

The Early Hudson's Bay Company Account Books as Sources for Historical Research: An Analysis and Assessment

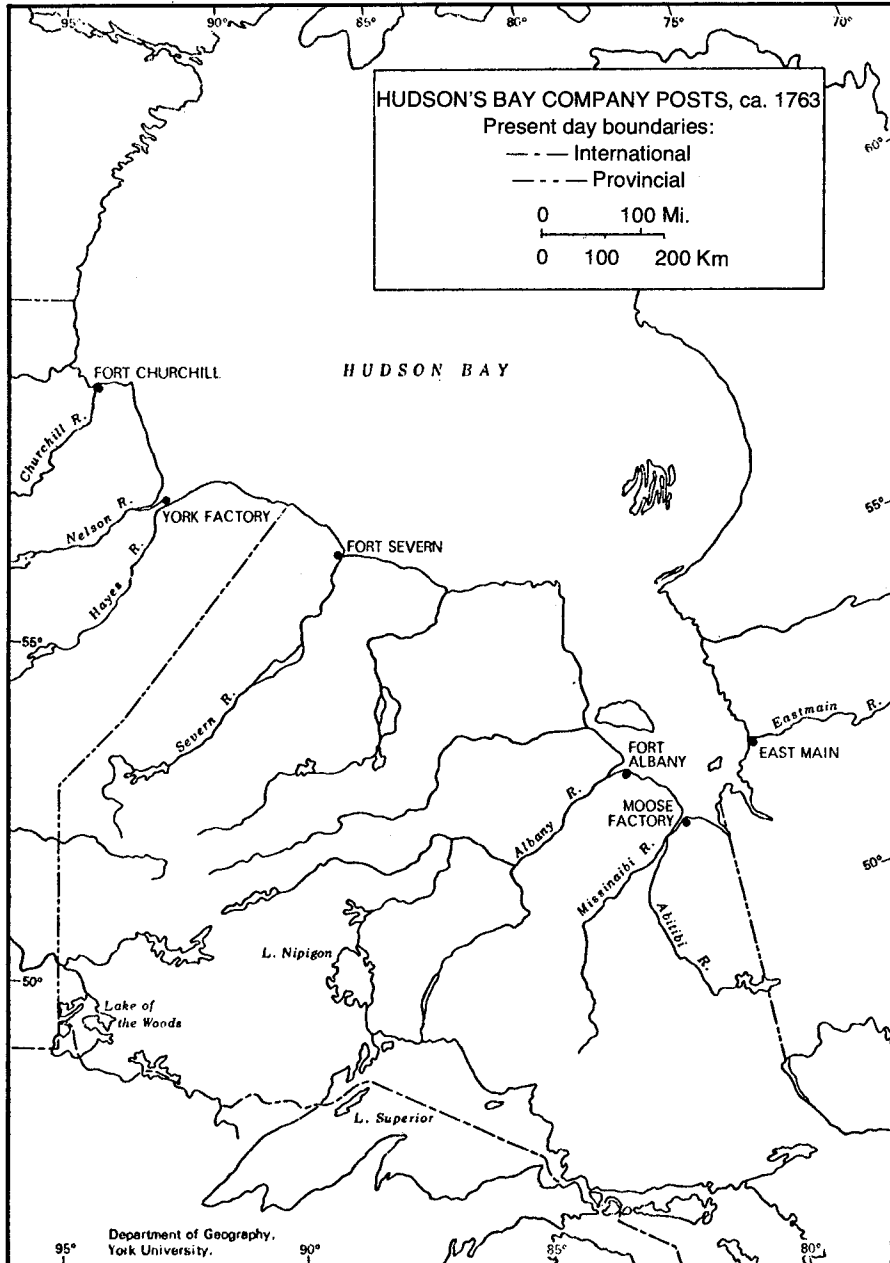
by ARTHUR J. RAY¹

"Truth isn't in accounts but in account books . . . The real history is written in forms not meant as history."²

The potential value of the business records of the fur-trading companies as sources for economic and ethnohistorical research has long been recognized.³ Indeed, some of the fur traders were aware of the historical value of the accounting records that they were keeping. Issac Cowie, for instance, served the Hudson's Bay Company in the Saskatchewan area in the 1860's and 1870's and subsequently wrote about his experiences. In his memoirs he included a section which dealt with the kinds of information that historians could find in the post business accounts. Also, he stressed that these records should be preserved.⁴ Fortunately, most of the 18th-century business documents of the Hudson's Bay Company have survived, and in fact, the accounting records of the posts are frequently more complete than other lines of evidence such as correspondence files or daily journals of events.

Yet, although scholars have been mindful of the possible utility of business accounts for historical research, relatively little use has been made

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- 1 The author would like to express his appreciation to the Hudson's Bay Company for granting him permission to consult and quote from the company's microfilm collection on deposit in the Public Archives of Canada. The reproductions of account book pages which were provided were also greatly appreciated. Also, I would like to thank the staff of the Public Archives of Canada in Ottawa, particularly Peter Bower and Gary Maunder, for their friendly help. I would like to extend a special thanks to Mrs. Shirlee Anne Smith, Hudson's Bay Company Archivist, for reading and commenting on earlier drafts of the paper. The author, of course, is responsible for the interpretations.
 - 2 Quoted in C.A. Bishop, *The Northern Ojibwa and the fur trade*. Toronto, Holt, Rinehart and Winston, 1974, p. xx.
 - 3 David Baerreis, "The Ethnohistoric approach and archaeology," *Ethnohistory*, Vol. 8, no. 1 (Winter 1961), pp. 49-77.
 - 4 Isaac Cowie, *The Company of adventurers*. Toronto, William Briggs, 1913, pp. 225-231.



of the early Hudson's Bay Company account books, particularly those of the posts. Several factors are probably responsible for this neglect. Many students of ethnohistory and the fur trade are either unaware of the existence of the Hudson's Bay Company account records, or underestimate their completeness. This may be due to the frustrations encountered when trying to use other company business records, such as those of the North West Company. Many of these companies did not have a centralized administrative set-up, with the result that their surviving business papers are widely scattered and fragmentary. In the case of the Hudson's Bay Company, however, the post traders were required to keep complete sets of books and send them to London each year. Each post frequently kept a duplicate set, and thus when the records were finally gathered for the archives, the duplicates from Canada often filled in the gaps in the accounts located in London.

A problem which has often frustrated scholars attempting to use the post account books is the fact that the documents are very complex and the accounting methods employed are never fully explained. This is because accounting clerks were trained as apprentices under the chief bookkeeper of the post.⁵ Since the accountants learned on the job, instructions were never written down.⁶ Thus, many of the figures appearing in the account books are difficult to interpret at first glance. In an effort to deal with this problem, this paper will examine the basic structure of the account books of the Hudson's Bay Company for the period before 1763, and will attempt to explain the accounting system used. It is hoped that this discussion will serve to explain some of the mysteries of these documents and illustrate the kinds of information that can be derived from them.

The Post Account Books: Basic Structure

One of the most important responsibilities of the chief factor or governor commanding each Hudson's Bay Company post involved keeping a complete set of accounts of the post's business operations. These records were sent home at the end of each trading year so that the company directors in London could scrutinize them and evaluate the performance of their trading representatives. For ease of analysis and comparison of the state of the fur trade at the various posts, the format of the account books and the accounting procedures were standardized to a high degree. Fortunately for present-day researchers, this means that the basic structures of all of the

5 Shirlee Anne Smith, personal communication, 25 March 1975. Ferdinand Jacobs, who later became a post factor, trained at Fort Churchill for a year under Thomas Bird who kept the post's books. Hudson's Bay Co. Archives, A 6/117/6.

6 Indeed, when Moose Factory was established in 1730-31, Thomas Render, who was placed in command, was sent a Fort Albany Account Book and told to model his accounting system along the same lines. In: K.G. Davies, ed., *Letters from Hudson Bay, 1703-40*. London, Hudson's Bay Record Society, 1965, p. 172n.

surviving account books are fundamentally alike. Variations in the records between posts and over time before 1763 are minor, being primarily ones of detail involving the page layouts used in data presentation.

In their accounting procedures, the traders were required to keep separate sets of records for goods shipped to their posts for trade purposes and those which were intended for use at the post. The latter would include items such as cannons; the tools used by the carpenter, the blacksmith, the "armourer" (gunsmith), etc.; food intended for consumption by the company employees, and so on. Accordingly, as Figure 1 shows, the account books can be subdivided into two parts. The first half, beginning with a subsection usually entitled "Trading Goods Remaining as Per Balance of the Last Years Acct . . ." deals with trade, while the second half of the books generally opens with a "State of the Stores." It provides a breakdown of the goods used to maintain the post. The structure of these two basic divisions will now be examined in detail.

The Account of Trade Goods

For discussion purposes, the trading portion of the account books can be divided into two separate units, the journal and the ledger, each of which includes several subsections (Fig. 1).

Journal Accounts

As noted above, the journal opens with an itemized list of the goods remaining in the warehouse at the close of the previous year's trade. This inventory gives the quantity of each type of goods remaining, but the values of the items are not provided in this portion of the record. Significantly, the quantities noted in this inventory are the only sets of figures that are carried over from one year to the next.

Figure 1 Account Book Outline

- I. Trade Good Accounts.
 - A. Journal Section (with commonly used subtitles).
 1. "Trading Goods Remaining as per Ballance of the Last Years Acct. are as Follows Viz." (beginning inventory)
 2. "Trading Goods Received as per Invoice from on board . . . [ship name and captain's name],"
 - a. less goods invoiced but not received.
 - b. less goods damaged.
 - c. plus any goods shipped but not invoiced.
 - d. plus any goods made at the post.

3. "General Charge." (Inventory of goods available for trade, i.e., beginning inventory (1 above) plus goods received or made (2 above).
 4. "Standards of Trade" (Official Rates of exchange).
 5. "Men's Debts" (Goods sold to company employees).
 6. "Expenses" (Goods given or used at the post).
 7. "Being ordered to make up ye Acct to . . . [end of year] by an Exact acct taken of ye trading room itt appears their hath been traded . . . the following goods, Viz." (A list of all of the goods traded to the Indians).
 8. "Furs and Other Commodity's Receiv'd in trade for the aforesaid goods . . ." (Itemized fur receipts).
 9. ". . . by an over hawl taken of ye warehouse I find there is trading goods remaining as follows." (closing inventory of goods).
- B. The Ledger
1. Alphabetical index to the ledger.
 2. Reconciliation of Accounts to the General Charge.
 - a. Beaver Account (Fur Receipts)
 - b. Men's Debts Account (sales to Men)
 - c. Expense Account (Expenditures of trade goods)
 - d. Profit and Loss Account (overplus and expenses)
 - e. Balance Remaining Account (closing inventory)
 3. Reconciliation of Goods Accounts (guns, kettles, etc.)
 4. Reconciliation of Beaver, Men's Debts, Expenses, Balance Remaining and Profit and Loss Accounts to the respective account totals
 - a. Beaver Account
 - b. Men's Debts Account
 - c. Expense Account
 - d. Profit and Loss Account
 - e. Balance Remaining Account
- II. Stores Accounts (commodities and goods for factory use).
- A. "State of Provisions" (European foods).
 - B. "Armourers Store" (Gunsmith)
 - C. "Carpenter's Stores"
 - D. "Cooper's Store"
 - E. "Factory Store" (Silverware, dishes, etc.)
 - F. "Gunner's Store" (defensive arms for post)
 - G. "Harpooner's Store" (if whaling was an activity)
 - H. "Bricklayer's Store"
 - I. "Naval Stores"
 - J. "Smith's Store"

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Prince Wales's Fort America Anno 1725

Beaver's being the chiefest Commodity we Receive in the Trade of the aforesaid Written Goods we therefore Make it the Standard Whereby we Rate all other Furs and Commodities we Deal for in Trading

The Comparative

1 Parshin. Moose as 1 Beaver	Mr. James Napper D ^r			
1 Fox Moose hairs on as 1 Beaver	To Brandy 18 Gall: - -	3	8	-
1 Best Moose as 1 2 Beavers	To Sugar 20 ^{lb} - - -	1	-	-
1 Wool as - - - - 1 Beaver	To hard Soap 2 ^{lb} - - -	-	4	-
1 Holozur. as - - - - 2 Beavers	To 1/2 Gall: of English Tobb 3	-	4	6
1 Dav as - - - - 2 Beavers	To flannell 1 ^{lb} - - -	-	1	6
1 Tub as - - - - 1 Beaver	Sum: Napper: ^{Feb} 18 -			
1 Black Fox as - - - 3 Beavers	Mr. Sam: Davis D ^r			
1 Gird D as - - - - 2 Beavers	To 12 Gall: of Brandy - -	3	15	-
1 Red D as - - - - 1 Beaver	To 1 Gunn - - - - -	1	10	-
2 White D: as - - - - 1 Beaver	To 1/2 Gall: of Broad Cloth -	-	3	3
2 Otters as - - - - 1 Beaver	To 2 Gall: of flannell - - -	-	3	-
2 Husocks as - - - - 1 Beaver	To 1/2 lb Tobbacco 5 ^{lb} - - -	-	5	-
3 Muskies as - - - - 1 Beaver	Sum: Davis ^{Feb} 16 3			
10 th Sealions as - - - 1 Beaver	Mr. Jm. Longland D ^r			
	To 14 Gall: of Brandy - - -	4	4	-
	To 16 ^{lb} of hard Soap - - - -	-	16	-
	To 22 Sugar - - - - -	1	2	-
	To 3 hard Soap - - - - -	-	6	-
	To 1/2 Gall: Cloth - - - - -	-	3	3
	To 1/2 Gall: Duffells - - - -	-	2	-
	To 1 Gall: of flannell - - - -	-	6	-
	To 1 pair of Shoes - - - - -	-	3	6
	To 1/2 Gall: of English Tobb 4	-	6	-

THE COMPARATIVE STANDARD, PRINCE OF WALES FORT (FT. CHURCHILL), 1725. Hudson's Bay Company Archives, Winnipeg

Normally, the above inventory is followed by a section entitled, "Trading Goods Received as per Invoice . . ." Again, an itemized breakdown is provided, but the value of the merchandise is not given. A reconciliation of the invoice then follows if necessary. For example, notations are made of any items listed on the invoice but not actually sent in the shipment. Goods that were shipped, but not invoiced, are also recorded. Likewise, any merchandise damaged in transit and rendered unsuitable for trade was deducted from the invoice and returned home. Usually, only small quantities of goods were ever incorrectly invoiced or damaged aboard ship. Occasionally, as occurred at Fort Albany in 1698, the supply ship did not arrive from England; thus, the inventory of goods received was omitted. In its place was a section with the heading, "Made here in the Factory by the Govrs. order the following particulars which hereafter you will find I have given the Company credit for."⁷ In years when goods were made at the post for trade, and shipments were also received from England, the account of the former merchandise was inserted after the shipping invoice. Generally, relatively few articles were ever made for trade; consequently, in most years none were listed. After reconciling the shipping invoice, the inventory of trade goods remaining from the previous year was added to it, along with the quantities of any goods made at the post, and the resulting total was termed the *General Charge*. It represented the total quantity of goods available for trade.

The itemized breakdown of the *General Charge* thus constitutes the next major section of the journal. As with the above inventories, the values of the stock items are not indicated. In terms of bookkeeping procedures, the quantities of goods listed in the *General Charge* were extremely important in that the traders had to give an exact accounting of how these supplies of merchandise were used during the following year. As the subsequent discussion will show, most of the subsidiary accounts had to be reconciled to the totals listed in the *General Charge*.

Following the presentation of the *General Charge*, the "Standards of Trade" are given. The Indians with whom the Hudson's Bay Company was dealing had no monetary system at the time of initial European contact. Thus, economic interaction between the two groups took the form of barter trade. In order to carry on this trade on an accountable basis, the Hudson's Bay Company developed the so-called "made beaver" standard. According to this standard, the "made beaver" (hereinafter MB) was the basic unit of value. It was equal to the price of a prime whole beaver pelt. All European goods and the commodities received from the Indians were assigned MB values. The current official company rates of exchange were listed in this part of the account books under two subheadings: the *Standard of Trade*

7 Fort Albany Account Books, 1698, Public Archives of Canada, Hudson's Bay Company Collection (hereinafter PAC HBC), B 3/d/8.

giving the MB prices demanded for European trade goods, and the *Comparative Standard* providing a schedule of prices offered for furs and provisions brought in by the Indians.

After listing the standards, the accounting clerks included a section entitled "Men's Debts," "Men's Accounts," or "Sold to the Men". Here the purchases of the company's employees were recorded. The dates of the sales were frequently registered also. The entry for Peter Bridges found in the York Factory account book of 1688 is fairly typical excepting that the dates of the transactions were not recorded.

Figure 2

Peter Bridges	Dr.
To 4 yds of Shalloon & 2 ounces threed	

As this example shows, the MB value of these purchases was not given. Rather, as the subsequent discussion will illustrate, the debits to the men's accounts were entered as credits to the appropriate trade goods account. Thus, in the above example, the 4 yds of shalloon (a lightweight coat-lining material) and 2 ounces of thread debited to Bridges would be credited to the shalloon and thread accounts in the ledger. The "Men's Debts" portion of the journal closes with a listing of the "Men's Debts Collected [i.e., summarized]." This list gives the total quantities of cloth, thread, tobacco, etc., that the contingent of men at the post had bought.

While conducting the trade and operating the posts, the governors were required to expend some of their stocks of trade goods to make presents to Indian leaders and their followers during gift exchange ceremonies.⁸ Also, payments of goods had to be made to local Indians for services rendered such as carrying letters between posts, or hunting deer and geese. In addition, on festive occasions, such as the King's birthday or New Year's Day, the governors dispensed to their men free alcohol, tobacco and sometimes food. Since the traders had to account for any expenditures of trading goods listed in the *General Charge*, a detailed account was kept of the quantities of merchandise that were used for these various purposes. This is presented in the journal in a section appropriately titled "Expenses" which follows "Men's Debts." As in the preceding portion of the journal, the data are presented in two parts. The first provides an itemized accounting of the ways in which the goods were "used and otherwise expended." In the case of gifts to Indians, besides showing the quantities given away, the names, tribal affiliations and locations of the recipients are sometimes listed. Expenditures for provisions are broken down showing the quantities of goods paid out and deer and geese received in return. Goose-hunting costs

⁸ A.J. Ray, *Indians in the fur trade*. Toronto, University of Toronto Press, 1974, pp. 65-68.

7	Henry Kelsey Dr				George Pointing Dr	8	8
	To: 1 ^{doz} Striped blanket	18	—		To: 2 ^{doz} Leaf Tobacco	—	4 6
	To: 6 ^{doz} Leaf Tobacco	9	—	Put			
	To: 1 ^{doz} Stool Tobacco box	1	6				
	To: 8 ^{doz} broad Cloath	1	4				
	To: 1 ^{doz} broad Cloth	1	2		Francis Toward Dr		
	To: 1 ^{doz} Ounces thread	1	—		To: 2 ^{doz} Duffells	2	—
Put	To: 7 ^{doz} coat buttons powder	5	—		To: 2 ^{doz} broad Cloath	4	—
	To: 5 ^{doz} waist ditto	2	6		To: 1 ^{pr} Knit Gloves	1	—
				Put	To: 1 ^{pr} Jack Knifs	1	—
		£ 3 13	—		To: 2 ^{doz} Ounces thread	—	6
							8 6
	Hugh Mitchell Dr						
Put	To: 6 ^{doz} Leaf Tobacco	9	—		Edward Stacy Dr		
					To: 2 ^{pr} Irish Stockins	4	—
					To: 2 ^{pr} Knit Gloves	2	—
	John Conlant Dr				To: 2 ^{doz} Ounces thread	7	—
Put	To: 10 ^{doz} Leaf Tobacco	15	—		To: 1 ^{doz} broad Cloath	8	—
	To: 1 ^{pr} Watermill mittens	—	8		To: 1 ^{doz} Duffells	6	—
			8	Put	To: 15 ^{doz} Ounces thread	3	9
			8		To: 2 ^{doz} Porptuanas	5	—
					To: 1 ^{doz} flannel	3	—
	George Newton Dr				To: 4 ^{doz} Ounces Silks	—	6
	To: 27 ^{doz} Leaf Tobacco	2	—		To: 3 ^{doz} Taps	—	9
	To: 1 ^{pr} yarn Stockins	3	6		To: 6 ^{doz} waist buttons powder	1	6
	To: 1 ^{pr} Knit Gloves	1	—		To: 1 ^{pr} Ahymny Spoons	—	6
	To: 2 ^{doz} flannel	1	—		To: 2 ^{doz} Leaf Tobacco	2	—
Put	To: 1 ^{doz} Stool tobacco box	1	6				2 5 7
	To: 1 ^{doz} Striped blanket	18	—				
	Mors in folio (18)		3 5 6				
	Mors in pagin: 18		2 4				
			5 9 6				
	Tho: Orchard Dr				Rob: Moore Dr		
	To: 2 ^{doz} broad Cloath	4	—	Put	To: 1 ^{doz} broad Cloath	12	—
Put	To: 2 ^{doz} Duffells	2	—		To: 1 ^{doz} Duffells	6	—
	To: 1 ^{pr} Knit Gloves	2	—		To: 1 ^{pr} Knit Gloves	1	—
	To: 12 ^{doz} Leaf Tobacco	18	—		To: 1 ^{doz} Striped blanket	18	—
	Mors in folio (18)		5 6		To: 8 ^{doz} Leaf Tobacco	12	—
			7		To: 1 ^{pr} Watermill mittens	—	8
					To: 2 ^{pr} Ahymny Spoons	—	1
					To: 2 ^{doz} small Handkerchiefs	—	3

MEN'S DEBTS, YORK FACTORY, 1691-92. Hudson's Bay Company Archives, Winnipeg

Prince Wales Fort America Anno 1725	
<p>From May the 3rd to August the 3rd</p> <p>5^{lb} of Brandy Tobb: } Given to Indians to 5^{lb} of Polo Ditto: } Smacks at the first 4 of English Tobb } coming to trade</p> <p>2^{lb} Brandy Tobbaro } 1 Polo Ditto } Given to the Captain 1 quart of Brandy } of this Fort at the 1 Pair of Red Stockings } factory at his first 1 Pair of Green Gloves } coming down 1 Pair of English Shoes }</p> <p>30^{lb} of Powder } 120 of Shot } Given to several Indians 40 of Flints } that come here in the Month 6 Poles Tobb } of February for Substanc 4 Poles Ditto } or else they must have Perished</p> <p>20 Trains of Powder } Used in killing 5 New Hott 8^{lb} of Shot } & for the Use of the Shalloops</p> <p>3^{lb} of Broad Cloth } 1 Blankett } Given to the Captain of this 15^{lb} of Gunpowder } Fort 36 Coat Buttons }</p> <p>2 quarts of Brandy } Given to an Indian for 1^{lb} of Broad Cloth } Bringing in Pasquets from 2^{lb} of Brandy Tobb: } York Hott 2^{lb} of Powder } 8^{lb} of Shot }</p> <p>4^{lb} of Powder } 16 of Shot } Given to an Indian for Dry 2 Brandy Tobb: } Meat 2 Polo Ditto: } 2^{lb} of Cloth }</p> <p>5^{lb} of Cloth } 2 of } Given to some Northern Indians</p>	<p>By the foregoing Account it is Evident there has been Goods Used Expended and Presented as follows Viz:</p> <p>27^{lb} of Powder 160^{lb} of Shot 47 Brandy Tobbaro 45 Polo Ditto 13 Polo Ditto 49^{lb} of Brandy 15^{lb} of Broad Cloth 5 Blanketts 30 Gunpowder 72 Buttons Coat 376 Flints 4 Guns 4 Gun Worms 1 Pair of Gloves 14 Steel Hott 4^{lb} of Russells 2 Knives 12 Needles 8 Hott Linn 3 Poles of Linn 1 Pair of Red Stockings 20 Trains of Powder 1 Pair of Shoes</p>

EXPENSES, PRINCE OF WALES FORT (FT. CHURCHILL), 1725
 Hudson's Bay Company Archives, Winnipeg

are nearly always divided into two parts, the autumn and spring hunts. The expense account concludes with a summary statement of the total quantities of each type of trade goods given or expended. As in the case of the "Men's Debts" summary, no MB values are included.

Significantly, the "Men's Debts" and "Expenses" accounts appear to have been the only ones that were kept current during the year. Accounts of transactions with individual Indians were not kept in the 17th and 18th centuries. As one of the factors pointed out in a letter to London, this was not possible because of the shortness of the trading season which often meant the bulk of the business was conducted in a very few days.⁹ Furthermore, Indian trading parties often numbered 60 to 200 men or more at the larger posts, and they completed their transactions in two or three days. These time constraints, and the confusion which often was associated with the visits of large bands meant that detailed records could not be kept. Rather, the volume of goods traded was determined by inventory of the warehouse at the end of the year. The closing inventory and the "Men's Debts" and "Expenses" were then added together. The figure obtained was then subtracted from the *General Charge* and the result equalled the year's trade of goods to the Indians.¹⁰ Reflecting the procedure used to determine volume of goods sold, the itemized summary is usually found under the following heading:

Being ordered to make up ye Acct to [date] . . . by an Exact Acct taken of ye trading room itt appears their [sic] hath been traded since . . . [beginning of trade year], the Following goods Viz.

The list provides data on the total quantities of beads, etc., that were sold to the Indians, but the value of the sale is not given here. Rather, it is found in the ledger as will be shown subsequently.

Next in the journal is an accounting of the "Furs and other Commodity's [sic] Receiv'd in trade for the aforesaid goods . . ." Here the total quantity of each type of fur or produce taken in during the year's trade is given along with the aggregate MB value of these commodities rated according to the *Comparative Standard*. The total value of the goods traded (priced according to the *Standard of Trade*) is then subtracted and the remainder is termed the *overplus*. If goods and furs had been exchanged according to the official standards listed in the account book, then the value of furs received should have equalled that of the goods traded and there would be no *overplus*. However, this was never the case. It appears that the official standards served only as accounting devices and as a language of trade [see below]. An examination of the account books shows that the *Standard of Trade* and *Comparative Standard* were relatively fixed at the various posts, but that the amount of *overplus* varied a great deal over time.¹¹ Thus, the

⁹ Davies, p. 255.

¹⁰ *Ibid.*, p. 255.

¹¹ See, as an example, Ray, *Indians in the fur trade*, pp. 58, 66-67.

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Prince Wales Fort America Anno 1725

By the foregoing Acc^{ts} It appears there has been
Goods Traded here since August 5th to this Time
as hereafter Follows Viz^t:

		Rs			
134	Beads	268		Brought Over	2686
95	Buttons	136 $\frac{1}{2}$	29	Guns	435
403	Poros	403	79	Guns Horns	19 $\frac{3}{4}$
396	Shott	99	82	Flint Shott	82
288	Bar: Tobaccos	576	290	Marble Balls	24 $\frac{1}{2}$
52	Leaf Ditto	52	230	Iron Shovels	230
126 $\frac{1}{2}$	Pol: Ditto	126 $\frac{1}{2}$	1025	Knives	256 $\frac{1}{2}$
3	Needles	3	19	Looking Glasses	19
5 $\frac{1}{4}$	Vermilion	84	576	Knobles	48
98 $\frac{3}{4}$	Brandy	395	18	Shott Lins	18
30 $\frac{1}{2}$	Y: of Broad Cloth	91 $\frac{1}{2}$	42	Poros Horns	42
6	Blanketts	42	163	Rings	55
8 $\frac{1}{4}$	of Duffolls	17	144	Wrappers	72
36	Y: of Gartering	24	15	Pairs of Scissors	7 $\frac{1}{2}$
23	Y: of Flannel	34 $\frac{1}{2}$	15	Spoons	7 $\frac{1}{2}$
346	Wool: Blades	43 $\frac{1}{4}$	3	Blow Sticks	6
21	Burning Glasses	10 $\frac{1}{2}$	6	Pairs of Good Markins	12
42	Bayonets	42	2	Pairs of Bullbro D	6
36	Coat Buttons	2 $\frac{1}{4}$	30	Thumbles	5
144	Bread: Ditto	2	38	Tobb: Boxes	38
40	Combs Ivory	40	32	Tobb: Tonges	16
45	Egg Boxes	13 $\frac{1}{2}$	9	Frames of Trivis	9
20	Fish Hooks	4	9	Pairs of Trivis	27
140	Furs: Stools	35			
22	Fils	22			
1936	Flunks	121			
					41216

GOODS TRADED, PRINCE OF WALES FORT (FT. CHURCHILL),
1725. Hudson's Bay Company Archives, Winnipeg

Prince Wales Fort America Anno 1725

The furs & other Commodities
 Received in the Trade of this aforesaid
 Goods are as follows Viz:

- 2880 In Whole. Persian: Beavers
- 320 In 640 half Ditto
- 708 In Coat. Beavers Skins
- 250 In 250 Catte
- 400 In 1200 Martins
- 26 In 20 Red Foxes
- 96 In 45 Woodswains
- 32 In 32 Woolwos
- 10 In 5 Beavers
- 11 In 11 Cubbs
- 8 In 45 White Foxes

4689 From which deducting
 4121 the Value of the Goods p. 13
 567 Standard it appears there are
 Over plus gained on this Trade
 567 & Beaver Skins

Remains Unpacked belonging to
 Last Years Trade

- 2 Moose Skins with the hair on
- 11 Persian. Ditto that being enough
 for a Bundle

Remains Unpacked the same as
 was Exp. Last Year Viz:

- 48 In 48 Coat Beavers
- 38 2 In 77 half Persian Beavers
- 3 In two D. 35 & 1000 Skins

Every thing being Added Beavers etc
 thus Entered to Anno:

Number	Amount	Number	Amount
499	98	1069	3199

For the Second part of the Anno
 of Trade

4752 --- 5540 6

Having Added together the for year
 Amount of Expenses In Page 10 & 11
 and the Goods sold & Dissolved &
 other ways Expended Amounts to these
 following Sums & Values Viz:

Woolw.	Moose	Persian	Beaver
1990	45	1264	1129 7/8

In the Second part of Expenses
 to this Trading Sums & Values

450	141
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FURS RECEIVED, PRINCE OF WALES FORT (FT. CHURCHILL), 1725. Hudson's Bay Company Archives, Winnipeg

traders were bartering fewer goods than the official rates called for given the quantities of furs and other commodities they were obtaining in return. In short, there was an unofficial rate of exchange, termed the "factor's standard," that was applied each year.¹² The Indians and the traders haggled over the setting of these de facto rates. In the bargaining process, the Indians frequently asked to receive full measure (i.e., exchange at the official rates) while the traders always refused as is shown by the fact that they always showed an "overplus trade" in their books. The dickering was therefore done in reference to official prices and in that sense they served as a business language that Indians and traders understood. The trader's gain, or the *overplus*, was determined by using the official standards when closing the accounts at the end of the year. It bore no relationship to the actual cost of goods purchased by the company in London nor to the revenue that was derived by fur sales in European markets. Yet, using the standards as an accounting device to arrive at an *overplus* figure, they did provide the traders and company directors with a means to measure the general trend of the trade at the various posts (in other words, to determine the quantity of furs being received per volume of goods traded).¹³

The manner in which the *overplus* was determined and routinely recorded in the account books has important implications for comparative economic analyses of the fur trade. E.E. Rich and A. Rotstein have argued that the *overplus* trade served to provide the Hudson's Bay Company traders with a kind of emergency gift fund that they could draw upon when necessary in order to make presentations to the Indians.¹⁴ However, the layout of the account books suggests that this was not the case. Adequate provision was made in the accounting system to allow for the costs of gift-giving. Goods taken out of the warehouse for this purpose could be accounted for in the expenses section of the post books. Furthermore, the *overplus* represented the excess value of furs over the amount that should have been expected from the Indians given the quantities of goods that had been traded. Most of these "excess" pelts were included in the annual shipments of furs to London. Thus, the *overplus* did not exist in the form of trade goods, nor was much of it accumulated at the posts from year to year. For these reasons it is difficult to envision how the *overplus* trade could have supported a gift fund.

12 G. Williams, ed., *Andrew Graham's observations on Hudson's Bay, 1767-1791*. London, The Hudson's Bay Record Society, 1969, pp. 279-80.

13 The author has demonstrated elsewhere that the *overplus* data were used in this manner. A.J. Ray, "The Factor and the trading Captain," Presented at 2nd Annual Meeting, Canadian Ethnological Society Meeting, Winnipeg, February 27 — March 2, 1975.

14 E.E. Rich, "Trade habits and economic motivation among Indians," *Canadian Journal of Economics and Political Science*, Vol. 26, no. 1 (February 1960), p. 43; and A. Rotstein, "Fur trade and Empire: an institutional analysis," unpublished Ph.D., University of Toronto, 1967, p. 113.

The treatment of the *overplus* in the account books raises several other issues. One such issue is the question of when the London directors first learned of the existence of an unofficial set of standards at their posts on the Bay. On May 18, 1738 the London committee sent a circular letter to the factors asking them to explain how they derived their *overplus* trade.¹⁵ It might be suggested that this letter indicates that the London directors had only recently learned that the factors were not adhering to the official standards. However, such an interpretation is unlikely given the fact that the *overplus* trade was reported in the earliest surviving account books (dating to the 1680's). The *overplus* figures would have made it clear to the company officials in London that the factors in the Bay were exceeding the official rates of exchange. Also, it is certain that the company directors paid close attention to the *overplus* trade figures. For example, in 1723 the relatively inexperienced Richard Norton was placed in charge of Fort Churchill. Four years later he was temporarily relieved of command. In explaining their actions to him, the London committee informed Norton that his "over trade" was insufficient in comparison with that of other posts and fell short of the amounts formerly obtained at Fort Churchill¹⁶ Thus, the committee was clearly using the *overplus* trade to assess the performance of the factors and as a barometer of trade conditions at the different posts.

One problem with regard to the *overplus* trade data contained in the account books concerns the question of whether or not the *overplus* figures reflect all of the gains that factors made by giving short measures and presenting the Indians with gifts of lesser value (according to official standards) than they received in return. It is known that the factors and other company employees did engage in some illegal private trade.¹⁷ Undoubtedly there would have been a considerable temptation for the factors to siphon off some of the "excess" or *overplus* furs for their own private use. However, the degree to which the factors would have been able to do this depended in a large measure on the ways they derived most of the *overplus*. During the 18th century, according to Richard Norton, most of the factors derived their *overplus* principally by giving short measures of trade goods to the Indians.¹⁸ Since transactions with individual Indians were not recorded, the factors would not have known what the net effect of this practice was until the end of the year when the inventory of the warehouse was completed. If the factors decided at that point to convert some of the surplus furs to their own private account, they would have had to make a series of adjusting entries in the account books to conceal their action and balance the accounts. This could not have been done without the knowledge and consent of one or

15 Davies, pp. 243-78.

16 *Ibid.*, p. 121n.

17 Williams, pp. 282-86.

18 Davies, p. 295.

more of the post accounting clerks or bookkeepers. These difficulties probably served to check such abuses.

On the other hand, some factors, such as Richard Norton, obtained a large proportion of their overplus by giving the Indians gifts of lesser value than those they received in return.¹⁹ Since the Indians made their presents directly to the factor, it would have been relatively easy for the factors to withhold a few furs from the company accounts each time a gift exchange took place. In this way the traders could have siphoned off some of the company's fur trade without having to make any adjusting entries in the account books at the end of the trading year.

Indeed, there is strong evidence to indicate that Richard Norton "juggled" the *overplus* trade figures at Fort Churchill after he was reappointed as chief factor in 1731. Norton wanted to present as favourable a picture of his *overplus* trade as possible in order to avoid any recurrence of the problems that he had experienced earlier. In order to do this, in years when he obtained more *overplus* than normal through his counter gift-giving practices, he withheld a portion of it to build up a fur reserve. This reserve was then applied to the *overplus* account in years when he derived less *overplus* than usual.²⁰ Had Norton derived most of his *overplus* by giving short measures at the time of trade, it would have been much more difficult for him to adjust his returns in this manner. However, even in this instance there were clearly limits to the amount of juggling that could be done. As Norton's earlier experience had shown, any sudden changes in the *overplus* trade figures would have been noted by the London committee, and the factor ran the risk of being dismissed from his post. This threat no doubt served to check serious abuses and any under-reporting of *overplus* was probably standardized as a small, fairly fixed percentage of the total fur trade.

Following the fur and overplus returns, the journal closes with an inventory of the goods remaining in the warehouse at the end of the year. This is the inventory which was used to determine the quantity of goods traded in the manner outlined above, and it is the one which is carried over in the first section of the following year's account book where it forms a part of the subsequent *General Charge*. The inventory of goods remaining was usually sizeable because the company attempted to keep a two years' supply of goods in the warehouse as insurance in case a ship failed to arrive in a particular year.

The Ledger

The balancing of the various accounts was done in the ledger which follows the journal. The ledger section of the account books can be divided into four

¹⁹ *Ibid.*, p. 295.

²⁰ Norton openly admitted adjusting in this manner. *Ibid.*, p. 295.

parts (Figure 1): (1) the Index; (2) the reconciliation of the Men's Debts, Expenses, Goods Traded, and Balance Remaining Accounts to the General Charge; (3) the reconciliation of each trade goods account (kettles, knives, etc.); and (4) the reconciliation of the Men's Debts, Expenses, Goods Traded, and Balance Remaining Accounts to the actual quantities of goods sold to men, expended, traded, and remaining respectively. This last section also includes a profit and loss account in the early years.

The Index to the Ledger

The first part of the ledger, the index, contains an alphabetical list of all of the goods available for trade along with page references indicating where accounts of particular items can be found. The page numbers refer to those originally written in longhand and not to those printed in the upper right-hand corners. The latter were added in this century when the documents were organized and classified.

Account Balancing to the General Charge

In the second portion of the ledger the traders balanced their accounts to the *General Charge*. In doing so, the following procedure was generally followed. Pages were ruled into two columns to facilitate debit-credit entries (abbreviated Dr and Cr respectively). On the credit, or right-hand side, the *General Charge* inventory was recorded. Besides listing the total quantities of each item that were on hand at the beginning of the year, as was done earlier in the journal, the MB values which these stocks represented were also included. In addition, the value of the *overplus* trade was entered and the column was then tallied to arrive at a credit total. The example taken from the Fort Churchill account books of 1724-25 illustrates the operation (Fig. 3). On the debit side, the total MB value of the Beaver Account (the furs and other commodities received in trade and shipped home) was entered along with the totals for the Men's Debts, Expenses, and Balance Remaining Accounts. When summed, these debits equalled the credits, or *General Charge* and *overplus*. The reason that the *overplus* had to be added to the *General Charge* on the credit side was that the furs received were of greater value than the goods that had been traded for them due to the application of the factor's standard. Thus, the *overplus* constituted a part of the *Beaver Account* total on the debit side. A failure to make an adjusting credit entry therefore would have meant that the debits would have exceeded the credits by the amounts of the *overplus*.

In many of the later account books, the inventory of the *General Charge* is of such a length that it could not be placed on a single page. Consequently, the balancing of the accounts is spread over several pages. The factors arbitrarily divided the *General Charge* into two to four segments and balanced them to subtotals of the Beaver, Men's Debts, and Expenses Accounts. In doing so, the credit adjustment for the *overplus* was always

FIGURE 3

I-B. Ledger, Section 2:
(see Fig. 1)

Fort Churchill 1724-25
Reconciliation of General Charge

	Dr		Cr
To Beaver Packt up effects of the over-written trade with overplus	Beaver* 4,669 ⁵ / ₈ [A]	To beads valued at 2 beaver pr. lb.	no. wt. meas Beaver* 614 1,228 ⁸ [E]
To men's debts for goods of this sort taken up by the men	978 ¹ / ₂ [B]	[etc. down the listing for the general charges of each item the last of which was twine]	
To Profits and Losses Presented and Otherwise Expended	1,280 ¹ / ₂ [C]		Total General charge
Remaining in Factory use†	201	To Profit and Loss Gained on this whole trade	567 ⁸ [F]
To Balance Remains	10,051 [D]	Total	<u><u>17,180⁵/₈</u></u>
Total	<u>17,180⁵/₈</u> ‡		

*Made Beaver Value

†An uncommon entry. Items in general use were usually charged to a stores account

‡Because of the length of the list of goods in the general charge, these totals are broken down into two subtotals, one balancing debits against the credits of beads through files and the other for flints through twine.

§This figure, the general charge for beads, can be found in section A-3 of the journal portion of the account book and in the debit section of part B-3 of the ledger under the entry for beads.

§§This was the overplus gained that year.

made in the first set of subtotals. Because the operation shown in Figure 3 was broken down into two to four steps, the figures make little sense at first glance. An added source of confusion relates to the fact that the accountants often did not add their subtotals together to obtain a single debit and credit figure. For this reason, it is easier to understand the bookkeeping operation used here by looking at some of the earliest records. The more limited inventories meant that the account balancing could be done on one or two pages with one or two sets of figures.

Trade Goods Accounts

Following the balancing of accounts to the *General Charge*, there is a lengthy section in the ledger which provides a detailed picture of the ways in which the stock of every item was used during the course of the year. Figure 4 serves as an example. As can be seen, the *General Charge* for a given article was entered as a debit in the left-hand column, and the quantities traded, sold to employees, expended, and remaining at the end of the year were entered as balancing credits in the right-hand column. By examining this part of the ledger one can quickly see what percentage of the stock of a commodity such as alcohol was being given or traded to the Indians, or consumed by the company's own servants. The relation of the local supply to the demand is also readily apparent. Of significance to the accounting operations, the figures appearing in these accounts are the ones used to derive the various totals in the reconciliation procedure outlined previously and in those which will be discussed below.

Reconciliation of Beaver, Men's Debts, Expenses, Profit and Loss, and Balance Remaining Accounts

The fourth and last section of the ledger provides a breakdown of the account totals that appear as debit entries in Figure 3. For example, Figure 5 shows the Beaver Packing Account for Fort Churchill for 1724-25. The credit entry in Figure 5 is the same as debit entry (A) on Figure 3. The debit entries on Figure 5 were taken from the A credit entries of the various trade goods accounts (see example for beads, Figs. 4 & 5). These were then tallied along with the *overplus* (entry B on Fig. 5) to arrive at a debit total.

The Men's Debts Account was balanced in a similar fashion (Fig. 6). The credit of 798¹/₂ MB appears as debit entry B on Figure 3. The debit entries shown on Figure 6 were taken from credit entries B of the various trade goods accounts (see Fig. 4 for an example). Likewise, the total for expenses which appears as a debit on Figure 3 (entry C) is registered as a credit on Figure 7. The debit total of Figure 7 was obtained by tallying the appropriate credit entries (C) from the trade goods accounts (see Fig. 4).

In the early account books, the reconciliation of the expense account was followed by a balancing of what was labelled the "Profit and Loss

FIGURE 4
Fort Churchill 1724-25
Reconciliation of the Trading Account for Beads

I-B Ledger, Section 3:	wt	no	fol*	Dr.	wt	no	fol	Cr.
Beads				MB				MB
To Company at 2 beaver [per pound]	614			1,228				268 [A]
								--- [B]
								--- [C]
								960 [D]
					614			1,228

*Folio or page number of ledger.

**Normally when there are no charges, men's debts and expenses entries would simply be omitted. They were inserted here simply to show where they would be found in this portion of the ledger.

FIGURE 5

I-B. Ledger, Section 4a.:

Fort Churchill 1724-25*

Reconciliation of the Beaver Account

	DR.		CR.	
	wt	no meas beaver	wt	no meas beaver
To beads value at		†††		
2 mb per pound	134	268 [A]		
etc. giving the quantity and value of each type of trading good				††
				4,669 ⁵ / ₈ [D]
total value of all goods traded		**		
		<u>4,102⁵/₈ [A']</u>		
To Profit and Loss Gained in the whole Trade		567† [B]		
		<u>4,669†† [C]</u>		

Pr. Company to Be Packed up to be Sent Home the Efforts of This Overwritten Trade With the Overplus

* This was the accounting of the goods traded for the furs being shipped back to England.
 ** A subtotal for total value of goods was not included, but rather, the overplus of 567 was simply entered after the list of trade goods was completed and then the column was summed.

† This was the overplus for the year. Appears as entry F on Figure 3.

†† This appears as entry A on Figure 3.

††† This appears as entry A on Figure 4.

Prince Wales Fort America		Weight	Measure	Number	Folio	Beaver
Company	D:					
To Beavers Packt. Up to Co. Port. Home. This. --- Effects of this. Co. Writton. Funds. with this Co. plus ---		1499	98	1069	12	3120 $\frac{1}{2}$
To All end Bills for Goods of this Port taken Up by this Hon. ---		1214	76 $\frac{1}{2}$	150	15	866 $\frac{1}{2}$
Remaining in factory Use. ---		30	30	15	25	92
To Profits and Loss Presented & --- Otherways Expended ---		1990	45	126 $\frac{1}{2}$	14	1129 $\frac{1}{2}$
To Ballance Remains ---		76579	609	1699	26	10009
		<u>20219</u>	<u>785</u>	<u>2306</u>	<u>0</u>	<u>35226$\frac{1}{2}$</u>

RECONCILIATION OF THE GENERAL CHARGE, PRINCE OF WALES FORT (FT. CHURCHILL), 1725: DEBIT ENTRY. Hudson's Bay Company Archives, Winnipeg

Companny.	Co:	Weight	Measure	Number	Folio	Pages
To Beads Value att 2 Beavers p ^r lb.		614			3	1228
To Buttons Value att 1 1/2 p ^r Beavers w th		499		79	3	748
P ^r Powder Value att 1 p ^r Beavers		3120			3	3120
P ^r Mott Value att 4 p ^r Beavers		14612			5	3653
P ^r Braz ^l Tobacco Value att 2 Beavers p ^r lb		531			5	1062
P ^r Leaf Tobacco Value att 5 p ^r Beavers		432			6	432
P ^r Roll Tobacco Value att 5 p ^r Beavers		368			6	368
P ^r Thread Value att 5 p ^r Beavers		12			6	12
P ^r Vermillion Value att 5 oz p ^r Beavers		314			6	500
P ^r Brandy Value att 4 Beavers p ^r Gallon				293	8	1172
P ^r Beavers Value att 1 1/2 Beavers p ^r Y ^d		107			8	160 1/2
P ^r Broad Cloth Value att 3 Beavers p ^r Y ^d		207 1/2			7	622 1/2
P ^r Blankets Value att 7 Beavers each				55	8	385
P ^r Duffels Value att 2 Beavers p ^r Y ^d		66 1/2			8	132 1/2
P ^r Flannels Value att 1 1/2 Beavers p ^r Y ^d		101			9	151 1/2
P ^r Gartering Value att 1 1/2 Y ^d p ^r Beavers		377			9	251 1/2
P ^r Auld Beads Value att 8 p ^r Beavers				1218	9	152 1/2
P ^r Burning Glasses Value att 2 p ^r Beavers				41	9	202
P ^r Bayonets Value att 1 p ^r Beavers				42	10	42
P ^r Buttons Coat Value att 48 p ^r Beavers				168	10	3 1/2
P ^r Buttons Breast Value att 72 p ^r Beavers				288	10	4
P ^r Combs Ivory Value att 5 p ^r Beavers				209	10	209
P ^r Egg Boxes Value att 3 p ^r Beavers				134	11	44 2/3
P ^r Fish Hooks Value att 5 p ^r Beavers				260	11	52
P ^r Iron Nails Value att 4 p ^r Beavers				183	11	45 1/4
P ^r Hubs Value att 1 p ^r Beavers				90	11	90
P ^r Proffitt & Loss gained on the whole Trade				59	16	567 1/2

RECONCILIATION OF THE GENERAL CHARGE (CONT.), PRINCE OF WALES FORT (FT. CHURCHILL), 1725: CREDIT ENTRY. Hudson's Bay Company Archives, Winnipeg

FIGURE 6

I-B Ledger, Section 4b:

		Fort Churchill 1724-25				
		Reconciliation of the Men's Debts Account				
		Dr.		Cr.		
		wt	no meas	beaver	wt	no meas beaver
To beads value at 2 mb per pound*		-	-	-	-	978 ¹ / ₂
[etc. giving quantity and value of each type of goods purchased by men]				[A]		
					To Company for the Overwritten	
Total value of Men's Debts						987 ¹ / ₂

*As Figure 4 shows, no beads were purchased by the men. Generally, in such cases no entry would have been made for beads. Rather, entries were made only for the items used.

FIGURE 7

I-B Ledger, Section 4c.:

		Fort Churchill 1724-25				
		Reconciliation of the Expenses Account				
		Dr.		Cr.		
		wt	no meas	beaver	wt	no meas beaver
To beads value at 2 mb per pound*		-	-	-	-	1,280 ¹ / ₂ ††
[etc. giving the quantity and value of each type of good expended or used.†]				[A]		
					Pr. Company for the Overwritten	

Total value of Expenses 1,280¹/₂†† [B]

*As Figure 4 shows, none were expended.

†Taken from entry D of each Trade Good Account

††Entry C on Figure 3

FIGURE 8

**Fort Churchill 1724-25
Reconciliation of Profit and Loss**

	Dr.	Profit and Loss	Cr.
Profit and Loss	Beaver		Beaver
To Expenses of this sort	1,280 ¹ / ₂	[A]*	
To Company for the hitherto Gain	<u>[567]</u>	** [B]	** [B]
	1,847 ¹ / ₂	***	<u>1,280¹/₂ [A]*</u>
		To Company for the Overwritten used and Expended	<u>1,847¹/₂ ***</u>

*This amount appears as entry C on Figure 3 and the debit total on Figure 7.

**Although the heading was made for this entry, the clerk did not insert the amount. However, an examination of other account books for the period, including those for Fort Churchill indicates that the overplus value was added here. This amount appears as entry F on Figure 3 and is included in the total value of beaver packed and shipped home (entry A on Figure 3).

***The debit and credit entries were often left untotalled. However, in some instances they were added together as in the case of the Fort Churchill accounts for 1718. It is clear from this statement that the chief trader, Richard Norton, would have shown a net loss of 713.5 MB in terms of the system of accounting at the post.

FIGURE 9
Fort Churchill 1724-25
Reconciliation of Balance Remaining Account

	no	wt	fol	Dr beaver	Cr beaver
Goods To beads at 2 beaver per pound		480		960 [A]*	
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> etc. giving the quantity and value of each of the trade goods remaining in stock </div>					
					To Company Goods Remains of the Overwritten
					10,051 ¹ / ₄ [B] †
					10,051 ¹ / ₄ [B] †

*This amount appears as Credit entry D on Figure 4. This credit entry is taken from each of the trading goods accounts (i.e., beads, cloth, kettles, etc.) and entered as a debit to the balance remaining account.

†This amount appears as debit entry D on Figure 3.

FIGURE 10

Fort Churchill 1724-25
Reconciliation of Factory Use Account*

no	wt	meas	fol	Dr	Cr
				beaver	beaver
				201**	201**
				To Company for the overwritten	

The listing included
kettles, Bays, fish
hooks, guns, hatchets,
and powder horns

*Normally trading goods were not put to use in the factory. Rather, items intended for factory use were sent under a separate invoice and included in the statements of the 'State of the Stores'. Thus, most account books do not have a Factory Use Account in the ledger.

**Appears as a debit entry on Figure 3.

Figure 11
Fort Churchill Schedule of Accounts, 1718

Val. as Beaver	The Whole of Sev'l1 Sorts of Goods on This Year's Accounts	Qty. of Goods	Val to Beaver	Goods Traded of them	Val to Beaver	Fact. Exp. & Presented	Val to Beaver	Goods to Men	Val to Beaver	Goods Aboard Houy Gone No.	Val to Beaver	Remains of Goods to Balance of Them	Val to Beaver
lb. pr 1	Shot	21,974 lbs	5493*	156	39*	1,646	411 ¹ / ₂ *	----	616	154*	19,652	4,890 ¹ / ₂ .	
Total Value in													
Beaver of all													
ye Goods													
			32,174[A]*		540[B]*		1,537[C]*		244[D]*		816[E]*		29,035[F]*

*In the original, all the entries in the value columns were in red and the quantities columns were in black.

FIGURE 12

Fort Churchill 1718

Reconciliation of the General Charge

Company	Dr. Beaver	Company	Cr. Beaver
To Company Value of all the trading Goods as pr Weight, Number & Measure with the Skins taken out of Stock all together added Amounts to in Beaver as Appears pr thee total of thee first Columns of Red figures added up wch is at thee bottom of it [eg., entry A on Figure 11].	32,174	Pr. Goods Traded Valued as Beaver Amounts to the Wt., No. & Measure Appears at the bottom of the 2nd Column of Red Figures [eg., entry B, Figure 11].	540
		Pr. Factory Expenses & Presented Do. as appears at Bottom of the 3rd column of Red Figures [eg., entry C, Figure 11.	1,537
		Pr. Men's Debts taken up As Appears at the bottom of ye 4th Column of Red Figures [eg., entry D, Figure 11].	244
		Pr. Goods Put Aboard the Success Houy Gone to the North upon Discovery as Valued appears at bottom of 5th Column of Red Figures [eg., entry E, Figure 11].	816
		Pr. Ball. Remains the Sev'll Goods as Appears at the bottom of the 6th column Red Figures [eg., entry F, Figure 11].	29,035
			<u>32,174*</u>

*In tallying this column the clerk appears to have made an error. It in fact amounts to 32,172.

Account.” As Figure 8 shows, the expense total (entry B, Fig. 7) was registered as a debit and a credit (entries A) as was the *overplus*, or gain on trade (entries B). It is unclear why expenses and gross profits, or the *overplus*, were added together to balance the account. In any case, the traders and the company directors could readily see the relationship between the two. These were important figures because the out-of-pocket, or variable expenses, and the *overplus* were key aspects of the trade. Furthermore, they were one of the few items which were under the control of the factors at the posts. A skillful factor held his costs as low as possible, while at the same time, he obtained as much *overplus* as trading conditions permitted. As noted earlier, evidence contained in 18th-century letters from London to the posts on the Bay indicates that a factor’s performance was evaluated partly on the basis of these two variables. As was discussed earlier, Richard Norton was dismissed as chief trader at Fort Churchill in 1727 because of his high expenses and declining *overplus* trade.²¹ Indeed, an analysis of the company account books reveals that expenses exceeded the *overplus* trade at Fort Churchill between 1723 and 1727 while Norton was in charge. Furthermore, it was the only post to show a loss in these terms prior to 1749.²² The company attributed the loss to Norton’s inexperience as a trader.²³

The ledger was normally brought to a close with a reconciliation of the Balance Remaining Account (Fig. 9). The credit figure for this account appears as debit entry D on Figure 3. The debit total was obtained by summing the D credit entries in the various trade goods accounts (see Figs. 4 and 9).

In the case of the Fort Churchill Account Books of 1724-25, the ledger does not end with the Balance Remaining Account, but rather with the “Factory Use Account” (Fig. 10). As noted earlier, goods that were earmarked for trade were not normally put in use at the factory. However, in this particular year, some trade goods were put in service in this manner. Since these goods were listed in the *General Charge*, an accounting had to be made. This was provided in the “Factory Use Account.” A glance at Figures 3, 4, and 10 shows that this account was treated in the same manner as those mentioned above.

Occasionally the accounting clerks used a different format for their records. Figures 11-15 were taken from the 1718 account books for Fort Churchill. In this set of books, the data normally included in sections 4 of the journal and 2 and 3 of the ledger (account book outline) was presented in column form on two pages (Fig. 11). The balancing of the *General Charge* (Fig. 12), the *Beaver Account* (Fig. 14), and the *Profit and Loss Account*

21 *Ibid.*, p. 121.

22 A.J. Ray, “The Factor and the trading Captain.”

23 Davies, p. 121.

FIGURE 13

Fort Churchill 1718			
"The Acct of the Several Skins & Furs Valued into Beaver as pr ye Comparative Trade wch is the Product of ys Years Trade Commencing from July ye 14th to July ye 16th 1718"			
No. Skins	The Sev'll Following Skins Purchased in ye time of ye acct.	Valued as Beaver	Amts. to in Beaver
320	Whole Parch Beaver Skins	1 pr 1	320
150	Half Parch Beaver Skins	2 pr 1	75
175	Coat Beaver	1 pr 1	175
2	Catts [Lynx]	1 pr 1	2
[etc., giving number and value of all items received in trade]			
Pact up to be sent home ye Years Trade valued to Beaver			674 ¹ / ₂

FIGURE 14

Fort Churchill 1718		
Reconciliation of the Beaver Account		
	Dr. Beaver	Cr. Beaver
To ye Sev'll Goods as is Valued to Beaver as Appears at the Bottom of 2nd Column of Red Figures [eg., entry [B], Figure 11] Amts to Overgained pr. Trade as P Value of Stock is	540 ³⁰ / ₄₈ 145 ¹⁸ / ₄₈ *	Pr. The Sev'll Sorts of Skins as is Purchased by Trade and is Pack'd up to be sent home valued as Beaver pr Comparative Trade Above Written amounts to
		674 ¹ / ₂ **

Neat Proceed Purchased by Goods Traded is	Pr. 9 moose skins & 2 Deer Skins which was taken out of stock & sold to men and being purchased by goods traded valued as beaver I here add
686	11 ¹ / ₂
Neat Purchased by Goods Traded	686

*The overplus for the year

**The total value taken from Figure 13. It includes the overplus.

FIGURE 15

**Fort Churchill 1718
Profit and Loss**

	Dr.	Beaver	Cr.	Beaver
Profit and Loss				
To Factory Expenses and wch is Presented of Trading goods Valued as Appears at the bottom of ye 3rd Column of Red Figures [eg. entry [C], Figure 11].		1,537 ¹³ / ₄₈		
To the Company for thee hitherto gains		145 ¹⁸ / ₄₈		145 ¹⁸ / ₄₈
		1,682 ³¹ / ₄₈		1,682 ³¹ / ₄₈
				1,537 ¹³ / ₄₈
				1,682 ³¹ / ₄₈

Received by ship: quantities value	X																			
Beginning Inventory(i.e., goods remaining from the previous year): quantity value	X																			
Closing Inventory: quantity value(in total & by item)				X																
Purchased by: Indians: quantity value				X																
Purchased by Company Men quantity value(by item and total)				X																
Trading Standards(official Materials and Merchandise For Factory Use(Quantities only)					X															

*See Figure 1

**All values in Made Beaver

(Fig. 15) follows this statement. The entries in these account reconciliations refer back to columns A through F on Figure 11. This unusual layout is of particular interest in that it provides one of the clearest outlines of the accounting procedures that were being used.

The State of the Stores

All of the preceding accounts were kept to provide a detailed record of the manner in which trade goods were expended, and of the services, furs and produce that were received for them. The factors were expected to keep an equally close tally of the goods destined for use at the post. These records are included in the latter half of the account book and usually begin with a "State of Provisions." This provides an accounting of the quantities of European food consumed at the post. As in the trade goods portion of the books, the balance of food remaining from the previous year is added to the reconciled cargo invoice for the current year to arrive at a general charge. The quantities of food consumed during the year are then listed. The inventory of food on hand at the close of the year follows. Since the objective of these accounts was primarily one of stock control, no values were assigned to any of the commodities. This is the case with all of the records in this portion of the account books.

The state of the various "stores" follows the provision account. The number of stores varied from post to post and increased over time. At mid-century the largest post, York Factory, had nine stores not including provisions. They were as follows: Armourers' Stores (gunsmith), Carpenters' Stores, Coopers' Stores, Factory Stores, Gunners' Stores (post defensive arms), Harpooners' Stores, Bricklayers' Stores, Naval Stores, and Smiths' Stores. The statement of each of these stores provides the same kind of information as that found in the provision account, i.e., balance remaining from previous year, the invoice of goods received, the general charge, the quantities of goods used, and the closing inventory.

Although the trade goods accounts and stores accounts were separate, occasionally an item intended for factory use was traded or given to the Indians. Such transactions meant that adjusting entries had to be made in the two sets of accounts. For example, in 1698 when Fort Albany failed to receive a shipment from England, the stock of trading goods was low and some items which were in use at the post were expended in trade. One of these was an old sword that was given to an Indian captain. It was deducted from the stores inventory as an item used. In the expenses section of the trade accounts more details of the transaction were recorded by the following entry, "1 Sword presented the upland Indian of the Christins (Cree) of which you will find further acctt. among the stores."²⁴ Similarly, three old muskets were taken out of factory use and sold to the Indians for

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eight MB each. The appropriate deduction was made from the State of the Stores Account and a credit of 24 MB was made to the Beaver Account.²⁵ In this way transfers were made between the trade and stores accounts when the need arose. However, the value of such transfers was usually very low in comparison to the total trade.

Conclusion

In conclusion, the post account books of the Hudson's Bay Company can provide a wealth of information on many aspects of the fur trade. A partial listing is provided in Figure 16. With regard to trade goods, one can readily determine quantities of a given commodity that were being given to the Indians, traded to the Indians, or sold to the company's own men. The adequacy of supplies is also readily apparent. Such information is extremely valuable when one is attempting to analyze the role which a given item, such as alcohol or tobacco, played in the trade. By knowing the volume and value of the trade of all articles, it should be possible to make comparisons of Indian buying habits at the various posts.

Since the official rates of exchange are provided, along with the gains that the factors obtained by applying their unofficial standards, it is possible to obtain a good picture of de facto price variations at the posts over time. This information is extremely valuable in that it can be used to measure Indian and European responses to changing local economic conditions.

By consulting the expenses and stores sections of the account books, one can readily determine the degree to which a given post depended on local Indians to supply its provision requirements. Also, the diets and per capita food consumption of the company's men could be ascertained. By analysis of the stores accounts it is often possible to obtain valuable insights into the kinds of services that the posts provided for the Indians and the types of problems that the latter faced when using certain trade goods. For example, an analysis of the Armourers' Stores reveals the kinds of parts which a gunsmith had to replace most often on the company's firearms. Furthermore, it provides a good indication of the lifespan of these arms under the best of conditions.

The foregoing are essentially all economic types of data. In addition, other kinds of information can be derived from the accounts. In the expenses section, facts regarding the identity and location of the Indian groups trading at the post are often provided along with the names of some of the Indian leaders. The number and names of the men stationed at a post can be found

²⁵ *Ibid.*

in the men's debts accounts. A variety of essentially ecological information is also available. For example, the quantity of each type of fur brought in by the Indians is included in the beaver account and the number of geese, deer, etc., killed by the local Indians for the posts can be found in the expense account. It may be possible to use this kind of information to do environmental impact studies on a local and regional level.

The foregoing list does not begin to exhaust the kinds of studies that could be done using the data contained in the account books. Rather, it is merely intended to suggest some fruitful avenues of research. It is hoped that studies along these and other lines will lead scholars to make greater use of these hitherto largely neglected archival sources.

Résumé

Parce que mal compris et peu connus, les livres de comptes de la Compagnie de la Baie d'Hudson ont jusqu'ici peu contribué à l'étude de l'histoire économique de la traite des fourrures. Cet article vise à expliquer les premiers livres de comptes de la Compagnie de la Baie d'Hudson et, en particulier, ceux des postes de traite. En analysant la structure interne de ces livres, l'auteur fournit des détails sur le genre de renseignements que l'on peut en retirer et jauge la signification des divers items que l'on y trouve. Il dégage de ses observations une description minutieuse des méthodes de comptabilité utilisées à l'époque. En conclusion, il suggère certains filons de recherche que l'utilisation de ces documents pourrait permettre à l'historien de poursuivre dans le cadre de leurs études de la société et l'économie des XVII^e et XVIII^e siècles.