

Conflict On Puget Sound

by John S. Galbraith



At Fort Nisqually, main base of the Puget's Sound Agricultural Company, large herds of sheep and cattle were raised. B.C. Archives

An American university professor writes of the friction between the Company men at Nisqually and the incoming American settlers, a century ago.

IN comparison with the record of its parent organization—the Hudson's Bay Company—that of the Puget's Sound Agricultural Company appears most unimpressive. Though its capitalization was £200,000, most of its stock was never paid up; its anaemic existence was short and painful, both to its employees and to its stockholders, who experienced a famine in dividends; and it failed in its objective of safeguarding British interests north of the Columbia River. This record of failure might seem to justify the lack of interest of historians in the company's activities. But ledgers and balance sheets are a most unreliable index of historical significance, and failure can be as important as success. The Puget's Sound Company establishments, together with the Hudson's Bay Company's trading posts, constituted the most effective British claim to sovereignty north of the Columbia River, a "beach-head" which might have been made a formidable barrier to American expansion had the British government provided the Hudson's Bay Company with aggressive support.

The Puget's Sound Agricultural Company maintained two centres of operations: Fort Nisqually, the headquarters, at the southern end of Puget Sound, and Cowlitz Farm, on a tributary of the Columbia. The Company was

established to serve a dual purpose: (a) It would provide the fur-trading posts along the Pacific Coast with such necessary staples as wheat, cheese, and meat, while the parent company confined itself to its fur business—thus avoiding objection of those proprietors who felt that the Hudson's Bay Company should not engage in stock-raising and farming; and, (b) by the settlement of land in the course of its pastoral and agricultural activities, it would reinforce the British claim to the territory north of the Columbia.

In 1838, five years before the arrival of the first great wave of American settlers, the Hudson's Bay Company, in requesting the renewal of its lease of 1821, asked for increased powers to promote settlement in order to strengthen British claims in the Oregon territory. Governor John Henry Pelly reminded the Colonial Office that the Company was serving a national as well as a private interest in Oregon, and voiced the expectation that with enlarged powers the Company would render British influence dominant "in this interesting part of the world." George Simpson, in another letter in support of the petition, stated: "The Possession of that country to Great Britain may become an object of very great importance, and we are strengthening that claim to it . . . by forming the nucleus of a colony through the establishment of farms and the settlement of some of our retired officers and servants as agriculturists."

The Colonial Office, however, refused to grant the Company additional authority, apparently because such sanction might be interpreted as a violation of the conventions of 1818 and 1827, which the British government

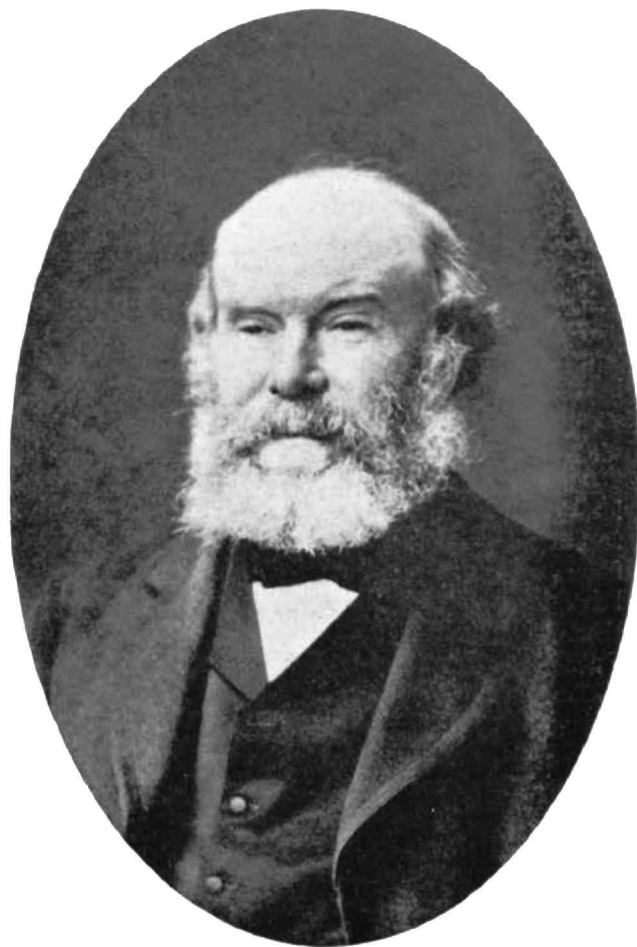
was not prepared to denounce. The license was, therefore, renewed without change for another period of twenty-one years.

Rebuffed by the British government, the Company now resolved upon the expedient of creating a subsidiary organization, the Puget's Sound Agricultural Company. As a joint-stock enterprise, it came into being in 1840, with an authorized capital of £200,000 in £100 shares. Although the stock of the Puget's Sound Company was to be separate from that of its parent, control was vested in the Hudson's Bay Company, John Henry Pelly, Andrew Colville, the Deputy Governor, and George Simpson being appointed directors. Arrangements were made for the purchase from the Hudson's Bay Company of all its sheep, cattle, and horses in the area of operations of the Agricultural Company.

Fort Nisqually was selected as the main base of the new company and Dr. William F. Tolmie was appointed Chief Trader, under the general supervision of Chief Factor John McLoughlin. Nisqually had been established in 1833 by Archibald McDonald, who conceived that it possessed "an advantage over all the other settlements we have made on this coast" in trading with the Indians, who inhabited the numerous bays and inlets of Puget Sound. The advantage of the fort as a supply base soon became evident, and fur-trading became a subsidiary occupation. Through the protected waters of Admiralty Inlet, the Gulf of Georgia, and Puget Sound, ships could proceed safely between the Oregon territory and Alaska, and the broad, gently-rolling plains on which the fort was located could accommodate the cattle, sheep, and hogs needed for provisioning Pacific Coast stations.

Cowlitz Farm to the south was well suited to pastoral pursuits, and the soil, more fertile than that at Nisqually, offered prospects of grain cultivation. Even before the

This section of a map of 1857 shows the location of the two chief establishments of the Puget's Sound Co.—Fort Nisqually and Cowlitz Farm.



Chief Trader Wm. F. Tolmie conducted the Company's side of the negotiations with admirable wisdom and patience. This portrait was taken in 1874, when he was 62.

creation of the Puget's Sound Company, therefore, the Hudson's Bay Company had made Nisqually the principal depot for provisioning vessels in the trade along the northwest coast, and with the full energy of the new company being devoted to agriculture and stock-raising, there seemed to be a sound basis for hopes of lucrative profits.

In 1845, 5872 sheep, 2280 cattle, and 228 horses were pastured on the Nisqually plains. The sheep included some which had been brought overland and by ship by the Hudson's Bay Company from the Mexican settlements in California, but by 1845 the flock included a large proportion of Merino, Southdown, Cheviot, and Leicester imported from England. The cattle, also from California, were dominantly of the breed called "Spanish cattle," with an infusion of some of the best English meat breeds. The rugged qualities of the Spanish animals dominated over milder English traits, however, and at the time of the transfer of herds to Nisqually in 1841, they were not well-suited to domestic use. Their slim, hardy frames provided little meat, and they were poor milkers, but their deficiencies were compensated for by one outstanding virtue—they were unusually prolific. Lieutenants Warre and Vavasour, sent by the British government to assess the

relative strength of the Americans and British in Oregon, commented in 1845 on the seeming prosperity of the Nisqually station.

Had the Company been left undisturbed, optimistic hopes as to its prospective profits might well have proved justified, but the times were unpropitious. The first large groups of American settlers reached the Oregon country in 1842 and 1843, and in 1845 the vanguard of the Americans arrived on Puget Sound. During the ensuing years, the lands of the Puget's Sound Company were exposed to increasing encroachments of American settlers, and it became evident to both management and servants that, barring British success in the treaty negotiations, the Company was condemned to a short, unprofitable existence. The diplomatic victory of the United States in the Oregon treaty of 1846 was the death warrant for the Hudson's Bay and Puget's Sound Companies south of the forty-ninth parallel, despite the "guarantee" that "the farms, lands, and other property of every description belonging to the Puget's Sound Agricultural Company, on the north side of the Columbia River, shall be confirmed to the said company," and a provision that in the navigation of the Columbia River, "British subjects, with their goods and produce, shall be treated on the same footing as citizens of the United States."

The performance of American obligations, however, in the last analysis rested not on the government in Washington but upon the willingness of the settlers to respect the rights of the British companies or, barring that, on the determination of federal officers in the territory to protect the holdings of the companies. Neither condition was realized. The settlers regarded the companies as iniquitous organizations which must be ousted immediately from American soil, treaty guarantees notwithstanding, and local governmental officials did not conceal their sympathy with their countrymen. The Puget's Sound Agricultural Company after 1846 was, therefore, in much the same position as a beleaguered garrison, but a garrison without effective weapons. The policy of the Company after 1846 was to register formal protests against encroachments as a basis for future claims against the United States; in the words of Chief Factor James Douglas, to "warn off all new comers, in a pleasant way, and keep always on the right side of the law."

The man upon whom this responsibility rested was William Fraser Tolmie, chief trader at Fort Nisqually, and the son-in-law of John Work. Despite the inadequate resources at his disposal, he conducted a masterly defense of the Company's interest. A native of Inverness, Scotland, he had entered the service of the Hudson's Bay Company as a physician in 1832, arriving at Fort Vancouver in the spring of 1833. Before his appointment to the management of Nisqually in 1843, he had served the Company at various posts in the dual capacity of physician and trader. In 1840 he was assigned the duty of establishing cattle and dairy farms in the Oregon territory, an experience which prepared him for his duties at Nisqually. The historian Hubert Howe Bancroft describes Tolmie in his later years as "rather below medium height, broad-shouldered and stout, with a large round head partially bald, high forehead, coarse features, round deep-set eyes glittering from under shaggy brows, large round ruby nose; in intellect shrewd rather than lofty, in temper hot and unforgiving, and yet a man warm in his friendships, devoted to his family, honest in his dealings, a good Christian barring occasional oaths, and a patriotic citizen, especially where patriotism was profitable." This not entirely complimentary description seems to miss one important aspect of Tolmie's character which was to enable him to endure the vexations of sixteen years in the midst of a hostile community—an amazing capacity to endure irritations with calmness and courage, which won him the reluctant admiration of his most hostile critics.

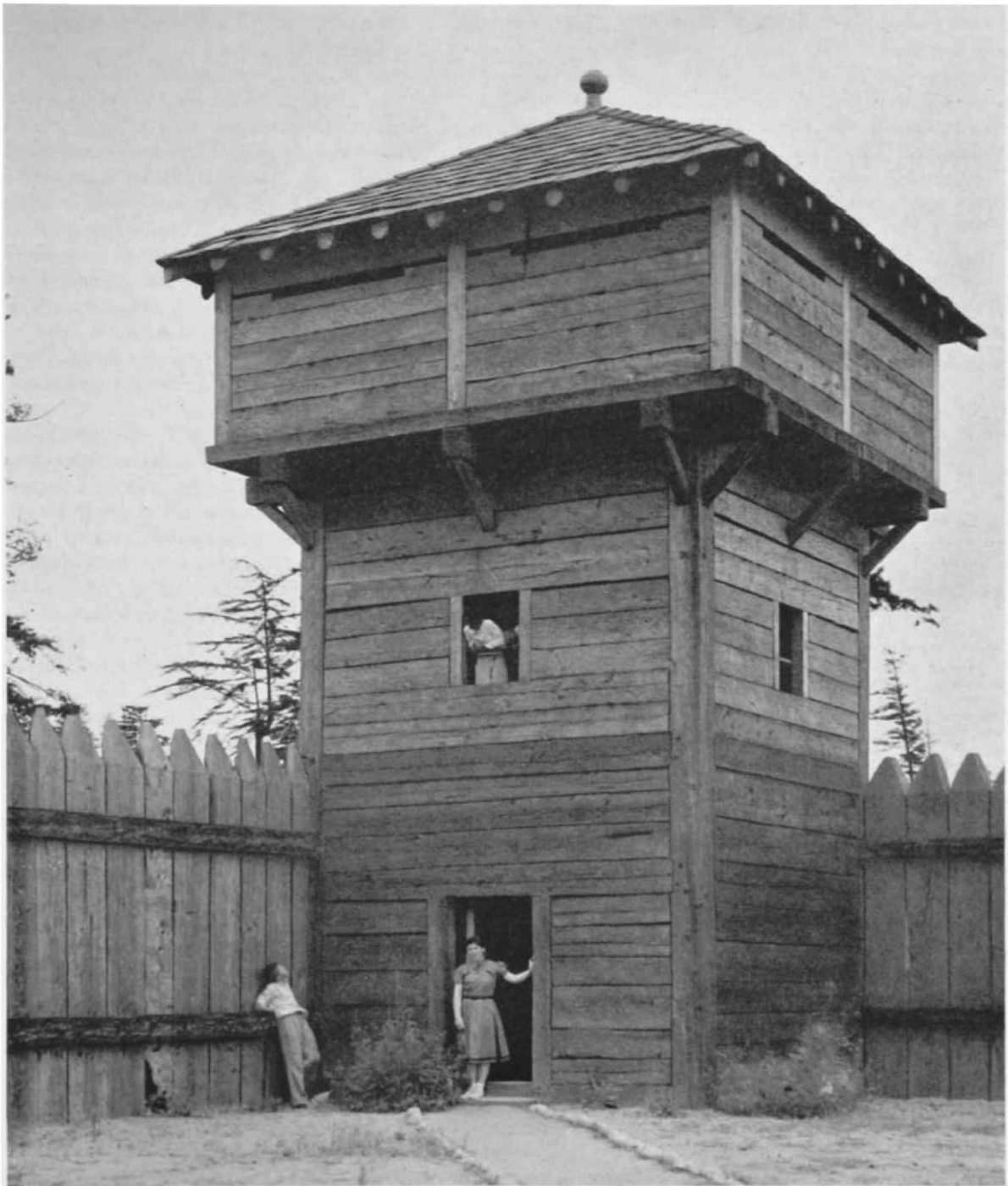
Until 1850 the relationship between the Puget's Sound Company's establishments and the Americans was dominantly amicable. The general store at Nisqually provided the settlers with commodities at reasonable prices, and a mutually advantageous trade in barter was carried on. The following agreement is typical of many:

Mr. Thomas W. Glasgow is to deliver to Wm. F. Tolmie at store Nisqually Landing 250 bushels good potatoes for which W. F. Tolmie is thereafter to pay Mr. Glasgow four tame cows with their calves and six wild cows with their calves, all the calves to be heifers if a sufficient number can be collected on the day of delivery and all of the cows to be of average quality. Mr. Glasgow to assist with one mounted Indian in collecting the cattle and W. F. Tolmie to assist Mr. Glasgow with 2 or 3 horsemen in driving the cattle to Steilacoom.

Even during this brief period of relative harmony, however, Nisqually and Cowlitz were in conflict with settlers who claimed the Company's lands or stole its cattle and

Part of the restored Fort Nisqually, now in Point Defiance Park, Tacoma. The centre building is the original granary of 1843, oldest structure in the state of Washington. A. L. Gehri





One of the bastions of restored Fort Nisqually. (See "Beaver" Sept. 1934 and Sept. 1940.)

A. L. Gehri

sheep. The first squatters appeared in 1847 and by 1849 encroachments had become serious, ten Americans occupying land claimed by the Company. Tolmie, in accordance with his instructions to "warn off all new comers in a pleasant way," first made oral protests and then, when these failed, presented each squatter with a written notice, copies of which were carefully filed for future use in the event of claims for damages against the United States.

The restraining effect of these notices on the settlers may be gauged by the fact that in 1851, there were twenty-eight alleged trespassers on the land of the Company, all duly presented with written notices, and in 1853, there were fifty. In an effort to preserve the outlying districts against encroachments, Tolmie drew up agreements with employees and retired servants of the Company by which land was assigned to them with the provision that it

revert to the Company on their deaths. This deceitful attempt to deny to the settlers the benefits of Providence and American citizenship evoked the anger of the Americans, and at a meeting in New Market devoted to condemnations of the Hudson's Bay and Puget's Sound Companies, Tolmie was singled out for special attention. The gathering resolved:

2nd. That we hold the conduct of Wm. F. Tolmie, chief servant of the Hudson's Bay Co. at Nisqually as highly censurable, in attempting to prevent American settlers from locating their claims on certain lands that he, the said Tolmie, pretended to claim by certain reservations made in the treaty of boundary between the United States and Great Britain, in favor of the Puget's Sound Agricultural Society—when he well knows that no reservation exists; and the direct acts or assumptions of power are only equalled by the base subterfuge in attempting to hold other large tracts of land by an apparent acquiescence in the provisions of the Organic Law of this territory. . . .

The squatters made clear that any effort to remove them would be met with violence, and Tolmie and his associates, aware that the Company would find no redress in the courts, made no attempt to oust them. The difficulties with which the Company was confronted are illustrated by the following incident reported by Edward Huggins, in charge of Muck Farm:

On Saturday last, the 1st May 1852, a party composed of Mr. J. B. Chapman, a citizen of America and residing at Steilacoom City, P. Sound, O. T., H. Barnes, E. Dean and Myself, Englishmen in the employ of the P.S.A. Company at Nisqually, were set upon by a Company of Men (Squatters on the Company's lands) armed with double barrelled Guns & Pistols. They desired to know what authority we had for running a line around their claims, and said that they had come with the determination of stopping our proceedings, whereupon one of them a Mr. Smith Very fiercely drew a Stake which we had just driven in the Ground, and hurled it a long distance off. They were very much embittered against Mr. Chapman, the Surveyor and told him if he would insist in proceeding with the Survey they would break his Compass and otherwise injure him. Mr. Chapman was compelled to discontinue the Survey.

Tolmie, with no power to take effective action, in 1855 appealed for instructions from the directors of the Hudson's Bay Company, who replied that he should avoid pressing for legal action "unless there is every possibility of a verdict being given in favour of the Company." The basis for this advice was the hope the United States would soon buy the Company's property. This hope was based on President Pierce's recommendation to Congress that an amicable settlement be reached on the claims of the two companies, but no action was taken, and Tolmie was forced to continue to rely upon ineffectual protests.

The position of the Companies was made more difficult by the outbreak of Indian wars in 1855, directed against the settlers, in which Tolmie and other employees of the companies were suspected of complicity with the Indians, apparently on no more solid basis than the fact that they appeared to exert undue influence over the tribes, with whom they had lived in harmony before the arrival of the farmers. Tolmie was also involved in a notable clash with the United States customs authorities at Olympia, as a result of the seizure on December 1, 1851, of the *Mary Dare* and the *Beaver* with cargo destined for Nisqually, for a technical violation of the revenue laws. In this case, Tolmie won one of his few victories, for not only were the vessels released but the United States Secretary of the Treasury paid \$20,000 damages in compensation for an overly rigorous interpretation of the revenue laws.

Profitable enterprise was made virtually impossible by the levies of the tax assessor. American views of the value of the property around Fort Nisqually varied widely. When a reasonable purchase price for sale to the United States government was the subject of attention, the land was estimated to be worth from one dollar to three dollars per acre. The newly organized territorial legislature of Washington in 1854 requested Congress to purchase the property since the lands were now less valuable than in a state of nature and buildings had decayed into worthlessness. Yet officials assessing the properties for taxation purposes found them valuable, as indicated by a levy on the lands of \$6,725.62 in 1855. It is difficult to escape the conclusion that such levies were imposed, not only for revenue, but to hasten the departure of the British companies from American territory.

Tolmie and his associates, harassed by squatters, tax collectors, and revenue agents, found few attractions in life in the territory of Washington, and Tolmie must have departed for Vancouver Island in 1859 with few regrets. His elevation to a position on the Board of Management of the Western Department of the Hudson's Bay Company was in recognition of the fact that he had performed his duties faithfully and intelligently under impossible conditions.

The apparently ineffectual protests against American encroachments were not entirely without success. In 1863, the United States and Great Britain concluded a treaty for the final settlement of the Oregon claims of the Hudson's Bay and Puget's Sound Companies, and in the hearings that followed Tolmie's meticulous accounts of losses of land and livestock were introduced as evidence. When the Joint Commission on September 10, 1869, awarded the Puget's Sound Agricultural Company \$200,000 for its properties south of the forty-ninth parallel, Tolmie and his fellow servants could claim much of the credit.

Despite this award, the Puget's Sound Agricultural Company was not a profitable undertaking. Only 1340 of its 2000 shares were ever sold, and dividends on the remainder were small and infrequent. It failed in its object of promoting British settlement in Oregon, for employees were lured away by easy terms for land ownership for American citizens. Of twenty-three families destined for Nisqually from Red River in 1841, only thirteen arrived, and most of these after a short stay departed for the Willamette Valley and other areas outside Company control. No further efforts were made to bring groups of settlers from British territory to Oregon.

The farmer again had triumphed over the trapper. The Hudson's Bay Company and its subsidiary had been driven from Oregon, and the optimistic hopes of the 1830's had turned to ashes. Those who weigh importance in terms of bigness and success will pass the Puget's Sound Agricultural Company by. But if intelligence, resourcefulness, and devotion to duty can be a measure of historical interest, the "lost cause" of William F. Tolmie and other loyal servants of the Company deserves to be rescued from the limbo of historical oblivion.