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## THE PLACE OF THE RED RIVER SETTLEMENT IN THE PLANS OF THE HUDSON'S BAY CO., 1812-1825

By A. S. MORTON

That the Red River Settlement was due to the desire of Lord Selkirk to add to his family's wealth, if not in the immediate, at least in the more distant future, to his philanthropic instincts and to his vision as an imperialist is true but it is not the whole truth. The Colony had its place in the schemes of the fur trading company, else they would hardly have handed over even to their most influential shareholder an area of 116,000 square miles for the vast sum of 10 shillings. In truth there was a place for the Red River Settlement in the plans of the Hudson's Bay Company—plans drafted to enable the company to recover itself in face of the insistent pressure of the competition of the North West Company.

The long struggle between the Hudson's Bay and the North West Companies brought out the strength and weaknesses of the several organizations. The Hudson's Bay Company was strong in the legal status which it enjoyed through its charter, in the shrewdness of the Governor and Committee handling the purchase of supplies and the sale of furs in London, and finally in the possession of a short and cheap route for transporting its goods through Hudson Bay to the very edge of the wooded belt, the natural home of the beaver. The Company's weakness lay in the lack of intimate knowledge of the inland trade on the part of the Committee which framed its policy and in its system of salaried employees not directly interested in bringing profits to the concern and with little or no opportunity to influence its administration. The system worked well enough when there was no rival in the field, and even in the period from the establishment of Cumberland House inland in 1774 to meet the competition of the English traders of Montreal down to 1804—a period which may be characterized as one of peaceful competition—it seems not to have been wholly inadequate. In the years of extreme and violent pressure from the rival company which followed, it broke down hopelessly.

The strength of the North West Company, on the other hand, lay in the fine personnel composed largely of "wintering partners" and in a polity which gave them a direct control of the administration of "the concern" as it was called. The Montreal agents and the inland traders, all shareholders, framed their policy in two weeks of happy fellowship in July at the "rendez-vous" Grand Portage or from 1803 at Kaministiquia afterwards called Fort William. The weakness of the Company lay in its being but a temporary partnership, renewable at the end of a given number of years and in its long lines of transportation involving as they did first of all great expense and next a prolonged outlay of capital before the returns could be realized. By 1804 the Northwesters were becoming painfully conscious of these handicaps to their trade. It was the necessity of renewing their agreement in 1795 for 1799 which left the way open to discontented partners to form what is commonly called the XY Company. Family quarrels are always of the most bitter. Two highly efficient organizations trained in the same school were led by the partizan feeling with which they strove for mastery, to pass beyond the bounds of legitimate

competition and to resort to nothing short of disgraceful violence. Finally the murder of Mr. King on the Saskatchewan stayed the strife and reunion was brought about in 1804.

The fierce rivalry of the three companies—the Hudson's Bay, the North West and the XY Companies—must have depleted the fur areas involved. At any rate after 1804 we find both the Northwesters and the English attempting to find fresh areas to exploit. The Canadians were planning to cross the Rockies into New Caledonia and the Valley of the Columbia; the Englishmen were entering the wooded valley of the Churchill River in which their rivals had hitherto enjoyed something little short of a monopoly. The Columbian enterprise forced the North West Company to reconsider the problem which its long line of communications constituted, for it would not pay to bring the furs from beyond the Rockies by canoe to Montreal. In 1804 Edward Ellice made an attempt very nearly with success to purchase the entire stock of the English Company, the figure named being £103,000. His object was, of course, to give the N.W. Co. the short route by Hudson's Bay. The alternative to complete control by purchase was to get the right of transit for their goods through the Bay. Accordingly on July 5th, 1805, a resolution of the partners assembled at "Kaministiquia" agreed to offer the Hudson's Bay Company £2,000 a year, for leave to freely transport their goods to the interior by York Factory. It was included in the offer that they should relinquish in future the whole trade of the coast of Hudson's Bay to the English Company if only they could gain the use of their short lines of transportation. (Can. Arch. Minutes of the North West Company, p. 36). This proposal was rejected.

The aggressiveness of the Hudson's Bay Company in the wooded area of the north, the true home of the beaver, and their refusal to assist the Northwesters in solving their transportation problem brought about a complete change in the relations of the two Companies. The comparatively quiet competition with rival forts side by side, hostile but nevertheless keeping the peace, came to an end, and the violent methods to which the Northwesters had become habituated in their struggle with the XY Company were now turned against the Englishmen. Lord Selkirk's *Sketch of the British Fur Trade* is packed with illustrations of the disgraceful and bloody assaults of its rivals upon the, for the most part, passive servants of the Hudson's Bay Co. They were of course passive because they received a fixed salary to gather furs and saw no immediate gain for them in resisting to the death or in resorting to the counter-attack which is the best of all defences. It is hard to refrain from believing that all these violences were a deliberate policy on the part of the Northwesters to bring the English Company to their terms, if not to drive them from the field. By 1810 Hudson's Bay Company's stock had fallen from £250 a share to from £50 to £60, and Sir Alex. Mackenzie and Edward Ellice were buying stock, the former, at least, with the object of getting control of the Company. The McGillivray's, William and Simon, were in the background. The whole story has yet to be told. The plan was for some neutral or at least innocent person to secure the stock and finally sell out to the Northwesters. Sir Alex. Mackenzie thought he had his man in Lord Selkirk, but the noble Lord, who had married into a family with large holdings in the Hudson's Bay Co., was checked by his relatives and finally decided to retain the stock purchased. Thus suddenly he became the most potent

of the Company's shareholders. Mackenzie threatened a suit against his Lordship for breach of trust, in retaining stock purchased for the Northwest "concern" and, on the other hand, blamed McGillivray for being slow to find the necessary money to secure the much coveted control of the English Company.

Negotiations were being carried on all this while to secure some working arrangement between the two companies. The principle was a division of the territory for trade purposes and no mention is made of a free transit for the goods of the Northwest Company by way of the Bay. The negotiations fell through in August, 1811, because of the determination of the H.B. Co. not to draw up terms of agreement which might suggest that their Charter was invalid. The result was that the period 1812 to 1820, was the fiercest, most violent and most bloody in the none too gentle history of the North West.

If the Hudson's Bay Company were to retrieve its position it simply must resort to new methods. The Governor and Committee were characteristically English in being slow to convince themselves that their system was antiquated but when the unpleasant fact began to dawn upon them they were truly English in the courage with which they faced it, in the earnestness with which they sought to understand the true situation and in the practical wisdom of their final determinations. They were told that their weakness was their system of paying fixed and rather low salaries to their servants. They therefore determined on a scheme which gave a lower fixed salary to most of their officers but offered a percentage of the profits of the trade by way of an incentive to their zeal. They were told that the Orkneymen of whom for the most part their service was composed would not and could not endure the hardships of the wooded area to the north and could not win the Indians to them as the French Canadians could. Accordingly they decided that the next aggressive movement which it was intended should be against Athabasca, that rich fur region which the Northwesters regarded as their sacred precinct, should be led by two old North Westers in command of tried voyageurs recruited in Montreal. Finally the increasing violence of the Northwesters, and the policy of expansion of the English Company resulted in a great multiplication of the number of necessary servants. The cost of taking provisions out from England rose in proportion. Accordingly the question was raised whether provisions might not be grown in the country which would be cheap and we may presume, would be to hand free from the uncertainties of the navigation of Hudson's Straits. In a statement dated March 18, 1815, sent by the Company to Lord Bathurst, an explanation is given of the part the Red River Settlement was intended to play in the machinery of its fur trade.

"The servants of the Hudson's Bay Company employed in the fur trade, have hitherto been fed with provisions exported from England. Of late years this expense has been so enormous, that it has become very desirable to try the practicability of raising provisions within the territory itself; notwithstanding the unfavourable soil and climate of the settlements immediately adjacent to Hudson's Bay, there is a great deal of fertile lands in the interior of the country, where the climate is very good and well fitted for the cultivation of grain.

"It did not appear probable that agriculture would be carried on with sufficient care and attention by servants in the immediate employment of the company, but by establishing independent settlers, and giving them freehold tenures of land, the company expected to obtain a certain supply of provisions at a moderate price. The company also entertained expectations of considerable eventual benefit, from the improvement of their landed property by means of agricultural settlements.

"With these views the company were induced, in the year 1811, to dispose of a large tract of their lands to the Earl of Selkirk, in whose hands they trusted that the experiment would be prosecuted with due attention, as the grant was made subject to adequate conditions of settlement."

This leaves it beyond doubt that the Red River Settlement, although it may well have figured largely in Selkirk's mind as another of his philanthropic schemes, was likewise devised to help the Hudson's Bay Company to stand up against the blows inflicted upon it by its rival at least by providing cheap and certain provisions for its servants inland. In the Grant of the District of Assiniboia to Lord Selkirk in 1811, which is, of course, simply a transfer of the land, not an embodiment of policy, this is not mentioned but is probably referred to when it is said that the District is conveyed to his Lordship "in consideration of the sum of ten shillings of lawful money of Great Britain," and "for divers good and other valuable causes and considerations."

The Grant, however, brings out another purpose of the Company in the condition laid down that Lork Selkirk shall set apart one-tenth part of the District "to the use of such person or persons being or having been in the service or employ of the said Governor and Company for a term of not less than three years immediately preceding." The first intention of this condition was that the settlement should be reinforced by such retiring servants as should choose to settle in it with their squaws and their dusky families. We may infer that as the company was contemplating employing French Canadians they thought of the Red River Settlement as becoming a retiring ground for them also and in the more distant future offering a reserve of the sort of servants that had contributed so much to the success of the rival traders from Montreal.

Taken altogether, these plans were as wise as they were revolutionary for the Company which had been accused of sleeping so long by the frozen sea. They would slowly but surely put it on a level with the Canadian company and leave to them the great advantage of their short and cheap communication with the fur market of London. With unerring instinct the North West Company directed its counter attack at the Settlement and destroyed it in 1815 and again in 1816. With great courage on the part of the remnant of the settlers and British determination on the part of Lord Selkirk, it was re-established. Soldier settlers of the De Meuron regiment and a band of French Canadian immigrants were added. Had it not been for the grasshoppers the Red River Colony would have soon shown its value to the Hudson's Bay Company in what was little short of warfare.

From 1815 onward the centre of the struggle was in the District of Athabasca, the Holy of the Holies of the North West Company. The first two years were disastrous for the Englishmen. Both companies were losing heavily, but the Hudson's Bay Company was organizing itself more and more to meet its rivals on equal terms. In 1818 it sent out Governor Williams, formerly in command of an East Indiaman, a rough sailor who is said to have had 'a peculiar relish at all times for a good hard fight, more especially when there seemed certain prospect of one of the parties being "well licked."

In 1819 he awaited the Athabasca Brigade at the Grand Rapid on the Saskatchewan in true Northwester style, with a bunch of warrants for all sorts of crimes from attempting to prevent the service of a legal warrant in Montreal, crescendo to burglary and robbery and murder, arrested no

less than five wintering partners and six servants and got away with them safely to York Factory. Of course this sort of thing had been done by the Northwesters before. The novelty was that it was now being done by the Englishmen. The next year the courageous and crafty Geo. Simpson was sent out to hold Fort Wedderburn in Athabasca. Here he played a part as brazen as that of the Northwesters themselves and not less subtle.

In the face of all this the behaviour of the Northwesters in the light of their past bluster, can only be characterized as subdued. In 1819-20 it was still anyone's game, but it does look as if the English company were running true to the form of our unmilitary race. They drifted into the struggle with an antiquated and inefficient machine. They went on from defeat to defeat, and came back only to be defeated again, but, in the height of the crisis they organized for victory and had the struggle continued they might have won the last battle and come off triumphant. But there was no last battle for the issue was settled by a domestic crisis within the rival company.

The Achilles heel of the North West Company's system was that at the end of twenty years it must renew the agreement between the Montreal agents and the wintering partners. The new arrangement would come into effect in 1822 but the contracts must be made some years before hand. In view of the coming crisis, Edward Ellice on behalf of the North West Company offered to buy all Lord Selkirk's shares in the English company and thereby secure control of its machine and with it the whole fur trade of the North West. He was met with Lord Selkirk's blunt refusal to trust the fate of the Colony to those who had twice destroyed it. Meanwhile some of the wintering partners who were impressed with the folly of the struggle, and restless at its violence, began to reach towards a scheme which would solve their crucial problem,—viz. that of transportation which as we have said became acute with the expansion into the region beyond the Rockies. The North West Company's agreement was bipartite. It was a contract between wintering partners, and their Montreal agents. How would it do in the next agreement to drop the Montreal agents and take on the Hudson's Bay Company in their place? The English Company met the proposal with generous terms, but very astutely included the Montreal and London agents of the North West Company lest they should form another and a new rival "concern."

Thus the Hudson's Bay Company took the form under which it operated from 1821 till Confederation. Both parties contributed their best to the United Company. The Englishmen gave, along with their Charter, the short route by the Bay, and the very efficient management of the Governor and Committee in London. The North West Company gave a very vigorous personnel, the very happy ties which bound them to the Indians and a fine control of the business in the interior. The old meeting of partners at the rendez-vous at Fort William disappeared but it was substantially retained in the Council of Chief Factors who gathered around Governor Simpson. On this Council were men who had worked hard to destroy the Red River Settlement. Let us turn to see what use was made of it by the Company of which they were now practically partners. Some of the problems of the situation were solved by the simple fact of union. With a single Company in control the extravagances of prices set below the line of profit, and of rum poured out like water came automatically to an end. The insolence of the Indians bred in the day when competing traders begged them for their trade would pass away in time with judicious discipline.

But when the country was in a state of warfare the forts were crowded with defenders. In the old days a clerk would go out to the Indians with a few servants to accompany him. Now nothing short of an armed posse would do. Both companies were greatly overmanned. When peace came the question what to do with the servants made superfluous by the union was a very serious one. Governor Simpson, the Gentlemen of the Committee in London, and the Council of Rupertsland all agreed in looking to the Red River Settlement for its solution. Of course some of the wintering partners of the N.W. Co. were excluded from the new concern because of the evil deeds in the day of strife. These went home to Canada. For example the turbulent Daniel Mackenzie retired to the village of Prescott sleeping by the placid waters of the St. Lawrence, of which place he became an inglorious but surely not a mute denizen. Some of the incompetent servants of the English Company returned to England. But some of the retiring officers had taken squaws for wives *à la façon du nord* and had families whom their conscience or their love would not suffer them to abandon. Theirs was surely a hard choice. What could be done? The answer was go to the Red River Settlement, settle on the land set apart by the Selkirk grant for the servants of the Company, begin to farm and produce provisions for the posts strung across the land from Rainy Lake to the Rockies. So the quondam master of a post would glide silently with his diminutive brigade of canoes bearing his wife and tawny children and such goods and chattels as he could lay claim to and would settle by the banks of the Red River. Among these was James Bird, afterwards Councillor of Assiniboia, and Collector of Customs, one of the really useful citizens of the Settlement. Another was Donald Gunn, who tells us that he decided of his own accord to become a settler, but whose rancour against the Company manifested even in the book written in his old age, suggests that his retirement from the Company's active service left an unhealed sore. He became a farmer, a teacher and a magistrate. A man of bold speech and fine parts he was respected by all but never was trusted with the higher offices of the Colony. A little later the case of Alex Ross, was much like that of Donald Gunn. He started from Fort Okanagan in the autumn of 1825 and left his squaw to winter on the banks of the Upper Columbia while he himself came down the Saskatchewan, noting every point of interest as he came. His wife and the children followed next summer. They settled on a farm but Ross became Councillor, and Sheriff of Assiniboia, Keeper of the Gaol, Member of the Board of Works, Commander of the Police and what not, probably the most distinguished of all the settlers of his generation. His history of Red River, though at times tinged with bitterness at the Hudson's Bay Company, is the most important source for the history of the time, as vivacious as it is colorful. All these men played useful and honourable part in the history of the Colony and thereby contributed to the welfare of the Company.

But there were many sorts of servants in the Company's employ who had to be dispensed with, besides the men in command. In particular there were the French Canadians,—the servants of a lower order. Arrangements were made for them to take land on the River. Their expenses in getting there were to be recouped to them and the Council granted £300 to assist them in settling on their lots. These were placed on the east side of the river.

One of the problems was what to do with the half-breed children, English, Scotch or French Canadian. Their multiplication about the forts had

long been considered a standing danger. They also were brought, though it is hard to say in what numbers, to the Settlement. Under certain benevolent influences within the Committee in London an Anglican chaplain, Rev. John West, had been sent out. The English and Scotch were placed under his care or that of his successors. The French-Canadians were given into the charge of the Roman Catholic Clergy. That the work done by the clergy of both denominations was regarded as done for the Company, helping to rid the forts of the restless and turbulent swarm of half-breeds and further in bringing the half-breeds generally under the taming influences of the church, is shown by the terms on which money was granted to them from year to year.

"Great benefit having been derived from the benevolent and indefatigable exertions of the Catholic Mission at Red River in the welfare, moral and religious instruction of its numerous followers; and it being observed with much satisfaction that the influence of the Mission under the direction of the Right Rev<sup>d</sup> The Bishop of Juliopolis has been uniformly to the best interests of the Settlement and of the country at large, it is resolved.

§That an order to mark our approbation of such laudable and disinterested conduct on the part of the said Mission the sum of £50 be given towards its support together with an allowance of luxuries for its use."

Thus the plan of 1811 for a home for the retired servants of the Company received in 1822 a far broader fulfilment than lay in the original conception, but none the less directly in line with it. It resolved the most pressing problem at the Union.

The same is true of the scheme to secure supplies for the posts within the country itself. Alex Ross and Donald Gunn following him would lead us to believe that it was not till the settlement had recovered from the flood of 1826 that provisions could be supplied to the Company but an abstract of the Minutes of the Council of 1825, found in the McLeod Papers and printed by Professor Innis in the Canadian Historical Review of Dec., 1926 (p. 309) calls for the following provisions from the Colony:—

- 200 cwt. best Kiln dried Flour at 20/.
- 12 cwt. Hulled Barley, 16/6.
- 100 Bushels Peas, 5/6.
- 100 Bushels unhulled Barley, 4/9.
- 1,000 Bushels hulled Indian Corn, 6/6.
- 20 Kegs Butter (60 lb. net), 60/.

In line with this the various posts more than ever before planted two or three acres beside them and the seed came from the Red River. The first cattle at Cumberland House, Carlton, Edmonton, were calved by the banks of that river.

Lastly, the lower ranks of the service of the Company were recruited from the sons of the Colony, mostly half-breed—as efficient as any that ever came from Montreal. When the supply of labour was increased and became stable, the Company found it good business not to retain servants for the twelvemonth, but to hire voyageurs from the Red River for the trip, to Norway House, to York Factory and even to Portage la Loche where the goods were handed over to the crews from Athabasca and McKenzie's River. It proved more profitable still to let out the freight by contract with the men of the Settlement.

Altogether the Red River Settlement more than filled the place the fur-trader sketched for it in 1811. It more than realized in peace the part it was intended to play in the years of warfare.