 1975. (The records of the head office (RG 9) have not yet been arranged or described by the archives. They are thus referred to as "unclassified" meaning that they have no HBCA classification number. When possible the accession number or original file number will be provided so that readers may be able to locate them).

\(^{2}\)Ibid.
inhabitants were considered a lower priority and markets in excess of 50,000 were generally more urbanized and better suited to large department stores.\(^3\) The 3 to 50 thousand market population offered the greatest development opportunities for the department. Depending on the size of the market and overall market opportunities, the profile for the department ranged from junior department stores to general stores. Stores ranged in size from 5,000 square feet to approximately 80,000 square feet and were divided into four categories depending on the population.\(^4\) The size of a store was directly proportional to the population served. Category I stores were junior department stores offering a wide assortment of goods, whereas stores in Categories II, III, and IV resembled general stores offering only an assortment of the basic needs.\(^5\)

Inland stores were generally small country stores located in remote communities. They ranged in size from 775 to 16,000 square feet.\(^6\) These stores were generally situated in Native settlements where the Hudson's Bay Company was the primary commercial establishment and the economic base was supported primarily by government welfare and work projects. They were usually serviced by air transport. These stores were converted to merchandise stores if the population exceeded 3,000, if the transportation system was developed, and the nature of the market provided an opportunity to broaden assortments. Before conversion to merchandise store status, the potential to achieve an appropriate rate of profit had to be established as well as

\(^3\)Ibid.

\(^4\)HBCA, RG 7, Records of the Northern Stores Department, Administrative files, RG7/1/1939, Report by manager of Transport Division, 15 December 1966.

\(^5\)Ibid.

\(^6\)Ibid., Appreciation Report.
the availability of trained staff for the market.\textsuperscript{7} Arctic stores, as the name implies, were all in the far North in communities ranging from Resolute Bay on Cornwallis Island in the High Arctic to Fort Chimo on Ungava Bay in Quebec. Food accounted for the major portion of gross sales.\textsuperscript{8}

By the late fifties, the Fur Trade Department's name was no longer deemed appropriate because there was a declining connection with the fur trade, especially among the many new stores the department established in the 1950s. The department was renamed the Northern Stores Department. General Manager Hugh Sutherland recommended the name change to the Canadian Committee at the annual board meeting of 10 March 1959. The board agreed to the proposal "in view of the many changes which [had] taken place in the operations of the Fur Trade Department."\textsuperscript{9} Sutherland reported the name change to the department following the board's decision:

\begin{quote}

The Fur Trade in the last decade has been going through a transformation due to large scale development in the Canadian North and unorganized territories. In this period the traditional trade in wild fur has been largely replaced by increasing merchandise sales which today represent more than 90\% of the business, and, consequently, its name has been changed to Northern Stores Dept.\textsuperscript{10}
\end{quote}

The Northern Stores Department was part of the company from 1959 to 1987. Throughout the course of its history it was affected by the changing economy and by changes in the company's administration. Between these years there were three

\footnotesize\textsuperscript{7}Ibid.

\footnotesize\textsuperscript{8}Ibid.

\footnotesize\textsuperscript{9}HBCA, RG 2, Canadian Committee Board Minutes, RG2/1/44, #6223, 10 March 1959.

\footnotesize\textsuperscript{10}HBCA, RG 9, Head Office Records (Original file no. 402.1.1) Hugh Sutherland to NSD Managers, 11 March 1959.
significant company-wide reorganizations and two departmental reorganizations. The company's head office was moved from London to Winnipeg in 1970, which resulted in the dissolution of the Canadian Committee. These years spanned economic fluctuations which correspond with the expansion and contraction of the operation of the Northern Stores Department. The first company-wide reorganization of this period occurred in 1962 as the company attempted to group its retail activities along geographic lines. In 1964 the Northern Stores Department reorganized itself in an effort to adjust to the new general company retail structure. The second company-wide reorganization occurred in 1979 when the company decided to abandon the geographical retail structure in favor of one that grouped merchandise activities into three operational units, The Bay, Simpsons and Zellers (with NSD included in The Bay group.)

In 1980-81 the Northern Stores Department reorganized its administration to suit the new merchandise group. The focus of the department's interests, however, had begun to move away from isolated northern communities in favor of small single-industry and resource communities in all regions of the country. Northern communities were growing at a much slower rate and offered less sales potential than communities that were developing around single industries such as mining in Thompson, Manitoba. This shift in the mandate was realized in the spring of 1978 when the name of the department was changed to National Stores Department. However, in the mid-1980's, the company decided to re-examine the strategy and goals of its retail business. This resulted in the third reorganization and in 1985 the company returned the National Stores Department to its northern focus and to an administrative structure that resembled that of the late fifties. The department's name, as a result, was promptly changed back to Northern Stores.
In 1959 the department's stores were organized along geographical lines. They fell naturally into geographical groupings and were administered by regional managers. Within each region they were further designated as either merchandise or inland stores. There were four regional divisions: Central, Eastern, Western and Arctic. The Central Division was divided into Districts Line I and II, Manitoba, Northern Ontario, and Saskatchewan. The Eastern Division was divided into Districts Line I, Quebec, Labrador, James Bay, and Eastern Arctic. The Western Division was divided into Districts Line I and II, Athabasca, British Columbia, Mackenzie River and Arctic Red River. In 1960 the Arctic Division was also subdivided into Central, Eastern, and Western Districts. For each of the districts there was a district manager. The district managers reported to their divisional managers. There were also a number of functional divisions such as the Personnel, Accounting, Raw Fur, Buildings and Lands, Transport and Merchandise Divisions which serviced the operation of the stores. Each division was headed by a division manager who reported to the general manager of the department. The General Manager for the Northern Stores Department reported to the Canadian Committee. The Canadian Committee, which consisted of six members, was the executive arm of the Board of Directors in Canada.

When the Northern Stores Department ceased to be known as the Fur Trade Department very little else changed. Daily operations continued as they had before. The administrative structure of the department was not altered and the various responsibilities within the department continued to function as they had before the change.

The first round of administrative changes occurred in 1962 when the company decided to reorganize its retail activities.11 The company, by this time, had already

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11HBCA, RG 2, Canadian Committee Board Minutes, RG2/1/47,#6654, 7 February
established the Retail Stores Department for the large stores and had grouped the medium stores under the title of Bay Stores. Before 1957 the Bay Stores were administered by the General Manager of the Fur Trade Department. However, in 1957 the Bay Stores became a separate department with R.H. Chesshire as general manager. The Fur Trade Department and its successor the Northern Stores Department, of course, managed the small, northern stores. In each case the three types of stores covered enormous geographical areas, served different markets, and required different management. They were grouped accordingly and managed, for the most part, in three separate departments. Throughout the history of the department there were several attempts to combine the administration of the large department stores with that of the Bay Stores and Northern Stores. This is particularly evident in times of financial restraint. Cost cutting efforts and the streamlining of operations usually resulted in the regrouping of the company's different types of stores.

The reorganization of 1962 appears to be one such attempt to regroup retail activities. The Retail Stores Department, Henry Morgan and Co. Ltd., Bay Stores and Northern Stores were organized into four major areas: British Columbia and Alberta, Central and Ontario (which included Manitoba and Saskatchewan), Quebec, and the North. A senior officer was appointed in charge of each area. N.H. Abramson was appointed the General Manager of British Columbia and Alberta, E.W.H. Brown, General Manager of Quebec and President of Henry Morgan and Company Ltd., W.G. Spalding became Assistant General Manager of Central and Ontario areas and Hugh

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13 HBCA, RG 2, Canadian Committee Board Minutes, RG2/1/47, #6654, 20 December. 1962.
Sutherland remained General Manager of the Northern Stores Department but also assumed responsibility for other stores in the northern region.\textsuperscript{14}

The reorganization also involved the creation of a management committee composed of senior executive officers of the company in Canada: N. H. Abramson, E.W.H. Brown, R.A. Park, Hugh Sutherland, J.R. Murray, who was managing director of the committee, and G.E. Weightman, the committee's executive assistant.\textsuperscript{15} The responsibilities of the committee were not defined when it was formed. The Canadian Committee reported that its responsibilities "would develop in the course of time".\textsuperscript{16} It was decided, however, that members would review periodically all the current operations of the company in Canada, direct the planning for new capital expenditure, and initiate research projects. Initially it was proposed that the new committee meet in Montreal, Toronto and Vancouver once a year, in Winnipeg twice a year and informally as required. There was to be no change in the authority or powers of the Canadian Committee. It was made clear that, as the executive arm of the board in Canada, the Canadian Committee was to retain its authority to approve capital projects, decisions on matters of company policy and the appointment of senior officers. The managing director of the new committee was to report to the Canadian Committee and general managers of the areas were to report to the managing director. The new management committee also included P.A. Wood, as the newly appointed treasurer of the company and president of Rupert's Land Trading Company. Wood was responsible for maintaining control of the finances of the company in North

\begin{itemize}
\item \textsuperscript{14}HBCA, RG 9, (Original file no. 402.1.1), J. R. Murray to general managers, 9 February 1962.
\item \textsuperscript{15}HBCA, RG 2, Canadian Committee Board Minutes, RG2/1/47, #6654, 20 December. 1962.
\item \textsuperscript{16}ibid.
\end{itemize}
America. He reported directly to the Canadian Committee.\textsuperscript{17}

These efforts to coordinate retail activities also resulted in the creation of a new position. R.A. Park was appointed Buying Co-ordinator in December 1960. At that time the position was considered experimental. Park's main function was coordination of the buying services and merchandise development plans of all retail departments, including Morgan's. Park was successful in convincing the committee his position was an important one. The committee decided to add to the responsibilities of the Buying Co-ordinator and to enlarge the authority of the position. Park was appointed General Manager of Buying Services with D. Lorimer as his assistant. In this position Park continued the development of coordinated buying but added to this responsibility the planning of group buying and overseas buying. The position also involved the nomination of a chairperson for coordinated buying, the supervision of buying officers, and of relations with the company's buying agents.\textsuperscript{18}

The Canadian Committee believed the reorganization would strengthen the company in three important ways. As retailing had become the major activity of the company, it was felt that decentralizing this activity into the four large geographical areas would improve operations in general. It was also felt that increasing the ranks of senior management through the creation of several new retailing positions of wide responsibility and corresponding authority, would result in greater management confidence. Finally, the establishment of a formal method whereby senior executives could share directly in overall company management and planning was expected to

\textsuperscript{17}Ibid.

\textsuperscript{18}Ibid.
enhance strategic planning at all levels of retail activity.19

In the region designated as the North there were no large department stores. There were, however, three Bay Stores, at Hinton, Alberta, and Iroquois Falls and Smooth Rock Falls in Ontario. L.G. Hodson, manager, who was in charge of these Bay Stores, was to report directly to Sutherland for these three stores. The division of retail operations into four large geographical areas made it possible to have a senior executive who was thoroughly experienced in the company's methods assume responsibility for the Morgan's stores in Montreal and Ottawa. Very substantial investments were planned for Morgan's in Montreal and the planning of this expansion was an additional reason for the major reorganization of 1962.20

In 1964 the Canadian Committee announced further administrative changes designed to allow E.W.H Brown, General Manager and President of Henry Morgan and Company Ltd., to devote more time to Morgan's.21 The two fundamental objectives of these changes were "a simplification of organization so that executives of proved ability could concentrate their efforts totally on the improvement of Morgan's operations" and to provide "maximum assurance that the $10,000,000 expansion and modernization program be carried out with the fullest competence".22

With this aim in mind the committee decided that the Northern Stores Department

19Ibid., J. R. Murray to general managers, 9 February 1962.
20Ibid.
21HBCA, RG 9 (Original file no. 402.1.1), J. R. Murray to general managers and heads of departments, 13 October 1964.
22HBCA, RG 2, Canadian Committee Board Minutes, RG2/1/48, #6862, 5 December 1963.
would assume responsibility for administration of Bay Stores, Eastern Division.23 J.F. de Haerne, Manager, Bay Stores, Eastern Division, was to report to C.E. Drury who was appointed Assistant General Manager, Northern Stores Department (Eastern). Concurrent with this appointment, D.H. Pitts was appointed Assistant General Manager, Northern Stores (Western Division) and W.J. Cobb was promoted to Deputy General Manager of the Northern Stores Department. Prior to his appointment as deputy general manager, Cobb was an assistant general manager. Drury had been the General Merchandise Manager, Henry Morgan and Company Ltd. since 1962 and Pitts was Manager of the Central Post Division. Cobb elected early retirement in June 1965 and the position of deputy general manager was dissolved.24

Later in 1964 further changes were made to the upper levels of management of the Northern Stores Department as the company attempted to adjust to the new organization. In October the Canadian Committee recommended the promotion of two senior officers, Hugh Sutherland, General Manager, Northern Stores Department, and R.E. Sheen, General Manager, Central and Ontario region, to the rank of deputy managing director, and their election as directors and members of the Canadian Committee.25 In this new capacity, Hugh Sutherland reported to the managing director of the company and the Canadian Committee for the Northern Stores Department, Morgan's (Montreal and Ottawa), Fur Sales Department (New York and Montreal), Wholesale Department and Rupert's Land Trading Company, for which he held the position of president.26 R.E. Sheen was to report for Central and Ontario

23Ibid., RG2/1/49, #6945, 1 October 1964.
24Ibid., RG2/1/49, #6431, 1 October 1964.
Region, Central Retail Services and Buying Services. With the approval of this recommendation, D.H. Pitts was appointed to succeed Sutherland as General Manager of Northern Stores.27

As managing director of the company, J.R. Murray reported on 13 October 1964 in a circular memo to all general managers and department heads that "these appointments were made possible following a decision of the Board and the shareholders in 1963 to increase the size of the Board" - - a decision later confirmed by a supplemental charter.28 One month later W.R. Palmer was made Assistant General Manager, Northern Stores Department (Western) in succession to D.H. Pitts, and L.G. Hodson became merchandise manager, to replace C.E. Drury.29

The Bay Stores were added to the existing Eastern Division of the Northern Stores Department and were divided, in much the same way as the Northern Stores, into two geographical districts (I and II).

On 22 May 1970 the company head office was transferred from London to Winnipeg.30 The new headquarters was located at Hudson's Bay House.31 The result of this decision was the dissolution of the Canadian Committee which had functioned as the liaison between London and the Canadian retail business. The relocation of the

27J. R. Murray, 13 October 1964.
28Ibid.
29Ibid.
company head office to Hudson's Bay House evokes rich historical associations. Hudson's Bay House was located a few yards from Fort Gibraltar, the site of the North West Company post built in 1810, which was the first permanent establishment in what is now Winnipeg. When the HBC merged with the North West Company in 1821, Fort Garry was built to replace Fort Gibraltar. Between 1860 and 1881 it served as headquarters for the company's North American operations. It was the central company depot for the fur trade and the company's experimental farms. Eventually, as Winnipeg grew to become the commercial centre that it is today, the old fort was demolished to make way for streets and commercial development. The site is today a small park facing the building that was Hudson's Bay House in 1970. Hudson's Bay House was built in 1912 as a warehouse for the company's retail and wholesale operations. It was gradually converted to office use and renovated between 1967 and 1970.32

Apart from the historical reasons for the timing and location of the head office transfer, there were other business reasons for it. In giving the reasons which led to the transfer Lord Amory, governor of the company, stated:

"It is also expected that Canadian residence will result in an increase in the proportion of the capital of the Company held by Canadian shareholders. The Board believed a larger Canadian participation in the ownership of the Company will be beneficial in the long term."33

The percentage of shares owned in Canada increased from 7.35 at the time of the transfer to 35.95 a year later.34 It appears that the directors hoped to retain a broad

32Ibid.

33Lord Amory speech at retirement dinner, Moccasin Telegraph (Summer 1970): 5.

base of large and small shareholders in both Canada and the United Kingdom.35

In 1976 an attempt was made to standardize the organization of the stores in the Northern Stores Department into merchandise and inland districts containing large and small stores respectfully. The Arctic Division of the Northern Stores Department, which consisted of the Central, Eastern and Western Arctic Inland Districts, was dissolved in 1971. Administrative responsibility for the stores in these districts was transferred to the Central, Eastern and Western Districts respectively. Each of the Central, Eastern and Western Divisions contained both merchandise and inland districts.36

Nineteen seventy-six was also the year when H.W. Sutherland elected early retirement. On retirement from the company, Sutherland was senior vice-president. He had been with the company for 36 years. During 29 of those years he was involved in the administration of the Northern Stores Department. Sutherland joined the department in 1946 as an accountant. A year later, he was promoted to NSD controller. In January 1953 he was appointed assistant general manager. He was stationed in Montreal where he took charge of the department's eastern operation. Sutherland returned to Winnipeg in 1956. In February 1958 he became the General Manager, Fur Trade Department. In addition to his NSD duties, he was appointed President, Rupert's Land Trading Company in 1963. In 1964 he was promoted to the position of Deputy Managing Director, Hudson's Bay Company, and chief executive officer of Morgan's in Montreal. While in this position he continued to be responsible

35HBCA, RG 9, Administrative files (Original file no. 402.2.1), "NSD Administration, 1966 - 1973."

for the Northern Stores Department and assumed the additional responsibility of
directing the Wholesale and Fur Sales Departments. In 1972 he assumed the position
of vice-president of the company.\textsuperscript{37} On 1 February 1977 Donald O. Wood was
appointed vice-president, responsible for the Northern Stores and Wholesale
Departments. In 1978 Wood was made a director of the company.\textsuperscript{38}

In 1978 the General Manager of the Northern Stores Department, D. H. Pitts,
retired.\textsuperscript{39} That same year the board decided to change the name of the department
yet again from Northern to National Stores. The reason is recorded in the board
minutes of 1978:

Northern Stores was no longer considered appropriate for the Department.
Most larger stores are not in the North, and the thrust of expansion for the
Department is not in that direction.\textsuperscript{40}

The second major company-wide reorganization took place in February 1979. Donald
S. McGiverin, president of the company, announced the creation of a new
merchandising group to be known as The Bay, which would include all National, Bay
and Shop-Rite stores in Canada as well as Hudson's Bay Wholesale.\textsuperscript{41} C. Wally
Evans was appointed President of The Bay and in charge of this new segment of the
company's operations. Essentially, the company's merchandising activities were
organized into three groups: The Bay, headed by Evans; Simpsons (88 percent

\begin{enumerate}
\item \textsuperscript{37}"H.W. Sutherland Retires", \textit{Moccasin Telegraph} (Summer 1976), inside front cover.
\item \textsuperscript{38}"Organizational Changes", \textit{Moccasin Telegraph} (Summer 1978): 3.
\item \textsuperscript{39}\textit{Moccasin Telegraph} (Summer 1978): 5.
\item \textsuperscript{40}HBCA, RG 9, Executive Committee Board Minutes (Accession no. RG9/1987/383)
\item \textsuperscript{41}"New Company Organization", \textit{Moccasin Telegraph} (Winter 1979): 1-4.
\end{enumerate}
owned), headed by G. Allan Burton as chairperson; and Zellers (58 percent owned) headed by Joseph Segal as chairperson. The company hoped that the reorganization would ensure maximum individuality in each of the three operations as well as decentralize profit responsibility. The move was consistent with the company's intention to operate Simpsons and Zellers as separate organizations, each under its own name and management.

As in the case of the 1962 reorganization and the creation of the management committee, an executive body was established to provide essential services and coordinate activities. This body was named the Hudson's Bay Company Corporate Group and included McGivern, as president and chief executive officer, as well as six vice-presidents. Along with McGivern there was an executive vice-president, P.W. Wood; a corporate vice-president of finance, T. I. Ronald; a corporate vice-president of real estate and development, J.G.W. McIntyre; a corporate vice-president of personnel, M.H. MacKenzie; a vice-president and secretary, A.R. Huband; and a corporate vice-president of systems and distribution services, D.O. Wood. D.O. Wood was formerly the Vice-President of the Northern Stores, now National Stores, and Wholesale Departments. He was also a director of the company. Marvin E. Tiller was then appointed General Manager of the National Stores Department. Tiller was previously the Assistant General Manager of the Central Division of the department.

This second major reorganization resulted from a number of events in the company's overall economic climate. In November 1970 Lord Amory retired as governor of the company. He had been elected governor in 1965. During 1970 arrangements were


made for the transfer of the head office from London to Winnipeg and a suburban store expansion program was developed.\textsuperscript{44} The company's financial condition was stable and was expected to improve throughout the 1970s.\textsuperscript{45} A dramatic upturn in fur prices was reported as the principal reason for an increase in company earnings in the 1972 annual report.\textsuperscript{46} Sales in the company's retail stores rose 8.5 percent, and the increase in sales volume was particularly marked in stores situated in the smaller communities. In the North new stores were opened and older ones were rebuilt or enlarged. The company's retail development program was sharply accelerated as it was hoped that expanding business in major cities already served by the company would ensure that the company's existing investment would be protected and that the full potential of these cities would be realized.\textsuperscript{47}

Under the influence of expansionary fiscal and monetary policy, the Canadian economy experienced an upturn. The retail industry was an obvious beneficiary. There were substantial increases in sales and earnings in 1972. The company reported a 17.6 percent increase in earnings, "a result of a buoyant demand for consumer goods and the company's programs to improve productivity and market participation."\textsuperscript{48} Regardless of the increase in inflation and unemployment, the Canadian economy experienced another year of growth as the Gross National Product rose by 10.6 percent representing real growth of 5.5 percent. However by 1973 the economy began

\textsuperscript{44}\textit{Ibid.}

\textsuperscript{45}\textit{Ibid.}


\textsuperscript{47}\textit{Ibid.}

\textsuperscript{48}\textit{Ibid.,} 1973: 3.
to weaken. Despite continued modest increases in earnings the company was about to enter troubled times. In 1974 retail sales slowed as Canadian consumer spending slowed dramatically. The "buoyant demand for consumer goods" was absent from the picture. In response to the situation the company disposed of a number of operations such as its investments in Glenlivet Distillers and Siebens Oil and Gas Ltd. It acquired a 57 percent interest in Zellers, a 38 percent interest in Marborough Properties Ltd., an 88 percent interest in Simpsons and a 36 percent interest in Simpsons-Sears. These developments made the Hudson's Bay Company one of the largest companies in Canada with the top ranked position in Canada's two largest retail markets, Toronto and Montreal. The retail administration of the company had to be reorganized to include the new retail interests and to maximize the company's new advantage.49

The reorganization of 1979 led to some administrative changes in the National Stores Department. The new company administrative structure had grouped the National Stores with the Bay and Shop-Rite stores. While the larger National Stores served similar markets to those of the Bay and Shop-Rite stores, they were easily managed under one merchandise group. The smaller National Stores, however, continued to serve unique markets and required different transportation and distribution needs. As a result C. W. Evans set out to reorganize the department. The restructuring of the department began in 1981 and was completed in 1983. The result was a clearer separation of the larger National Stores from the smaller ones. In March 1981 the larger stores became the Large Merchandise Group divided into Western, Central and Eastern divisions. The Central Division was eventually dropped in 1983 as it only contained two stores which were added to the Western Division. The rest of the

smaller, or "Inland" stores were administered separately. In February 1983 the National Stores Department announced that it was to be restructured on a functional basis. The two functional groups were known as the National Stores Group, the former Large Merchandise Store Group organized in 1981, and the Northern Stores Group, which consisted of all of the other small stores known previously as inland stores. Marvin E. Tiller, general manager, was appointed to the position of Vice-President, National Stores Department with G.A. Whitman as his public affairs advisor. John L. Prenevost, formerly Assistant General Manager, Eastern Division, and Clarence A. Mann, formerly Assistant General Manager, Western Region, became, respectively, general managers of the two functional groups, National and Northern Stores.

Under the new organization, the National Stores Group operated two regional offices. The Winnipeg office served all of Western Canada and the Montreal office served Eastern Canada. The Northern Stores Group operated three regional offices: in Edmonton for the Western Division, in Winnipeg for the Central Division, and in Montreal for the Eastern Division. Apart from the separation of the larger and smaller stores and the creation of a separate large merchandise store group, the structure of the department continued to operate as before with a Merchandise Division, a Personnel Division, a Fur Marketing Division, a Control Division (Accounting), and an Operations Division (Transport and Distribution). A new division (Inuit Art and Blankets) was created for the sale of these goods. Before its creation their sale had been the responsibility of the general merchandising manager. On the organizational chart the General Manager for the Northern Stores and the General Manager for the National Stores appeared on the same management level as

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that of the managers for each of the divisions. These various divisions supported the two groups of stores. Once again it was hoped that the reorganization would improve the department's operating efficiency and reduce administrative costs.51

In the early 1980s, an increase in costs, high interest rates and a marked slowdown in consumer spending resulted in overall company losses. In 1981 the investment in the Hudson's Bay Oil and Gas Co. was sold and the company closed both the Shop-Rite Catalogue Stores Division and Simpsons' Regina department stores.52 In 1982 the company initiated a strict expense control program. It reduced personnel and froze salaries and wages. It also curtailed planned capital expenditures and initiated an inventory control program in the hope of lowering carrying costs.53 In spite of these efforts the company's financial position deteriorated further in 1983. Total debt increased from $1.7 billion to $2.2 billion.54 It was reported in 1984 that "nothing less than fundamental change could return [the company] to profitability."55 The change involved a restructuring of the company's operations and management "to rationalize retail operations and improve their profitability and to reduce administrative expenses."56 The Board of Directors met late in the year and decided "to re-examine the strategy and aims of the Company's retail business; to resolve balance sheet and cash flow problems; to disengage from marginal activities and to dispose of under-


53Ibid., 1982: 3.
54Ibid., 1983: 2.
56Ibid.
productive assets; and to focus the attention of management at all levels on financial objectives."  

The board decided to divide the company into two major operating groups, The Bay and Simpsons department stores in one group (referred to as the Bay Group) and Zellers, National Stores, Wholesale and Fur Sale activities, and the company's investments in real estate and natural resources in the other (referred to as the Zellers Group). Each operating group was headed by a newly appointed executive vice-president and one support group. The board also appointed a new management committee to coordinate the responsibilities and actions of the two executive vice-presidents and the senior vice-president. The latter headed finance and administration with responsibility for the company's legal functions.

In addition to the restructuring of company activities, cost reduction strategies were also implemented. The Information Services Division was reduced by 110 people, most of whom had worked in the systems development area. The staff complement in retail service functions such as credit, distribution and store planning was reduced by 190 positions. The Bay centralized merchandising and sales promotion and decentralized sales and service responsibility. The result was the elimination of 300 staff positions. Similarly, Simpsons reduced staff by approximately 230 people in addition to the earlier staff reduction of 2,200 in 1985. Delivery and trucking operations of The Bay and Simpsons were contracted out as of 1985.

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57 Ibid., 1985: 5.


The board also decided to return the National Stores Department to its northern focus. The department was given back its former name, the Northern Stores Department. The annual report of 1985 states that "The Bay Northern Stores will serve northern, rural and resource based communities with assortments of food and dry goods tailored to their requirements." Northern Stores was to be included, for reporting purposes, in the Zellers Group and six of the larger department style stores were to be transferred immediately from Northern Stores to Zellers.60

Within Northern Stores, cost reduction strategies were reflected in the restructuring of the department. The functional groups of 1983 were dissolved and the field organization returned to its division into geographic regions, western and eastern. Merchandising, control, distribution and personnel divisions supported both regions. The merchandise function was further restructured with the appointment of E.R. Boon as merchandise development and planning manager. He reported to the general merchandise manager. This position was developed to allow for coordination with Zellers buying organization for those departments in which NSD could utilize Zellers as a buying resource and offered the department a good deal of autonomy from the rest of the company's buying administration. The Furs Division and Inuit Art and Blanket Division were maintained. Property, store planning, construction and nutrition services were added to the organization chart as special services to the stores.61

The cost reduction strategies of the company in 1985 resulted in streamlining its activities in general. The Northern Stores Department returned to the structure and focus that characterized the department in 1959. As Vice-President Marvin E. Tiller

60Annual Report, 1985: 2.

explained in 1985 "[t]he name of the Department has reverted to 'Northern' as this term more appropriately describes the nature of our business. Now being able to focus on the uniqueness of our Northern customer, I believe the profitability of the Department will continue to improve." The department also reverted to a centralized management structure and geographically based field organization. Furthermore, the Northern Stores Department of 1985 was, once again, a relatively autonomous division of the company complete with its own buying organization by 1986.

During the difficult economic climate facing the company in the mid-1980s, the board of directors decided in 1985 "to disengage from marginal activities". In January 1987 an agreement in principle was announced to sell the Northern Stores Department, with its approximately 170 stores in Native and resource communities, for about $180 million to a group of investors formed by the management of the department and the Mutual Trust Company. The "new" company was launched on 2 May 1987, the 317th anniversary of the Hudson's Bay Company, with a head office in Winnipeg at Hudson's Bay House. The Hudson's Bay Company retained an interest in the "new" company which was initially named "Hudson's Bay Northern Stores." All staff members were carried forward and encouraged to participate in the ownership of the company through share purchase programs.

The organization of the Northern Stores remained largely intact. A service department for Native affairs was added to it. The transportation and distribution service was

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62 Ibid.


enhanced as well as the merchandising department, now under the charge of Vice-President E.R. Boon. Marvin E. Tiller was appointed president and chief executive officer. The managers of public affairs, merchandise, control, personnel, transportation and distribution, and finance were raised to the status of vice-presidents. The general managers of east and west also became vice-presidents. The managers of fur marketing and Inuit art and blankets became directors of their departments. The board of eleven directors included three executives from the Hudson's Bay Company (the Senior Vice-President of Finance and Administration, J.Derek Riley, previously Chairman of Hudson's Bay Northern Stores, and Marvin E. Tiller, president and chief executive officer). Also, two executives from the Mutual Trust Company, Raymond Dore, president and chief executive officer, and Ian Sutherland, executive vice-president, were on the board. There was also Peter Ashton, Vice-President, Corporate and Commercial Lending, Central Capital Corporation; David A. McCaslin, Research and Portfolio Manager, Government of Saskatchewan, Financial Services Division; James Osborne, Chairman, Manitoba Teachers' Pension Fund; and three independents, Jeffrey E. Gidney, Robert Hart and T. Iain Ronald, a former HBC executive.

It was reported in the Moccasin Telegraph in the summer of 1987 that:

Hudson's Bay Northern Stores will leave unchanged the traditions of the Hudson's Bay Company in its dealings with its staff and Northern customers. The primary responsibility of providing merchandise assortments appropriate to the North will continue, as well as our interest in Native peoples and their welfare.

This "new" company was to be built on the traditions of the old one and would call


66Ibid.,: 3.
upon its historical roots to shape its image and future direction. This became even more apparent in 1990 when it changed its name to The North West Company.67

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67 *Moccasin Telegraph* (Summer 1990). Inside front cover.
CHAPTER THREE
NORTHERN STORES DEPARTMENT
OPERATIONS, 1959-1987

The Northern Stores Department operated for twenty-eight years. Between 1959 and 1987 it remained a discrete entity within the company's administration. Despite the four major company-wide reorganizations, involving at least one major restructuring of the department, and the economic pressure of the 1980s, it managed to remain intact. Even after 1987 it continued to operate in very much the same way as it had in the days of the old Fur Trade Department. Attempts to improve the operations of the department were limited to expanding its mandate to include resource communities with larger populations. This led to a different kind of merchandising operation than that required for the original smaller northern communities and inevitably a split in the administration of the department to manage the two different types of stores. Even when the administration of the department was divided in 1985 into National and Northern stores divisions the latter continued to operate as it always had. The shift in focus which led the department to change its name to National Stores was a short-lived experiment through which the original northern focus was rediscovered. The stabilizing force, however, that kept the department intact through all the many changes occurring in the company's administration was the fact that it was structured around essential functions. Accounting or control, personnel, merchandising, transportation, building construction, and raw fur collection were the functions necessary to the operation of the stores. These functions formed the divisions in the administrative structure of the department and the operation of the stores was based upon the service provided by each of these divisions. This following chapter will examine the functions that formed the administrative structure of the Northern Stores Department. Emphasis will be placed on the period from 1959 to 1987. Since each of these functions developed out of the Fur Trade Department they will be discussed
from the time of their formation as a division or department within the company's administration.

The Northern Stores operation was markedly different from that of the Retail Stores organization. The environment in which the business was conducted, especially the unusual transportation and distribution needs, made the department unique. In 1959 the stores were divided into two categories, Merchandise stores and Inland stores, based on both size and accessibility. Bay Stores that were transferred to the department remained in a separate category until they were assimilated into the department's system after 1964. The Merchandise stores were basically junior department stores in urban communities serving populations up to 30,000 people. These stores were accessible by road and received their goods from the depots on demand. Inland stores were those located in remote or isolated communities populated predominantly by Aboriginal people. Most of the Inland stores received their non-perishable foods, basic clothing items, hardware, and other heavy merchandise once or twice a year. These supplies were shipped in by boat during the short summer shipping season. Some of these stores were also supplied by truck over winter roads and occasionally by air.

The stores naturally fell into three geographical regions, east, west and central. For each region there was an assistant general manager directly responsible to the general manager of the department. The regions were further divided into Inland or Merchandise districts. Before the term "Merchandise" was adopted, these districts

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1HBCA, RG 9 Administrative files (Original file no. 10.4.3), NSD Appreciation Report, H.W. Sutherland to Board Members, 28 November 1975.

2Ibid.
where referred to as "Line" districts, and the stores within them, as "Line" stores. Each district had a district manager to whom the individual store managers would report.

As late as 1940 the company in the North was literally exchanging merchandise for furs but by 1959, at the time of the departmental name change, the Northern Stores Department was very much a retailing operation. In 1975 there were 221 Northern Stores located across the country from St. John's to Whitehorse, Kitimat and Prince Rupert and from Lake Superior to Resolute Bay. The stores ranged in size from 73,200 square feet at Prince Albert to 1,100 square feet at Arctic Red River on the Mackenzie in the Northwest Territories. They were staffed by approximately 3,500 people.

From the late 1940s until 1964 emphasis was placed on improving store facilities and services and maintaining the company's dominant role in the North. This was referred to as the "modernization programme" initiated by R. H. Chesshire. The "programme" involved the replacement of obsolete buildings with modern stores, warehouses, and comfortable staff housing and furnishings, the introduction of formal training programs for staff, the adoption of modern distribution techniques and the employment of centralized buying operations "to secure broader assortments of desirable merchandise lines". At the same time the department's resources were largely invested in developing a junior department store role in mining, pulp and paper, and farming communities to the south. During these years the expansion was aggressive.

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3 Ibid.  
4 Ibid.  
5 Ibid.
In all, 18 Bay Stores, 29 Merchandise Stores, and 18 Inland Stores were opened. Between 1964 and 1969 relatively few new stores were opened however this was a period of administrative readjustment and the assimilation of 23 Bay Stores transferred to Northern Stores Department.6 From 1970 to the mid-eighties expansion continued particularly in resource communities. When the company curtailed its activities in the mid-eighties, the Northern Stores Department resumed its old mandate of serving the communities of the North.

To service the department's unique operation certain functional areas existed within the department's administration. The department had its own Transport, Accounts, Buildings and Lands, Personnel, Merchandise and Fur Sales divisions to service its operations.

TRANSPORT DIVISION

As the Inland stores were supplied by ship, the department ran its own Transport Division. The Transport Division was headed by a transport manager. Three men held this position; William Edward Brown, (1951-1965), Captain Frank Melvin Shaw, (acting manager from 1965-1970), and Peter Alexander Cunningham Nichols (1971-1974). The captains of the water vessels and the chief pilot of Air Transport occupied senior management positions under the transport manager.

The supply and re-supply of Inland Stores in the North was a complex operation. The shipping season was short and demanded careful planning. There was always a heavy risk of unfavorable ice conditions or low water conditions and as business grew the distribution of goods became more complex. The Transport Division of the

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6Ibid.
Northern Stores was one of the largest and most efficient shipping operations in Canada. It not only moved company goods but also operated as a commercial carrier. As the demand for its services grew the amount of time and energy required to run the operation effectively became excessive and the main endeavour, merchandising, began to suffer. Eventually the department divested itself of the transport operation and arranged contracts with other commercial carriers to move HBC goods. After 1975, the division was referred to as Distribution and Transportation and functioned mainly in the negotiation of contracts with other transportation companies. Then in 1982 the company joined the transportation business once again with the purchase of the M.V Kanguk. The history of the transport function of the Northern Stores Department falls roughly into two periods: pre- and post- 1975.

WESTERN ARCTIC AND MACKENZIE RIVER

Before 1975 the operation of the Transport Division was organized around the seasonal itinerary of each water vessel. The ships followed the same route every shipping season and each ship serviced a different area. Prior to 1959, the transport operation in the west, known as the Mackenzie River Transport, was sold to the Northern Transportation Company Ltd., a federal Crown Corporation. The Mackenzie River Transport operation was the largest common carrier system on the Mackenzie River reaching a peak in 1945 when a total of over 13,000 tons of freight were moved by the company. In 1947 all river freight and transport equipment on the Mackenzie river was turned over to the Northern Transportation Company. When


10Ibid.
in 1961 the motor vessel Fort Hearne was crushed in ice in the Dolphin and Union Straits, the company decided to turn over the Western Arctic freighting to the Northern Transportation Company also rather than incur the cost of replacing the Fort Hearne. As a result the M.V. Banksland, which serviced the Western Arctic along with the Fort Hearne, was sold to the Northern Transportation Company. From 1962 onward all freighting for the Western Arctic and Mackenzie River district was handled by the Northern Transportation Co.11

CENTRAL AND EASTERN ARCTIC

The R.M.S. Nascopie was the primary re-supply vessel in the Hudson Bay and Baffin Island areas prior to 1947. It was a strong vessel but required a cargo of coal that exceeded revenue cargo. In 1947 the Nascopie hit a reef outside Cape Dorset ending her career. In 1948 the Rupertsland, a small, ice-strengthened coaster, designed primarily for service out of Churchill, was built to replace her. This vessel had a carrying capacity of 702 tons. She wintered at Dartmouth, Nova Scotia, and was loaded with goods at Montreal. The Rupertsland serviced Hudson Strait and Hudson Bay and also operated part of the season out of Churchill and made a spring and a fall voyage to Labrador. Apart from carrying company goods, the Rupertsland also carried the occasional passenger as well as teams of scientists and photographers. On many occasions the federal Department of Northern Affairs sent medical teams on board to service the communities around posts that were not served by the federal Department of Transport ships.12 Increasing freight volume soon exceeded the Rupertsland's

11Ibid.

capacity. In 1960 she was replaced by the 1753 ton Pierre Radisson.\textsuperscript{13} The Pierre Radisson had approximately the same cargo-carrying capacity as the Nascopie and required half the crew. Apart from her superior design and efficiency, the Pierre Radisson operated with the added cooperation of the federal Department of Transport's Canadian Coast Guard air-ice reconnaissance and ice patrol vessel.\textsuperscript{14} The Pierre Radisson made four trips from Montreal annually, two to the Eastern Arctic and two to Labrador. She wintered at Sydney, Nova Scotia. The M.V. Fort Severn, a 485 ton deadweight coaster, and the M.V. Fort Garry assisted in the Central and Eastern Arctic transportation. The Fort Severn was used to distribute freight from freight transfer points at Churchill, Moosonee, and to a lesser extent, Chesterfield Inlet.\textsuperscript{15} The limited cargo capacity of these small motor schooners soon rendered them obsolete and after consecutive seasons of engine trouble they were removed from service. Their regular routes were handled by a chartered vessel. In 1971 the company began inquiring into the possibility of selling the Pierre Radisson and relinquishing Arctic transportation.\textsuperscript{16} Negotiations with Chimo Shipping Ltd. ended in 1972 with the sale of the M.V. Pierre Radisson and a contract with Chimo Shipping Ltd. for the handling of company freight.\textsuperscript{17} Under this agreement Chimo would ship company goods once a year to each store previously serviced by the M.V. Pierre Radisson and M.V. Fort Severn. With this sale the company ceased to own a deep

\textsuperscript{13}\textit{Moccasin Telegraph} (Summer 1964): 38.

\textsuperscript{14}\textit{Ibid.}

\textsuperscript{15}\textit{Moccasin Telegraph} (Summer 1972): 17.


\textsuperscript{17}HBCA, RG 7, Administrative files, RG7/1/1953, "Transport - Vessels Offered for Sale, Sept. 1972 - August 1975."
sea supply vessel. Chimo Shipping Ltd. was awarded a contract to sea lift cargoes from Montreal to the Eastern Arctic, Labrador, Ungava Bay, Hudson Strait, and Hudson Bay.18

EASTERN ARCTIC, JAMES BAY AND HUDSON BAY
After the sale of the M.V. Pierre Radisson, the James Bay tug and barge operation was the only remaining company owned transportation business. The James Bay operation was created by W.E. Brown, transport manager, in 1962 and represented an important development in the transport operations.19 Prior to the completion of the railway at Moosonee in 1931 the Transport Division's deep sea vessels discharged their cargoes in James Bay at Charlton Island, where the company maintained a supply distribution centre. The James Bay service extended as far north as Severn on the west coast of Hudson Bay and to the Belcher Islands off the east coast. The usual pattern was for the supply ship to load in Montreal and proceed to Fort Chimo, Charlton Island, Churchill and Chesterfield and discharge cargo for outlying posts. Small local vessels delivered the supplies to the stores on the east and west coasts of James Bay, as the shallow waters of James Bay and the fact that many of the stores were located at the mouths of rivers made it impossible for the larger vessels to deliver the goods directly. A number of the posts, particularly those on Hudson Strait, on the northeast coast of Hudson Bay, and on Baffin Island received their supplies directly from the main supply vessel. Completion of the Hudson Bay Railway to Churchill in 1929 and the Ontario Northland Railway to Moosonee, Ontario in 1932 changed the freighting picture significantly. When the Ontario Northland Railway to

18Ibid.

19HBCA, RG 7, Administrative files, RG7/1/1939, "Transport - Operations To General Manager, April 1962 - December 1966."
Moosonee opened, it was no longer necessary for deep sea vessels to enter James Bay. Supplies were sent directly by rail to Moosonee where a Transport Agency was established and again the small shallow draft and self-propelled vessels were used to make distribution to the stores.20 In 1962 the first tug and barge operation in James Bay was established with the building of the tug, M.V. Rupert River, and the two barges, HBC 150A and HBC 150B.21 The shallow drafts of the tug and barges permitted a greater cargo to be delivered to the stores directly. They could also be operated with a small crew at considerably less cost than the conventional freighting vessel. Subsequently, given the success of the Rupert River, the HBC 150A and HBC 150B, the M.V. Churchill River, the M.V. Nelson River, and barges HBC 300, HBC 1000 and HBC 1001 were added to operate in Hudson Bay.22 In April 1975 the James Bay tug and barge operation at Moosonee was sold to Fednav Ltd. of Montreal, thus ending the company owned water transport business.23

AGENCIES

Part of the transport operation involved the movement of goods from the Distribution Depots to the ships' loading area. This was the responsibility of the agent. The primary function of the agent was to make certain that all freight was delivered to the shed in time for loading the vessel. The agent was responsible for making up the bills of lading covering all freight loaded on the vessel and answering enquiries regarding

20HBCA, RG 7, Administrative files, RG7/1/2037, "Transport - James Bay Tug and Barge Operation, October 1960 - February 1962."


22HBCA, RG 7, Administration files, RG7/1/2043, "Transport - James Bay Tug and Barge Operation July 1966 - April 1968."

loading and sailing the vessels. The company had seasonal agencies at Tuktoyaktuk and Chesterfield Inlet and year-round agencies at Montreal, Churchill and Moosonee. After 1965, the agency at Churchill was reduced to a seasonal operation also.24

The Ontario settlement of Moosonee on the west bank of Moose River on the southern coast of James Bay was the land base of HBC transport operations.25 The land base operation consisted of a small office building and four warehouses, fronted by a railway spur, with ramps leading up to a floating dock for loading. In the Moosonee settlement itself there was also a small house occupied by the agency manager during the shipping season. During the winter, tugs and barges were anchored in an inland water basin with no appreciable tide movement at Paint Hills, a settlement 160 miles north of Moosonee. The company also maintained at Paint Hills a marine "railway" on which tugs were hauled out of the water for hull repairs and painting as well as periodic inspection required under Canadian steamship regulation.26

The company's transport operation at Moosonee was the only marine freighting service from the railway to the settlements on the east and west coasts of James Bay. In addition to carrying company goods, this operation serviced nearly all of the commercial freight in the area.27 The principal customers were the federal government Departments of National Health and Welfare and Indian Affairs, the

24HBCA, RG 7, Administrative files, RG7/1/1939, "Transport - Operations (To General Manager), April 1962 - Dec. 1966."

25Ibid.


27Ibid.
Ontario Department of Lands, Quebec provincial departments, Roman Catholic and Anglican missions, and Austin Airways. The transport operation at Moosonee also aided in the lightering ashore of several thousand tons of oil product for Shell Oil, when the federal Department of Transport discontinued the service.

AIR TRANSPORT

Air transport functioned under the administration of the chief pilot. Between 1939 and 1941, air transport was restricted to store inspection work in the North. After 1945, when the company began an aggressive expansion and modernization in the North, air transport became increasingly important. The base of air operations was moved to Winnipeg from Edmonton. More planes were purchased and an air base was opened at Sioux Lookout, Ontario to serve the stores of Northern Ontario. Radio beacons were set up at Spence Bay and Igloolik to facilitate navigation in harsh conditions. Later, the base at Edmonton was re-established to serve the stores of the Western Division.

The aircraft were primarily used to transport personnel to and from posts. They also moved cargo, particularly bales of fur. By 1970 the operation was based in Winnipeg, with three airplanes: a Beaver (CF - GOW) purchased in 1951, a Grumman Goose (CF - HBC) purchased in 1961 and a DC - 3ETE, purchased in 1963. Personnel

28Ibid.


31Ibid.
included three engineers, Templeman, Kennedy and Little, and three pilots, Atkinson, Snyder and Taylor. Atkinson was chief pilot from 1952 to 1974. Taylor became chief pilot on Atkinson's retirement. By 1975 Air Transport employed three pilots, three aircraft engineers and an apprentice under Kennedy. The staff also included a radio technician to service communication equipment. The Goose was sold prior to 1975 and the DC - 3 was replaced with a twin engine turbo-prop de Haviland Otter. The aircraft came and went over the years but the division kept two or three in service at all times and maintained their hangar in Winnipeg.32

DISTRIBUTION/MERCHANDISE DEPOTS
The Transport Division worked in close cooperation with the Merchandise Depots. After 1968 Merchandise Depots were referred to as Distribution Centres. The Distribution Centres were primarily responsible for filling the merchandise orders from the various stores. This involved receiving goods from suppliers, breaking down the bulk supplies into the requested orders, repackaging the ordered goods for transportation to the stores, and then moving them out by way of the Transport Division. The Northern Stores Department had three Distribution Depots: in Montreal, Winnipeg and Edmonton. While the depots had originally developed out of the merchandising responsibility, they operated in close cooperation with transport. As a result the administration of this area after 1975 was controlled by an operations manager who coordinated the activities of the two divisions.33

POST-1975
After 1975 the coordination of transport and distribution activities for the company


33HBCA, "NSD Appointments and Retirees", NSD Finding Aid.
became more complicated, as the company had divested itself of its own transport operation and entered into several contracts with other transport companies. The situation was further complicated by the fact that a wide variety of transport methods, ranging from road and rail to water and air, were necessary to keep the stores across the country supplied. The coordination of transport and distribution activities became increasingly complex. Between 1975 and 1980 several different strategies for administering these two activities were implemented.

In August 1976 M.E. Tiller joined the Northern Stores in the newly established position of Manager, Distribution Development. In this position Tiller was to examine all the activities inherent in merchandise distribution - "from ordering to delivery at the store ... and develop recommendations for [the] improvement of this process".\textsuperscript{34} Five months later, in January 1977, J. K. MacDonald was appointed Traffic Manager, NSD, and in June 1978, J. A. M. Campbell was appointed Manager of Distribution Systems and Traffic.\textsuperscript{35} It was decided in that year to incorporate the Distribution Centres into the Merchandise Division of NSD. As a result, the Manager, Operational Services, who was previously responsible for the three Distribution Centres, was now to report to L. G. Hodson, General Merchandise Manager.\textsuperscript{36} In November 1979, Campbell was promoted to the position of National Transportation Manager, responsible for servicing both the National Stores and Department Stores.\textsuperscript{37} In 1980 the name of the division was changed again when D. E. Coles was

\textsuperscript{34}\textit{Ibid.}.

\textsuperscript{35}\textit{Ibid.}.

\textsuperscript{36}\textit{Ibid.}.

\textsuperscript{37}\textit{Ibid.}.
appointed Manager, Distribution Systems and Traffic.\textsuperscript{38}

Under D. E. Cole, Distribution Systems and Traffic became known as the Distribution and Transportation Division. It operated with a Director of Transport and a Director of Distribution.\textsuperscript{39} The Director of Distribution was responsible for the distribution centres. The Director of Transport was responsible for coordinating transportation needs and establishing arrangements with transportation companies. A Systems and Logistics expert also worked in this capacity.\textsuperscript{40} In 1982, the company purchased the M.V. Kanguk to service the stores in the Eastern Arctic.\textsuperscript{41} The Kanguk was a class one ice-strengthened vessel, designed for Arctic travel. The Kanguk, which made three trips a year to meet all of the merchandise requirements of the Eastern Arctic Stores, carried four barges and two tugboats aboard ship for transporting cargo to land. This development in transportation was expected to save the company a considerable amount of money in lost merchandise and to save on personnel necessary to unload the ship. Although the company owned the new vessel it was managed at arms length through a subsidiary company called Igloolik.\textsuperscript{42}

During the 1980s the Northern Stores Department joined forces with Zellers, Simpsons, and The Bay Department Stores in the transportation of goods through a network of trucking terminals. Trucking terminals were established in Edmonton, during the 1980s.

\textsuperscript{38}Ibid.

\textsuperscript{39}Telephone Interview with Jean Roth, Executive Assistant for Transportation and Distribution Division, The North West Company, 12 September 1993.

\textsuperscript{40}Ibid.

\textsuperscript{41}"NSD Transport in the 80's", Moccasin Telegraph (Winter 1982): 4-6.

\textsuperscript{42}Jean Roth interview.
Toronto and Montreal to receive and dispatch merchandise for stores in BC, Yukon, NWT, Alberta, Ontario, Quebec and New Brunswick. The trucking service reduced the need for rail service between Toronto and Montreal. The Transport Division also kept a fleet of 100 U-Paddle canoes. The canoes, which were used for recreational purposes, were rented out for expeditions from such places as Yellowknife, Cumberland House and Inuvik.

PERSONNEL DIVISION

During the modernization of the Fur Trade Department in the late 1930s, the personnel function became the responsibility of a separate division. Personnel activities, however, had long been an important function in the operation of the department. The personnel function began with the hiring of the first employees at the onset of the fur trade. For much of the company's history the payroll and staff records were simple enough to be maintained by accountants for the various regions. As the task became more complex with the introduction of benefits such as pensions, health and welfare benefits, and staff training, the personnel function required the resources of a specialized staff. Thus P.A Chester, assisted by R.H. Chesshire, established the Fur Trade Department Personnel Division in 1938. Many of the personnel policies that existed between 1959 and 1987 date from the days of the Fur Trade Department. These policies changed often to suit the times and to meet government requirements.43

The initial activity upon which the personnel function was based was the attainment of an efficient work force. This involved the recruitment, selection, and placement of staff as well as a "leaving service". Policy statements existed on the employment of

former employees and relatives, on classification and probation, on full-time employment of self-supporting individuals and regular part-time and casual employees and of employees of other employers. Recruitment policies also covered sources of advertising and methods of recruitment. The recruitment function was followed naturally by the selection of recruits. This involved application appraisal, interviews, follow-up on references and referrals, testing, and medical examinations. The successful recruits were then placed in suitable positions. This involved the signing of contracts and the recording of information about the individual for employment purposes. Placement policies also included an "Interviewer's Guide for District Managers" indicating that some employees were recruited at the district level. The leaving service involved an exit interview designed to collect information on employee experiences. The purpose of the leaving interview was to record any grievances on the behalf of the employee with a view to improving employment policies.44

The second function of the Personnel Division was that of training and development. This involved a "planned program to teach new employees their jobs, and to increase the skill of all employees to the maximum of their capacities." Policies in training and development included induction, on-the-job training, courses, conferences, transfers and promotions, and executive development. Regular courses were offered in accounting, merchandising, fur and fur grading. On-the-job training involved regular employee appraisals.45

A third function of the Personnel Division was that of health and safety. Policies in


45HBCA, RG 7, Administrative files, RG7/1/1791, "Personnel - Training School Curriculum, October 1938 - August 1942."
this area included those on working conditions, health services and maternity absence, safety measures and legislation. Many of the policies under health and safety were regulated by the government, however many others, such as physical and dental examinations, sick leave, maternity and pre-natal absences, evacuation, hospitalization, medical plans and insurance, were designed by the company and reflected the unique conditions of living and working in northern and isolated communities. Safety measures, for example, included radio and telephone communications. 46

"Concessions to build morale" among employees as well as the maintenance of a favorable attitude toward work and the company were the purposes of the employee services function. This included the regular privileges offered by most employers: staff discounts at stores, staff savings and loans, long service awards, leave of absence and transfers. The company also included policies on communication between staff and management which gave rise to company publications and outlets for staff suggestions and grievances. Termination policies included those on probation and warnings, resignations, dismissals, death of employees, and testimonials. Retirement policies included those concerning the company pension plan and tributes to retirees and welfare of retirees. 47

A section on special services existed for those employees hired to work in remote regions. Children's education, Arctic allowances, insurance of personal effects, life insurance, holidays and arrangements, contests, and the Moccasin Telegraph, an


internal departmental magazine, were all part of the special services function.48 Housing was naturally an important issue for employees working in the North. The Personnel Division worked in close cooperation with the Building and Construction Division to provide adequate living conditions for employees and their families. The special services function of the Personnel Division set the standards for dwellings and household furnishings. A large part of the special services function was concerned with the nutritional health of employees and their families living in isolated communities. To overcome any dietary deficiencies in vitamins and minerals the company began to produce a special vitamin and mineral supplement to be provided to all northern staff members. This program was initiated in 1939 and continued throughout the history of Northern Stores.49 Employees were also encouraged to grow their own vegetables and fruit whenever possible. To this end the Personnel Division provided the necessary seeds, soil, fertilizer and equipment and ran contests to encourage participation.50 The provision of reading material to staff in isolated communities continued throughout the history of the department with a plan to build-up a permanent collection of reference and non-fiction books. Eventually paperbacks and children's books were included.51 The education of children was taken into consideration in 1942-43 when a comprehensive survey of the school facilities for children of northern employees was undertaken. The company agreed to provide certain types of approved correspondence courses, including a kindergarten course for


50Ibid., RG7/1/1837, "Personnel - Gardens, Soil Tests and Fertilizers, September 1939 - October 1963."

preschool children, and to make financial reimbursement for extraordinary expenses. A new policy was designed in 1947-48 providing an educational allowance to parents who wished to have their children attend schools outside the communities. The school allowance policy continued throughout the history of the Northern Stores Department and the allowable amount increased with the times.52

Personnel research was also a function of the Personnel Division. Studies to determine accurate predictions of human behaviour in the work situation were undertaken to make the personnel function more effective. Statistics on absenteeism, overtime, staff turn-over and staff developments were collected for this purpose. Surveys were conducted to measure attitude and morale. The adequacy of the personnel programs were evaluated and new policies were planned to meet demands.53

Policies were administered by both the head office in Winnipeg and at the regional level by personnel managers in Edmonton, Winnipeg, and Montreal. During the late sixties through the early seventies a personnel manager was also appointed to each of the districts. The Personnel Division of the Northern Stores Department between 1959 and 1987 was headed by a Personnel Superintendent until 1973 when the title was changed to Personnel Manager. In 1976 the division became Personnel Services with personnel managers operating only at the district and regional levels. In 1987 the division name was changed again to Human Resources.54 Richard Phillips was

52 Phillips, "The Personnel Division": 37.

53 HBCA, RG 7, Administrative files, RG7/1/1809-1810, "Personnel - Staff Rating Reports, November 1959 - November 1969."

54 HBCA, RG 2, Administrative files (Original file no.1.7.10) "Administration - Company Organization."
Personnel Superintendent from 1949 until he retired in 1974. Phillips was succeeded by Donald G. Ferguson who was Personnel Manager until 1976 and thereafter Manager of Personnel Services until he retired in 1985. Ferguson was succeeded by B.D. Cromb who was also Manager of Personnel Services until the sale of Northern Stores Department and the establishment of The North West Company in 1987, at which time Cromb became Vice-President of Human Resources.

MERCHANDISE DIVISION
The role of the Merchandise Division was primarily to provide direction and coordination of profitable department merchandising activities. However the means by which merchandising activities were coordinated and directed changed dramatically over the years. Throughout the history of the Northern Stores Department, merchandising grew to become highly specialized in areas such as sales, planning, advertising and buying. Apart from this tendency to grow and change in line with modern retail activity, the Merchandise Division of NSD was also affected by each of the three company-wide reorganizations (1962, 1979, and 1985) as well as the internal departmental changes (1964, 1980, and 1985). Prior to 1961 the Merchandise Division operated along very simple lines. The buying of merchandise for the stores was the responsibility of the department managers in the distribution depots, who received assistance from the London Buying Office. For a short period in 1951 the department had its own buyers attached to the Montreal, Toronto and Winnipeg buying organizations. A catalogue, or very simple descriptive list, of the principal lines of merchandise usually carried by the distribution depots was distributed to the

57 "A New Company" *Moccasin Telegraph* (Summer 1987), insert.
store managers allowing them to select from the items listed when ordering merchandise for the stores. In 1951 C. E. Drury was appointed Merchandise Manager of the Fur Trade Department. Under Drury a wider basic assortment of merchandise was provided and a system of introducing items on commitment was implemented. By this time a basic stock assortment list existed. When W. R. Palmer took over in 1958 emphasis was again placed on improving basic assortments, establishing the use of national brand lines, instituting city retail prices for line stores other than foods, and generally applying a uniform merchandise approach across the country. The late fifties also saw the introduction of the Sales Plan approach whereby individual stores planned their merchandise stock according to the previous year's sales.58

BUYING

Prior to 1949, buying for the Northern Stores Department was handled by a nucleus of four or five buyers, supported by the depot department managers, who were also relatively active in the buying field. A broad range of merchandise was purchased and there was very little specialization. When in 1948 the Bay Stores were amalgamated with the larger stores of the Fur Trade Department a merchandise office, later renamed the Winnipeg Buying Office, for both the Bay Stores and Northern Stores was established under a joint Merchandise Manager, Mr. C. E. Drury.59 The purpose of this operation was to buy and promote the sale of merchandise for both divisions. The original buying establishment included twelve persons, five with previous Northern Stores Department experience, four with large store experience, and three


59HBCA, RG 9, Sutherland's files (Original file no. 4.5.8) "Report on the History of NSD Buying Offices", 31 January 1967.
from outside the company. It was soon recognized that market coverage from Winnipeg was inadequate, and buying offices were opened in late 1949 in the major markets of Montreal and Toronto. The former was primarily for "wearables" and the latter for "smallwares", "hardgoods" and "home furnishings". Each buyer was responsible for all markets and also for a broad range of merchandise. All buying for the Bay and Northern Stores/Fur Trade stores was handled through these three offices.60

The move away from broad market coverage to greater specialization by product line began with these three buying offices.61 As new Bay and Northern Stores were opened, buyers were added and increased specialization followed. In 1953 a Buying Office was opened in Vancouver to service this growing market. Administrative problems led to its closing in 1966, at which time other arrangements were made to accommodate the Vancouver stores. Initially, there was one merchandise manager for both the Bay and Northern Stores, and the buyers were responsible to one person. In 1951, to strengthen the merchandising function of these two store groups, separate merchandise managers for each were appointed. This resulted in administrative problems for the buying function. To solve the problem Drury was moved to Montreal in 1954 and took over the operation of the four buying offices. In 1956, Mr. D.B. Lorimer assumed this responsibility.62

The responsibility of the buyers for Northern Stores extended beyond that of the

60Ibid.

61HBCA, RG 7, Administrative files, RG7/1/1736, "Merchandise - Buying Arrangements - Policy, April 1956 - October 1968."

62Ibid.
normal buying function. Buyers also assisted in certain merchandising functions such as establishing and maintaining the NSD assortment catalogue.63 Once an item recommended by the buyer was accepted by the merchandise manager, the buyer established the resource and selected the item. The appropriate depot or merchandise centre would arrange the buying quantity and the stores, in turn, would requisition this merchandise from the depots as required. Buyers were also responsible for procuring the additional requirements of the stores in meeting any particular community needs. Prior to 1956, the buyers participated in the NSD sales planning. However, after 1956, this type of development work was taken over by the merchandise managers and the district managers. In 1956 the Bay Stores were reorganized into three operating divisions, East, Central and West. This was the turning point in the buyer's role in sales planning. The buyers assisted sales planning to a lesser degree. Virtually all planning was handled from then on by the Merchandise Division.64

In 1961 the company decided to combine all of its buying operations into one buying service. The object in establishing the buying service was to utilize better the company's buying power and knowledge. The first major step involved combining the Retail Stores Department buying offices with those of the Bay Stores and Northern Stores. Thirty-one buyers, including divisional buying managers, formed this new buying team. Vertical specialization by products was reorganized more effectively. By 1966 thirty-four buyers and divisional buying managers made up the buying office complement.65

63Sutherland's files, "History of NSD Buying Offices."
64HBCA, RG 7, Administrative files, RG7/1/1736, "Merchandise - Buying Arrangements - Policy, April 1956 - October 1968."
65Hodson, "The Merchandise Division."
MERCHANDISE ADMINISTRATION

In 1962, in response to the first company-wide reorganization, it was decided that all stores should use the one standard Stock Book. With the acquisition of the Eastern Bay Stores in 1964, an even wider merchandise assortment was considered necessary. To handle the special merchandise requirements in the East Mr. J. Lajoie was appointed Divisional Merchandise Manager, and Mrs. M. Scheen was made Divisional Advertising Manager in Montreal.66

In 1964 Hodson became Merchandise Manager and in 1970 was appointed General Merchandise Manager. At that time the policy of the Merchandise Division was to lead the way in all communities in which the company operated stores. As the communities grew and the stores became larger, the facilities were modernized and the stores were supplied with wider merchandise assortments. The merchandise function was therefore one that initiated growth and that grew itself to accommodate the change.67

During the seventies the responsibilities of the Merchandise Division were divided among the merchandise managers for the Eastern, Western and Central areas, with Hodson overseeing the entire operation as General Merchandise Manager. Lajoie, the department's liaison with the General Merchandise Office in Montreal, continued to assess and recommend new items developed by the General Merchandise Office,


thus enabling the department to keep abreast of changes in the market place.68

In 1976, when Sutherland retired, Pitts initiated some changes in the department which affected the Merchandise Division. He standardized the organization of the stores into Merchandise and Inland districts containing larger and smaller stores respectively. In each of the Central, Eastern and Western Divisions there were both Merchandise and Inland districts and in the Eastern Division there was a divisional manager for each. In keeping with this the Distribution Centres of the Northern Stores Department were renamed Merchandise Centres.

In 1978 Pitts retired and Tiller took over as General Manager of NSD. The name of the department was changed to National Stores Department and the Merchandise Centres were brought under Merchandise Division control. As a result, Norgrove, Manager of Operational Services, responsible for the three Merchandise Centres, was to report to Hodson. Also in that year it was decided that merchandise strategies which were previously developed by the department (NSD) in general on a yearly basis would now be developed on an ongoing basis and amended as required and reviewed at each General Merchandise Management meeting.69

For merchandise purposes stores were regarded as either Merchandise, Inland or Arctic (even though the Arctic stores were administered through the other divisions). In each division, Western, Central and Eastern, there was an assigned Merchandise Manager of Assortment Control whose responsibility it was to provide the

68Ibid.

69HBCA, RG 7, Administrative files, RG7/1/1719-20, "Merchandise - General Correspondence L. G. Hodson July 1978 - December 1978."
appropriate breadth of assortment in each division. The Merchandise Manager of Assortment Control reported directly to the Merchandise Manager, NSD who in turn reported directly to the General Merchandise Manager (Hodson).\textsuperscript{70} A Manager of Operational Services administered the Merchandise Centres located in Montreal, Winnipeg and Edmonton. He also reported directly to the General Merchandise Manager.\textsuperscript{71}

Merchandise units ranged in size from 80,000 square feet to a low of approximately 5,000 square feet and were divided into four categories depending on the population. The size of the store was directly proportional to the population served. Category I stores were small or junior department stores offering a general assortment of goods, whereas stores in Categories II, III, and IV offered only an assortment of the basic needs.\textsuperscript{72}

Inland Stores were generally smaller country stores located in remote communities. They ranged in size from 16,000 square feet at Inuvik, NWT to a low of 775 square feet. These stores were generally situated in mostly Native settlements where the Hudson's Bay Company was the primary commercial establishment, and the economic base was supported primarily by government welfare and work projects. They were usually serviced by air transport. These units were converted to Merchandise stores if the population exceeded 3,000, if the transportation system was developed and the nature of the market provided an opportunity to broaden assortments. Before

\textsuperscript{70}\textsuperscript{HBCA, RG 7, Administrative files, RG7/1/1713-17, "Merchandise - General Merchandise - Correspondence and Meetings, December 1975 - August 1977."}

\textsuperscript{71}\textsuperscript{Ibid.}

\textsuperscript{72}\textsuperscript{Ibid.}
conversion to Merchandise the potential to achieve an appropriate rate of profit had to be established as well as the availability of trained staff for the market.73

Arctic stores, as the name implies, were all beyond the tundra ranging from Resolute Bay on Cornwallis Island in the High Arctic to Fort Chimo on Ungava Bay in the Province of Quebec. Food accounted for the major portion of gross sales.74

MERCHANDISE CENTRES

Merchandise Centres were maintained for the principal purpose of having merchandise readily available for any store and to enable stores to consolidate departmental requirements, thus effecting maximum economy in shipping. The use of these facilities was not intended to circumvent direct shipments from suppliers to stores where this was acceptable and practical.75

Since Montreal was the primary resource market, the Montreal Merchandise Centre was predominant. It was not only the largest facility (at 230,000 sq. ft) but was relied upon to service all Merchandise, Inland and Arctic Stores with the bulk of their requirements. Home furnishings and major appliances were the exceptions. The Montreal Centre was responsible for all ship loading at the Port of Montreal for points in the Central and Eastern Arctic and Labrador. It was the Merchandise Centre that determined the landing cost of all merchandise going into Arctic, Inland and small merchandise units that functioned in the cost inventory method. Category I stores

73Ibid.


(the largest of the Merchandise Stores) did not operate on this system but rather on the retail inventory method. The Merchandise Centre at Winnipeg operated primarily as a consolidation point for Central Stores. This included the service of winter freight by tractor trains to Inland units and car loading and container shipments to larger stores. Purchases from the Winnipeg garment market were also handled through this centre. Edmonton's Merchandise Centre was also a major consolidation point for air container shipments to Mackenzie Valley - Yukon and Western Arctic units. British Columbia and southern Alberta were also serviced by truck from Edmonton. Bulk barge shipments of food and other commodities were organized from the Edmonton Centre for points on the Mackenzie Valley and Arctic water systems.  

In 1979, during the second company-wide reorganization, when retail activities were arranged into three groups, Simpsons, Zellers and The Bay, National Stores was made part of The Bay retail group. At the same time Marvin E. Tiller was appointed General Manager of the National Stores Department. This grouping of retail activities involved enormous changes in the Merchandise Division. Beginning in January 1979 a number of new positions was created including several managers of assortment control. The individuals in this position were responsible for the planning and development of NSD divisional merchandise assortments and reported to the Merchandise Manager, NSD. The responsibilities of the position included recommending divisional merchandise policies, marketing strategies and merchandising standards. The Merchandise Manager, Assortment Control would also act as a liaison between NSD regions, Merchandise Centres and the General

76 Ibid.

77 HBCA, RG 7, Merchandise Correspondence, RG7/2/167, Hodson to Office of the President, The Bay, 17 December 1980.
Merchandise Office. With respect to the General Merchandise Office, this person would plan and develop merchandise assortments suitable for NSD, prepare buying guides required for assortment planning and procurement, and plan promotional assortments. With respect to the stores, the Assortment Manager would assist in the planning of inventory requirements, assortment selection and procurement. This individual would visit stores in order to keep a current understanding of the stores' changing merchandise requirements, audit existing assortments and provide direction and assistance where necessary. With this information the Assortment Manager would coordinate merchandise awareness meetings and distribute product knowledge material and keep the Merchandise Manager, NSD informed of market trends and all major problems concerning merchandise procurement, sales development and Merchandise Centre performance.78

In 1979 there was also a Visual Presentation Manager appointed to the Eastern Division.79 The purpose of this position was to provide direction in effective presentation of merchandise in stores through functional guidance to Regional Visual Presentation Management. This individual responded directly to a Visual Presentation Manager, NSD. In November 1978 a Sales Promotion Manager had been appointed due to the increased sales promotional activities generated by the department.80 The purpose of this position was to provide guidance to stores in sales promotion. Also appointed in this area was the Sales Planning Manager, NSD. It was the responsibility of this person to develop central sales plans and work closely with

78Ibid.

79HBCA, RG 7, Merchandise Correspondence, RG7/2/182, "Merchandise - General - L. G Hodson 1978-79."

80Ibid.
divisional management in coordinating the advertising and visual presentation functions. The Sales Manager was also responsible for the Blanket Division, Canadian Arts and Crafts, and new store planning. This position reported directly to the General Merchandise Manager. Furthermore a Merchandise Manager for Foods, NSD, was also appointed, as were an Advertising Manager, NSD, and a Merchandise Investment Manager, NSD.81

The integration of retail activities involved merging the joint responsibilities of NSD Merchandise activities into that of the General Merchandise Office (GMO) of The Bay. This meant that the NSD Merchandise Division together with the GMO were responsible for the development of divisional marketing strategies consistent with NSD short-and-long term planning and in accordance with GMO plans wherever practical. Furthermore these strategies were to be ratified by the NSD operating units. The selection of sales items was to remain based on the NSD marketing strategies but was to be built using, wherever possible, the selection used by the department stores.82

Buying remained the responsibility of the GMO. NSD merchandise requirements were approved by the NSD Merchandise Manager, Assortment Control. The GMO prepared, on an on-going basis, a NSD buying guide supporting all basic sales items listed in a Sales Assortment List compiled by NSD. Buying guides were revised annually and were used by the stores and the Merchandise Centres. They covered both direct shipment goods and Merchandise Centre stock and allowed the NSD

81Ibid.

82HBCA, RG 7, Merchandise Correspondence, RG7/2/66, M. E. Tiller to Assistant General Managers, NSD, 21 November 1980.
stores and the Merchandise Centres to re-buy on an ongoing basis. The buying
guides also provided product knowledge to the Merchandise Division advertising staff
on items being promoted, and provided the source of information for centrally prepared
stock records.83

The procurement of seasonal sales items remained the responsibility of the
Assortment Control Managers, NSD, in liaison with the GMO. Merchandise
selection that varied from store to store or region to region was recorded and ordered
according to a Commitment System. It was the responsibility of the NSD Assortment
Control Managers and the appropriate GMO principal or central buyers to develop and
issue commitments according to NSD's requirements. These were lists of items, not
regularly stocked, but required for seasonal sales or for communities with special
needs. A Commitment Schedule was also created to indicated when these items
would be required. The assortment of items offered in the NSD commitments were
selected from the Sales Assortment List of the department stores and was scheduled
in common with the department stores, Commitment Schedule.84

The commitment, together with the supporting buying guide, was forwarded to the
Commitment Processing Section which was responsible for issuing, receiving back and
summarizing NSD commitment participation. Group orders were written by the NSD
Commitment Processing Section and forwarded to GMO for a final check, signature
and placing. Although the General Merchandise Manager, NSD, had the authority to
approve a resource list for individual store buying, wherever possible, NSD sales,
promotional and buying requirements were to be coordinated with that of the

83Ibid.
84Ibid.
In February 1981, to suit the new Merchandise arrangement, a new Large Merchandise Store group was formed. In March of that year Mr. R. D. Chorley was appointed to the position of General Merchandise Manager Large Stores, to report directly to the General Manager, NSD. Chorley was brought over from the Western Department Stores, Merchandising. This new appointment was the result of an ambitious expansion program of larger stores which had commenced in 1978. Once again the stores were divided according to size. It was believed that the larger merchandise stores, or junior department stores, were subject to a sophisticated level of competition and therefore required a special merchandising group. While Chorley was to supervise that group, Hodson was to continue as General Merchandise Manager, NSD providing merchandising services to the "traditional" National Stores business or, in other words, the Inland stores. It was announced to the staff of the NSD that, pursuant to the establishment of two separate merchandising organizations in National Stores, to service the large store group and the remaining stores, under Chorley and Hodson, respectively, Merchandise Managers of Assortment Control were appointed to Divisional Merchandise Managers. ("Divisional" here refers to the divisions in department stores such as shoes or toys.) These individuals formed the "special merchandise group" for large stores. Several other Assortment Control Managers were appointed to specific "Divisions". (E. R. Boon was Merchandise Manager, NSD, under General Merchandising Manager Hodson.) Furthermore, a manager was appointed for the Arts and Crafts Centres, created in Ontario, Montreal and Winnipeg. In 1982 a General Merchandise Manager was appointed to this area also. The General Merchandise Manager, Arts, Crafts and Blanket Division, was

85HBCA, RG 7, Merchandise Correspondence, RG7/2/167, "Merchandise - General - L. G. Hodson 1980-81."
responsible for the management of these businesses and directing the expansion of the division into new markets. A General Sales Manager, NSD, Large Stores was appointed in February 1982. This manager was to ensure that national, regional and functional merchandise programs were being communicated and implemented in the Large Stores group.86

Finally in August 1982 this division in merchandise activities to suit large store expansion was dissolved when the two merchandise operations merged. It was announced in that year that "effective immediately, the two NSD Merchandise Organizations viz., Large Stores and Merchandise Stores will be merged into one. This re-organization is being undertaken because of the curtailment of the Large Store expansion program and the need to effect economies in this very difficult time."87 Hodson resumed responsibility once again for the total merchandise function. In order to reduce the number of executives reporting directly to the General Manager, two senior executives shifted their reporting relationships. The Sales Promotion Manager reported to the General Merchandise Manager and the Merchandise Investment Manager reported to the Controller.88

The Merchandise Division of NSD remained highly specialized throughout the early 1980s. When Tiller announced the department's new organization in 1983 NSD was still divided into National Stores representing the larger units and Northern Stores representing the smaller units. Both, however, were serviced by one General

86HBCA, RG 7, Merchandise Correspondence, RG7/2/171, "Merchandise General - L. G. Hodson 1981-82."

87 HBCA, NSD Appointments August, 1982, NSD Finding Aid.

88Ibid.
Merchandise Division. Inuit Art and Blankets was made a separate division under the control of a General Merchandise Manager for Inuit Art and Blanket Division.

In 1985, when the third company-wide reorganization was implemented, and the NSD was returned to the organizational structure that characterized it during the late 1950s, the Merchandise Division managed to retain a number of important positions. The Board decided to re-group the retail activities with The Bay and Simpsons department stores in one and Zellers and National Stores in the other. For the first time in years the small or inland stores would drive the merchandising activities of the department as the Board decided to re-implement the traditional northern focus of the stores. Under the new organization, the "functional" groups were dissolved and store organization returned to divisions along geographic lines east and west. The Merchandise Division, which had been centralized in 1983 to service all stores in the department, was further restructured. Mr. E.R. Boon was appointed Merchandise Development and Planning Manager, reporting to Hodson the General Merchandise Manager, NSD. Boon was responsible for the development of merchandising systems that would coordinate with Zellers as a buying resource. Mr. H. J. Lemmon remained in his position as Assistant General Merchandise Manager, with a sales planning manager and advertising manager reporting to him. Four group merchandise managers were appointed. These individuals operated in the capacity of the earlier assortment managers with control over certain merchandise divisions (such as ladies' wear and men's wear etc.) Each group manager controlled at least two divisions (or types of merchandise). Nine committee managers, each responsible for one type of merchandise (or one division) reported to the group managers.89

89HBCA, RG 2, (Original file no. 1.7.10) "Administration - Company Organization."
The new organization allowed the NSD to utilize Zellers as a buying resource. This
gave the Merchandise Division a considerable amount of autonomy from the rest of
the company's retail activities. When in 1986 Hodson retired and Boon was
appointed to the position of General Merchandise Manager, the Merchandise Division
began to expand again but maintained its organizational structure. Commodity
managers were added under each group manager and the areas of advertising and
sales planning grew. Furthermore a manager of selections and a manager of buying
support services were added. This structure remained intact until the sale of the NSD
in January 1987.90

RAW FUR DIVISION

The Raw Fur Division of NSD represented the true continuation of the original fur
trading business of the company. Its main function was to provide an outlet for the
sale of furs collected by local trappers or farmed on fur farms. The Raw Fur Division
was part of a much larger enterprise controlled by the company which included three
subsidiary companies' auction houses in London, New York and Montreal (later
moved to Toronto). Through HBC Fur Sales Inc., New York, Fur Sales Inc. Canada,
and Hudson's Bay and Annings Ltd. the company remained very much a front runner in
the international fur market. The Raw Fur Division of NSD was one small part of this
much larger company activity.

Though small in comparison to the total company fur sales activity the Raw Fur
Division handled an estimated 70 percent of all Canadian fur production.91 The
division was headed by a Manager of Fur Marketing who attended all the major


91HBCA, Sutherland's files (Original file no.10.4.3) "Fur Sales Report, 1975."
auctions in order to monitor and analyze market trends. The information gathered by the Fur Marketing Manager was used to compile a price list for distribution throughout the company's market area. The division operated Raw Fur Departments across the country. Most of the furs were bought through these outlets although many were bought at the Northern Stores where store managers were trained in grading furs. Furs purchased at the stores were transferred to the nearest Raw Fur Department where they were prepared for shipment to the auction houses. Canadian furs were generally sold at the Montreal auction house although this was not always the case. Prior to the establishment of the auction house at Montreal the furs were shipped directly to the Fur Department in London, England. During these earlier times the employees of the Fur Department included fur sorters, fur graders and fur examiners. When the company's ship arrived in London the furs were weighed, checked into the warehouses and then cleaned. In the case of beaver, the pelts had to be unfolded, which was apparently a time-consuming and difficult task as they were "like iron sheets" by the time they arrived in London.\(^{92}\) This was the result of rolling them into small bales "while the leather was still green".\(^{93}\) Rolling was necessitated by difficulty in transportation. The cleaning operation was vitally necessary according to Cyril Murkin, a company "furman" in Beaver House, London.\(^{94}\)

With merchandise underway for six months or more, and with no refrigeration, the bales were liable to be infested by Domestes Ladius, commonly known as the bacon beetle. The modus operandi to clean them was to build a complete wall of naphthalene round the bale, strip off the outside canvas and kill the swarms of beetles and the mass of writhing heavy brown larvae as quickly as possible. Feet, fingers, blocks of wood and syringes full of insecticide were our weapons of attack and woe betide the gang who let a beetle escape to bore its

\(^{92}\)Cyril Murkin, "Oh! I remember it Well", \textit{Fur Review International} (September 1985), as cited in HBCA Search File "Fur".

\(^{93}\)Ibid.

\(^{94}\)Ibid.
way into the fabric of the warehouse, lay its eggs and start the supply of next year’s worms.95

After they were weighed, checked and cleaned, the skins were sent to various groups for sorting and grading. Once sorted particularly good skins were selected as "show lots". These "show lots" would typically consist of ten skins laid out in a "string" for showing purposes. The remainder was kept in bundles, or lots according to type (matched as closely as possible) and grade. They were known as "bulks". The "bulks" and "shows" were then stowed away in preparation for the next auction. Catalogues of the furs to be auctioned were then created for distribution by the auction houses. Prospective buyers could thereby view the goods before the sale. Advances in means of transporting furs and the establishment of Fur Departments and auction houses in Canada improved the conditions of the sorters and graders but the task itself remained the same.96

LONDON
The first Raw Fur Department, or Fur Purchasing Agency as it was also known, was established in Winnipeg in 1923.97 It operated as a place where trappers in more settled areas could sell their furs and also purchase supplies, Native handicraft and other related items. Throughout the twenties when fur sales were at their peak, agencies were opened in Montreal, Cochrane, Fort William, Edmonton, Prince Albert, Vancouver, Quebec City, Grande Prairie, Anchorage, Peace River, Toronto, The Pas, Seattle and Prince Rupert. Almost all of the furs collected were marketed by auction in London. Originally it was thought that the company's own fur collection would

95Ibid.
96Ibid.
97Sutherland, Fur Sales Report.
provide sufficient volume to sustain the operation. During the thirties, however, due to a diminishing Canadian fur collection and competitive pressures, most of these agencies were closed and the operation in London began to solicit consignments from all sources. In Canada, by 1939, only eight agencies existed at Edmonton, Winnipeg, Grand Prairie, Montreal, Peace River, Prince Albert, Regina and Vancouver. In London contracts were established with the Farmers' Co-operative Union in South Africa and the Government of Afghanistan to market their Karakul production. Solicitation commenced in Scandinavia, Finland, and Holland and mink farming was introduced in the UK. As a result HBC London operated as an international marketing centre. Its major competitor, Anning, Chadwick and Kiver Ltd., which handled Russian goods, was taken over by another company in 1969 and eventually merged with HBC London in 1973. As a result of the merger Hudson's Bay and Annings Ltd. was formed in June 1973 and operated from Beaver House and Riverbank House marketing pelts from 31 countries and distributing them through brokers and dealers to all the world's fur-consuming regions.98

MONTREAL
In 1948 the company undertook a detailed study of its position in Canadian fur marketing. The study showed that the company had not kept abreast of developments in the Canadian raw fur business largely because it lacked a Canadian fur marketing outlet. This had seriously jeopardized the Fur Trade Department's fur operation and had practically eliminated the company's position as a marketer of Canadian ranch mink, a most important revenue-producer for competitors. As a result of this study the company established an auction house in Montreal in the following year known as HBC Montreal. Montreal's first full year of operation was very successful and this

98Ibid.
success was attributed to the volume of ranch-raised mink attracted from the area served. HBC Montreal soon emerged as Canada's premier fur auction marketing outlet. Its facilities drew increasing volume from trappers who opted to sell at the auction rather than through outright cash sales. By 1975 Montreal was selling 95 percent of the ranched mink raised by members of the Canada Mink Breeders Association.\textsuperscript{99}

With respect to the Northern Stores Department, HBC Montreal provided six important selling opportunities in addition to London's four or five annual auctions.\textsuperscript{100} This allowed for expansion into areas such as Ontario where much of the land remained untapped. New Raw Fur Departments were established at North Bay and Sioux Lookout. The branch at Sioux Lookout was later transferred to Thunder Bay and a new branch was opened in St. John's, Newfoundland. During the fifties and as a result of the opening of HBC Montreal, Raw Fur Departments operated less as independent businesses and more in a supporting role to HBC Montreal in an integrated company fur marketing system. Prior to this, there was very little coordination between Raw Fur Departments. Buyers purchased most of their furs by traveling door-to-door. Independent trapper business was light in comparison to the furs collected through dealers and trader collections. Raw Fur Department collections were sold to the Fur Trade Department at cost plus 5 percent. If market pricing information was not forthcoming, losses were inevitable and all risks fell on the shoulders of the Fur Trade Department. During the fifties however this began to change. The personnel from HBC Montreal were able to provide important market

\textsuperscript{99}Ibid.

information to the buyers of the Raw Fur Departments. Buyers continued to travel to collect furs but they were organized according to regions and aided by fur technicians assigned to the various administrative districts. The buyers were also better trained. 101

In 1978 the company took over Dominion-Soudack Fur Auction Sales Ltd. This company was incorporated in 1968 with the merger of two separate companies, Dominion Furs and Soudack Furs. The business involved the collection and auction of wild furs on a consignment basis. In 1972 Dominion-Soudack acquired the business of Edmonton Fur Auction Sales Ltd. The Edmonton organization was turned into a collector and sorter of furs which were shipped to Winnipeg for auction. The collection territories included Manitoba, Saskatchewan, Alberta and the Northwest Territories and a number of mid-western states in the USA. It was decided by the Board that since Dominion-Soudack was not considered a competitor of HBC Montreal to any great extent that the new company would be allowed to continue to operate under the Dominion-Soudack and Edmonton Fur Auction names. Dominion-Soudack was purchased by the company to acquire its pelt collection network and staff and administrative facilities. 102 An axiom of the fur trade was that an auction had to have a sufficient quantity and variety of furs to make it worthwhile for buyers to attend the auction. 103 Therefore the larger the quantity and variety, the larger the attendance and the greater the competition. The result was higher prices. To maximize on such opportunities the fur collections of both Montreal Fur Sales and Dominion-Soudack

101 HBCA, RG 9 (Original file no. 401.2.1) "Fur Sales Department - Administration."


were combined into one auction in Montreal. As a result of the success of the combined auctions, consideration was given to expanding the Montreal auction house to accommodate joint sales but the cost of expanding these premises was outweighed by the advantages of opening another centre in Toronto. The centre at Winnipeg, acquired as a result of the Dominion-Soudack takeover, and the one at Montreal were maintained as soliciting, collection and grading centres. The centre at Toronto became the main auction house through which all Canadian furs were marketed and joint auctions were conducted. The Toronto centre also housed the HBC Wholesale Inuit art office and the fur coat cold storage business of both HBC and Simpsons (with the intent to merge with HBC Montreal). 104

NEW YORK
The company's New York marketing outlet was formed in 1936 through the merger of three businesses operated respectively by C.M. Lampson of London, England, Alfred Fraser and Fredrick Huth, the latter of New York City.105 It was renamed HBC Fur Sales, Inc. in 1953. In the USA, ranched mink was by far the largest contributor to the volume and profit of HBC Fur Sales Inc. During the sixties however the country saw a dramatic decline in fur production and the company's main competitor, New York Auction Company, ceased to operate in 1970. As a result HBC Fur Sales Inc. broadened its operation into American wild furs. This proved to be a very profitable venture as wild fur prices in that country increased significantly during the seventies. During World War II, when the London auction ceased to operate, HBC Fur Sales Inc. marketed the company's Canadian furs. Thereafter, Canadian furs were sold primarily

104 HBCA, RG 9, Administrative file (Original file no. 401.2.1) L.R.McIntosh to M. E. Tiller, 10 March 1975.
105 Sutherland, Fur Sales Report.
at Montreal. While London handled some Canadian furs it was primarily involved in the furs of other countries. By 1985 the Northern Stores Department was operating nine Raw Fur Departments at Edmonton, Prince Albert, Thunder Bay, Sault Ste. Marie, Grand Prairie, Winnipeg, North Bay, Montreal and St. John’s. In addition to the Fur Sales Centres in London, Toronto, Winnipeg, New York and Montreal the company had opened one at Delta, BC and another at Truro, Nova Scotia.\(^\text{106}\)

The Fur Sales Companies maintained informal communications with each other but the Raw Fur Division of the Northern Stores Department kept, by necessity, close contact with HBC Montreal. As HBC Montreal’s largest supplier of furs it was essential that lines of communication remained open in order for pricing to be set at an accurate rate.\(^{107}\) To aid in this situation the Deputy Managing Director of the company was in charge of overseeing all fur operations. The senior official of fur management for the NSD reported to the General Manager of the department who in turn reported to the Deputy Managing Director. Hugh Sutherland held the position of deputy managing director from 1964 to 1976. D. O. Wood held it from 1977 until the department was sold in 1987.\(^{108}\)

**ACCOUNTS DIVISION**

The Accounts Division was staffed by several accountants and controllers. The accountants managed the accounts for a group of stores, often an entire district. They

\(^{106}\)Ibid.

\(^{107}\)HBCA, RG 9, Executive Committee Minutes,(Accession no. RG9/1987/383) #9647, 26 September 1975.

\(^{108}\)C.G.Wilson was Assistant to General Manager, NSD, 1963 - 1976. While in this position he was the senior fur official for the department. He retired in 1976 and from then on L.R. McIntosh was the Fur Marketing Manager after 1987. J.P.Stewart was Supervisor of the Raw Fur Departments, 1956 - 1981.
traveled from store to store examining the books and collecting information. They reported to the controller of the region. Controllers were assigned to each of the Eastern, Western, and Central regions and, until 1971, the Arctic region. They were based in the regional offices in Edmonton, Montreal and Winnipeg. The accountants were concerned with the expenses at the store level. The controllers were concerned with the expenses at the regional and head office level and relied upon accurate reporting from the accountants.109

Until the early 1940s store managers maintained a handwritten customer ledger and a general ledger; hence they required excellent handwriting. At the end of each month the store or district manager would attempt to balance these accounts and send what was known as a "trial balance" to Hudson's Bay House. Due to the lack of modern communication systems, the trial balances from the various stores would reach Hudson's Bay House at different times depending on the weather and the available transportation. As a result annual accounts were calculated in arrears. While the financial year end was set at the end of June, the controllers at Hudson's Bay House usually worked on the annual accounts well into December. To compound the problem the accounts were then sent to London before the total company accounts could be examined for the annual report.110

In 1939 the accounting practices of the department were examined and a report was issued to the Canadian Committee. The investigation concluded that while the accounting systems and policies should reflect clearly the whole network of operations


of the department, they were in fact "faulty and inadequate" and their value to the administration was doubtful. It was found that the inadequacies of the accounting system were due to rigid adherence to principles and accounting policies that had not changed with the needs of the company. It was reported that

whilst the operations of the department developed along new lines and were adapted to a greater or lesser extent to new conditions, the relative accounts were forced into the original mold. The obvious result has been the overemphasis of certain factors at the expense of an underemphasis of important new factors with the anomalies that now exist.111

The report made recommendations that initiated a full program of "modernization, simplification and efficiency of all accounting procedures, at the least possible cost to the department". This program was delayed by the Second World War but was resumed again in 1946 when the Accounting Division was established along with an I.B.M. Section to handle the Distribution Centre payables and their merchandise charges to stores.112 The program that began as a result of the 1939 report formed the nucleus of the accounting practices that characterized the department for the remainder of its existence. While technology enabled greater ease in the accounting system, the principles remained intact.113 The department followed a policy which dictated that all costs that could be identified with an operating unit were charged directly to that unit. As a result costs of transportation, buildings and lands, merchandise depot services, and all administrative costs associated with running a store were recognized in the accounts of that store.114 In this way it was possible to

111Ibid.
112Ibid., RG7/1/1, "Accounts - Annual and Semi Annual, November 1969 - April 1972."
113HBCA, RG 7, Administrative files, RG7/1/2, "Accounts - Annual - Instructions to Sections, May 1951 - November 1957."
114Ibid., RG7/1/3-4, "Accounts - Annual - Instructions - Districts, Depots, Transport,
distinguish more accurately the profitable stores from those that were too costly to operate. In order to follow through on this basic principle, a measure of standardization at the store accounting level was initiated. Beginning in the late forties all stores reported the same type of information regularly to the district accountant. The different sizes of stores and their different needs were taken into account and each was supplied with the necessary equipment to keep adequate control of accounts. Furthermore, to ensure that the accounting policies were being carried out, the stores were inspected regularly. All accounting and control policies rested on the axiom that

Units are responsible for safeguarding the assets under their control and for the correct valuation of all current assets and liabilities. Proper books of account will be kept and adequate internal control on all unit systems and procedures will be provided in accordance with generally accepted professional accounting standards. Any deviation from sound trade and accounting practices and principles will be reported in writing by the unit Accountant or Controller to his manager, with copies to the General Manager of the Region. In cases of serious deviation, a copy of the report will be sent to the Managing Director.

Apart from the inventory of merchandise sold, merchandise on hand, customer debits and total cash sales, the charges to the stores included the rent of buildings and lands and any leasehold improvements. The units also bore the cost of outside warehouse space required to meet seasonal pressures. Parkades for stores in built-up areas were charged to the units based on a standard fixed rent. Equipment for instore


115 Ibid.

116 Ibid., RG7/1/5, Accounting and Control Corporate Responsibilities, 23 August 1965.

use and transportation were also charged to the stores. These were the accounts for which the store manager was responsible.\textsuperscript{118} Additional administrative charges were then calculated by the district accountant and the regional controller. As it was impossible to charge a store the exact amount that a District Office and Head Office cost them, a formula was created. The cheques and other documentation sent to the regional offices by the store managers were registered on a posting machine. Posting machines were introduced to the department in the mid-fifties and replaced the sortergraphs. They were used for issuing detailed monthly statements, or ledgers, of the accounts for each store. Posting machine ledgers were also created for each district and were used by the accountants and controllers for the calculation of monthly and annual reports.\textsuperscript{119}

The Raw Fur Departments were also handled like the stores. Although the schedule for the financial year-end changed throughout the years, there was a set timetable for all accounting documents to be sent to the Northern Stores Department, Accounting Division in Winnipeg. These documents consisted of all cheques issued with supporting vouchers, all voided cheques, duplicate bank deposit slips covering sales of furs locally, sales of country produce, sales of merchandise and furs returned to customer, original debit and credit notes, original fur shipment invoices, weekly summaries of purchases, statements of furs purchased and royalties paid, inventories of furs, merchandise and country produce on hand, fur reconciliation books, copies of letters addressed to the auditors certifying the balance of cash on hand as at the close of the accounts, lists of money orders, petty cash vouchers, express and freight

\textsuperscript{118}Ibid.

\textsuperscript{119}Ibid.
charges and charges to other units.\textsuperscript{120}

Full computerization of the accounting system was not realized until the late seventies when a system referred to as the NAP system was introduced. Prior to the NAP system the merchandise stores and the Wholesale Department were operating on what was known as the CAP system. The CAP system operated for ten years and was administered in the Winnipeg downtown store. During the late seventies the Northern Stores Department was brought "on-line" with the mainframe computer accounts system of the company which included all other departments. The NAP system was controlled from Toronto and remained in operation until 1987 when the department was sold.\textsuperscript{121}

\textbf{BUILDINGS AND LANDS DIVISION}

In the days of the Fur Trade Department, the company recruited individuals from the Orkney Islands who were skilled in carpentry, masonry and bricklaying for the purpose of building fur trade posts and dwellings.\textsuperscript{122} Building and construction needs were handled by the Fur Trade Department. In 1938, when P. A. Chester, then general manager of the company, embarked upon his modernization scheme he hired John A. Watson, a carpenter and architect, to survey the needs of the 200 posts of the department. He was also to keep abreast of the latest developments in building materials, supervise the layout of buildings, study the affect of extreme climatic conditions on various materials and preservatives, study the cost of construction due

\textsuperscript{120}Ibid.

\textsuperscript{121}Lorraine Snider, Manager Accounts Payable, The North West Co., by Telephone Interview, 8 November 1993.

to costly transportation, study the heating and plumbing problems and fire hazards specific to northern dwellings, and ensure that the fittings or amenities of all the buildings were kept in good working condition. Watson's responsibilities, in effect, formed the basis of the Building Division of the department.123

Watson created files on the design, construction and maintenance of buildings. He worked in conjunction with the architectural firm Moody and Moore of Winnipeg on the design of the standardized dwelling known as 12DB. This was the forerunner of the prefabricated house which would radically change the nature of the Building Division. When he left his position in 1946 an Engineering Division was formed with C.E. Gossling as Director of Technical Services and J.A. Smith as his assistant.124

Gossling recognized the advantage of prefabrication, particularly for northern dwellings, but his efforts to introduce the concept in northern construction were frustrated by a lack of interest on the part of contractors. Gossling was aware that other departments, such as the Retail Department, were also involved in building construction on a large scale and suggested to management that "if all this work was merged into one department ... a great economy in operation could be made."125

Gossling went on to suggest that "It could possibly be constituted as a separate company standing on its own feet and, in order to reduce its own operational overhead, similar units to those which we use ourselves could be made for sale to any other customers who are likely to be interested."126 He outlined the advantages of a

123Ibid.
124Ibid.
126Ibid.
company that could experiment in prefabrication, benefit from buying and storing bulk construction materials and employ its own highly skilled personnel.\textsuperscript{127}

Gossling's suggestions were realized in January 1948 when responsibility for construction of all company buildings was transferred to Rupert's Land Trading Company.\textsuperscript{128} Rupert's Land Trading Company (RLT) developed out of the HBC take over of Revillon Frères Trading Company, an independently operated fur trading operation. Revillon Frères was controlled by the Revillon family in France and operated in competition with HBC between 1912 and 1926. In 1926 the HBC purchased 54 percent interest in the Revillon Frères Co. and obtained a voice in management. In 1936 HBC purchased the remaining shares. It changed the name to Rupert's Land Trading Company in 1938. In 1945 it was decided that RLT should be used to "hold and acquire staff houses and mortgages thereon".\textsuperscript{129} This decision was based largely on taxation policies with regard to the depreciation on buildings. This was allowed as a deductible expense in Canada but not in the UK. In 1946 HBC mineral rights were transferred to RLT and, in 1947, all HBC real estate in Canada with the exception of farm land and some fur trade posts, was transferred to RLT for the same tax purposes. Properties were leased back to HBC. At the same time RLT assumed responsibility for municipal assessments and investigation of prospective sites for HBC operating departments. In January 1948 RLT assumed responsibility for construction of HBC buildings and after 1952 all depreciable fixtures, equipment and transport were purchased in the name of RLT.\textsuperscript{130} To avoid double taxation in

\begin{itemize}
\item \textsuperscript{127}\textit{Ibid.}
\item \textsuperscript{128}\textit{HBCA, RG 2, Administrative files, RG2/10/54, "Rupert's Land Trading Company."
\item \textsuperscript{129}\textit{Ibid.}
\item \textsuperscript{130}\textit{Ibid.}
\end{itemize}
Quebec, Rupert's Land Trading Company (Quebec) Ltd. was formed in that province in 1955. The land department was transferred to RLT in July 1961.131

The function of RLT was to manage the property and building needs of the various operating departments of the company.132 For this purpose it was divided into two main divisions - - property and construction. The Property Division was responsible for real estate matters such as proposing new sites, selling property no longer required, handling property taxes, assessments and insurance valuations, protecting property assets from deterioration through planning in the areas of public transport and parking facilities, and managing minerals on company land. The Construction or Building Division was responsible for the design and planning of all new buildings, in collaboration with operating departments, architects and consultants. This involved the creation or sometimes the supervision of building plans, the supervision of building construction, awarding contracts and engaging technical consultants, research into construction methods and materials, and periodic inspection to ensure proper maintenance of company buildings.133

When necessary, RLT assembled a construction crew when sufficient contractors and labourers were not available in remote communities. Store and site planning involved the cooperative efforts of both the RLT staff and the NSD staff and for this purpose a construction manager was kept on staff in the NSD. This position operated in liaison

131Ibid.

132HBCA, RG 7, Administrative files, RG7/1/94, Managing Director to General Manager of the Fur Trade Department, 31 October 1949.

133HBCA, RG 9 (Original file no.715.1.1) RLT Planning and Development Responsibilities Schedule II of Report from RLT Executive to Managing Director, 21 February 1968.
with RLT on the development and maintenance of NSD stores.\textsuperscript{134} As an indication of the amount of work carried out by the Building Division in 1957, for example, RLT completed 94 projects in Canada. This included 16 new stores, 11 store extensions, 8 new warehouses, 2 warehouse extensions, 20 houses, 4 major repairs and 28 minor repairs. There were also 52 projects designed and planned by RLT offices, 13 by outside architects and 37 projects were carried out by RLT crews.\textsuperscript{135}

As nearly all of the company's buildings in Canada were owned by RLT, the various departments including Retail Stores, Fur Trade/Northern Stores, Wholesale, and Land, were tenants under lease controlled by the terms of their leases. As tenants, the departments were not at liberty to sell, demolish, sublet or change any part of the buildings or their attached mechanical equipment without the consent of RLT.\textsuperscript{136} As owner and landlord RLT had to remain familiar with its buildings to be sure that tenants were abiding by the terms of their leases. RLT also watched developments of neighboring properties and urban areas, made necessary improvements and replacements in HBC buildings, and did all that was required to protect and enhance tenancy values.\textsuperscript{137} Under this arrangement, the initiative to build or improve existing buildings lay in the hands of RLT staff but was communicated to the management of the various departments for study, comment, and suggestions. With regard to Northern Stores, the suggestions from RLT were communicated directly to

\textsuperscript{134}HBCA, RG 9 (Original file no.715.1.1) General Manager of Planning, Property and Development (position description), 23 February 1967.

\textsuperscript{135}"Rupert's Land Trading Company", Bay News (April 1958).

\textsuperscript{136}HBCA, RG 7, Administrative files, RG7/1/94, Managing Director to General Manager, Fur Trade Department, 31 October 1949.

\textsuperscript{137}HBCA, RG 9 (Original file no.715.1.1) J. A. Smith to Assistant General Manager, NSD Western, 1 August 1969.
the General Manager, NSD. If the management of Northern Stores agreed with a suggestion to build or expand a store in a particular region, the proposal was brought before the Canadian Committee for approval.  

If approved the projects were referred back to RLT for planning and construction. Matters such as equipment failure or problems with plumbing, heating or electricity were reported to RLT following regular inspections by a building superintendent. J. A. Smith was the Building Superintendent for NSD. H. J. Bolander was the Manager of NSD Construction on the RLT side. In this position he supervised a team of estimators, carpenters, foremen, contractors and draftsmen assigned to the construction needs of NSD.  

In 1970, when the head office of the company was moved to Canada, several changes were made to retail activities, in particular the establishment of the Retail Stores Group. At this time RLT operations were streamlined and brought into the Retail Stores Group. The name Rupert's Land Trading Company was dropped from company use and replaced with "Retail Development". Under the general management of J. G. W. McIntyre, who had been the General Manager of RLT for many years, Retail Development was divided into four divisions; Property and Real Estate, Store Planning, Construction and Operations. The Construction Division was further divided into four sub-divisions based on geographical regions: Western, Central (including Alberta), Eastern and NSD. Store Planning was also sub-divided into

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138 HBCA, RG 7, Administrative files, RG7/1/1772, G. A. L. K. (signed by initials only) to J. A. Smith, 29 November 1967.

139 Ibid.

140 HBCA, RG 9 (Original file no. 715.1.1) J. G. W. McIntyre to General Managers, Store Managers and Heads of Departments, Retail Stores Group, 15 October 1970.

141 HBCA, RG 2, Canadian Committee Board Minutes, RG2/1/52, # 7201, 23 March 1967.
functional departments: Store Analysis and Layout, Food Facilities, Store Design, Purchasing and Installation and NSD Projects. D. J. Smith was in charge of this division as NSD Project Manager.142

The name RLT was officially changed in 1972.143 Under a Special Act of Parliament RLT was brought under Part I of the Canada Corporations Act. This allowed the company to amalgamate RLT with one of the other subsidiaries which was planned as part of the reorganization of retail activities. Under the Special Act, the name was changed to Hudson's Bay Company Developments Canada Limited.144 Once amalgamated, it became simply HBC Developments Ltd., a staff service included in the Retail Stores organization and reporting to D.S. McGiverin, Managing Director of Retail Stores. Although it was included within the Retail Stores organization, Retail Development serviced other departments such as Northern Stores. In fact the relationship between the Northern Stores Department and Retail Development/RLT did not change with this new organization, particularly because the two responsibilities that effected NSD, those managed by Smith and Bolander, did not change.145 Smith continued to operate as a building superintendent reporting maintenance problems to Bolander, who in turn made the necessary arrangements for repairs. Smith, however, was now also involved in the actual store planning (design)

142HBCA, RG 9 (Original file no. 715.1.1) McIntyre to General Managers, Store Managers and Heads of Departments, 15 October 1970.

143HBCA, RG 9 (Original file no. 715.1.1) A.R. Huband to Department Managers, 26 October 1971.

144Ibid.

145HBCA, RG 9 (Original file no. 300.5.3) "Notes on Company Organization Chart" sent to all directors September 1971.
Recommendations to open new stores or expand established ones were communicated to the management of NSD and approved by the Board.\footnote{146} In August 1980, under the second departmental reorganization, Mr. Gary Filyk was appointed to the position of Operations Manager, NSD. Filyk was responsible for the Montreal, Edmonton and Winnipeg Merchandise Centres, Construction, Store Planning, Property and Traffic. Located in Winnipeg the Operations Manager reported directly to the General Manager of NSD.\footnote{147} H. J. Bolander retired in 1981. In 1985 the division operated under a Construction Manager, M. K. Brandson, Project Manager D.K. Bagshaw, Store Planning Manager, D. J. Smith and two project managers, R. J. Burns and D. E. Popiel. The Property Manager remained P. E. Landry.

\footnote{146}{\textit{Ibid.}}

\footnote{147}{\textit{Annual Report}, 31 January 1972.}

\footnote{148}{HBCA, NSD Appointments and Retirements, NSD Finding Aid.}
CHAPTER FOUR
NORTHERN STORES DEPARTMENT
RECORDS-KEEPING SYSTEMS AND RECORDS

The records of the Northern Stores Department capture the administrative decisions and daily operations of the department. Administrative decisions occurred at all levels but most importantly they occurred internally between the general manager of the department and the division heads and externally between the general manager and the management of the company. The record that resulted from this type of communication captured the decision-making process which shaped the department's activities. Records such as annual, semi-annual and quarterly reports, minutes of meetings, and correspondence to and from the general manager describe the administration of the department and are referred to here as administrative records. Records generated in the day-to-day performance of a particular function such as personnel dossiers, bills of lading, fur statistics, or building plans for example, are referred to here as operational records. For the most part, administrative records were created at the department's head office at Hudson's Bay House and at the regional offices in Edmonton and Montreal. Operational records were also created at all of the stores, the merchandise depots, the raw fur departments, transport agencies, and at the regional and head offices through divisions such as personnel, accounting, and buildings and lands.

The NSD records have been designated as Record Group 7 (RG 7) by the Hudson's Bay Company Archives. The records-keeping systems within the record group are known as series and each has been numbered. Thus RG 7/1 is Record Group 7, series 1.
HEAD OFFICE RECORDS

SERIES ONE AND RELATED RECORDS

Most of the correspondence regarding the administration and operation of the Northern Stores Department was kept at the department's headquarters at Hudson's Bay House and filed according to the Roneo filing system. The Roneo filing system, which had been carried over from the Fur Trade Department, was named after the company that made the specially tagged files. Since it was a highly effective records-keeping system, it continued to be used until the late seventies when the Roneo company files became increasingly difficult to obtain. The Roneo filing system of NSD Head Office is series one (RG 7/1).

The Roneo filing system is based on subject files identified by a numerical code. Files were assigned a three digit number such as 1-2-3. In this case, these digits correspond to (Accounts - Monthly and General - Eastern Division). The first digit in the Roneo filing system indicates the alphabetical placement of the file in the system based on the subject title. In this case "1" corresponds to the "A" in Accounts and as the first letter of the alphabet. All files with a subject file heading beginning with the letter "A", such as "Advertising", have a three digit number beginning with "1". As there are twenty-six possible alphabetical placements, the first digit of the three digit series can only range from one to twenty-six. The second digit, "2", refers to the main subject heading of the file, in this case "Accounts - Monthly and General". The subject of the file often corresponds to an administrative division. For example, all of the files regarding merchandise begin with the digit "13", while the files regarding transport begin with the number "20", and those regarding personnel begin with the number "16". It is therefore possible to scan the index for the RG7/1 records and identify the functional divisions within the department. The filing categories, however, are not restricted to administrative groups. Files pertaining to broader issues such as
"Development" or "Insurance" were also designated a three digit number representing a subject heading and its alphabetical placement in the system. All of the files regarding "Development" begin with the digits 4-1 while all files regarding "Donations" begin with the digits 4-2. In both cases the number "4" stands for the "D" in "Development" and "Donations", however the second digits, "1" and "2", differentiate the two subjects.

The third number in the three digit series provides another level to further differentiate the subject heading. In the first example, 1-2-3 (Accounts - Monthly and General - Eastern Division), the number "3" represents the "Eastern Division". The monthly and general accounts for the Western Division are filed under 1-2-1. A fourth digit in brackets, for example 1-2-3(20), was often used when a particular file warranted numerous consecutive parts. In this case the number (20) would indicate the twentieth part of the file created for Eastern Division, Monthly and General Accounts. Occasionally letters of the alphabet were also used for this purpose. The bracketed number or letter was used frequently when the records of a file were particularly voluminous. In the case of the Furs Sales and Market Reports, for example, these reports were created weekly and quickly filled the file. As a result a new file was created every year with the same three digit number and with consecutive bracketed numbers.

The Roneo system was utilized throughout the Hudson's Bay Company wherever possible. It was used by the Canadian Committee Office and later the head office in Canada, the Retail Department, and Rupert's Land Trading Company as well as the Northern Stores Department. The top of each file was marked clearly with the initials of the responsibility area, "C.C.O" for Canadian Committee Office, and "N.S.D" for Northern Stores, for example. Each area was responsible for filing its records.
according to the Roneo method on a separate records-keeping system referred to as a filing group.

The files of the NSD Roneo filing group provide a cross section of information on the activities of the department. The series includes approximately 111 linear feet of records ranging in date from 1931 to 1982. Files were created as issues that warranted the attention of Northern Stores management arose from all divisions of the department. It is possible to scan the alphabetical index of this filing system and see immediately the range of issues that affected the department at this level. At the divisional, or operational level, however, this is not possible. The operations of each division tended to be routine and the records systems were therefore not subject based. While some of the divisions utilized their own version of the Roneo system where possible, for the most part the operational records of the divisions were organized into discrete filing units. The dossiers of the Personnel Division for example, and the log books of the Transport Division constituted two very different filing systems based on two different types of operational records.

While the files of the Roneo filing system constitute the largest and most important group of records in the Northern Stores Department, records that describe the administration of the department also exist in a number of other filing systems. These systems represent the line of communication that extended from the general manager of the department to the Canadian Committee Office, the Board of Directors or a higher official in the company. These records are not found in the NSD Roneo filing group but in the files of the higher administrative entity, the Canadian Committee Office for example.

The formal line of communication between the General Manager of the Northern
Stores Department and the executive body of the company was through the annual board meetings of the Canadian Committee before 1970 and the Board of Directors thereafter. Once a year the general manager reported on the operations of the department indicating expansion of business over the year, and making recommendations regarding all administrative and operational changes in the department. Many of the records of the Canadian Committee Office were also filed according to the Roneo filing system after 1929 and are classified in the Hudson's Bay Company Archives under record group two, series seven (RG2/7). The board minutes of the Canadian Committee, record group two, series one (RG2/1), are detailed and well indexed. The series is available in its entirety and ranges in date from 1912 to 1970. When in 1970 the company's head office was moved from England to Canada, the Canadian Committee, which had been created to manage Canadian affairs, ceased to exist. From this point on the annual meetings were recorded in the Board and Executive Committee Minutes which is essentially a continuation of the series. These Board and Executive Committee Minutes begin in 1970 and will be classified by the archives under Head Office Records, record group nine.

In preparation for the annual board meeting, reports were prepared in advance and retained afterwards for the purpose of preparing the minutes. These records are also part of the Hudson's Bay Company Head Office record group (RG 9). They have not yet been classified by the archives. They are organized by year and then alphabetically by the responsibility area, for example Northern Stores Department, and include six linear feet of records dating from 1970 to 1979. They have been accessioned along with the board minute records under accession number 1987/383. Board minutes are restricted under the Hudson's Bay Company Archives access rule for fifteen years from the date of their creation.
In addition to the regular submissions to the Canadian Committee or to the Board of Directors, the general manager of the department reported on an annual, semi-annual, and quarterly basis to the deputy managing director or vice-president of the company. These reports provide a summary of the profits and losses for the department. The figures are broken down by "Sales" and "Net Profit". Each is further broken down into "Merchandise, Inland and Merchandise Stores" and "Fur". The figures are followed by several pages of explanation including comparative analysis of past years. The reports also include a summary of significant activities in each division and particularly the fur, transport and personnel divisions. The reports end with a brief description of the outlook for the department's business under the sub-heading "Prospects". These reports are in the Canadian Committee Office records according to their Roneo filing system under "Northern Stores Department Administration". These have not yet been classified by the archives. Records created after mid-1970 will eventually be included in record group two (RG2) and after 1970 in record group nine (RG9) for the company's head office.

Information relating to the Northern Stores Department also exists in the records of the deputy managing director/senior vice president of the company, 1964-1976. This intermediary position between the general manager of the department and the managing director or president of the company changed frequently and requires some explanation. The general managers from 1959 to 1987 were Hugh Sutherland (1958-1964), Desmond Pitts (1964-1978), and Marvin E. Tiller (1979-1987). (The latter was referred to as vice-president after 1983.) Until 1964 Sutherland reported directly to the managing director of the company. When in 1964 Sutherland was promoted to the new position of deputy managing director, he resumed responsibility for the Northern Stores Department and assumed the additional responsibilities of the direction of wholesale and fur sales activities among others. The title of this new
position was changed in 1972 to that of senior vice-president, but retained essentially the same function:

The Senior Vice-President is the second senior officer of the Company and will deputize for the President [previously Managing Director] in his absence. Apart from this overall responsibility, he carries line responsibility for the management and profitability of departments other than the Retail Stores.1

While Sutherland held this position he was responsible for the Northern Stores Department, the Wholesale Department, HBC and Annings, Fur Sales New York, Fur Sales Montreal, HBC Catalogue Showrooms, and HBC Inc. New York, and for a while, Morgan's of Montreal. Sutherland was deputy managing director/senior vice president from 1964 to 1976. When he retired in 1976, the position changed. Donald O. Wood was appointed Senior General Manager of Northern Stores, Wholesale, and Shop Rite. The next year he was promoted to vice-president responsible for Northern Stores and Wholesale. Then in 1979 he was appointed executive vice-president or second in command to the president and chief executive officer. During this time the company reorganized its retail activities into the Simpsons, The Bay, and Zellers groups whereby the Northern Stores were managed by The Bay and President C.W. Evans. Under this arrangement the General Manager of the Northern Stores Department reported to Evans until 1985 when the board decided to restructure once again. This time Simpsons and the Bay were grouped together and Northern Stores was grouped with Zellers and the Wholesale and Fur Sale activities.

Sutherland kept a series of records separate from that of the department's Roneo filing system while he was deputy managing director/senior vice president of the company (1964-1976). This series occupies approximately 25 linear feet of records. They are arranged alphabetically according to broad subject categories such as wholesale and

1HBCA, NSD Appointments and Retirements, NSD Finding Aid.
fur sales. Correspondence between Desmond Pitts and Hugh Sutherland and between Sutherland and the managing director of the company regarding the Northern Stores Department is found in Sutherland's files. The information in these records deals with broad company concerns such as the role of the Northern Stores Department in the larger fur sale activities of the company. Donald Wood also created a separate series of records, approximately two feet in extent, that picks up approximately where Sutherland's end. These records are also arranged alphabetically according to subject. They have not yet been arranged or described by the archives. Once available they will be subject to access restrictions under the company's thirty-year rule.

Sutherland also kept a small private and confidential series of records while general manager of the department. The system was originally created by R. H. Chesshire when Assistant Manager of the Fur Trade Department (1940-1942) and the department's general manager (1942-1957). It appears that Chesshire removed certain files from the department's general filing system for the purpose of keeping them confidential. This is evident by the three-digit number which appears on the older files. When Sutherland succeeded Chesshire he continued the practice of keeping the private and confidential series but the three digit numbers are absent, which suggests that the files created after Chesshire's time were never part of the general filing system. When Pitts succeeded Sutherland he inherited these records and added to them. However, by the time Pitts was general manager, Sutherland was deputy managing director, and the line of communication was therefore no longer direct from the managing director's office.

The records in the Chesshire/Sutherland/Pitts confidential files occupy only 1.5 linear feet and generally involve external issues that affected the Northern Stores operation.
Correspondence describing company cooperation with the Government of the Northwest Territories, the federal Department of Transport, and the Department of National Defence are among these records. For example, in 1947 Lieutenant General C. Faulkes contacted Sir Patrick Ashley Cooper, governor of the company, to request the company's cooperation with National Defence in organizing the Canadian Rangers. The file on this subject contains correspondence between Governor Cooper and the Department of Defence on the location of posts. Another file contains information on Japanese bomb-carrying balloons and instructions from the Department of Defence on what to do in the event of finding one. Other files exist on issues such as the competition in the area of beaver preserves and the cooperation of the company supply ship in scientific exploration work. Since the Transport Division of the Northern Stores Department provided the only means of transportation to many northern communities, scientists and government officials often relied upon the company's vessels to visit remote communities and transport supplies. In most cases there is only one file on each topic, which indicates that these issues were not ongoing concerns. The one exception to this rule is the group of files on Native welfare. Correspondence between the company and the Government of the Northwest Territories on the subject of Aboriginal game resources, living conditions and relief payments form a substantial body of records. As Native welfare was an ongoing concern for the company in the North, it is not surprising that there are many records on this subject. While some of these files are in the private and confidential series most of them are in the general Roneo filing system of the department.

DIVISIONAL RECORDS

Within the various operational divisions of the Northern Stores Department records were created for routine purposes. Each division devised its own records-keeping system based on the type of records created and their characteristics. In most cases
the records were not administrative or subject based. However, where possible the divisions used a variation of the Roneo filing system to manage their records.

SERIES TWO - - MERCHANDISE DIVISION

Within the Merchandise Division (RG7/2) records were created at all levels but only those kept at NSD head office, and one small group of records from the supervisor for the distribution centres, were transferred to the archives. Requisitions for merchandise to be sent to the stores, for example, were filled daily. These records contained very little information apart from the volume and type of goods distributed to the stores and were destroyed regularly. Other records created by the Merchandise Division such as the sales plans and stock assortment lists were kept and eventually transferred to the archives. The sales plan was prepared annually to support marketing strategies. It listed new items that related to the market profile of the Northern Stores Department. The plan was generally built using the department stores' sales plans and was commonly used wherever feasible. The methodology and forms used were the same as those used by the department stores. The stock assortment list provides the assortment of those items on the sales plan that was considered appropriate for customers of Northern Stores. The maintenance of the list was an ongoing task. Each category on the list was reviewed annually by the General Merchandise Manager at the same time as the sales plans for the entire company were reviewed. In addition the Northern Stores Department, General Merchandise Manager audited and revised the list annually in the fall to ensure the assortments and information listed were correct in every detail. Wherever possible, items listed on the stock assortment list were common to that of the department stores. The stock assortment list was created for the entire department. The regions determined their own assortments from within the framework of the list. The items on the list were rated by the regional merchandise staff to help in future assortment planning.
The Northern Stores Department buying guide supporting all the basics was published annually immediately following the completion of the stock assortment list and was kept at the merchandise centres. The buying guides cover both direct shipment and the merchandise centre stock merchandise. They provided the information necessary for the centres to re-buy on an ongoing basis. Seasonal items were ordered through a "commitment system", whereby the appropriate assortment control manager and the central buyers issued a list of "commitments" according to an NSD "Commitment Schedule". The completed copy of the commitment together with a supporting buying guide was forwarded to the NSD Commitment Processing Department in Winnipeg which then summarized the NSD commitment participation.

The Merchandise Division used its own version of the Roneo filing system. There are 26 linear feet of these records (RG7/2). The files are distinguished from the other Roneo file groups by their orange file folders and the initials, "MDSE" at the top of each file. All of the files begin with the digits 13-3, indicating that they all pertain to merchandise. The merchandise series ranges in date from 1977 to 1984. The Merchandise files that are part of the NSD Roneo filing system (RG7/1), however, date from 1945 to 1977. The 1977-1984 records are a physically distinct extension of the 1945-77 records. The same sorts of records exist in both systems. For example, the Fall Sales Plans (13-3-22) begin in the NSD Roneo system (RG7/1) and continue up to 1977 (13-3-22(23)). They continue on in the MDSE Roneo system (RG7/2) in 1977 (13-3-22(24)). Although it is unclear why the MDSE Roneo system was created as a separate filing group, it may have resulted from the expansion of merchandise activities in the late 1970s and the reorganization of retail activities in 1979. The records of the MDSE Roneo files (RG7/2) should be consulted in conjunction with the merchandise records of the NSD Roneo files (RG7/1).
There are also two smaller series of Merchandise records (RG7/2A and 2B) that were created by the supervisor of the distribution centres. They are referred to also as "Eskimo Handicraft" and "Country Produce" (RG7/2A) and the NSD Food Buyer (RG7/2B). The records of the supervisor of distribution centres describe the sale of Inuit art, country produce and Hudson's Bay Company blankets. The records range in date from 1959 to 1975 and are 2.5 linear feet in extent. They too were filed according to the Roneo filing system and include mainly the correspondence regarding requests for goods as well as monthly and general accounts. Once again these records should be consulted in conjunction with those of the NSD Roneo files (RG7/1) which contain the earlier body of records on "Country Produce" from 1937 to 1982. The files of this series are differentiated from those of the MDSE Roneo system and the NSD Roneo system by the letter "M" which precedes the three digit number. There is also a set of day books for 1972 to 1975 created by G. W. Wallace, Sales Manager for the Blanket Division, D. W. Munro, Distribution Centre Manager, R. G. Wilson, Distribution Centre Accountant, and J. D. Pawsey, Distribution Centre Assistant Accountant. These day books describe the activities of the Blanket Division. The records created by the NSD Food Buyer (RG7/2B) are one linear foot in extent and range in date from 1976 to 1979. The files contain correspondence that describes the activities of the Food Buyer, who for this period was A. A. Doer. The files are organized according to the Roneo system with the number six as the first digit of the three digit series. Six represents the alphabetical placement of "F" for "Foods".

SERIES THREE - - RAW FUR DIVISION
The success of the company's fur sale activities relied upon up-to-date information on the fur market and the activities of the auction houses. Therefore numerous reports were sent to the Northern Stores Department head office from the auction houses in
London, New York, Montreal and other selling outlets in Vancouver, Edmonton, Saskatchewan, Winnipeg and North Bay. Most of this information remained at head office. The office also kept files on each of the company's beaver sanctuaries at Charlton, Nottaway River, Rupert's House, Agamiski, Fort George, Attawapiskat, Abitibi, Peribonca, Old Factory and Mistassini. There was regular contact between the Fur Sales Division and other company-owned fur sale activities. As Hugh Sutherland was in charge of all company fur sales activities as deputy managing director and vice-president for most of the period discussed here, this interaction is recorded in Sutherland's files. However, among the records of the Fur Sales Division, there are also annual auction reports listing each type of pelt and the selling price.

The Fur Sales Division created a great variety of reports as well as statistical records and comparative analyses between the total collection of furs in Canada and the company's collection. Fur statistics were compiled monthly at the department's head office and filed under "Furs" in the NSD Roneo filing system. The Fur Sales Division used a Roneo filing system for its own divisional records. These files are distinguished by their blue file cover and by the initials RFD (Raw Fur Division) at the top of each file. Furthermore, the three digit number on the division's files is preceded by the letter R. The most significant body of records created by the division is the weekly reports compiled by each of the Raw Fur outlets (or departments) on the amount of fur they collected. The weekly reports list the type of fur or pelt, the quantity of each collected in the previous year compared to the present, the quantity of each collected for the week, the cost of the purchase including "royalty" and "scraping", and the average cost per pelt. The weekly reports were used to compile fur forecasts. These were arranged by district and predicted the number of each type of pelt that would be gathered during the year. These weekly reports are filed in the division's Roneo system (RG7/3). The Raw Fur Division Roneo files also include
general administrative correspondence on the operation of the division. Files exist on development, personnel, merchandise, advertising, and accounts in this series. The Raw Fur Division Roneo files are 7 feet in extent and range in date from 1945 to 1980. Again, they should be used in conjunction with the records of the NSD Roneo files (RG7/1) which contain a significant amount of material on the administration of this division.

In addition to the Roneo files, there also exists a series of records that appears to have been created by the accountant or controller for the Raw Fur Division. There are nine volumes or binders that contain summaries of the amount of fur shipped to the auction houses at Montreal and London. These binders represent only two years, 1968 and 1969, and therefore do not constitute a full run of records. The binders contain summary sheets that are divided into sections representing each of the Northern Stores districts, Eastern Line I, and Central Line II. Within each district there is a breakdown of the number and types of pelts shipped to London and Montreal for these years. Complementing these records are files containing the working copies of the Raw Fur Division accounts from 1964 to 1970. These records constitute one foot of files which describe the gross profit on furs by variety for each of the Central, Western, Eastern and Arctic Divisions, the London and Montreal sales, and the distribution of fur profits per year for 1968 to 1970.

SERIES FOUR - WESTERN DIVISION
For administrative purposes, Northern Stores was divided into three divisions, Western, Central, and Eastern and administered from three regional offices in Edmonton, Winnipeg, and Montreal. Each of these offices created a series of administrative files. The Western Division organized its files according to a variation of the Roneo system for filing. The three digit numbers used by the Western Division
begin, almost without exception, with either a number two, representing "Buildings" or a number seven, representing "General Operations". Within these two categories there was a file created for every store and the files were arranged alphabetically by store name. The files contain correspondence between the manager of the division, the assistant manager of the division, the district managers, and the store managers, as well as correspondence between the other divisional managers for personnel, transport, and raw fur. Within the files beginning with the Roneo number two, the records deal mainly with the maintenance and expansion of store buildings, as well as store equipment. The files that begin with the Roneo number seven contain records on all other aspects of store operations. Within the division the stores were divided into districts and colour coded files were used to differentiate these different districts. The colour coding system, however, appears to have been difficult to maintain. The administrative boundaries of the districts changed frequently as districts expanded and shrank with the opening and closing of stores. Indexes have been created by the archives which list the files by district, by Roneo number and also alphabetically by store name. There are twenty-eight feet of records in the Western Division series (RG7/4) ranging in date from 1950 to 1982.

SERIES FIVE - - PERSONNEL
The system of record keeping used by the Personnel Division does not appear to have changed significantly since the days of the Fur Trade Department. The Personnel Division created personnel dossiers on each employee hired by the company. The dossiers are arranged alphabetically by last name of the employee. The system was established in the late 1930s when it was decided that it would enable the division to keep a comprehensive record of the department's employees in a simple and efficient manner. The personnel file on an employee was created when the individual was hired by the company and was added to with every change in the status of the employee
throughout his or her employment. Most of the dossiers include an application for employment, reference letters, interview assessments, contracts or agreements, a personnel history sheet or "Record of Service", medical and dental records, training records, progress reports, a record of absence on account of an illness or an accident and details of separation from the company. The "Record of Service" provided personal information such as the employee's name, address, next of kin, date of birth, citizenship, place of birth, marital status, date of entry into the service, education, job history, record of service and details of separation. Many of the dossiers also contain Minnesota Multiphasic Personality Inventories, which were testing materials used by the department during the 1940s to aid in the selection of individuals suited to the type of work involved in Fur Trade/Northern Stores activities. These records are RG7/5.

At the time of employee termination the dossier became part of a different series. The dossiers of employees who had retired, been dismissed or died were organized according to the year of termination and then alphabetically. These inactive files were then placed in storage and eventually transferred to the archives in blocks by outfit or year. In the case of casual, part-time or holiday relief employees, a complete dossier does not exist. However, the employee's information was recorded on a "Record of Service Form", which was transferred along with rest of the dossiers when the employee ceased to work for the company. These forms for casual, part-time or relief employees were kept in files marked Western, Central or Eastern Division "Outs". Within the files, they were arranged alphabetically. This system suggests that an index of when employment termination occurred would have existed separately to permit easy access to the dossiers of past employees. If such an index exists it will be in the Human Resources Department of The North West Company. A separate alphabetical index of the personnel dossiers and "Outs" has been created by the archives.
The Personnel Division was also responsible for the publication of the Moccasin Telegraph, the staff magazine published four times a year. The Moccasin Telegraph was an internal departmental magazine designed to enhance a sense of cohesion between the department's employees. Prior to 1941 The Beaver had performed this function mainly through a section entitled "News from the North". This feature was discontinued when the Moccasin Telegraph was produced. The first issue was released in August 1941 and publication continued after 1987 with The North West Company. The Moccasin Telegraph features articles on employee experiences in northern communities, information on events in the lives of employees, and changes in company policy and departmental administration. The Moccasin Telegraph was compiled by the staff of the Personnel Division and published through head office. Records pertaining to the publication of the Moccasin Telegraph are part of the NSD Roneo filing system (RG7/1). Photographs used by the Moccasin Telegraph are listed in the HBCA photograph collection.

A small series of records from the division has been designated as RG7/5A and includes a sampling of souvenir material for retirement dinners, promotional material on career opportunities and policy manuals for new employees.

SERIES SIX - - CENTRAL DIVISION
The records of the Central Division regional office in Winnipeg are seven linear feet in extent and range in date from 1941 to 1977. These are administrative records describing the operation of the stores in Manitoba, Saskatchewan, and Northern Ontario. The files are organized according to the Roneo filing system and colour coded to differentiate the different districts. This differentiation is further reinforced by the initials printed on the top of each file cover indicating "MAN I", "MAN II", "SASK",
"NO", "CD I", "CD II", "CD III", "CD IV", "CBS" (Central Bay Stores), "C. MCDS" (Central Merchandise), "CL I" (Central Line I), "CL II" (Central Line II) and "C INLD" (Central Inland) representing the different districts. The district administration changed frequently although this does not appear to have affected the filing system much as the files were not organized by store location but by subject within districts. Unlike the filing system used by the Western Division, the filing categories here have not been limited to "Buildings" and "General Operations", and are not organized by store. The Central Division used the Roneo system in much the same way as the NSD head office. Once again the first digit in the three digit series ranges from "1" for "Accounts" to "20" for "Transport". The files contain correspondence from the division manager to the district managers and store managers and between the division manager and other divisional managers. The titles also contain directives from head office.

SERIES SEVEN - - BUILDINGS AND LANDS DIVISION

The Buildings and Lands Division was responsible for constructing, repairing and maintaining all of the structures used by the Northern Stores Department. The records-keeping system created by Buildings and Lands was based on the activities of constructing, repairing, planning, leasing or selling property. The backbone of the division's filing system is the "location file" (RG7/7A) created for each of the department's stores. This file structure dates back to the days of the Fur Trade Department modernization scheme in the early 1920s. There are twenty-eight feet of records in this series ranging in date from 1920 to 1974. The files are arranged alphabetically by location name. A complete alphabetical index of the location files has been created by the archives.

The key document in these files is a standard "Buildings and Lands" form which
describes the location of the store, including the district in which it was administered, a description of the property in maps, the recent history of the store, the date the store closed, physical features, legal description of the store property and land title, and a description of all the buildings owned by the department, the date they were built, their total cost and the amount charged to the department. Other forms found in these files include the "Summary of Buildings" form which describes in detail staff residences and warehouses associated with the store operation. After 1930 a "Buildings Records Questionnaire" was circulated to all the store owners for completion by them. It was designed to keep track of the condition of buildings and to note the need for regular maintenance and improvement. The location files also contain photographs, maps, plans and sketches. A small sub-series of the location files contains records on land titles, sales and leases. These records are filed by subject and are listed at the end of the RG7/7A index.

Although these records constituted a significant portion of all the Buildings and Lands files, other filing systems also exist. For example, property owned by the company adjacent to the stores was often leased to others. Furthermore, store property was administered by the Rupert's Land Trading Company, and was leased by the division. Leases for the various different stores were filed separately in numerical order. Files marked "NSD Sales and Leases" contain lists of buildings and property leased to others, the name of the lease, the lease number and the due date with comments. There are eleven feet of records on property leases and sales.

Another series of records pertaining to Buildings and Lands are the 12.5 feet of records which document the construction of stores, the building of extensions, and store repairs and maintenance. The files range in date from 1937 to 1972 and are organized alphabetically by store location.
Correspondence on the Buildings and Lands operation is also in the department's main Roneo filing system (RG7/1). Routine maintenance checks and repairs are documented on the Roneo filing systems of the regional offices (RG 7/4) Western and (RG7/6) Central. Store managers reported accidents and broken fixtures to their district managers, who in turn reported them to the Buildings and Lands Division. A copy of this correspondence was kept at the regional offices.

SERIES EIGHT - - TRANSPORT DIVISION
The administration of the Transport Division is recorded in the Roneo records of NSD head office (RG7/1) under Transport (20). Approximately twenty-six linear feet of records pertaining to the division are in this series and document all aspects of the transport operation. A file exists on each of the vessels owned by the company, on itineraries for each of them, and on each of the agencies. Files also exist on the air transport operation in the RG 7/1 series.

The Transport Division also created a series of log books and working papers. The log books were created on the vessels during the shipping season. Both a Chief Officer and Engineer were assigned to each of the department's vessels and each kept a log book during the shipping season. The log book of the Chief Officer records the name of the vessel, the port of departure and intended destination with stops along the way, the date and time of each landing, loading and unloading, notable weather patterns, and explanations of delays. The Engine Room Log book also provides information on the port of departure and destination of the vessel. The crew recorded regular readings on the fuel oil, lube oil, weather, cargo, engine hours, and engine temperature. Careful records were kept on the maintenance and performance of the engine room of each vessel. The Transport logs (RG7/8B) range in date from 1959 to 1973 and are
8.5 linear feet in extent. They are organized by the shipping operation (i.e., Mackenzie River, Central Arctic) and then by vessel and finally, by year.

The Transport Division created a series of "Working Papers" (RG 7/8A), or records arranged by subject into files but in no particular order. These records were probably created at the Moosonee Agency office which operated as the land base for much of the transport operations. The working papers are six feet in extent and range in date from 1930 to 1975. These files include an assortment of records on transport personnel information, payroll instructions, descriptions of certain vessels with plans and drawings, bills of lading, itineraries and freight rates, insurance policies, and policy manuals.

At the Northern Stores Department head office the transport manager kept a black binder identified as "Transport Division Information". The binder (RG 7/8A/98) includes a list of current freight rates for each of the regions where the Transport Division operated, the itinerary for each vessel for the season, and notices of policy changes. The volume was divided by year from 1948 to 1971 with a repeat of the above information for each year. At NSD Head Office the Transport Division also kept an annually updated list of stores, mailing lists, radio stations, and telegram routings.

A series of records, approximately one foot in extent was created by the NSD controller for the Transport Division (RG7/8A/1-25). Norman Simpson kept track of Tonnage and Revenue Statements, Monthly Accruals and year end accounts from 1954 to 1975. The Transport Division produced Monthly Operating Statements which provided a breakdown of costs expended through the operation of the division. It also produced annual accounts, divided by year and subdivided by area of operation, broken
down by vessel, management and administrative expenses.

The operation of the Transport Division was necessarily decentralized and controlled to a large extent by rules and regulations. Many of the records created by the Transport Division reflect this fact. The division relied heavily upon standardized forms to be filled out by the purser or the master of a vessel on handling freight, accounting, personnel and accidents. For this purpose the "Master's and Purser's Manual" was created and continually updated. The manual provided the procedures to be followed when handling freight, including procedures for receiving freight shipments, preparing bills of lading, listing of standard weights for types of freight, and handling pilfering claims and damage. Accounting procedures included the management of petty cash, accounts receivable and payable, telegrams and long distance calls, and transport kegs and "steels" returned for refund. The payroll and personnel procedures include travelling expenses, payroll overtime, travelling time, income tax and other mandatory deductions, personnel reports, accidents, merchant seamen compensation and miscellaneous items such as master's protest's, insurance claims, log books, meal records and operation of the radio. The "Master's and Purser's Manual" was divided into two sections. The first one provides the procedures and the second provides sample or specimen forms. The specimen section was further subdivided into sections on freight handling, accounting, personnel and miscellaneous, with the sample forms categorized accordingly. The actual completed forms were not transferred to the archives.

Transport agency manuals were also maintained by each of the agencies. They describe the procedure to be carried out when employees handled freight or managed accounts, both payroll and personnel. Like the "Master's and Purser's Manual" they describe the forms to be filled out for routine practices and when to fill out a report.
These manuals were divided into sections for each of the agencies. The procedures differed slightly for each agency.

Many of the transport records reflect the difficulty of keeping up with fluctuating freight rates. Freight rates varied from region to region and were constantly changing. New freight tariff lists were issued annually for each of the transport operations with rules and regulations governing tariffs and the classification of articles such as foodstuff, furniture and building supplies. The lists also contain commodity rates for refined oil products. Rates were also calculated according to the distance between points and by the need for towing tugs.

The "Working Papers" of the Transport Division include dossiers on the Fort Garry II and the Fort Hearn, and specifications for the Pierre Radisson. The dossiers provide an excellent source of information on the vessels. Other records kept by the Transport Division include agency inventories.

The Transport Division records should be used in conjunction with the head office records (RG7/1).

SERIES NINE - - ACCOUNTS DIVISION

The Accounts or Control Division of Northern Stores created an array of monthly operating statements, budgets, cash books, balance sheets, and trading accounts. According to the accounting policies of the department, all costs and profits were coded and charged to an operating unit such as a store, transport vessel, or raw fur outlet. The department used coded ledgers to keep track of all accounts. The ledgers were unbound sheets of cardboard with numbers representing various accounts. The ledger system was initiated in the 1930s. Codes were created for each of the
department's accounts, such as A for furs, B for expenses, C for profits and losses, E for Birds Hill Farm, and F for transport through to Z for deferred charges. The coding system became more complicated as the accounts became more specialized.

This system of posting ledgers was continued by the department into the late seventies. The ledgers were kept for a period of seven years for tax purposes and then routinely destroyed. Annually, semi-annually and quarterly the department's accounts were summarized in reports for the NSD General Manager and filed with the head office records. A sample of the working copy of these summaries for the 1959 to 1965 period is also available in RG7/9. There are approximately three feet of records which contain summary sheets divided into divisions and then districts. The summarized reports of the Accounts Division are available in the Roneo records of NSD head office (RG7/1). Monthly, semi-annual and annual reports on each of the divisions are filed according to the Roneo system.
CONCLUSION

In order to understand the information in archival records, it is essential to understand the context of their creation and use. In spite of this important fact, few archivists use provenance information to its fullest potential as a method of information retrieval, relying instead on subject-based content analysis and subject indexing. Provenance information links the records, and the information in records, to their creators. Without this link, in the words of Monroe and Roe, "users are likely to take information in archival records at face value and from a twentieth-century perspective. Doing so is a misuse of the archival record." Records result from an array of different activities and in order to interpret the information in them, with some degree of accuracy, those activities must be clearly understood.

The key to understanding the context of record creation is through understanding the functions and activities of the creating agency. Through a clear identification of the creators' responsibilities, their role or purpose and the activities they undertake in order to fulfill that role, a researcher can better understand the content of the records and the character of the information in them.

This functional approach to provenance information has been the focus of much discussion in recent archival literature. In Canadian Archival Studies and the Rediscovery of Provenance, Tom Nesmith describes how Canadian and American archivists have overlooked the usefulness of provenance information and are now

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2 Rodney Ross, "Thoughts on Administrative Histories": 35-46.

rediscovering its possibilities. This is an important development in the Canadian archival field as the rediscovery of provenance affects the way in which archival records will be acquired, described and accessed in the future.

This study of the Northern Stores Department of the Hudson's Bay Company provides an example of how this functional approach to provenance information opens the records to researchers while providing the contextual clues necessary to make the information meaningful. The records of the Northern Stores Department constitute a very important record group within the Hudson's Bay Company Archives. They describe the history of a prominent retail business in Canada. They provide an excellent source of information on the history of the people of the North, the government administration of the Northwest Territories, the relationship between the Hudson's Bay Company and the federal government, the federal Departments of Transport and National Defence, and on the collection of furs and the fur sale industry across Canada. The records vary in form including architectural drawings, photographs, ships logs, statistical analyses and accounting summaries. This archival administrative history demonstrates that while the department underwent numerous administrative changes, its function or purpose remained remarkably constant throughout its history. Furthermore, for the most part the department was structured functionally with the primary activities administered by different administrative divisions. Each of these divisions, such as the Transport Division and the Merchandise Division, had a clear purpose and a process through which they accomplished that purpose. Even the records-keeping systems and the records themselves reflect these clearly differentiated activities.

This study of provenance information on the Northern Stores Department identifies

4Tom Nesmith, "Archival Studies in English-speaking Canada":1-23.
why the department was engaged in certain activities; why it was structured the way it was; why the records-keeping systems existed as they did; and why the records contain the information that they do. This information forms the link between the records creator and the user and sets the records within their proper context. Furthermore, much can be inferred about the type of information in the records, and where this information might be found, based on the function of the department. It is this type of functional access to information that will open archival records to greater usefulness and easier access.
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