

(January 20, 1930)

## The Hudson's Bay Company

BY GEORGE W. ALLAN, K.C.

VICE-PRESIDENT G. M. SMITH:—I need hardly introduce Mr. Allan to you, among so many of his Toronto friends. He is very well known to us through his widespread business interests, by reason of his public spirit and, may I add, because of his known genial humor. Mr. Allan is a young man, at least in spirit but he suggests to us the best of this country. His forefathers were pioneers of this province from the beginnings of Upper Canada. He himself was a pioneer citizen in western Canada before the completion of the C.P.R. and as Chairman of the Canadian Committee of the Hudson Bay Co. he calls to mind the old North West, of adventurers, of traders, of explorers,—that history of two hundred years before the confederation of Canada. Mr. Allan is going to speak of the historic company with which he is associated, the Hudson Bay Co. Mr. Allan.

MR. ALLAN:—Mr. Chairman and gentlemen, the City of Toronto is my old home town, and that of my father and grandfather before me, but as a lad, after I had graduated from the University and served my time under articles with the old Blake law firm—before the Canadian Pacific Railway had connected either Montreal or Toronto with Winnipeg—I made the journey, partly by rail and partly by water, partly through Canada and partly through the United States, which consumed eight days and eight nights, from Toronto to Fort Garry, and I have resided in the City of Winnipeg now for over half a century.

On my arrival in Winnipeg I found that the Hudson's Bay Company were carrying on their fur trade business in old Fort Garry and that the Company and its officials occupied an important place in the business activities of

Winnipeg which then claimed a population of about 8,000 people. From the date of my arrival in Winnipeg, I had close and intimate association with the Company and its officers and today I serve the Company, and have done so for a good many years.

I am very sensible of the honor you have done me in according me this opportunity to talk to you today about the Governor and Company of Adventurers of England trading into Hudson's Bay, incorporated by King Charles the Second by Royal Charter in May 1870, and from ten years after the granting of its Charter, operating under the name of Hudson's Bay Company.

With the limited time at my disposal, I can only hope to touch the high spots of our history and I feel that I can best deal with my subject by dividing the two hundred and fifty nine years of the Company's existence into four periods of one hundred years, fifty years, fifty years and fifty-nine years respectively, and possibly in conclusion, making a few general statements.

I might mention that its records, books and papers, accumulated during its existence, are all intact and complete in the Archive Department of Hudson's Bay House in London, but that a really complete and accurate history of the Company has yet to be written.

Let me briefly review the conditions confronting England at home and abroad immediately preceding the granting of the Charter.

When Charles the Second ascended the Throne, England was suffering from the devastations of a Civil War and the population was approximately five millions. War was declared on Holland in 1665—the year of the Great Plague. In 1666 London was reduced to ashes by the Great Fire and in 1667 the Dutch sailed up the Thames and destroyed several war vessels at Chatham. Spain and Portugal were still formidable in the South Seas, Holland was strong in the East, and France was organizing to dominate the Atlantic. It was accordingly important for England to maintain the right to trade in the Northern parts of the New World and if possible to find a new sea route to the South and East by way of the North.

Notwithstanding that conditions for England at home

and abroad at this period were most difficult, it was in these years, on the representations of two Frenchmen from Quebec, Groseilliers and Radisson, that adventurers were forthcoming in Prince Rupert and his friends who outfitted an expedition to discover the North West passage and to "find a trade for furs, minerals and other commodities." It was in 1668 that they outfitted the Ketch "Nonsuch" (50 tons) which sailed from Gravesend on the 3rd June, and Fort St. Charles (known later as Rupert's House) was established at the mouth of Rupert's River (East Coast of James Bay, an Inlet of Hudson's Bay). It was this expedition, which proved successful, which resulted in the incorporation of the Governor and Company of Adventurers of England trading into Hudson's Bay, under Royal Charter with Prince Rupert as its first Governor. He was followed by the Duke of York, afterwards James the Second, who in turn was succeeded by Lord Churchill—afterwards the famous Duke of Marlborough—and by a succession of able men of affairs down to and inclusive of our present Governor, Mr. Charles V. Sale.

Money was scarce, and its purchasing power great in those days, and the first page of the Company's first ledger, which is now in Hudson's Bay House, London, shows that Prince Rupert subscribed for £270 of the Company's stock which he subsequently paid up in instalments, and that the Duke of York subscribed for £300 which the Governor and Committee declared to be paid up in full in view of the valuable services he had accorded in connection with the formation of the Company.

#### FIRST PERIOD—1670-1770

(100 Years)

During the first 100 years of its existence, the Company's ships from England brought out to their Posts or Factories on the Bay, trade goods and general supplies, and returned with furs. The Indians from the Interior brought their furs down to the Bay to trade with the Company at its Posts. The struggle between the Company and the French lasted during almost the whole of the first 100 years of its history, but notwithstanding the various attacks of the

French on their Forts and Posts, the Company always succeeded in remaining in possession of the Bay by retaining one or more of them. When free from attack by the French, the Company endeavored to develop by land, and by exploration by sea made repeated attempts to discover the North passage. In 1672 Groseilliers and Radisson, for the Company, established Moose Factory on the West Coast of James Bay.

In 1688 Henry Kelsey, an apprentice clerk in the service of the Company at Hudson's Bay, began his pioneering work at the age of eighteen. He explored the Churchill River, and penetrating the interior, took possession of it on behalf of the Company. He was the first white man to reach the Prairies—now constituting the three Prairie Provinces of Canada—and to see the buffalo. He anteceded by many years the arrival of the first French explorers.\* In 1718 Fort Prince of Wales—a wooden structure—was built by the Company near the situation of the present Fort Churchill about seven miles up the River. The records of the Company in Hudson's Bay House, London, show that on the 6th of August, 1731, the walls of a new fort to be constructed of stone, were staked out, and this new Fort, built of stones, was erected at the mouth of the River on Eskimo Point and opposite to Cape Nerry, and it constituted one of the strongest fortresses on the Continent. I understand the suggestion has been made in Canada that the Prince of Wales should be invited to open Port Churchill in 1931 and it would be peculiarly appropriate for the event to take place on the 6th of August, 1931, the anniversary of the date on which the walls of the stone Fort Prince of Wales were staked out.

Between 1769 and 1771 Samuel Hearne was engaged in explorations and discoveries on behalf of the Company. He travelled from Hudson's Bay to the Great Slave Lake, thence to the mouth of the Coppermine River on the Arctic Ocean, and on to Lake Athabasca.

\*After disappearing for over two centuries his journals have been edited for the Canadian Archives by Professor Chester Martin now of the University of Toronto. The French account of the capture of Fort Nelson by D'Iberville is appearing in the first English translation in the forthcoming volume of the Champlain Society.

Between their struggles with the French and their disastrous expeditions by sea to find a North West passage, the Company during the greater portion of this period encountered heavy losses and there was little profit to the Proprietors, no dividends being paid for a period of forty years.

As you are all aware, Amundson, some years ago, successfully completed a voyage from the Atlantic to the Pacific by the North West passage, and before that one of the vessels of the Hudson's Bay Company, after a lapse of two hundred and fifty eight years, made the passage from the Atlantic to the Pacific, thereby achieving one of the objects for which its Charter was granted, although they had long before demonstrated that no practicable sea passage subsisted for commerce.

At the conclusion of the long struggle between the English and the French in the Bay, the Hudson's Bay Company for over one hundred years had maintained the right of England to trade in the Northern parts of North America, had firmly established themselves in the Bay, and had extended by exploration and occupation their sphere of influence over portions of the vast territory upon which their Charter had conferred upon them sovereign rights.

The Charter of the Company conferred upon them sovereign rights on all those lands traversed by rivers and streams running into Hudson's Bay, and in process of time, the Company exercised these sovereign rights over that vast territory now constituting portions of Northern Quebec, Northern and Western Ontario, Manitoba, Saskatchewan, Alberta, portions of the great hinterland to the North, and portions of the present States of Montana, North Dakota and Minnesota.

#### SECOND PERIOD—1770-1820

(50 Years)

The Hudson's Bay Company, having concluded its struggle with the French, lasting almost one hundred years, entered upon a struggle of nearly forty years with the Scotch merchants of Montreal engaged in the Fur Trade, and the North-West Company. This struggle between the two companies at the end of this period, had reduced them

to the verge of bankruptcy by unhealthy competition, by too rapidly extending their Posts, and carelessness in the conduct of their real business occasioned by fierce and foolish competition and by actual bodily conflict between the rivals. In 1774 Cumberland House in the Interior was built. In 1811 the Company granted Lord Selkirk 116,000 square miles of territory between the Assiniboine and Red Rivers to found his Red River Settlement.

#### THIRD PERIOD—1820-1870

(50 Years)

In 1821 a Deed of co-partnership was arranged between the two Companies and in 1824 the amalgamation of the North-West Company with the Hudson's Bay Company was arranged. It was during this period of fifty years that Sir George Simpson in North America can well be credited with as great achievement for the Empire as the subsequent achievement of Cecil Rhodes for the Empire in South Africa. If you will grant me the indulgence I shall read to you in connection with this period an extract from an address I made some years ago at the Conference of our Fur Traders at Lower Fort Garry:—

"Shortly following this happy absorption by the Hudson's Bay Company of its rival, was the appointment of George (subsequently Sir George) Simpson, as Governor of the Company on this side of the Atlantic. It is a matter of history that, when he took control of the helm with consummate skill, he steered the unwieldy corporation with all its discordant elements through the rapids and into the smooth waters of assured prosperity.

"He had the qualifications of true leadership, great affability, and an iron will and with one or other, or both, he compelled allegiance. He was a great fur trader and a great administrator. Physically and mentally he was equal to his great task. His driving power, his decision of character, watchfulness and caution, all contributed to his great success. Under his guiding hand, the Company was always for the Empire and on the side of law and order, as we today are for the Empire, for Canada, and always behind the Government and constituted authority.

"Sir George Simpson's life and works will ever bulk large in our history and during the forty years he served the Company other great men in the service showed their shoulders above their fellows. The names of Dr. John McLoughlin and Sir James Douglas will always stand out in the history of the great North West, as will those of Colin Robertson, John Stuart, James Leith, William Connolly, Peter Warren Dease, Thomas Simpson, Duncan Finlayson, James Hargrave, Dr. John Rae, William McGillivray, William Sinclair, Robert Campbell, Alexander Christie, and later on, Donald A. Smith, and a host of others. Sir George Simpson had in the blend of outstanding men from the two Companies, Scotch, English, Irish, French and Canadians—a great body of men.

"During that period the Company established Posts extending to what is now Washington, Oregon, California, Montana and Minnesota. They operated under license from the Russian Government in Alaska, they had a Post in Honolulu in the Sandwich Islands, and at Okholok, Kamchatka, on the coast of Siberia."

The stone fort of Lower Fort Garry was built in 1832 and at the urgent request of Sir George Simpson, British troops were sent out from England to the Bay and were stationed in this Fort for a period of years. The Company paid the passage and maintenance of these troops from the time they left the shores of England until their return. The Fort was not built for the purpose of protection from the Indians, with which the Company were always on the best of terms, but it was built and troops were maintained there to establish British possession and authority over the vast territory explored and occupied by the Company and over which it exercised sovereign rights.

Sir George Simpson, with the same object in view of establishing British occupation and authority, built Fort St. James in what was then known as New Caledonia, now Northern Central British Columbia, and subsequently he built Fort Vancouver on the Columbia River in Oregon and made a request to Lord Aberdeen, then Prime Minister of England, for troops, similar to the request he had previously made in connection with Lower Fort Garry. His intention was to make the boundary of British territory on

the Pacific the North bank of the Columbia River. The English Government requested Commander Gordon, a brother of the Prime Minister, who was in command of a British war vessel on the Pacific, to visit the Columbia and to report on the request of Sir George Simpson, and as I understood it, he reported the country to be a wilderness and not worth the sustaining of the effort made by Sir George Simpson to establish British occupation and possession by granting his request for troops.

Dr. John McLoughlin in charge of Fort Vancouver on the Columbia, created large farms in Oregon which furnished food supplies for the Company's own requirements, and enabled them to supply beef and flour to the Russians in the North Pacific and to the Spaniards to the South. The Company opened up the first coal mines on the Pacific Coast on Vancouver Island and supplied coal to California. The Company became the ice man of the Pacific, cutting ice from the Glaciers of Alaska and conveying it in their ships to California, and there marketing it. The Company paid rent to Russia for its license to carry on the exclusive fur trade in Alaska in the skins of sea otter. In 1835 the S.S. "Beaver" was built for the Company at Blackwall and was the first steamer (paddle) to round Cape Horn after crossing the Atlantic.

In 1849 Vancouver Island was granted by Queen Victoria to the Company. In 1862 the S.S. "Otter" built for the Company also at Blackwall, reached the Pacific and was the first screw steamer in the Northern Pacific. In 1859 Vancouver Island became a Crown Colony with Sir James Douglas as its first Governor, he also being Governor of the Hudson's Bay Company on Vancouver Island. In 1869 the Deed of Surrender was consummated by which the Hudson's Bay Company surrendered to the Crown, under certain conditions, its claims to territory and its rights of Government.

#### FOURTH PERIOD—1870-1930

(60 Years)

The Deed of Surrender was followed by the Manitoba Act of 1870 which gave autonomy to the Province of Manitoba over territory formerly under the sovereignty of the

Company, and by similar Acts, thirty-five years later, the Provinces of Saskatchewan and Alberta were created out of the country over which the Company had exercised complete jurisdiction. Under the Deed of Surrender, however, the Company retained its Posts and Stations, with a block of land adjoining each, also one-twentieth part of the land within the fertile belt, bounded on the South by the international boundary, on the East by Lake Winnipeg and the Lake of the Woods, on the West by the foothills of the Rocky Mountains and on the North by the North Saskatchewan River, and amounting to some seven million acres.

Under the arrangements then made the Company was to obtain its land as and when surveyed and the transfer to the Company was to be completed in fifty years. The fifty years came to an end in 1912, but the last transfer and allotment of lands was made and the same were patented to the Company in the month of November 1929. The Company moreover, under the said Deed of Surrender, was to be at liberty to carry on its trade in its corporate capacity, without hindrance and no exceptional tax was to be placed on its land, trade or servants.

Since the Deed of Surrender the Company has carried on, and is carrying on, its fur trade in Canada from the Atlantic to the Pacific, from the International Boundary to the Arctic, and has extended it continuously to the Islands of the Eastern and Western Arctic and is gradually extending it to the Labrador Coast and to the Island of Newfoundland.

The headquarters of the Fur Trade Department are at Winnipeg; it has establishments at Montreal, North Bay, Fort William, Regina, Saskatoon, Edmonton, and Vancouver, and the Company now operates over 300 Fur Trading Posts. In connection with its Fur Trade it has ocean and inland transport operating 86 vessels on the Atlantic and Pacific Oceans, along the Coast of Labrador, in Hudson's Bay, on the Eastern and Western Arctic, and on all the important Northern interior waterways. Again, in connection with inland transport, it has 600 dog trains, 1200 canoes, tractors and trucks, and other necessary equipment to carry on its immense trade. Our ocean and inland transportation and our Trading Posts, have always accorded

facilities and transportation and supplies to Government officials, the Mounted Police, the Missionaries, and the scientists and travellers.

The Company carries on fox farming operations in Prince Edward Island and on the Mingan Islands owned by the Company in the Gulf of St. Lawrence. It carries on sealing operations in the North Atlantic, and markets fresh salmon from Labrador and Newfoundland in London, England.

The Company owns and operates Departmental Stores in Winnipeg, Yorkton, Saskatoon, Edmonton, Calgary, Lethbridge, Vernon, Nelson, Kamloops, Vancouver and Victoria. The Company also operates Wholesale establishments in Winnipeg, Regina, Saskatoon, Edmonton, Calgary and Vancouver. The headquarters of the Stores Department is in the City of Winnipeg and the General Manager of the Department Stores and the General Manager of the Wholesales are both domiciled in Winnipeg. The Company has also establishments in Montreal, St. John, Newfoundland and New York.

The headquarters of its Land Department is in the City of Winnipeg and the Acting Manager is domiciled in Winnipeg. This department has charge of its city, town and farm properties, also its timber, oil and minerals. It has branch offices at Edmonton and Victoria. The Company still has three and a half million acres of unsold farm lands, and oil and mineral rights on four million acres. The Company has large interests in town lots in the Cities of Winnipeg, Edmonton, Victoria, and a number of smaller towns. The Hudson's Bay Oil & Gas Co. Ltd. are engaged in the development of its oil under surface rights. The Hudson's Bay Company Overseas Settlement, Limited, has charge of immigration and colonization. Both of these Companies have their Head Offices in the City of Winnipeg.

The Company's outstanding contribution to the Empire and the Allies during the Great War was its contract with the French Government, under which, in a fleet of over 250 ships, it carried over thirteen million tons of food and munitions from all parts of the world to France. All the munitions from France for Russia and Roumania were transported under the Company's flag. Over one hundred of its vessels

during the War were torpedoed, and their cargoes, destroyed. Three hundred and twenty-one of its employees served overseas during the War, eighty-one of whom made the supreme sacrifice.

The Company's services to the Empire and to the Dominion of Canada have been, as I see it, the following:

1. The many explorations by land and sea to find a North West passage from the Atlantic to the Pacific, although they demonstrated that no practicable sea passage subsisted, yet brought the great Northland of this continent within the scope of human knowledge as to its great natural resources and potentialities.

2. The Company during all its long history preserved British territory free from Indian wars and promoted order and good will with the Indians and Eskimo by dealing with them strongly, fairly and wisely during all the course of its history. Contrast the long period of Indian wars waged in the United States from Oregon to the tip of Florida, costing the great Republic to the South of us thousands of lives and millions of dollars in military operations and in the destruction of the property of settlers and traders.

3. From 1670 till 1870—a period of two centuries—the Company by discovery, settlement, trade, and sometimes by actual fighting, established and maintained British rights in North America. During that period it extended them from the Atlantic seaboard to the Pacific coast, without any cost to the Crown, but with great profit to the Kingdom. It explored and civilized this great country, until in the end a free British Dominion took over the fruits of its labors.

4. The Company so dealt with the Indians and Eskimo as to preserve and conserve the fur bearing animals instead of permitting them to be extinguished over a brief period of years, as they were in so many portions of the United States of America. Our fur catch in recent years is as great as at any time in our long history.

5. During the 259 years of its existence the proprietors of the Hudson's Bay Company have adventured and invested more money in their stores, establishments and varied business activities in Canada than in all that period they have received by way of dividends. I believe that by far the

largest single contribution of British capital to Canada since the Armistice has been made by the proprietors of the Hudson's Bay Company.

It might be interesting to recall to you that the nominal rent under our Charter is set forth as follows:

"To yield and pay yearly to the reigning Monarch, two elks and two black beavers whenever and as often as we, our heirs and successors, shall happen to enter into the said territories and regions hereby granted."

I had the honor, as the representative of the Hudson's Bay Company in Canada, during the last visit of the Prince of Wales to Western Canada, to pay our rent to him on his arrival at the Canadian Pacific Railway Station at Winnipeg.

I had proposed to lead down to the C.P.R. Station two live elks and two black beavers, and to deliver them into his hands, but I changed my purpose on hearing that two elk heads and two black beaver skins would be more acceptable to him by way of rent than the live animals. I recall that when he received the rent, he appeared to be embarrassed thereby, and I asked him in what way I could relieve the situation. He stated that I could do so by sending the two elk heads to his Ranch house in Alberta and the two black beaver skins to his London residence, and this was done.

Before the close of 1929 we shipped wheat, grown in that year, over the Canadian National Railways and the Hudson's Bay Railway, to the Port of Churchill, and by January 1930 a portion of the shipment had recrossed the Atlantic and was distributed by the Governor from Halifax to Victoria in the way of souvenirs to his friends. We also in 1929, from the Port of Churchill, made the first shipment of gold from that district. Again, in 1929 we shipped Hudson's Bay blankets from England to the Bay and from Port Churchill over the Hudson's Bay Railway and the Canadian National Railways to Winnipeg, and before the end of that year they were distributed throughout our Department Stores from Winnipeg to Victoria.

The great Northland of the Dominion of Canada is coming into its own. Its progress and advance in the past has been brought about by railways and the steamship. This progress in the immediate future will be accelerated by transportation in the air by aeroplanes and by wireless communication by air.

The Company's policy since the Deed of Surrender in 1869 has been in every way to participate and assist in the development of the great West and the great North. 1930 finds the Hudson's Bay Company the oldest trading company in the British Empire, operating in London, England, in Canada, Newfoundland, and the United States with numerous subsidiary companies and subsidiary interests, stronger, bigger and better organized than ever before, equipped to compete with all competitors.

The race is not always to the swift, nor the battle to the strong, but to him who hangs out to the end.

The future is on the knees of the gods, but it requires neither a prophet, nor the son of the prophet to read the writing writ large on the map of the Dominion of Canada of a great forward movement in the business and affairs of the Company, and a future still greater than all its long and glorious past.