In presenting this thesis in partial fulfilment of the requirements for an advanced degree at the University of British Columbia, I agree that the Library shall make it freely available for reference and study. I further agree that permission for extensive copying of this thesis for scholarly purposes may be granted by the Head of my Department or by his representatives. It is understood that copying or publication of this thesis for financial gain shall not be allowed without my written permission.

James M. Francis

Department of History

The University of British Columbia
2075 Wesbrook Place
Vancouver, Canada
V6T 1W5

Date August 4, 1978
ABSTRACT


James M. Francis, Master of Arts, 1978

Thesis directed by: Professor David H. Breen

Two Montana companies T. C. Power & Brother and I. G. Baker & Company played a significant role in the economic development of both northern Montana and southern Alberta and Saskatchewan between 1870 and 1893. These companies encouraged the Canadian government to assert its authority in the region. They also helped to lay the groundwork for an east-west Canadian retail trade before the arrival of the Canadian Pacific Railway. This investigation of their activities provides a context for a discussion of the impact of the Conservative government's National Policy on the Canadian North-West.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>v</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>I. FRONTIER BUSINESSMEN</td>
<td>5</td>
</tr>
<tr>
<td>II. THE RAILWAY, RANCHING, AND FRONTIER BUSINESS</td>
<td>31</td>
</tr>
<tr>
<td>III. STRUGGLE AND DEFEAT</td>
<td>67</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>79</td>
</tr>
<tr>
<td>SELECTED BIBLIOGRAPHY</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>LIST OF ILLUSTRATIONS</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1.</td>
<td>Map of the Southwestern Canadian Prairies and Northern Montana, 1893</td>
</tr>
<tr>
<td>2.</td>
<td>View of Calgary, 1883</td>
</tr>
<tr>
<td>3.</td>
<td>I. G. Baker Store in Calgary, 1882</td>
</tr>
<tr>
<td>5.</td>
<td>List of Suppliers of Goods for Destitute Indians Under Treaty Seven, 1881</td>
</tr>
<tr>
<td>7.</td>
<td>I. G. Baker Store in Lethbridge, Alberta</td>
</tr>
<tr>
<td>8.</td>
<td>I. G. Baker Store in Fort Macleod, Alberta, 1879</td>
</tr>
<tr>
<td>9.</td>
<td>T. C. Power &amp; Brother Store, Maple Creek, Saskatchewan, 1880s</td>
</tr>
</tbody>
</table>
ACKNOWLEDGEMENTS

Many persons have aided me in the preparation of this thesis. I am especially endebted to Dr. David H. Breen for the intellectual stimulation he provided. His work, lectures, enthusiasm, and advice were an inspiration to me throughout my work on this thesis. I also am thankful to Professors J. Lawrence and H. K. Ralston for their efforts in preparing the reading courses which provided the background for this thesis. Professor Ernest S. Osgood also took the time to review and help polish the rough draft.

The Montana Historical Society which collected and processed to T. C. Power Papers was an invaluable resource tool for this paper. The Glenbow-Alberta Institute and its friendly, helpful staff made my research both profitable and enjoyable. Finally, major credit is due my typist, Helen Leibert, and my proofreader, Karen Leibert. These people were both patient and painstaking in their work. Without them there would have been no thesis.
INTRODUCTION

The following study of the business activities of two Montana mercantile companies—I. G. Baker & Company and T. C. Power & Brother—in the late nineteenth century provides an excellent backdrop for a re-examination of some aspects of the national policy. There are two misconceptions in Canadian national policy historiography which seem to require a closer examination. One of these distortions is that American businesses were bent on annexation of Canada.¹ The business practices of the Montana companies discussed in this thesis do not support this contention. The partners in these companies were not annexationists. In fact, they actively supported the Dominion government of Canada and encouraged it to assert its authority in the Canadian North-West, now known as Alberta and Saskatchewan.

The other misconception entrenched in Canadian historiography is that the completion of the Canadian Pacific Railway led to the overnight removal of American influences in the North-West. Paul F. Sharp in his book Whoop-Up

¹See, for example, Stephen Scheinberg, "Invitation to Empire: Tariffs and American Economic Expansion in Canada," Business History Review 47 (Summer 1973), pp. 218-238
Country: the Canadian-American West, 1865-1885 asserted that "when the Canadian Pacific Railway reached Medicine Hat in 1883, the close ties between the American and Canadian areas were broken."\(^1\) Sharp's contention rests upon two assumptions: that the North-West was, in fact, an American hinterland before 1883 and that the presence of the CPR drove the American trading houses out of Canada. The evidence now available in the T. C. Power Papers located in the Montana Historical Society Library in Helena, Montana, indicates that both of Sharp's assumptions are, to a degree, inaccurate. The arrival of the North-West Mounted Police in the West in 1874 and the consequent enforcement of Canada's tariff laws led the Power and Baker companies to buy goods for the North-West in Montreal and Toronto and to sell furs and buffalo robes from the North-West in these same cities. Thus the economic connection of Alberta and Saskatchewan to eastern Canada preceded the CPR. The reader will note that this connection antedated Sir John A. Macdonald's National Policy protective tariff of 1879. In addition, the Power and Baker firms continued contracting, ranching, and operating retail stores in Canada for ten years after 1883. Macdonald's National Policy, which included the high protective tariff and the transcontinental railroad, was not the decisive element in Canadianizing the West. It was only one factor of many which included the James J. Hill's Great Northern

Railway. Hill's GNR was built from St. Paul, Minnesota, across northern Montana to the west coast. This railway played a major part in T. C. Power's decision to sell out his retail operation in Canada and northern Montana.

The interpretation I have suggested in the above paragraphs is based implicitly upon the interpretations of Professors David H. Breen and R. C. Macleod. Their studies suggest that socially and politically the Canadian North-West was no mere extension of the American frontier. Their thesis is that the officers of the North-West Mounted Police and the ranchers established the social and political climate in the North-West and made it distinctly Canadian. My intention is to elaborate on this theme and to suggest that the southern Alberta-Saskatchewan region was not simply an American economic hinterland before 1883.
CHAPTER I
FRONTIER BUSINESSMEN

In the 1870s and 1880s two Montana mercantile companies—I. G. Baker & Company and T. C. Power & Brother—actively promoted the economic development of both Montana and the southwestern region of the Canadian North-West. Because the establishment of law and order was a prerequisite for economic development, the owners of these companies encouraged the Canadian and the American governments to assert their authority in the region. These companies had no interest in American annexation of the Canadian North-West; their concern was not territorial expansion but economic penetration. In this way there was a marked contrast between the American frontier developers in the northern Montana—southern Alberta region and those in the Minnesota—Manitoba region. The Minnesota annexationist movement in 1870 is well documented in Canadian historiography.¹

Minnesota in the 1870s was settled by farmers who had an

¹See, for example, George F. G. Stanley, Louis Riel (Toronto and Montreal: McGraw-Hill Ryerson, 1963), pp. 38–44. The farmers were interested in the "Americanization of a grain region as large as six States of the size of Ohio..." Minnesota Legislature, Memorial to Congress, 1862 as quoted in Leonard Bertram Irwin, Pacific Railways and Nationalism in the Canadian-American Northwest, 1845–1873 (Philadelphia, 1939), p. 68.
interest in the ownership of land. Frontier merchants, who dominated Montana in the 1870s, had an interest in buying and selling goods in an atmosphere of peace and security.

Instead of agitating for annexation, the owners of these two Montana companies encouraged Canada's consolidation of her authority in the Canadian North-West. These businessmen were not land hungry. The possibility of disruption associated with annexation and the inevitable resistance which would have accompanied it would have interfered with their business activities. Any wars or frontier uprisings would have been detrimental to frontier merchandising companies. Prolonged and successful trading with the Indians or white settlers required stability. The Power and Baker companies must have perceived the economic and political changes associated with the arrival of the Mounted Police and Macdonald's National Policy as developments which would increase the investment opportunities in the region. Power's and Baker's increased investment in Canada following the arrival of the police in 1874 and the CPR in 1883 evidences their belief that these changes improved their chances to make a profit. In actuality, these firms appear to have encouraged the Canadian government to dispatch the police, and they shifted their business practices to accommodate Canada's protective tariff and the arrival of the CPR. There is no evidence in T. C. Power's letters to suggest that he believed any of these developments were designed to lock his company out of the Canadian North-West.
T. C. Power was the leading partner in the Power & Brother Company. He and his brother, John W. Power, arrived in Fort Benton, Montana, in 1867. They brought with them from their home in Dubuque, Iowa, a load of goods which they sold to miners, Indians, and military garrisons. Previously Power had spent four years in Montana and other western territories as a government surveyor. The two brothers established themselves as traders supplying whiskey and other goods to people who dealt directly with the Indians. The Powers made large profits out of this by taking the responsibility and risk of selling the buffalo robes and furs in the eastern United States. In the 1870s the Powers turned their attentions to a mercantile operation and the establishment of a steamboat line on the Missouri River. As settlement increased on both sides of the international boundary line in this decade, the Powers entered the wholesale business. By 1881 T. C. Power & Brother was the largest company in Montana.¹ The company's balance sheet for the year 1881 showed "resources" of $736,107.84 and "liabilities" of $328,528.21.²

I. G. Baker had come to Fort Benton in 1865 as a partner in the American Fur Company. In 1866 he organized I. G. Baker & Company and became the first "merchandizer" in the area. He, like the Powers, supplied goods and whisky to


the itinerant traders who sold the whiskey to the Indians north of Fort Benton in return for their furs. Like Power & Brother, Baker's company shifted its operation to a grocery and staple supply outfit in the early 1870s.¹ In 1872 the company underwent a change in management. Charles E. Conrad and his brothers, William and John, who had been clerks in Baker's store in Fort Benton since 1868, purchased an interest in the company.² The Conrads took over the company's Fort Benton activities while, in 1874, Baker returned to St. Louis to manage the eastern end of the business.

T. C. Power, I. G. Baker, and the Conrads were sharp frontier businessmen. At nearly every turn their companies are found among the vanguard of developing enterprises in the northern Montana-southern Alberta region; for instance, in 1868 Power was involved in establishing an irrigation project on the Sun River in Montana.³ This must have been one of the first projects of its kind in Montana Territory. Power, Baker, and the Conrads not only seized opportunities but also made opportunities for themselves. In 1882 Power instructed his cattle agent, Asa Samples, to buy up all the cattle he could in northern Montana. Power said he wanted


"to keep cattle up particularly until after the Indian contracts are let so that people will not bid very low."¹

The reader will note other examples below of Power & Brother and Baker & Company creating opportunities for themselves or taking advantage of opportunities brought about by the intrusion of such agents of eastern metropolitan domination as the CPR.

The two firms considered themselves competitors, and there was little love lost between the Conrads and Power. At one point Power told his brother, John, to "look out for those Conrads, they are snakes in the grass."² At another time Power wrote his brother that he was "dumbfounded" to hear that John thought Charles Conrad would be a good man for president of their Benton National Bank. Power went on to say that Conrad was "unscrupulous, selfish, and unfair." Power reminded his brother of the time Conrad had lied to them, telling "one story at Benton and one here" in Helena.³ In this case, though, Power's own description of their relationship does not represent a fair analysis of their operations. These companies, more often than not, cooperated with one another. They acted in collusion whenever their position was threatened.


³ T. C. Power, letter to J. W. Power, dated Helena, Feb. 10, 1884, ibid., 148-3. Note here that the argument concerned a bank in which the Powers and the Conrads were partners.
by outside interests or whenever they saw an opportunity to benefit from an economic development in the region. In short, the two companies had common interests; even if occasionally the men themselves did not. Often the belief of the Powers and the Conrads that they had different interests actually strengthened their combined position. A. A. den Otter sees this in their different political loyalties. Power was a Republican while the Conrads were Democrats; since they were active in territorial politics, at least one of them always had ties to the party in power in the state of Montana.¹

The base of operation for these two companies was Fort Benton and its business leaders were eager to exploit the town's position at the head of steamboat navigation on the Missouri River in order to economically dominate the surrounding region. Fort Benton can be seen as a good example of what Gilbert Stelter has called an aggressive Great Plains city in which commercial expansion was the primary desire of the community.²

In the 1860s the commercial orientation of Fort Benton was a supply depot for the whiskey trade and a transition


point for freight headed for the Montana gold mines to the south and west. At Fort Benton steamboats were unloaded and goods were transferred to wagons to be hauled to gold camps such as Virginia City, Montana. In 1869 this freight business turned sour. The Union Pacific Railroad diverted much of the mining supply business away from the Missouri River route.¹ The remainder of Fort Benton's mining supply trade was threatened in 1873 by a business combination of the Northern Pacific Railroad which was completed to Bismark, North Dakota, and the Diamond R Freighting Company, a Helena firm. These two companies developed a scheme to establish a steamboat landing at Carroll, Montana, on the Missouri below Fort Benton. They then planned to transport goods by wagon from Carroll to Helena.² This proposal, which threatened to destroy Fort Benton as a supply depot, may have been the impetus that forced the Power and Baker companies to consider new enterprises.

If the mining supply business were cut from under them they would have solely the whiskey trade as a means of profit, and this was a source of only short term and uncertain financial return. The trade was self-destructive.³ Although Power may never have expressed this idea in so many words, it

is implicit in his statement that "the Indians are troublesome [sic]—and thereby traders [are] not allowed to trade with them to the extent of other years." Whiskey served to make the Indians more unruly, and it impoverished them, making it more difficult to gather new furs, robes, and horses. Baker & Company encountered this problem in 1873 when they tried to establish a trading post on the St. Mary's River in 1873. "The whiskey traders so annoyed them and demoralised the Indians that they were obliged to remove in 1874." The trade was also chaotic. The Indians stole horses in order to trade them for whiskey. By the early 1870s businessmen as farsighted as Baker, the Conrads, and Power probably recognized that business associated with permanent settlement, ranching, and government supply contracts represented more secure investments than the whiskey trade. Even before the Mounted Police were dispatched to the North-West, I. G. Baker promoted the settlement of the North-West in a letter to the Dominion government. In this letter he referred to the area as good grazing land, and he recommended the Wood Mountains for farming. The essential ingredient for the success of these enterprises suggested by Baker was the establishment of a force which could control the Indians and remove the itinerant whiskey traders. It is no surprise, then, to find


2Statement of Mr. I. G. Baker of Fort Benton, Montana, in Papers re Liquor Traffic, Glenbow-Alberta Institute, Calgary, Alberta (hereafter GAI).

3Ibid.
Power & Brother and Baker & Company encouraging and supporting attempts by the United States and Canada to bring order to the region. From 1873 onward these two Fort Benton companies made an effort to make both governments believe that they were not associated with the whiskey traders. In April 1874 Lieutenant Governor Alexander Morris of the North-West Territories interviewed an American in Winnipeg. Morris reported that the man said, "Two American firms from Fort Benton which trade there [in the North-West] do not use Liquor in their dealings with the Indians." This informer added that he thought most "American traders would like to see Law and order enforced."\(^1\) There is little doubt that this man was speaking of Baker & Company and Power & Brother. These were the only two large American traders from Fort Benton in the area, and Baker had already implied his opposition to the trade in his statement to the Dominion government promoting settlement. Baker had also written the Canadian officials that "the U. S. Marshal has been active in trying to stop the whiskey traffic; but is unable to suppress it above [north] of the forty ninth parallel], owing to the [ease of the traders in] crossing the Border."\(^2\)

As Baker indicated in this letter to the Canadian government, the United States authorities had begun to take

\(^1\)Memorandum of Information given by Mr. Johnstone to Lt. Gov. Morris, April 20, 1874, Papers re Liquor Traffic, GAI.

\(^2\)Statement of Mr. I. G. Baker of Fort Benton, Montana, Papers re Liquor Traffic, GAI.
steps against the whiskey trade in the early 1870s. This was
done at the behest of the northern Montana Indian agents.
William Ensign, the agent for the Blackfeet, complained that
over the period 1867-1873 one quarter of the Blackfeet, Bloods,
and Piegons died from the various effects of the whiskey
trade.1 The Indian Bureau and the military took "vigorouso
measures against the whiskey trade in 1871 and 1872. In his
report for 1872 the Superintendent of Indian Affairs for
Montana reported that the trade had "been reduced to very in-
considerable dimensions."2 A. J. Simmons, the Indian agent
at the Milk River Agency, summarized the situation in 1872:

The whiskey traffic, formerly carried on so
extensively on the Milk River, with its
utterly demoralizing effects upon the Indians,
had been wholly suppressed within the limits
of the country attached to this agency. The
accomplishment of this was no light task...
It was found necessary to call upon the
military for assistance, and at times to
employ severe remedies, such as the seizure
and burning of trading houses, liquors,
goods, etc... This traffic is still being
extensively engaged in north of the line, in
British Territory, by our own citizens and
half-breeds from the Red River of the North.3

Simmons referred to the problem of the continuation of the

1William T. Ensign, Indian Agent for the Blackfeet,
Annual Report for 1873, U. S. Department of the Interior,
p. 620.

2J. A. Viall, Superintendent of Indian Affairs for
Montana, Annual Report for 1872, U. S. Department of the
Interior, pp. 658-659. The reader should bear in mind that
Viall probably exaggerated this report in order to please
his superiors. As used in this paper it does provide
evidence that the U. S. government had begun attempts to
bring order to the region by 1872.

3A. J. Simmons, Special United States Indian Agent
for the Milk River Agency, M. T., Annual Report for 1872, U. S.
Department of the Interior, p. 661.
whiskey trade in Canada. The Indian agents and Power & Brother and Baker & Company benefited little from having the trade controlled on only one side of the boundary. Indians continued to steal horses in Montana to trade for whiskey in the North-West. Effective order would exist only when both Canada and the U. S. asserted their authority in the region.

With this in mind, in 1873 the U. S. State Department requested the Dominion government to take steps to end the whiskey trade in the North-West.¹ United States Secretary of the Interior Columbus Delano urged the Secretary of State, Hamilton Fish, to go so far as to revise the laws so that Canadian and American authorities could cooperate to suppress the liquor trade.² Fish forwarded Delano's message to Eden Thornton, the British ambassador in Washington, who, in turn, notified the Governor General, Lord Dufferin.³

The United States government pressure on the Dominion government was augmented by reports from Lieutenant Governor Alexander Morris to Prime Minister John A. Macdonald. None of this was enough to induce Macdonald to actually organize the mounted police force he had proposed as early as 1869.


²Columbus Delano, letter to Hamilton Fish, dated Nov. 27, 1873, Papers re Liquor Traffic, GAI.

He had envisioned the police as a part of the settlement process, and settlement of the prairies had not begun by 1873. Macdonald, however, did have the House of Commons pass in May 1873 an enabling act to organize the force, but he did not plan to recruit the police until the following year. Then the Pacific Scandal and the consequent erosion of the strength of the Conservative government in 1873 cast the entire scheme of a police force into doubt; because the Liberals, who stood ready to assume power, opposed the concept of a federal police force. At this juncture news of the Cypress Hills fight reached Ottawa.¹ This information, presented to the government by the newspapers as a massacre of Canadian Indians by drunk American whiskey traders, led to the rapid organization of the proposed police force. The Macdonald government had to assert Canadian authority in the North-West in order to protect it from encroachment by those inculcated with the American violent view of the frontier. Macdonald envisioned a peaceful western development.² After the Cypress Hills incident he may have felt that the only way to maintain a nonviolent frontier was to dispatch without delay the Mounted Police.

In the context of this paper the important aspect of the Cypress Hills fight is the role which the Baker and Power companies took publicizing it. As indicated earlier in this paper, Baker and Power were agitating against the whiskey

²Ibid.
trade by 1873. Presentation of the fight to the public as a massacre of innocent Indians worked to their advantage. Sharp has said that Abel Farwell, one of Power's employees and the main witness, spoke to T. C. Power before he spoke to the Montana press and the U. S. Indian agents. Sharp suggests that Power wanted this fight reported as a murder of the Indians.\footnote{Sharp, Whoop-Up Country, pp. 67-77. Sharp based his conclusion on a report from James Wickes Taylor, the American consul in Winnipeg, to Secretary of State Hamilton Fish. For another explanation of Power's role see P. Goldring, "Cypress Hills Massacre: A Century's Retrospect," Saskatchewan History 26 (Autumn 1973), pp. 81-102.} Sharp's analysis here is most reasonable. The Cypress Hills fight must have emphasized to the Fort Benton businessmen the adverse effects of whiskey on their Indian relations and trade. Power may have hoped that news of a massacre would lead both the U. S. and the Canadian governments to send troops to the West. The thought of lucrative military contracts may also have been a factor in Power's actions.

After 1873 Power and Baker helped publicize the bad effects of the whiskey trade. Their territorial delegate to the U. S. House of Representatives, Martin Maginnis, who represented the interests of Montana's businessmen,\footnote{For a discussion of the bipartisan group of businessmen and politicians as the dominant political force in Montana see Clark C. Spence, Territorial Politics and Government in Montana, 1864-89 (Urbana: University of Illinois Press, 1975), passim.} spoke publicly vehemently denouncing the whiskey trade in Montana and Canada. In 1874 he requested an appropriation for a detective to trace whiskey traders at the Assiniboine.
agency in northern Montana.¹ Power and Baker wanted news of such incidents as the Cypress Hills fight broadcast widely.² They had a common interest in this type of publicity; the partners in these firms made friends with the authorities in the West on both sides of the international boundary. Their companies cooperated with these authorities and made a profitable business of selling goods to them.

The Canadian authorities in the form of the Mounted Police force was dispatched to the West in 1873. By the fall of 1874 they had established themselves in the North-West north of Fort Benton. Their presence, in addition to the efforts of the American authorities and the desire of the Power and Baker trading houses to control the trade, quickly led to the collapse of large-scale, overt whiskey trading with the Indians in the region. It did not, of course, entirely eliminate the whiskey trade.

Power, Baker, and the Conrads fully supported the efforts of the Mounted Police to establish order. Power instructed his traders to keep whiskey away from their posts and to treat the police well.³ One of Baker's employees, Jerry Potts, served as a guide for the police and led them


²This statement takes issue with Goldring who believed that Power tried to tone down the report of the fight in order not to draw "attention to the bad effects of the whiskey trade." See Goldring, "Cypress Hills Massacre," p. 97.

to a number of illegal whiskey trading posts in 1874 and 1875.\textsuperscript{1} In 1878 Power's trader at Fort Macleod, Thomas Bogy, prosecuted one of that year's two cases in which men were charged with bringing liquor into the North-West.\textsuperscript{2} The Mounted Police and the Fort Benton merchants looked upon each other as allies. In his report for 1874 Police Commissioner George A. French referred to Baker & Company as "highly respectable merchants who do not sell whiskey."\textsuperscript{3} French also reported that he received full cooperation in gathering evidence on the Cypress Hills incident while he was in Fort Benton in 1874.\textsuperscript{4} The Mounted Police and the Baker and Power companies viewed each other as complementary. Sharp, Goldring, and those historians such as Schlinberg who believe the American business interest was annexation have failed to recognize or accept Power's and Baker's common desire to see Canadian authority asserted in the Canadian North-West.


\textsuperscript{2}Annual Report of the North-West Mounted Police for 1878, p. 50.

\textsuperscript{3}G. A. French, Annual Report of the NWMP for 1874, p. 47. In Cecil Denny's account of his days in the North-West he said the Conrads had given up the whiskey trade "some time previous to our [NWMP] arrival," Denny, The Law Marches West, edited by W. B. Cameron (Toronto: Dent and Sons, 1939), p. 39. This is further evidence of the Fort Benton firms' attempting to portray themselves as apart from the whiskey trading crowd.

\textsuperscript{4}French, Annual Report of the NWMP for 1874, p. 50. The fact French could laud Baker & Company when he had "full particulars" on the Cypress Hills incident indicates that Power did not use the reporting of the fight to undermine Baker's position in the North-West as Sharp believed.
The support of the Mounted Police by the Fort Benton merchants was not limited to the first few years the police were in the West. It continued into the 1880s and 1890s. In 1881 Commissioner A. G. Irvine turned to Baker & Company for help in locating a band of stolen horses which had been taken to Montana.¹ After the Riel Rebellion in 1885 Baker & Company gathered information on Gabriel Dumont and the other Metis who had fled to Montana. These reports were forwarded to Lieutenant Governor Edgar Dewdney. In one instance the Mounted Police spy, G. H. L. Bossange, whom the Canadian government had sent to investigate the Metis in Montana was unable to obtain the names of the people with whom these Metis corresponded.² This was the gap which Baker & Company filled. One of Baker's men who lived near Dumont in the Judith Basin area reported that Dumont received mail from Riel's secretary, William Jackson, and from Manitoba.³ Three years later when there was a rumor that Crowfoot, the Blackfoot chief, intended to move to Montana, C. E. Conrad investigated for Dewdney and the Mounted Police. Conrad reported that Crowfoot was well aware that Indians received better treatment north of the line.


²G. H. L. Bossange, letter to Commissioner of the NWMP, dated St. John, Dakota, April 22, 1888, Edgar Dewdney Papers, GAI, pp. 1337-1339.

and that the rumor was hogwash.¹ The Montana businessmen supported the police in this manner because the actions of the Mounted Police served their interests by suppressing the whiskey trade, returning stolen horses, and bringing order to the North-West. The Power company agent at Maple Creek, D. W. Marsh, summed up the company's dependence on the police when he said, "The Indian question is getting too mixed to risk goods where there are no police."² The River Press, one of the two Fort Benton newspapers, also complimented the police:

Our Canadian friends across the line have invariably done all they could to promptly arrest their raiding Indians who have been on this side of the line stealing stock, and promptly returned property to the owners in every instance where it could be found.³

The Mounted Police helped the Fort Benton companies not only by providing security for business transactions but also by providing a ready market for Power's and Baker's goods. Once the police reached southern Alberta the managers of these companies began currying favor with the police. Colonel James Macleod went to Fort Benton for supplies in the


fall of 1874. Charles Conrad not only arranged for the supplies; he also accompanied Macleod back to the police encampment. This was the beginning of a friendly relationship between the Conrads and the Mounted Police. Thomas Bogy, one of Power's employees, compared this relationship with the one C. A. Broadwater had with the U. S. military at Fort Maginnis: "The Colonel [Broadwater] seems to have as close a grip on these coyotes [at Fort Maginnis] as Baker & Co. have on the police." In actuality both Power and the Conrads had a "grip" on the police. As soon as the police established their posts, Conrad and Power opened stores at the sites. The Baker company was awarded the contract to build Fort Calgary for the police. As soon as the post was completed Baker & Company built a store nearby. In general, the arrival of the police marked the beginning of an economic boom period for Fort Benton which lasted into the 1880s. The two Fort Benton companies annually handled as much as thirty million pounds of freight for the U. S. and Canadian governments. The Baker company reported that their business ran into the millions of dollars each year.

1Denny, _Law Marches West_, p. 39.


3See Denny, _Law Marches West_, pp. 61, 76, 85-86.


Calgary was started in 1875 by the Mounted Police. They are established on the West side of the Elbow River, just at its confluence with the Bow. Baker & Co. have a large post on the West side of the Elbow and south of the Mounted Police Barracks. Our post is on the East side of the Elbow, almost directly opposite the Mounted Police. All three went there in 1875 and nearly in the same month. We have several small buildings about a quarter the size of Baker's. Baker has a large supply of goods on hand, their present stock being about $25,000. We had to buy what we wanted there, owing to there being nothing in the H. B. Store.¹

¹Statement by C. T. Bridges, Extracts from Hudson's Bay Company Records, Peigan Post, 1833-1883, GAI.
I. G. Baker Store in Calgary, 1882
Photograph courtesy of Glenbow-Alberta Institute

I. G. Baker Store in Calgary, 1888
Photograph courtesy of Public Archives of Manitoba and Glenbow-Alberta Institute
In this way the presence of the Mounted Police strengthened the economic influence of Power and Baker in the North-West. Chief Factor Richard Hardisty of the Hudson's Bay Company reported in 1874 that "Baker and Coy. [sic] of Benton have sent out large outfits and intend paying very high prices for Robes." Hardisty did not think this would last long because Baker's goods were inferior to the Hudson's Bay Company goods.\(^1\) Hardisty's speculation proved inaccurate; the Hudson's Bay traders were not able to compete with the Power and Baker companies before the building of the Canadian Pacific Railway. One person who traveled through Calgary in 1882 reported that the Hudson's Bay Company store had almost no supplies while the Baker & Company store had a stock of goods worth twenty-five thousand dollars.\(^2\) Another British visitor to the region in 1882 came away with the impression that Baker & Company controlled the North-West and proclaimed that they were "energetically 'running'" the area.\(^3\)

Power & Brother and Baker & Company competed successfully with the Hudson's Bay Company in Mounted Police and Indian contracting as well as in the commercial and Indian trade. These Fort Benton trading houses controlled the cheapest supply route, the Missouri River. The police found that

\(^1\)Richard Hardisty, letter to J. A. Grahame, dated Edmonton, Nov. 3, 1874, Extracts from Hudson's Bay Co. Records, Peigan Post, 1833-1883, GAI.

\(^2\)Statement by C. T. Bridges, Extracts from Hudson's Bay Company Records, Peigan Post, 1833-1883, GAI.

by using Fort Benton they could save fifty percent over bringing in goods from Edmonton.\(^1\) Sharp detailed the nature and volume of this contracting in his book *Whoop-Up Country*.\(^2\) Sharp contended that the Baker and Power companies were ruthless competitors in this contracting. This simply was not the case. Whenever possible these two firms divided the contracts and worked together to fill them. They combined to protect themselves and discourage outsiders. In 1875 T. C. Power and the Conrads discussed their companies' refusing to sell trading outfits to any Indian-trading competition.\(^3\) Beginning in the 1870s the two companies filled some contracts jointly.\(^4\) In 1874 Power & Brother's business records refer to settling up "the winter's business with Baker & Co."\(^5\) They cooperated on a Fort Shaw, Montana, supply contract in 1876.\(^6\) They discussed their bids for Mounted Police contracts in the 1870s.\(^6\) Then in the 1880s

---

\(^1\)French, Annual Report of the NWMP for 1874, p. 17.


they began to formally divide the Canadian and American governments' contracts.

In addition to cooperating on contracts another means of discouraging unwanted outsiders before the railroads were built was for Power and Baker to set low rates for themselves on the Missouri steamboats which they controlled.¹ In a letter to Baker's agent at Fort Benton, the Fort Benton Transportation Company in which T. C. Power held the controlling interest said that Baker's rate was "guaranteed, that is, no one is to have a less rate from our line than you and outside of ourselves [Power & Brother], Murphy Maclay & Co., W. S. Wetzel, J. H. McKnight, and Broadwater & Co., no one else is to have as good a rate by ten per cent..."² This control of the supply route was effective until the railroads pushed into Montana and the North-West in the early 1880s.

The railroads, of course, broke the monopoly Power and Baker had held on the supply route. Their natural response was to draw closer together. To this end they agreed to divide up the government contracting business. In January 1881 they decided to split the Montana and Canadian contracts. Power was to bid higher than Baker & Company for contracts in the North-West, while the Conrads were to bid higher than

¹In 1874 the two companies combined to build the steamer, "Benton." See Notes re I. G. Baker & Co., Eleanor Luxton, Collection, GAI. Later when Power's Block "P" Line came to dominate the river traffic they still pooled freight charges. See, for example, Agreement between Baker & Co. and Power & Bro., Feb.1, 1882, Power Papers, 273-42.

Power & Brother on the Montana contracts. In return each was to get one fourth of the other's contract profits. They further agreed that if any one else obtained part of these contracts, "neither party [was] in any way to assist in freighting or helping the outside party getting the contract to fill it in anyway whatever either directly or indirectly but to do all they [could] to honorably defeat them."¹

Part of their deal in 1881 was to eliminate their retail trade competition in Canada. Power sold his store and stock of goods at Fort Macleod to Baker & Company, and the Conrads sold their stock of goods at Fort Walsh to Power & Brother.² Needless to say the result of these agreements was higher prices. The "people in the Macleod country [got] it 'bang in the nose' on prices. They could not appreciate having two houses there, when we were there--They probably understand matters a little better now."³

This dividing up of the territory was not the result of friendly relations among the owners of these companies. Instead it was a response to the force of circumstance. Both sides kept their eye on the other; for instance, Power wrote D. W. Marsh to find out what profits Baker & Company was


making on the contracts.\textsuperscript{1} He obviously did not fully trust the Conrads' personal reports. Neither firm was above a shady deal every now and again, and they had good reason to check up on one another. When Marsh went through the total stock of goods Baker & Company had sold to Power's store at Fort Walsh, he noted that the Conrads had left more than they promised in total stock. What the Conrads had "neglected" to mention was that "trash [was] way up in the list" of goods left for Power & Brother.\textsuperscript{2}

The Power-Baker alliance in 1881 was extended in 1882 on similar terms; the only difference was that this year they included a clause stating that they were working against Broadwater.\textsuperscript{3} The strength of their alliance can be seen in Broadwater's joining in the agreement for the following year.\textsuperscript{4} Power's business records indicate that agreements to divide up the Canadian and Montana government contracts continued in one form or another until 1892 when the Baker & Company partnership dissolved itself.\textsuperscript{5}

\textsuperscript{1}D. W. Marsh, letter to T. C. Power, dated Fort Walsh, Feb. 15, 1882, Power Papers, 107-1.

\textsuperscript{2}Marsh, letter to Power & Bro., dated Fort Walsh, Sept. 21, 1881, Power Papers, 106-9.

\textsuperscript{3}Agreement between Baker & Co. and Power & Bro. for year July 1, 1882, to June 30, 1883, Power Papers, 274-2.

\textsuperscript{4}Articles of agreement among Power & Bro., Baker & Co., and Broadwater, April 12, 1883, Power Papers, 274-2.

\textsuperscript{5}See, for example, the following documents in the Power Papers: Agreement for the year July 1, 1883, to June 30, 1884, 274-2; letter from I. G. Baker to T. C. Power, dated St. Louis, April 19, 1887, 84-4; letter from Baker & Co. to T. C. Power, dated New York, May 21, 1888, 84-4; and letter from T. C. Power to D. W. Marsh, dated Chicago, May 9, 1889, 149-5.
The business activities of T. C. Power & Brother and I. G. Baker & Company suggest some reinterpretation of the attitudes, interests, and practices of frontier businessmen. Sharp said that they operated within the context of an "individualistic ethic" and that there was a certain "economic shortsightedness" about their activities.\(^1\) The evidence presented in the Power company's letters do not support Sharp's generalizations. Quite often the Powers and the Conrads acted in collusion; they were more cooperative than individualistic. In addition, the fact that they were not mere responders but also actors creating opportunities for themselves indicates their farsightedness. They were successful because they were farsighted and cooperative; these were the characteristics which facilitated their adaptation to the economic changes in the northern Montana-southern Alberta region in the 1870-1896 period. T. C. Power and the Conrad brothers did not resist change in the Canadian North-West by pressuring for annexation of this region by the United States. They were simply not annexationists. Their approach to the "Canadianizing" of the North-West was to adapt their own business practices in such a way as to turn Canadian assertion of control of the region to their own economic advantage. This becomes most clear in their relationship with the Canadian Pacific Railway.

The arrival of the Canadian Pacific Railway in southern Alberta in 1883 wrought no immediate and overwhelming changes in the area's economy, social orientation, or political tie to Canada. It also did not diminish the desire of Power and the Conrads to invest money in the Canadian North-West and to promote its economic development. In the mid-1880s they increased their Canadian contracting and ranching interests. This is not to say that the railway had no impact on the region. The construction boom associated with the CPR and the location of the line did alter aspects of the economy, but it is inaccurate to assign to the railway sole credit for radical change and to view it as the harbinger of metropolitan domination of the North-West by eastern Canada. Actually the railway was simply one aspect of the gradual process of the economic development of the southwestern prairie region.

All of this contradicts what Paul Sharp and others have concluded about the impact of the CPR. Sharp asserted that the railway severed the ties between Montanans and Albertans. According to Sharp, "Settlers on both sides lost the sense of regional unity [after 1883]...their economic and social
contacts were increasingly casual."¹ Too often the historical assessment of the Canadian Pacific Railway has been based upon myths rather than an analysis of actual changes it brought to an area. Historians who have based their appraisal of the impact of the Canadian Pacific upon the nationalist rhetoric of the time have tended to assume that it brought sweeping change to the North-West. The following statement by C. M. MacInnes illustrates this kind of thinking:

It is almost impossible to overestimate the importance of the construction of the Canadian Pacific Railway in the history of Southern Alberta. Before the railway arrived, the country was so inaccessible, that to develop it was impossible...The railway at once provided a ready access to the country from all parts of the world, and it passed at one stride from an almost useless wilderness to a valuable field of investment and development.²

For MacInnes and other Canadian historians the railway has come to be accepted as a "prerequisite of viable nationality."³ This is partly the result of the influence of H. A. Innis. In the 1920s, when railways were still viewed as synonymous with progress, Innis concluded that "the completion of the main line of the road was a significant landmark in the spread of civilization throughout Canada."⁴ Innis' idea.

¹Sharp, Whoop-Up Country, p. 313-316.
³H. V. Nelles, Introduction to T. C. Keefer, Philosophy of Railroads and Other Essays (Toronto: University of Toronto Press, 1972), p. xi.
was that the railway brought Canadian "civilization" to the West and, at the same time, changed the nature of that "civilization" by tying the nation together. Innis failed to note that important bonds linking the North-West to eastern Canada were forged before the construction of the CPR.

Canadian social, political, and economic influence in southern Alberta stemmed from two approaches to the West which were unique to Canada—the North-West Mounted Police and the grazing lease system. The process of Canada's extending its control over the North-West began with the arrival of the Mounted Police in 1874. They came to the area with hopes of being able to establish order based upon fair treatment of the Indian. James Macleod, the Mounted Police Commissioner in 1877, was well aware of the corruption in the United States Indian Department and of the violation of treaties with the Indians by the American settlers. He wanted to set up a different pattern in the Canadian North-West.¹ The police officers "came to the North-West determined to mould it according to their image of what Canadian society should be."² These officers intended for Canada to have a West based on law and order and trustful relations with the Indians. This explains in part why historians have had difficulty applying Turner's frontier thesis to Canada. The Canadian approach to the North-West was to transfer social values in order to


protect it from American influence.

The Mounted Police made a specific attempt to instill Canadian values in the settlers who came to the North-West. Commissioner L. W. Herchmer designed a patrol system in the 1880s and 1890s with the idea that each settler would be visited periodically. His thinking was that by means of these visits the Americans who settled in the North-West would be convinced that things were different in Canada.¹ Two of the major ideas which the police tried to instill in the settlers were that society should defer to an elite and that "Canadian society was more orderly and law-abiding than others."² This attitude is borne out by former-policeman Cecil Denny's account of his life in the North-West in the 1870s and 1880s. Denny often compared conditions in the North-West with the situation across the border in Montana. In his opinion "lawlessness was rife...[and] lynchings were frequent" in Montana.³ For comparison Denny referred to the fact that the Indian agents in Canada traveled around with the annuity money but were never robbed.⁴ Despite the fact that Denny's statements are from his reminiscences and cannot be accepted at face value, they do indicate that the Mounted Police wanted


²Macleod, NWMP, p. 79; and "Canadianizing the West," p. 105.

³Denny, The Law Marches West, p. 139.

⁴Ibid., p. 191.
to perceive the Canadian West as distinct from the American West.¹ Denny wrote to Dewdney in 1883 that "in no other country in the world, where many different tribes of Indians, but recently brought under civilization, are living and ranging, does so little cattle killing and molestation of settlers go on." In Denny's opinion the violence in Canada was not the fault of the Indians but of the few stockmen who insisted upon acting like Montanans by threatening to kill Indians.² The success of the Mounted Police in maintaining a different order in the North-West as compared to Montana can be seen in the activities of the Montana businessmen operating in Canada. For example, D. W. Marsh explained to Power that he could not sell cartridge belts at any price, "the government being so strict in the sale of arms and ammunition that there is no demand for belts."³ Marsh recognized that southern Alberta was no mere extension of Montana. Even before the completion of the CPR "national differences prevailed over the sameness of the physical environment."⁴

The ranching frontier in southern Alberta fitted into the social order developed by the Mounted Police. Before

¹Interestingly in 1906 W. G. Conrad looked back to Montana in the 1870s in a similar vein and described the time he loaded $70,000 into a buggy and drove off alone without fear of robbery. W. G. Conrad, "Business of Early Days at Fort Benton," Great Falls Tribune, Dec. 16, 1906, p. 12, in E. Luxton Collection, GAI.

²Denny, letter to Edgar Dewdney, dated Fort Macleod, July 10, 1883, Dewdney Papers, p. 1149-1150.


1880 a large number of the ranchers were ex-policemen. After 1881 and the institution of the grazing lease system, the ranching community was dominated by British and eastern Canadian gentlemen. David Breen described the relationship between the police and these ranchers as one of harmony. They worked together to build "an ordered, stratified, and 'civilized' community," that is, a "British-Canadian West" that would stand in contrast to the American West. The "social orientation [of these Canadian ranchers] was eastward rather than southward." 3

The Canadian approach to ranching in southern Alberta was no carbon copy of the American approach to the Great Plains. The Dominion government's grazing lease system which appropriated large parcels of land to individual ranchers was unique. This system, like the Mounted Police, helped to make the region socially, politically, and economically Canadian. Americans had rejected this idea as "undemocratic" because it would favor the large cattle enterprises over the small ranchers. 4


Montanans expressed their opposition to leases in a memorial passed by the Territorial Legislature and sent to Martin Maginnis to be introduced into the *Congressional Record*.\(^1\) In addition to the lease system Canadians modified the American approach to ranching by separating the cattle and sheep ranges.\(^2\) Canadian leaseholders, most of whom were from eastern Canada or the British Isles, began with the intention of using the Alberta range to raise purebred stock for the British market. In 1882 Senator Matthew Cochrane, who had collaborated with the Macdonald government in drawing up the lease system, went to great expense to ship to Alberta four polled Angus bulls in order to introduce blooded stock to his range on the Bow River.\(^3\) Cochrane's plans influenced some Montana ranchers. Power told his agent at Fort Benton to try to buy two of the bulls when they arrived by steamboat. Power was willing to "go as high as $700 or even $800 for the two."\(^4\) Cochrane was unwilling to sell,\(^5\) and Power eventually purchased his own


\(^3\)T. C. Power, Letter to Joe Hill, dated Chicago, April 22, 1882, Power Papers, 147-6.

\(^4\)Ibid.

Angus bulls in eastern Canada. In many respects, then, ranching in southern Alberta was distinct from ranching in Montana, and in one case, at least, the Canadian approach led to a change in ranching technique in Montana.

In sum, Professors Macleod and Breen have already concluded that the principal agents of the social and political "Canadianizing" of the North-West were the Mounted Police and the ranchers. These men brought a Canadian value system to the West, and, in the case of the police, they brought Canadian authority and law to the West. Their enforcement of Canadian law helped to tie southern Alberta and Saskatchewan to eastern Canada economically. The Power and Baker companies appear to have abided by the tariff laws of Canada once the Mounted Police reached the North-West in 1874. Power & Brother instructed their trader at Fort Kipp in southern Alberta to "show [the police] your invoices if necessary and tell them we stand ready to pay any duties the law demands." The influence of the police and the existing


2Power & Bro., letter to John Kerler, dated Fort Benton, July 27, 1874, Power Papers, 179-1, letterpress book pp. 127-130. Power & Bro. did instruct Kerler to remove strychnine from all invoices, but otherwise they seem to have been in a position to play it straight with the police. Power personally favored the idea of a protective tariff. At one point he said that the free trade movement would "ruin our northern country." T. C. Power, letter to A. C. Johnson, dated Helena, March 7, 1888, Power Papers, 149-3. Power also belonged to the American Protective Tariff League which helped him get elected Montana's senator in 1889. Mahlon Chance, Assistant General Secretary, American Protective Tariff League, letter to T. C. Power, dated New York, Sept. 4, 1889, Power Papers, 1-10.
tariff structure in 1874 led Power and Baker to experiment with buying and selling goods in eastern Canada. Power's first attempt was a fiasco because the company to which he assigned his Canadian buffalo robes sold them at a loss. Power referred to the return as "a half price slaughter for over Four Thousand Robes." He wished that the robes "had burned up before they struck Montreal;" in his view he had been cheated by the Montreal "buffalo ring."\(^1\) Power's initial response to this was to determine to pay the duty on the Canadian robes and sell them in the United States,\(^2\) but, at the same time, he investigated the possibility of dealing with other Canadian firms. He wrote to W. E. Sanford in Hamilton, Ontario, to request Sanford to investigate the possibility of a market for buffalo robes in that city.\(^3\) Power also wrote to T. James Claxton & Company in Montreal requesting them to act as agents on robes sales and to give prices on blankets ordered in Montreal or in England.\(^4\) In 1876 Power sold 3000

---


\(^2\)T. C. Power, letter to T. Bogy, dated Fort Benton, Nov. 26, 1875, Power Papers, 180-1, letterpress book pp. 7-9. The "buffalo ring" may refer to the Hudson's Bay Company's influence in Montreal. The U. S. Congress doubled the duty on imported robes and pelts in 1876, so Power must not have been able to follow through with the plan to sell in the U.S.


Canadian buffalo robes through Claxton.\(^1\) As early as 1875 and 1876, then, the U. S. and Canadian tariffs had led Power and Baker to use Canadian markets for their North-West furs and buffalo robes.

Early in 1875 Power thought of a way to avoid Canadian tariffs and to allow him to ship eastern Canadian goods to southern Alberta by the Northern Pacific Railroad and his Missouri River steamboat line. His plan was to post a bond with the U. S. government and then ship the Canadian goods across the United States. He outlined his intentions to Martin Maginnis and asked Maginnis to help make the arrangements.

> I will go to Washington and help work it through for we must accomplish the shipping in bond arrangement—as it will save us considerable money and unless we can do it we cannot cope with the Hudson's Bay Company who ship in that way via St. Paul. Work it up Maj[or] and I will see all your expenses are paid for it will certainly [be] a big thing for our part of the country.\(^2\)

The shipping in bond proposal was accepted, and Power & Brother and Baker & Company filled police and Indian supply contracts with Canadian goods.\(^3\) The intriguing aspect of this is that

---


\(^2\)T. C. Power, letter to Martin Maginnis, as quoted in Sharp, "Merchant Princes," pp. 11-12. Sharp notes that this letter is not dated but he believes it was written in early 1875. Sharp's assumption is supported by the evidence of Power & Brother's outgoing correspondence. 1875 appears to be the beginning of the company's dealings with Canadian firms.

\(^3\)Sharp, "Merchant Princes," p. 11. Sharp says most of the cargoes for the North-West were shipped in bond from eastern Canada or England.
the economic tie between southern Alberta and eastern Canada was being formed before Macdonald's National Policy and its increase in tariffs. The protective tariff of 1879 only reinforced a preexisting trade pattern. The U. S. tariff on buffalo robes and the enforcement of Canada's pre-1879 tariff duties by the Mounted Police led to Power's doing business with Canadian firms. The 1879 tariff did lead to an increase in the volume of goods Power and Baker purchased in Canada, but this was a quantitative change not a qualitative change. The business records of Power & Brother indicate an increase in correspondence and business transactions with Canadian companies after 1879.

It is true that not all the goods for the North-West were purchased in Canada. Throughout the period 1875-1893 the Fort Benton companies watched prices closely. When American items could be imported for less than the cost of Canadian goods plus freight, Power & Brother and Baker & Company used American products. In 1881 Marsh considered buying his blankets in the U. S. rather than Canada. In 1882 Marsh paid over $4600 in tariff charges for goods he imported for the Fort Walsh Post. In addition, the annual reports of the Mounted Police refer to duties collected at Fort Walsh and Fort Macleod. In 1876 the police collected

---

1Marsh, letter to Power & Bro., dated Fort Walsh, Nov. 16, 1881, Power Papers, 14-14.

over sixteen thousand dollars in customs duties at Fort Macleod and over five thousand dollars at Fort Walsh.\footnote{Frederick White, Annual Report of the NWMP for 1876, p. 25. Marsh mentions a figure of twenty percent for duties on blankets in his letter to Power of Nov. 16, 1881. Taking this as an average, one could conclude that in 1881 he imported approximately $25,000 worth of goods at Fort Walsh and that in 1876 the total import value was about $100,000. For a comparison see the following page and note the total value of goods Baker & Company supplied under only one Indian contract in 1881. If the value of all goods Baker and Power supplied under contracts and for their stores were totaled, one can see that imports from the U. S. constituted only a small portion of the total volume of goods sold in the North-West by 1881.}

Despite the fact that these companies purchased some of their goods for the North-West in the U. S., they still carried on a large volume of business with Canadian firms. Power did most of his Canadian purchasing in Montreal from clothing companies, wholesale grocers, tobacco supply houses, and wholesale hardware firms. The volume of business Power & Brother had in Montreal can be estimated by their spring 1882 order from Tees, Costigan, and Wilson. The amount purchased from this wholesale grocery business for this particular spring came to more than three thousand dollars.\footnote{Tees, Costigan, and Wilson, letters to Power & Bro., dated Montreal March 30, and April 15, 1882, Power Papers, 120-1.} In both 1881 and 1882 Power & Brother ordered over two thousand dollars worth of goods from the Montreal company which supplied them with blankets for trade.\footnote{Memorandums from James Johnston & Co. to Power & Bro., dated Montreal, Sept. 14, 1881, Power Papers, 120-1.} Montreal and eastern Canada, therefore, exerted an economic influence in the area long before the arrival of the CPR. This influence
<table>
<thead>
<tr>
<th>Suppliers of Goods for Destitute Indians Under Treaty Seven 1881</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note I. G. Baker &amp; Company's dominant position.</td>
</tr>
</tbody>
</table>
tended to increase yearly as Baker and Power cultivated new Canadian contacts and as the region developed with the beginnings of the ranching industry.

Some historians have overgeneralized in arguing that there was a "north-south pull of American markets" in operation in the late nineteenth century.¹ At least as far as the southern Alberta and Saskatchewan region is concerned the tariff structure of 1874 was enough to induce an east-west movement of Canadian goods. The business activities of the Baker and Power companies benefited the Montreal economy and helped to extend this city's metropolitan influence into the North-West. Historians have also misstated the case in asserting that "Canadians deplored the economic domination of their plains by the I. G. Baker and T. C. Power firms."² Canadian settlers did not object to these companies because the Fort Benton supply route meant lower prices. As far north as Battleford, Saskatchewan, the local newspaper reported its pleasure with the "new and cheaper route from eastern markets to Battleford and all points to the south, west, and north....The road to Benton is both shorter and easier to travel than the road to Winnipeg."³ Although the


³Saskatchewan Herald, Nov. 4, 1878, p. 2.
Opposition in the House of Commons complained of "Yankee" firms,\(^1\) the Macdonald government was not hostile. Public contracting was a "necessity."\(^2\) Privately Macdonald went out of his way to support the Fort Benton companies and to maintain their presence in the North-West. When Edgar Dewdney was appointed Lieutenant Governor he was specifically instructed to arrange for funds to pay the Indians and the police in the North-West through Baker & Company.\(^3\) Also, the Macdonald government issued to the Conrads and Power extensive grazing leases in the mid-1880s.\(^4\) This indicates that the Conservative government was not worried that these companies posed a threat to Canada's well-being. By the mid-1880s the railroad was completed. If the Conservative government had been opposed to the economic influence of these Fort Benton firms, it would not have granted them leases which allowed them to extend their economic penetration of the North-West.

The above paragraphs summarize the situation in the North-West to 1883. Socially, politically, and economically the area was Canadian. For this reason the railroad was, in

\(^1\)J. Charlton, Dominion of Canada, *House Debates*, May 9, 1883, p. 1102.

\(^2\)J. A. Macdonald, ibid.

\(^3\)J. S. Dennis, Deputy Minister of the Interior, letter to E. Dewdney, dated Ottawa, May 31, 1879, Dewdney Papers, GAI, pp. 180-189.

reality, neither a political nor an economic necessity for the "Canadianization" of a "threatened" transborder region. At the time, though, it was believed by some to be an essential ingredient for nationhood, and those Canadians who opposed the Power and Baker interests thought the presence of the CPR would eliminate their influence. Occasionally this rhetoric was merely a facade for narrow business interests. Certainly this was the Hudson's Bay Company's position; they expected that by equalizing the supply route the railroad would allow them to compete in the retail business with Baker & Company at Calgary.¹

Most Canadian historians have assumed that the railway actually did eliminate American influence in the region.² In fact, it did not. Power & Brother and Baker & Company expanded their activities in the North-West in the mid-1880s. The years during and shortly after the construction of the railway were boom years. This period was followed by several years of stagnation until the arrival of the settlement waves after 1896. The business of the Fort Benton companies followed this general pattern during the period 1882-1893.

Like other companies the Power and Baker companies benefited from the construction monies spent by the CPR. After the CPR had reached the southern Alberta region Power &

¹C. F. Hardisty, letter to James A. Grahame, dated Edmonton, June 20, 1882, Hudson's Bay Co. Records, Peigan Post, 1833-1883, GAI.

Brother obtained a large beef contract from the railway construction company. This is an excellent example of Power's and his employees' making an opportunity for themselves from the economic advancement of the North-West. In the spring of 1882 A. P. Samples, Power's cattleman in Canada, had suggested that there was big money in selling beef to the CPR. Samples told Power to contact the CPR officials and arrange it.1 In the end Samples did the arranging in 1884 by dealing with a man named Ross, one of the men in charge of the construction work. In keeping with the common business procedures of the day, Samples "had to let him [Ross] in on the deal one third."2 As Samples saw it giving Ross an interest was a good idea, because this way Ross had a stake in seeing that the railroad expedited deliveries of contract supplies.3 The contract began on May 1, 1884; Power, Samples, and Marsh shared in the profits.4

Once they had this contract requiring them to supply the CPR crews west of Calgary the dominant theme in Marsh's and Samples' letters to Power was that it was a hard contract to fill. It was an expensive contract and the CPR was

---

1A. P. Samples, letter to T. C. Power, dated March 7, 1882, Power Papers, 162-8.


3Samples, letter to T. C. Power, dated Billings, April 28, 1884, Power Papers, 148-3.

4Memorandum of agreement between Samples and Power & Brother and Canadian Pacific Railway, April 23, 1884, Power Papers, 274-13.
consistently slow with payments.\(^1\) The contract was a difficult one in more respects than simply getting cattle delivered to the end of track. At one point Samples said he had to jump from a runaway locomotive. He landed "among the stumps," and, as he put it, "I landed head over heals [sic] and went spinning down the mountain." Samples was able to report that he suffered no broken bones but that the engine was "dashed to pieces."\(^2\) In filling this contract they had to drive cattle through mountain passes. The driving of the cattle worked all right with domestic cattle, but Marsh was worried that they would never be able to control wild cattle in the rugged country.\(^3\) They solved this problem by slaughtering the wild cattle at Calgary in the winter and shipping and storing the meat frozen.\(^4\)

The CPR was late with its payments to Power & Brother throughout the contract period. Samples said that Ross had been spoiled by "supreme power" and that he always put Samples off when it came to paying Power & Brother. Samples informed T. C. Power that in order to solve this problem he "just quitely [sic] read the riot act to him...and he seams [sic]

\(^1\) Samples, letters to T. C. Power, dated Calgary, Oct. 15, and Oct. 21, 1884, Power Papers, 162-8, see also Marsh, letter to Power & Bro., dated Calgary, June 10, 1884, Power Papers, 129-3.


\(^3\) Marsh, letter to T. C. Power, dated Calgary, June 27, 1884, Power Papers, 16-30.

to have changed his tune since." The contract ran for approximately one year, and in the end the CPR made all payments; the Dominion government's loan to the CPR in 1885 made this possible. The value of the project can be seen in the profit of $32,781.73 which Power & Brother showed on this CPR contract. This represented a one third share, therefore it turned out to be a lucrative contract for Power. It is only one example of how the arrival of the CPR opened to Power new interests in the North-West.

The increased development of ranching in southern Alberta after 1883 also brought profits to the Power and Baker companies. Montana was a supply base for stock for the Canadian cattle and sheep ranches. In 1883 Power worked out a deal with McEachran, manager of the Walrond Ranche, whereby McEachran purchased most of Power's Montana herd. McEachran paid $100,000 for this herd. As a part of the deal Power obtained an interest in the Walrond Ranche Company. This transaction was no isolated incident; the annual reports

1 Samples, letter to T. C. Power, dated Minneapolis, Dec. 28, 1884, Power Papers, 162-8.

2 Marsh, letters to T. C. Power, dated Calgary, March 13, and Aug. 27, 1885, Power Papers, 129-4. At the bottom of the letter of Aug. 27 which reported payments of $35,000 and $15,000 coming from the CPR, Power noted: "This is a good letter."


5 T. C. Power, letter to Power & Bro., dated Chicago, April 12, 1883, Power Papers, 148-1.
of the Minister of Agriculture show that the shipment of thousands of head of Montana cattle took place in the 1883–1886 period.\(^1\) In the 1880s sheep for Alberta as well as cattle were purchased in Montana. In 1885 the *River Press* reported one of these sales of sheep and added that "our market for sheep for the next five years will be the North-west."\(^2\) Sales of sheep did continue into the 1890s. In 1890 a man beginning a sheep operation near Maple Creek went to Montana to buy his band.\(^3\) In the 1890s Marsh and his nephew and helper, H. A. Greeley, steered other sheep ranchers to Power & Brother to purchase their stock.\(^4\)

Not only were Power and the Conrads selling cattle and sheep to Alberta ranchers they also were buying cattle from these ranchers to use in filling contracts in the North-West. In 1884 I. G. Baker & Company bought all the North West Cattle Company's steers which were over two years old. Baker & Company in turn sold most of this herd to Power & Brother. Presumably this was part of the supply Power used to fill his CPR contract, and it re-emphasizes the inclination of these two companies to work together for their mutual advantage. In this case Power agreed not "to buy or ship any

\(^1\)See, for example, J. L. Poett, Veterinary Inspector, Annual Report of the Minister of Agriculture for 1885, 1886 Sessional Papers Vol. XIX Part 7 No. 10, p. 176


\(^4\)H. A. Greeley, letters to Power & Bro., dated Maple Creek, Sept. 3, 1891, Power Papers, 130-1.
more cattle into the North-West of Canada...and to take what cattle they require of I. G. Baker & Co."¹ They, like the other big cattlemen in the North-West, realized that it would be to their advantage to reduce imports from Montana in the mid-1880s and prevent the range from being overgrazed. In 1885 the two Fort Benton firms agreed to buy steers from both Cochrane and McEachran. Baker & Company was to make a specific offer and Power & Brother was to offer a lower price.² With this scheme they were able to purchase five hundred head from the Walrond Ranche and three hundred head from the Cochrane Ranche.³ These cows were probably used to fill government contracts.

The large influx of American cattle companies into southern Alberta did not begin until 1886. Granville Stuart said that the dry range in Montana led some Montana ranchers to take out Canadian leases and move north. This group included Con Kohrs and the Powder River Company.⁴ The Powder River Company drove eight thousand head to Alberta in 1886.⁵ Baker & Company also moved two or three thousand head of its

³W. G. Conrad, letter to T. C. Power, dated Ottawa, June 4, 1885, Power Papers, 16-44. These transactions are recorded in the Walrond Cattle Record Book, 1885-1901, GAI, and in a letter from W. F. Cochrane to J. M. Browning, dated June 22, 1995, Cochrane Ranche Letterbook, GAI.
⁴Stuart, Forty Years on the Frontier, pp. 231-233.
Montana herd to Canada this year.¹ These companies were searching for new grazing land to avoid the overcrowding on the Great Plains.² Power and the Conrads both took out grazing leases in the North-West in the mid-1880s. Their doing so indicates that after the arrival of the CPR the Power and Baker companies were not merely holding on in Canada. Instead they were actively pursuing new enterprises in the area. The presence of the railroad and its connection to eastern markets actually encouraged rather than discouraged American investment in the Canadian North-West.

The Dominion government issued at least two leases to T. C. Power, but he was never able to stock these ranges.³ His cattle loss in 1887 on his Warm Springs Ranch near Lewistown, Montana, was the probable cause for his failure to stock his Canadian leaseholdings. In 1886 he had contracted with A. P. Samples to place two thousand head of Texas steers on the Warm Springs range.⁴ The following spring Power's foreman reported that not more than one

⁴T. C. Power, letter to Power & Bro., dated Chicago, April 24, 1886, Power Papers, 149-1.
hundred were left alive.\(^1\) This type of setback, common throughout Montana in 1887, led to a reorganization and retrenchment in the ranching industry. Few ranchers were able to expand their investment.\(^2\)

This explains, in part, why the implementation of the ninety-day quarantine on American cattle by the Canadian government evoked no word of complaint in the River Press in 1887.\(^3\) The quarantine which effectively closed off the shipment of Montana cattle to the North-West served the interests of the large Canadian ranchers by keeping out diseased stock and poor quality Texas steers.\(^4\) It prevented the degradation of their herds. In support of the quarantine these ranchers simply used the theme of American intrusion as a means of gaining political support for their stance. In an effort to magnify this imagined threat, the manager of the North West Cattle Company wrote to Ottawa in 1887 complaining that Americans were attempting to take control of


\(^3\)The River Press reported matter of factly on Aug. 3, 1887, that "A new order has been issued in council prohibiting importation of meat cattle from the United States in Manitoba, Northwest Territory and British Columbia..." There was no editorial comment in 1887.

ranching in southern Alberta. In reality this was not an American-Canadian conflict but a large rancher versus small rancher issue. The newspaper which was most outraged by the quarantine was the Fort Macleod Gazette. The Gazette complained bitterly that the end of American imports would lead to stagnation of the southern Alberta economy. The large American companies such as the Benton & St. Louis Company, which was owned by the Baker & Company partners and which did stock its Canadian lease before 1887, did not oppose the concept of protecting the herds. The Benton & St. Louis was itself in the process of developing a thoroughbred herd by this time. So although the quarantine was couched in the rhetoric of a requirement to keep southern Alberta Canadian, the real purpose of it was to prevent competition and protect all of the large, established ranching operations, some of which were American.

Neither the arrival of the CPR nor the institution of the cattle quarantine drove the Power and Baker companies out of southern Alberta and Saskatchewan. In fact, as has been

1 F. J. Stimson, letter to the Dept. of the Interior, dated Calgary, Sept. 1, 1887, Ranching Papers, GAI.

2 The editor of the newspaper, C. E. D. Wood, had had to fight in court to protect his claim to a small ranche against a leaseholder who had tried to evict him. Wood won, but this helps explain his opposition to McEachran and the other large ranchers. J. D. Higinbotham, letter to Ed and Harry, dated Fort Macleod, March 23, 1885, J. D. Higinbotham Papers, GAI.


shown in this discussion, both Montana companies benefited from these two changes. Their problem in the late 1880s after the railroad building and ranching booms had subsided was that competition increased but there was no accompanying large influx of settlers. There was little expansion of the market. This circumstance caused the Power and Baker firms in the late 1880s and early 1890s to gradually lose their dominant contracting and retail position in southern Alberta. In the first few years after the arrival of the CPR they had been able to maintain their retail business position. In 1882 Marsh was quite enthusiastic about the railway. He wrote to Power & Brother at Fort Benton asking them why they did not get "a railway boom;" business was simply excellent for him. But Marsh became disillusioned within a few months. Both the CPR and the increase in competition associated with it aggravated him. The CPR lost one of Power & Brother's shipments in 1883, and Marsh wrote that "it will now probably involve a lawsuit...as they always get all they can and keep all they get." This problem, though, was common for all shippers to southern Alberta. The more important change the railway brought for the Fort Benton companies was that its presence allowed eastern Canadian firms to deal directly with the southern Alberta market.


2 Marsh, letter to Power & Bro., dated Maple Creek, Nov. 9, 1883, Power Papers, 129-3.
The new Canadian merchants who moved into southern Alberta came with the expectation of a land boom to follow in the tracks of the railway. These merchants overstocked themselves. When the settlement rush did not materialize most of the new merchants were forced to sell out their merchandise at ruinous prices. Marsh said that before the CPR Power & Brother had been able to pass along high prices to the consumers but that such a practice was not possible after 1883.\(^1\) Marsh summed up the situation succinctly when he said, "There is a store in the country for every man."\(^2\) The circumstances were similar in Calgary for I. G. Baker & Company in 1884. One of Baker's employees, Frank Crosby, reported that the only thing which was still lively was real estate investment, and this collapsed during the summer of 1884.\(^3\)

The poor business period lasted for a year or two. It was followed by relative stability but low profit margins. In 1886 and 1888 Marsh reported that business in Calgary was fairly good but that he had to sell at low prices because of

---

\(^1\)Marsh, letter to T. C. Power, dated Maple Creek, June 8, 1883, Power Papers, 129-3.

\(^2\)Marsh, letter to Power & Bro., dated Maple Creek, Aug. 11, 1883, Power Papers, 129-3.

\(^3\)Frank Crosby, letter to John Crosby, dated Calgary, Jan. 6, 1884, Frank Crosby Papers, file 22, GAI. Crosby himself invested in real estate but lost money and eventually moved to Oregon in 1884. Crosby, letter to John Crosby, dated East Portland, Oregon, Oct. 24, 1884, Crosby Papers, file 22.
competition.\(^1\) The trend is reflected in Marsh's statements of accounts. In 1881 he reported a profit of $12,862.01; in 1882, $24,080.21; in 1887, $34,762.94; and in 1888, $36,548.03.\(^2\)

After the first railway boom period the days of large increases in the company's profits were over, but significantly, Power & Brother did show an increase every year. In the retail business they were able to at least hold their own in the face of increased competition.\(^3\) Baker & Company must also have been able to cope with the changes associated with the railway. They were still expanding their activities as late as 1887. In this year they bought out a butcher in Lethbridge and set up their own meat store.\(^4\) This was in addition to their retail operation at Lethbridge, Fort Macleod, and Calgary.


\(^2\) Marsh, letter to Power & Bro., dated Fort Walsh, Nov. 2, 1881, Power Papers, 106-9; letter to Power & Bro., dated Fort Walsh, July 12, 1882, Power Papers, 107-2; and letter to Power & Bro., dated Calgary, Aug. 15, 1888, Power Papers, 19-14: The following year the balance increased by about $3000; see balance sheet, Calgary and Maple Creek, Aug. 1, 1889, Power Papers, 62-15.

\(^3\) The Fort Benton operation of Power & Brother also reported dull trade in the mid-1880s. A. C. Johnson said they were able to hold their "share of the trade," but profits were not high. Johnson offered to accept a cut in salary to help the accounts. Johnson, letter to T. C. Power, dated Fort Benton, Jan. 31, Power Papers, 148-4.

\(^4\) "Town and Country," Lethbridge News, April 13, 1887, p. 3. Baker & Company's Lethbridge business is another example of their being in the vanguard of developments. The first four lots sold after the town was laid out in 1885 were purchased by Baker & Company. J. D. Higinbotham, When the West Was Young: Historical Reminiscences of the Early Canadian West (Toronto: Ryerson Press, 1933), p. 109.
After 1883 Baker and Power found increased competition in the contracting business as well as in the retail trade. In 1886 the Lethbridge News announced "keen competition" for supplying beef to the Indian Department; six firms submitted bids.¹ The following year there were forty tenders for general Indian supplies.² The trend in contracting throughout the 1880s was for Baker & Company or the Hudson's Bay Company to dominate in receiving contracts; while, at the same time, the number of Canadian companies supplying goods increased. The railway and efforts by the Dominion government made possible this increase in the number of Canadian contractors. In 1885 the government instituted a policy of accepting bids for only a portion of the total supplies in a contract. This was designed to allow the small firms and the local producers in the North-West to tender successfully.³ Although this policy did not drive the Fort Benton companies from the field, it did serve to lower the contract prices. In 1886 five companies including Baker & Company divided the contract to supply oats to the Mounted Police. The price was less than two cents per pound, the lowest price ever paid.⁴ As with

¹"Parliamentary Notes," Lethbridge News, April 22, 1886, p. 2; and May 7, 1886, p. 6. The Indian Department divided the contract for southern Alberta between Baker & Company and a Canadian company.


³Edgar Dewdney, Annual Report of the Department of Indian Affairs for 1885, 1886 Sessional Papers Vol. XIX Part 4 No. 4, p. 142. The accounts listed on the following pages clearly show this trend.

Treaty Supplies for 1887

Note how the Treaty Seven contract has been divided among several Canadian companies and I. G. Baker & Company. This can be compared with the situation presented in the Treaty Seven report of 1881 on page 43 which shows Baker & Company dominating, with only a few Canadian firms getting a small part of the contract.
### Treaty No. 7

**Blackfoot Reserve—North Blackfoot Reserve.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>G. Baker &amp; Co.</td>
<td>For 232,371 lbs. beef</td>
<td>$33,022.28</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less—325 hides sold to Contractor, at $1 each</td>
<td>720.00</td>
<td></td>
</tr>
<tr>
<td>G. Baker &amp; Co.</td>
<td>For 472,593 lbs. beef</td>
<td>47,752.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less—453 hides sold to Contractor, at $2 each</td>
<td>966.00</td>
<td></td>
</tr>
</tbody>
</table>

**South Blackfoot Reserve.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>G. Baker &amp; Co.</td>
<td>For 472,593 lbs. beef</td>
<td>48,816.90</td>
<td></td>
</tr>
</tbody>
</table>

**Blackfoot Reserve Generally.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Portage Milling Co.</td>
<td>For 2,227 sacks flour</td>
<td>5,105.16</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,836.86</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>334.74</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,140.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.45</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.45</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>32.81</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>67.84</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>60.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>607.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>144.60</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7,619.62</td>
<td></td>
</tr>
</tbody>
</table>

**Sarcee Reserve.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>G. Baker &amp; Co.</td>
<td>For 7,512 lbs. beef</td>
<td>$7,971.40</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>G. Scott</td>
<td>For 57,617 lbs. beef</td>
<td>$1,470.23</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less—55 hides, at $1 each</td>
<td>516.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,674.23</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,420.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>27.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>101.16</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>81.01</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>262.25</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>12.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>9.61</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.20</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>222.80</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>13.52</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>14,505.67</td>
<td></td>
</tr>
</tbody>
</table>

**Stoney Reserve.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>D. McDougall</td>
<td>For 23,563 lbs. beef</td>
<td>$3,370.39</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less—57 hides, at $1 each</td>
<td>74.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,256.29</td>
<td></td>
</tr>
<tr>
<td>G. Scott</td>
<td>For 72,520 lbs. beef</td>
<td>$9,533.37</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less—79 hides, at $2 each</td>
<td>103.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6,375.37</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>735.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,190.03</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>27.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>141.80</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>160.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>236.67</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>416.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>12,618.03</td>
<td></td>
</tr>
</tbody>
</table>

**Pikgan Reserve.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>G. Baker &amp; Co.</td>
<td>For 722,372 lbs. beef</td>
<td>$16,572.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less—161 hides, at $2 each</td>
<td>322.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>25,250.88</td>
<td></td>
</tr>
<tr>
<td>The Wainoond Ranch Co.</td>
<td>For 211,512 lbs. beef</td>
<td>$17,856.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less—272 hides, at $2 each</td>
<td>644.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>17,057.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>163.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,716.57</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>65.48</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.60</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>114,854.84</td>
<td></td>
</tr>
</tbody>
</table>

**Treaty A.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>D. McDougall</td>
<td>For 46 sacks flour</td>
<td>2,716.57</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>65.48</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.60</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>114,854.84</td>
<td></td>
</tr>
<tr>
<td>Carried forward</td>
<td></td>
<td></td>
<td>114,854.84</td>
</tr>
<tr>
<td>TO WHOM PAID</td>
<td>SERVICE</td>
<td>$ cts.</td>
<td>$ cts.</td>
</tr>
<tr>
<td>-------------</td>
<td>---------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td></td>
<td><strong>Brought forward</strong></td>
<td></td>
<td><strong>114,852.88</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Expediters—Concluded.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Waldron Ranch Co.</td>
<td>Beef for North Ares and followers</td>
<td></td>
<td><strong>78.76</strong></td>
</tr>
<tr>
<td>Howat Bros.</td>
<td>Supplies for Red Crew do</td>
<td></td>
<td><strong>228.81</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Tee Walrond Ranch Co.</strong></td>
<td></td>
<td><strong>45,735.24</strong></td>
</tr>
<tr>
<td>I. G. Baker &amp; Co.</td>
<td>Beof for North Ares and followers</td>
<td></td>
<td><strong>53,672.21</strong></td>
</tr>
<tr>
<td></td>
<td>Less—303 hides, at $2 each</td>
<td></td>
<td><strong>150.00</strong></td>
</tr>
<tr>
<td>The Cochran Ranch Co.</td>
<td>Beef, 233,491 lbs.</td>
<td></td>
<td><strong>51,283.21</strong></td>
</tr>
<tr>
<td></td>
<td>Less—216 hides, at $2 each</td>
<td></td>
<td><strong>432.00</strong></td>
</tr>
<tr>
<td>The Waldron Ranch Co.</td>
<td>Beef, 217,842 lbs.</td>
<td></td>
<td><strong>20,552.93</strong></td>
</tr>
<tr>
<td></td>
<td>Less—232 hides, at $2 each</td>
<td></td>
<td><strong>484.00</strong></td>
</tr>
<tr>
<td>I. G. Baker &amp; Co.</td>
<td>500 sacks flour</td>
<td></td>
<td><strong>16,941.88</strong></td>
</tr>
<tr>
<td>D. H. McMillan &amp; Bros.</td>
<td>2,398 do</td>
<td></td>
<td><strong>7,043.12</strong></td>
</tr>
<tr>
<td>T. G. Power &amp; Bro.</td>
<td>Tea and tobacco</td>
<td></td>
<td><strong>329.17</strong></td>
</tr>
<tr>
<td>W. J. Pettengell</td>
<td>Medicines, Blood and Piegan Reserves</td>
<td></td>
<td><strong>262.08</strong></td>
</tr>
<tr>
<td>I. G. Baker &amp; Co.</td>
<td>Tea and tobacco</td>
<td></td>
<td><strong>116.20</strong></td>
</tr>
<tr>
<td>J. M. Garland</td>
<td>Blankets, serge and other supplies</td>
<td></td>
<td><strong>638.47</strong></td>
</tr>
<tr>
<td>Sundry persons</td>
<td>Freightage</td>
<td></td>
<td><strong>93,919.74</strong></td>
</tr>
<tr>
<td></td>
<td>Less—Value of provisions issued at Blackfoot Crossing</td>
<td></td>
<td><strong>180.97</strong></td>
</tr>
<tr>
<td></td>
<td><strong>209,148.61</strong></td>
<td></td>
<td><strong>12.91</strong></td>
</tr>
</tbody>
</table>
the retail trade government contracting profits must have fallen for the Fort Benton companies after 1883. They did receive a large portion of the Indian supply contracts under Treaty Seven through 1889; and Baker & Company received part of the 1891 contract. Yet the volume of goods in these contracts did not compare to that which they had obtained in previous years.

Despite the lower profits, Power & Brother and Baker & Company remained in business in Canada throughout the 1880s. They simply shifted their supply route to the CPR, and they used their wagons and teams to deliver goods from the railway to the particular post or agency where they were required. Both Fort Benton companies began using the CPR as their supply line to the North-West as early as in 1883. In fact, by the summer of 1883 Baker & Company had established a deal with Tees, Costigan, and Wilson of Montreal to ship their goods by steamer across the Great Lakes to Prince Arthur's Landing and then via CPR to the North-West. Using the CPR meant that customs duties and bonding, if any, had to be arranged at Winnipeg rather than at Maple Creek or Fort Macleod where the

\[1\text{In 1889 Baker & Company received}$ \$127,138.30 \text{in Indian supply contracts. Annual Report of the Dept. of Indian Affairs for 1889,} 1890 \text{Sessional Papers Vol. XXIII Part 10 No. 12, pp. 48-95. Under Treaty Seven in 1889 Baker received}$ \$70,970.79 \text{; in 1891 they received}$ \$570.57 \text{. The difference is explained by Baker's not being awarded any beef contracts in 1891. Annual Report of the Department of Indian Affairs for 1891, 1892 Sessional Papers Vol. XXV Part 10 No. 14, pp. 62-67.}\]

\[2\text{Marsh, letter to T. C. Power, dated Maple Creek, June 8, 1883, Power Papers, 129-3.}\]
Power and Baker companies were known by the authorities. This meant increased formality and delays which led Marsh to the conclusion that as far as possible all goods for the North-West should be purchased in Canada. Customs delays overshadowed any price differences.  

1 This illustrates the kind of effect the CPR had. It did not lead to any major shifts in economic tie; Power & Brother had been dealing with Canadian firms since 1876. Yet the railway did strengthen the bond between the North-West and eastern Canada. This was a change of degree rather than of kind.

The Port Benton companies' ultimate withdrawal from Canadian government contracting in the early 1890s is not explained by the changes brought by the CPR. Several factors contributed to their decision. Certainly the lower profits on contracts and in the retail business must have influenced their thinking, but an additional factor for I. G. Baker & Company may have been Baker's retirement in early 1892.  

2 Also, an attempt by Power and the Conrads to build a railway from Fort Benton and Helena to Alberta fell through in 1889.  

3 Their chance to reassert themselves in southern Alberta on a

1Marsh, letter to T. C. Power, dated Maple Creek, Oct. 8, 1883, Power Papers, 129-3. From March 1883 to March 1884 Power & Brother shipped a total of 592,615 pounds of freight via the CPR. 361,345 pounds came from Winnipeg; the remainder came from Montreal or Chicago. Marsh, letter to T. C. Power, dated Maple Creek, March 27, 1884, Power Papers, 129-3.

2"Of Local Interest," Lethbridge News, Feb. 17, 1892, p. 3.

3This project is discussed more thoroughly in the following chapter of this thesis.
new basis was lost when this railway project failed. The combination of these factors led Baker & Company to sell its retail operation to the Hudson's Bay Company in 1891.1 Significantly, Baker & Company closed its Fort Benton store in 1891 as well. 2 Even this was not a complete withdrawal from Canada as far as the Conrads were concerned. The Conrads carried on their ranching, banking, and butchering business in Alberta after 1892. 3

Power & Brother sold their Calgary store to Marsh in 1893. Their motive was clearly the low margins of return. 4 Power had noted on Marsh's 1888 balance sheet that it was "not a big showing for the money invested." As early as 1885 Power had expressed the idea that he was not particularly interested in the merchandise business in the North-West. He wanted to pursue contracting and beef deals. 5 Power made several attempts to sell out to Marsh or Baker & Company after 1886, but Marsh was not willing to accept the terms until 1893.

The arrival of the CPR was not the cause of these companies selling out their Canadian retail holdings. The

1 "I. G. Baker & Co.," Lethbridge News, Jan. 27, 1891, p. 3.

2 Charles E. Miller, letter to T. C. Power, dated Fort Benton, April 24, 1891, Power Papers, 150-1.

3 "Baker & Co.," Lethbridge News, Jan. 27, 1891, p. 3.

4 Marsh made the actual purchase of the Calgary store in Jan. 1894; he had sold the Maple Creek post to a Canadian firm in 1892. Marsh, letter to Power & Brother, dated Maple Creek, Dec. 20, 1892, Power Papers, 150-4.

I. G. Baker Store, Lethbridge, Alberta
Photograph courtesy of the Glenbow-Alberta Institute

I. G. Baker Store, Fort Macleod, Alberta, 1879
Photograph courtesy of the Glenbow-Alberta Institute
key factors were the lack of settlement, the long period of economic stagnation, and an animosity between James J. Hill and the Fort Benton merchants.\(^1\) The sparsity of settlement was compounded by the oversupply of merchandise in the area, which drove many newly-established Canadian firms out of business as well as reduced profits for Power and Baker. During this same period the Indian trade was on the decline with the demise of the buffalo herds. The Fort Benton companies proved themselves willing and able to adapt to the CPR as their supply line for Canada, but they were unable to expand business in an overdeveloped market.

The Canadian Pacific Railway did not create the social, political, and economic connection between the southwestern prairies and eastern Canada. It did tend to strengthen ties already in place, but it did not bring about major reorientation. Historians may have overestimated its impact because they have misunderstood the nature of the American influence in southern Alberta. American influence before 1883 was not as great as has often been assumed. Nor was the American interest which did exist severed by a line of track across Canada.

\(^1\)A full explanation of this conflict and its effect on the Power and Baker companies is presented in the following chapter.
CHAPTER III

STRUGGLE AND DEFEAT

Between 1883 and 1888 the presence of the CPR actually served to strengthen the regional unity between northern Montana and southern Alberta and Saskatchewan. The determining factor in the withdrawal from Canada of the Power and Baker companies may well have been their failure to thwart James J. Hill in his attempt to economically dominate northern Montana. Hill extended his St. Paul, Minneapolis, and Manitoba Railroad into northern Montana in 1888.¹ This line connected Montana with St. Paul, Minnesota, and in that way posed a direct threat to Fort Benton and its merchants. Hill's railway was a competitor for Power's upper Missouri River steam-boat line to Fort Benton. This placed the two men at loggerheads. In this regard one notes that both the Fort Benton newspaper and T. C. Power had a completely different attitude toward the CPR than they did toward the Manitoba line.

Northern Montanans welcomed the arrival of the CPR in 1883. They did not conceive of this railway as severing their ties with Canada, and in some ways it helped to establish new

¹This was the original name of Hill's line. He changed the name to the Great Northern Railway after he had built it through to the Pacific Coast in 1893.
and stronger economic relations. Within a year of the construction of the CPR, northern Montana ranchers began using it to ship cattle to the Chicago market. The service must have been satisfactory, because the volume of these shipments doubled in 1885.¹ In that year over three thousand head of Montana cattle were shipped east from Maple Creek in Assiniboia.² The River Press promoted the use of the CPR; this newspaper referred to it as providing a welcome element of competition in cattle shipping.³ Montana cattle and sheep were shipped via the CPR in 1886 too; but a combination of the hard winter that year, the ninety-day cattle quarantine, and Jim Hill's railroad made it impractical to use the CPR for cattle shipping after 1887.⁴

However, the Fort Benton merchants also used the CPR as a supply line for northern Montana. It provided a complement to Power's steamboat line which was operable only in the summer when the water in the Missouri was high. As soon as the CPR contract had been signed in 1881, Marsh suggested that Power use the railroad to ship goods in bond to Montana from the eastern United States. Marsh wrote that this would enable him to "turn the tables by having you urging us for your

¹River Press, Aug. 19, 1885, p. 2.
²W. McEachran, Annual Report of the Minister of Agriculture for 1885, 1886 Sessional Papers Vol. XIX Part 7 No. 10, p. 174 He added that another herd of 875 was waiting to be shipped, but that they had not gone out by the date of this report.
³River Press, June 25, 1884, p. 4.
⁴The Lethbridge News reported that herds of both sheep and cattle were shipped east on the CPR in the fall of 1886. Lethbridge News, Sept. 1, and Sept. 23, 1886, p. 3.
Power did rely on the CPR during the drought summer of 1886 when the Missouri was too low for safe steamboat travel. In this year he used the CPR to ship the corn he needed to fill his supply contract at Fort Assiniboine, Montana.2

Marsh also proposed that Power purchase oats and flour in Canada to fill the U. S. military and Indian supply contracts. He quoted to Power the prices in Canada and freight rates to Maple Creek on these commodities. Power was enthusiastic about Marsh's suggestion, and he noted on Marsh's letter that "you will see that Maple Creek can supply Assiniboine."3 It is unclear how extensively Power followed through on this. Nevertheless, the proposal itself indicates that the CPR could have served to increase trade between Montana and the Canadian prairies.

This was certainly T. C. Power's view when he wrote to William Van Horne, the CPR construction superintendent, in 1886. Power told Van Horne that a rail connection between Fort Benton and the CPR would be a lucrative enterprise. Power declared his willingness to construct the line from Fort Benton to the international boundary if the CPR would meet him there. Power added that this would be a means of defeating

---


2T. C. Power, letter to John H. Charles, dated Dec. 13, 1886, Power Papers, 149-2. By spring 1887 they had sent three tons from Maple Creek to Fort Assiniboine and more was en route. H. A. Greeley, letter to Power & Bro., dated Maple Creek, March 7, 1887, Power Papers, 129-7.

T. C. Power & Brother's Store, Maple Creek, Saskatchewan, 1880's

Photograph courtesy of the Glenbow-Alberta Institute
Hill's proposal to control the northern Montana freight.\(^1\) Unknown to Power the CPR owners, including Van Horne, had financial investments in Hill's St. Paul, Minneapolis, and Manitoba line. Van Horne, therefore, had no inclination to defeat Hill; and he rejected Power's suggestion.\(^2\)

Two years after Power's exchange with Van Horne, Hill had pushed his Manitoba line across northern Montana. The first routing for this line took it southwest from the Milk River past Fort Benton to Great Falls. At Great Falls this line met the Montana Central Railroad which Hill had built between Helena and Great Falls. The track passed along the bluffs above Fort Benton, and only a temporary line was built down to the town itself which lies along the river about two hundred feet below the bluffs. Although the Fort Benton community was at first glad to see these tracks in their city, they quickly became disillusioned. Just as the CPR had led to increased retail competition for Power and Baker in Canada, so too, the Manitoba led to increased home competition for these Fort Benton merchants.\(^3\) Also, as had occurred in Canada, increased settlement did not accompany the rise in retail competition; and there was a period of economic stagnation. More importantly, though, the Fort Benton merchants lost direct control over their supply route. Hill managed to

---

\(^1\) T. C. Power, letter to W. C. Van Horne, dated Helena, July 6, 1886, Power Papers, 17-19.


drive Power out of the steamboat business. Hill forced the railroads which passed through towns on the Missouri River to refuse special freight rates to Power's Benton "P" steamboat line.\textsuperscript{1} The special rates for volume shipping by Power had made the steamboating a profitable enterprise. In response to Hill's actions, Power requested the Manitoba line to quote him a freight rate. He received no reply.\textsuperscript{2} Apparently, Hill intended to eliminate steamboat transportation. He succeeded. For all intents and purposes there was no steamboating to Fort Benton after 1890.

Once Hill had closed out his steamboat opposition, his company announced that all shippers would pay full rates.\textsuperscript{3} As Power and W. G. Conrad saw this, the "Manitoba people [were] working for themselves, against all the country they run through." They were just plain "cold-blooded."\textsuperscript{4} Power ironically called Hill's company "the worst fighters in America against competition."\textsuperscript{5} To free themselves from the grasp of

\begin{itemize}
\item \textsuperscript{1} T. C. Power, letter to Power & Bro., dated Chicago, May 4, 1888, Power Papers, 149-3. In the spring of 1888 Power did manage to get a temporary freight rate with the Northern Pacific. Both the Milwaukee and the North Western railroads refused rates and cited a possible fight with Hill as the reason.
\item \textsuperscript{2} T. C. Power, letter to J. W. Power, dated Helena, August 14, 1887, Power Papers, 149-3.
\item \textsuperscript{3} P. P. Shelby, General Traffic Manager, Great Northern Railroad, letter to Power & Bro., dated St. Paul, Jan. 10, 1891, Power Papers, 112-3.
\item \textsuperscript{5} T. C. Power, letter to A. C. Johnson, dated Helena, May 17, 1889, Power Papers, 149-5. Power had "forgotten" his attempts to lock out competitors in the 1870s.
\end{itemize}
this oppressor, Power, W. G. Conrad, and their Helena friend and banker, S. T. Hauser, turned to Alexander T. Galt. Galt had developed the coal mines near Lethbridge, Alberta. The project these men envisioned involved building a railway from Lethbridge to Helena with a branch line to Fort Benton. Power and Conrad must have assumed that this would allow them to make greater use of the CPR as a means of competing with Hill.

Galt had intimated as early as 1885 that he was interested in building a branch line to Montana. T. C. Power had reacted favorably to this. Even then he was worried that Hill planned to by-pass Fort Benton in favor of Great Falls.¹ Power suggested that Galt keep his plans quiet but go ahead to build the railroad.² Should Power and Galt have been able to circumvent Hill in 1885, they still faced two major obstacles— the Indians in Montana and the CPR. The land north of Fort Benton belonged by treaty to the Indians and the government could cancel any railroad building projects.

The CPR held a monopoly clause which entitled the company to cancel any railway projects built to the south of its main east-west line. In 1886 the CPR did, in fact, cancel this first attempt by Power, Conrad, and Galt to build from Lethbridge to Montana.³

¹T. C. Power, letter to Power & Bro., dated Helena, June 22, 1886, Power Papers, 149-1.


Two years later, though, two of the obstacles to their railway project were removed. The Dominion government had bowed to western pressure and had purchased the monopoly clause from the CPR.\(^1\) In the same year the U. S. Congress reduced the size of the northern Montana Indian reservation. This opened most of the area to settlers and railroads. With two potential blocks removed, Power, Conrad, Hauser, and Galt came to a tentative agreement in the fall of 1888 to build a line to Fort Benton from Lethbridge.\(^2\) The formal agreement was drawn up on February 8, 1889, in St. Paul, Minnesota. These men agreed to form a Fort Benton Construction Company to build the railway. One third of the stock was divided among the Montana partners while the remainder went to Galt and his associates. Conrad and Power also agreed that when the rail line was completed they would buy from the Galt mine ten thousand tons of coal per year for Fort Benton. In addition, they agreed to purchase three hundred thousand tons over a three year period for Helena.\(^3\)

Both the Canadian and American parties to this agreement saw it as advantageous. The Lethbridge News asserted that the rail connection with northern Montana would lead to increased coal production. They also thought that Montana

---

\(^1\) This news was welcomed by frontier newspapers in both countries. River Press, March 23, 1887, p. 2; and "The New Railway Scheme," Macleod Gazette, April 4, 1888, p. 4.


\(^3\) Memorandum Agreements (2) made at St. Paul, Minn., Feb. 8, 1889, and letters (3) to the President, Alberta Railway and Coal Co., dated Feb. 8, 1889, Power Papers, 21-1.
ranchers and dairymen would make greater use of Alberta's grassland.¹ The River Press was particularly interested in the Galt coal.² During the hard winter of 1886-1887 Fort Benton had experienced a coal shortage.³ For this reason a railway connection to the Galt coal mines was especially appealing. The Fort Benton merchants saw the railway between Montana and Alberta as a means of revitalizing Fort Benton, which could have become a rail center. Goods could have been shipped in from both Alberta and the Pacific Coast and sold to other points in Montana.⁴ Power and Conrad may have been aware of a potential market for coal at the Butte, Montana, copper smelters which were burning expensive coal shipped from Wyoming.⁵ Had this railroad been built in the manner Power and Conrad had envisioned, an even tighter economic bond may have been created between Montana and southern Alberta; but the plan was foiled by Hill.

The scheme collapsed when Galt discovered he could not obtain full financial support in England for the project.


³River Press, Feb. 9, 1887, p. 2.


⁵A. A. den Otter, "Galt," p. 196. The Alberta Railway connecting Great Falls to Lethbridge cut the price of coal by two thirds in Montana, p. 208. This lasted until duties forced the price to be uncompetitive in the mid 1890s. See den Otter, "Railways and Alberta's Coal Problem, 1880-1960," in Western Canada: Past and Present, edited by Anthony Rasporich (Calgary: University of Calgary and McClelland and Stewart West, 1975).
Faced with this setback, Galt, presumably unknown to his partners, met with Hill in August 1889. He found Hill very interested in the idea of a line from Montana to Alberta.\(^1\) A day or two after this initial meeting between Galt and Hill, Hill appears to have offered Galt money and long-term coal purchasing guarantees if Galt ran the line between Lethbridge and Great Falls.\(^2\) Since Galt held the controlling interest in the company, he must have felt that it was his decision to make. Hill probably convinced Galt that it was economically advantageous to build to Great Falls. Galt did accept Hill's offer, and he wrote to Hauser saying that his money was no longer needed. Galt invited the Montana partners to remain involved;\(^3\) but they wanted the line to go to Fort Benton.\(^4\) Since Galt could not accept these terms and Hill's terms, he chose the more attractive route and wrote Hauser to close up the Montana part of the company.\(^5\) The railway was built on Hill's terms in the summer of 1890. Hill purchased daily two hundred tons of coal from Alberta to run his trains on

---


\(^3\)Ibid.

\(^4\)Galt wrote T. F. Oakes, President of the Northern Pacific, that Hauser's group was "unwilling to join me in building to Great Falls." A. T. Galt, letter to T. F. Oakes, dated Montreal, Aug. 29, 1889, Hauser Papers, 19-7.

his newly organized Great Northern system.¹

Hill's Great Northern Railway was completed in 1893. It included the old Manitoba track to the Milk River, then it cut straight west. This completely cut off Fort Benton. Interestingly, the new line made a neat connection at Shelby, Montana, with the railroad Galt had helped to build. The Great Falls-Shelby section of this railroad probably turned out to be the only profitable section of the line. The Alberta-Montana railway did not, in the end, receive the anticipated use. Its takeover in 1912 by the CPR and the GNR² signifies the final defeat of the Conrads and Power to maintain their economic position in northern Montana and southern Alberta.

Jim Hill thwarted Power and the Conrads in this enterprise. His defeat of the attempt of these Montana businessmen to control a rail connection between their Canadian trade and their northern Montana trade forced them to look elsewhere for profitable investments. Power wrote his brother in 1890 that the new railway would cut their trade drastically.³ T. C. Power and the Conrads were forced to close out

¹I en Otter, "Galt," p. 207.

²William J. Wilgus, The Railway Interrelations of the United States and Canada (New Haven: Yale Press, 1937), pp. 130-131. Although from a different period Wilgus' statistics do provide an idea of the amount of freight transported north and south along this line. Between 1929 and 1934 shipments to the U. S. ranged from 5000 tons to 9500 tons. Shipments to Canada ranged from 200,000 tons to 52,000 tons during these years. See Wilgus, p. 137.

their northern Montana and southern Alberta and Saskatchewan businesses by the drop in revenue which followed Hill's victory. Maybe Hill's actions rather than the CPR and the Canadian tariffs explain the economic separation of Montana from southern Alberta and Saskatchewan in the 1890s.
CONCLUSION

The attitudes and activities of I. G. Baker & Company and T. C. Power & Brother do help to explain the relationship between northern Montana and the southwestern Canadian prairies. People on both sides of the forty ninth parallel desired peace and security. The presence of these frontier companies with investments in both countries contributed to the establishment of order in the region. Certainly once the Mounted Police arrived, Power, Baker, and the Conrads respected Canadian sovereignty. After 1874 the North-West was not an American hinterland. True, the Power and Baker companies made substantial profits through Canadian government contracting. Yet the process of their filling these contracts helped to forge a trading bond between eastern Canada and her North-West.

In a broader sense, the study I have presented here suggests a few generalizations about the overall relationship between the United States and Canada. Americans, in general, accept and respect Canadian nationhood. Power, Baker, and the Conrads definitely did. Canadian historians have too long used American imperialism as an explanation for the course of Canadian history. This has tended to distort their assessment of the impact of various aspects of Macdonald's National Policy.
Too many have asserted that the CPR severed American influence in the southern Alberta and Saskatchewan region. Too many have accepted the view that before 1883 the wealth of the southwestern Canadian prairies was drained to the south by the Baker and Power companies. They have overlooked the establishment of a Canadian east-west retail trade pattern beginning in 1875.

American influence in the Canadian North-West prior to 1883 was not as great as some have asserted, and American investment in the region was not eliminated by the CPR. One must look elsewhere for an explanation of Power's and Baker's withdrawal from Canada. The impact of Hill's Great Northern Railway and the economic stagnation in both the North-West and northern Montana in the late 1880s and early 1890s are better explanations for the action of these Montana businessmen.

No aspect of Macdonald's three-pronged National Policy of the transcontinental railway, the increased tariff, and the rapid settlement of the West led the Baker and Power firms to withdraw from Canada. Far from removing them, the presence of the CPR opened new investment opportunities to them. Macdonald's ultra-protective tariff merely intensified the process whereby these Montana firms acted as middlemen for the Canadian east-west trade. Ironically, the failure of the third aspect of the National Policy—the fact that no settlement wave followed the CPR—appears to be a major factor in Power's decision to close out his Canadian retail operation.
I think Macdonald probably knew of the trade pattern present in 1879, but denouncing American business investment and American annexationist designs was a convenient tool for him. This type of denunciation has remained a theme in Canadian political and business circles. Maybe the time is ripe for a thorough examination of its validity as an explanation for the development of Canada as a nation.
SELECTED BIBLIOGRAPHY

Primary Materials

Public Records


Commissioners of the Royal North-West Mounted Police.


________. Annual Reports of the Secretary of War, 1871-1875.

________. Congressional Record, 1874-1888.

Private Papers and Manuscripts


David Akers. Invoices for Fort Whoop-Up, 1877-1881.

Edgar Dewdney Papers.

Eleanor Luxton, collector, Notes re History of I. G. Baker Company.


Extracts from Hudson's Bay Co. Records. Peigan Post, 1833-1883.

Frank M. Crosby Papers.


J. D. Higinbotham Papers.


North-Western Coal and Navigation Company Papers.


Public Archives of Canada. Correspondence, Reports, Memos, etc. Re Ranching in Southern Alberta, 1880-1926.


Walrond Ranche Cattle Record and Beef Account Books, 1885-1901.


William Pearce Correspondence and Selected Items re NWMP, Construction of the C. P. R., Government of NWT, and Personal Letterbook.

S. T. Hauser Papers.

T. C. Power Papers.

Newspapers

Gazette (Fort Macleod, Alberta). 1882-1890.

Herald (Calgary, Alberta). 1890-1891.

News (Lethbridge, Alberta). 1885-1892

Record (Fort Benton, Montana). 1880-1885.

River Press (Fort Benton, Montana). 1880-1890.

Saskatchewan Herald (Battleford, Saskatchewan). 1878-1883.

Journals, Reminiscences, and Other Contemporary Accounts


Higinbotham, John D. When the West Was Young: Historical Reminiscences of the Early Canadian West. Toronto: Ryerson Press, 1933.


Secondary Works


MacInnes, C. M. *In the Shadow of the Rockies*. London: Rivingtons, 1930.


---


Unpublished Theses
