The Formation of the Puget's Sound Agricultural Company

On the 27th of February, 1839, a committee of the Hudson's Bay Company met at Hudson's Bay House, to discuss "a prospectus for the formation of an association to be styled the 'Puget's Sound Agricultural Company,' having for its objects the rearing of flocks and herds on an extensive scale, with a view to the production of Wool, Hides and Tallow for the British market, and for the cultivation of other agricultural produce, in the District of country situated to the northward of the Columbia River." The prospectus was "favorably received" by the gentlemen present, who were convinced "that a valuable branch of business may arise from the exertions of this association, and that they may be instrumental in improving the condition of the native Indians and other persons inhabiting that remote country... bringing them into habits of industry and civilization." Since the "Governor and Committee (did not consider) it expedient to make this new branch, a Branch of the Fur Trade" a resolution was passed, granting the Puget's Sound Agricultural Company "permission to carry on their contemplated operations" and promising "the assistance and support required from the Hudson's Bay Company, towards carrying into effect the measures set forth in the said Prospectus," by turning over to the Puget's Sound Agricultural Company "such portion of the Stock of Sheep and Cattle and of the Agricultural Implements, etc., as can be conveniently dispensed with by the Fur Trade..."

*Mr. Leonard A. Wrinch, while preparing his thesis on "The Land Policy of Vancouver Island, 1849-1866," as part of his work for the Master of Arts degree at the University of British Columbia, obtained this material about the Puget's Sound Agricultural Company. At his request it was forwarded by Professor Walter N. Sage for consideration by the editor of the Washington Historical Quarterly. — Eunro.

1 Extract from the "Minutes of a Committee", held at the Hudson's Bay House, 27 February 1839. Document in B. C. Archives, Victoria, B. C. Envelope E P 316.

2 ibid. Note that the instructions to McLoughlin, 16 March 1838, (v. infra n. 13) contain references to the employment of natives.

3 Minutes of Committee. See also Pelly to Grey, Hudson's Bay House (hereinafter H. B. H.) 12 June 1851, for reference to the "Fur Trade Branch of the Hudson's Bay Company" which held land around Victoria.
at such fair and reasonable prices as may be determined on, by the Governor and Council of the Northern Department."\(^4\)

Let us briefly consider the high points of this Prospectus. It is significant that the first clause asserts that this association is to be formed “under the protection and auspices of the Governor and Company of Adventurers trading into Hudson’s Bay.”\(^5\) The association was capitalized at £200,000 in 2,000 shares, but possession could be obtained by an immediate payment of 10% and possible future payments (not more than 5% every three months). If the holder wished to sell the shares he had to give the first offer of sale to the agents of the company, and in any case to sell them only to purchasers approved by the Agents.

The management was entrusted to the Agents, who were required to own at least twenty shares of company stock.\(^6\) Pelly, Colvile and Simpson were chosen for the first year, but there were to be annual re-elections at the annual meeting in London, where voting by shares and proxies were allowed.\(^7\)

Not only were the appointed Agents Hudson’s Bay men, but although they were empowered “to appoint Managers, Agents or attorneys for the purpose of transacting the business of the Company . . . and to make agreements with, and advances to, persons desirous of becoming Agriculturists” it was on the strict condition “that the principal direction or management of the affairs of the said Company, in the said district, be under the superintendence of an officer attached to, and interested in, the Fur Trade of the said Governor and Company . . . and subject to the instruction from time to time, to be issued by the said Agents in London.” The early purchase of stock and agricultural implements from the Hudson’s Bay Company was insisted upon, as was also a bond against any trade in furs.

Finally plans were made for the incorporation of the Puget’s Sound Agricultural Company in the event of the cancellation of the Hudson’s Bay Company license in the west, and for application for a land grant in that contingency.\(^8\) During the summer and fall

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\(^4\) ibid. Note valuation to be made by the only possessors of stock in the North West.

\(^5\) The details are from what appears to be a form sent with the circular letter to the commissioned officers of the Hudson’s Bay Company, (infra n. 9), but several copies were available.

\(^6\) Though not a large financial bar, this shut out temporarily all save the original three Agents. (infra appropriation of shares) The strict control of sales would prevent much engrossing of stock.

\(^7\) infra. Delegation of voting powers of Hudson’s Bay factors to H.B.H.

\(^8\) cp. Pelly to Grey, H.B.H., 4 February 1852. v. supra n. 3, p. 2. re lands “reclaimed from the wilderness and occupied before 1846 on Vancouver Island”. These lands they claim as theirs without purchase” and recall that the Boundary Treaty guaranteed them rights to similar lands in Oregon. I have not yet found that this refers also the Puget’s Sound Agricultural Company lands, but the analogy is interesting.
of 1839, a circular letter with interesting enclosures, was received by the commissioned officers and clerks of the Hudson's Bay Company throughout the North West. The letter was an invitation to take stock in the Puget's Sound Agricultural Company, and it bore the signature of George Simpson. The enclosures include the prospectus we have just discussed, and a schedule of the number of shares allotted to the different ranks of officials. In case any were not taken up they were to be appropriated by the Agents. After signing the prospectus, the purchaser had to fill in three forms. The first was simply an order on “The Governor, Deputy Governor and Committee of the Hon'ble (sic) Hudson's Bay Company in London” to pay the necessary deposit from the trader's personal account. The second form was the notification to Perry, Pelly, Colvile and Simpson, of intention to purchase shares, but the third is worth copying here.

To J. H. Pelly
A. Colvile
Geo. Simpson

Gentlemen:

Having accepted an interest in the Puget's Sound Agricultural Company to the extent of shares, I hereby nominate and appoint you, jointly and severally as my Agents, Proxies or Attorneys, to vote and act for me in either of those capacities, at all General Meetings of Shareholders, and in all other matters connected with my interests in the affairs of the said Puget’s Sound Agricultural Co., in the manner as I could do myself, if present.

I am, Gentlemen,

Your most obedient servant,

We do not know how much of the stock was in the hands of shareholders or employees of the Hudson's Bay Company, but we can safely presume that it was a majority, probably a monopoly.
On 16 March 1839 a despatch was sent by the Directors of the Puget’s Sound Agricultural Company to John McLoughlin, who, as the official in charge of the Columbia Department received “the principal direction in North America of the Puget’s Sound Agricultural Company.” The despatch goes on to detail the establishment of two farms, proposed for Cowlitz and Nisqually. At the former it was desirable to “break up and lay under crop, as much land as convenient with the least possible delay, in order to maintain your people, to relieve the Hudson’s Bay Company of a contract for Agricultural Produce which they have entered into with the Russian American Company, and to make provisions for settlers that will be sent out from England as soon as you can conveniently receive them,” while at Nisqually attention was to be principally confined “to the rearing to Flocks and Herds, cultivating no more ground than may be necessary to maintain the establishment and provide Mangel, Wurzel, etc., for the Sheep and Cattle.” Stock was to be obtained from the Hudson’s Bay Company farms, but plans were made “to import from California as early as possible, sheep and black cattle, the former to be conveyed by sea, and the latter by the Bona Venture trapping expedition on their return in 1841, say about 1000 young cows.” This imported stock was to be kept at Nisqually, while Cowlitz was to be the scene of an endeavor to improve the type of sheep. These imports of stock were to be paid for in goods “forwarded under a distinct mark in the Hudson’s Bay Company Annual Ship” and the expenses of freight were to be settled by agreement of the officials of the companies in London, since “it (was) desirable to have as few accounts as possible with the Fur Trade.” The personnel of these farms was as follows:

Cowlitz

1 Principal Farmer
1 Principal Shepherd
2 Assistant Shepherds
6 Ploughmen
1 Blacksmith
1 Assistant Blacksmith
2 Rough Carpenters
10 Canadian Laborers

Nisqually

A Clerk in charge
1 Ploughmen (sic)
1 Rough Carpenter
2 European Herdsmen
2 Indian Herdsmen
2 Canadian Laboring Servants

dates of death of some marked “deceased”, it’s period is between 1860 and 1876. A memorandum included in a report of Douglas and Ogden to Governor Simpson on H.B.Co. and P.S.A.Co. claims in Oregon says that shares in the P.S.A.Co. “were
The principal Shepherd, Mr. Steel, came out from England with McLoughlin, but the rest were transferred from Hudson's Bay Company Posts "until they can be replaced by others that may be sent from this Country from time to time by the Annual Ship," and the Clerk in charge at Nisqually was also to act as agent for the Hudson's Bay Company in the fur trade, for which service the Puget's Sound Agricultural Company received £200 a year.

The despatch concludes with a list of proposed conditions on which settlers from England would be received. The terms presupposed the settler to be a man of means and position, though immediate outlay in cash was limited to his passage out. He must, however, bring out with him, two married laboring servants (not, I presume, a man and his wife) who were under a five year contract to the Company. The expense of the servants' passage out was made a charge on the farm.

On arrival the farmer was put in possession of a 1000 acres of land, 100 acres of which were to be broken and fenced, and provided with "a house 30' x 25' for the farmer, and a house 20' x 15' for each married servant, with a barn and stabling for 8 Horses or Oxen and sheds for sheep in proportion to the flock." Agricultural implements and the following list of stock was to be provided to each settler.

- 500 sheep @ 10/ each
- 20 cows @ 20/ each
- 1 bull @ 20/ each
- 6 horses @ 40/ each
- 8 oxen @ 20/ each

The affairs of the farmer were closely regulated. The Company supplied provisions for the first year, but unless they were paid for or returned at once, they bore interest at 5% as did also the cost of stock, implements, and outlay for buildings during the term of the lease. Each year the proceeds of produce sent to market or increase in stock, was to be divided equally between the farmer and the Company after the wages of the laborers and the cost of provisions for the year had been paid. Moreover the Company retained the right to take extra stock up to one half of the increase

\[\text{taken by the shareholders of the Hudson's Bay Company or persons in their service.}^{13}\]

This is definite but no exclusive proof. supra n. 10.

13 This despatch (Enclosed with the lists, prospectus, etc., in Envelope E P 316) was in a very natural confusion, originally inscribed "Governor and Committee to John McLoughlin." Before transmission, however, the first three words were crossed out and "Directors of the Puget's Sound Agricultural Company" substituted in another hand.

14 "Sheep from California should be crossed with Merino and Lister rams, and the progeny conveyed at the proper age to Cowlitz farm, where none except improved breeds should be kept."
at a set price, which might later be to their advantage in a period of rising prices. All produce had to be sold to, or handled by, the Company "at the usual commission" and the farmers were barred from distilling spirituous liquors. They were not to be allowed to forget their sorrows, or to console themselves by illicit trade with the rum-loving Indians.

Finally if the farmer ever got together enough money to go home, the Company took from his stock, animals equivalent to the original grant and the rest of the animals were then divided as evenly as possible between the farmer and the Company, but the latter had the right to take the half the farmer claimed, if they suspected uneven division. The land and buildings were returned to the Company, and the latter had to be in good repair, though no bonus was returned for improvements.

These, then, were the conditions of settlement. The success of the scheme, had the Columbia Valley remained a fur preserve, is only a matter for conjecture. The settlers from America created a situation unexpected by the traders who established this system. How it failed before the competition of free land grants and American aggressiveness is fully told elsewhere.

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15 The Overland settlers from Oregon who arrived shortly, were very anxious for stock. Whitman insisted that "Sheep and Cattle but especially sheep, are indispensable for Oregon." cp. Whitman to Prentice, 28 May 1843, quoted in Wm. A. Mowry, "Marcus Whitman and the Early Days of Oregon" New York: 1901. p. 197