

The Great Lakes Fur Trade: All because of a beaver

Only the best would do

Beginning around 1600, fine hats became *the* fashion statement for wealthy Europeans. These stylish hats were made of fur felt, and felt made from the soft under fur of beaver was the best.

A beaver has two layers of fur; one is long and of a shining black colour with a grain as big as that of Man's hair; the other is fine and smooth. . . . In a word, the last is the finest Down in the world.

—Louis-Armand de Lom d'Arce, baron de Lahotan, 1688

Unfortunately for the beaver population, the demand for beaver hats increased at the same time as the supply of European pelts declined. To meet the growing need for the raw materials to make fashionable hats, European business men looked to northern North America.

The French connection

During the early 1600s, French fishing fleets returned from the shores of North America with dried fish and beaver pelts of far better quality. They also brought stories of a vast wilderness, an endless supply of furs and native peoples eager to trade.

[They] made frequent signs to us to come on shore, holding up to us some furs on sticks. . . . They bartered all they had to such an extent that all went back naked without anything on them; and they made signs to us that they would return on the morrow with more furs.

—Jacques Cartier, 1534

Soon, a brisk business developed: the French traded iron tools, kettles, wool blankets and other supplies for the furs to make hats, while native peoples exchanged furs for goods from around the world.

By the mid 1600s, explorers were traveling west from French settlements along the St. Lawrence River like Montreal and Québec City. Hoping to find a western route to China and new lands to claim for France, they traded for furs along the way. They also learned how to use birch bark canoes, and to navigate through the rugged north woods.

Risky business

Unfortunately, the French king was too involved with other matters to give much thought to his North American colony. He often directed his governors to delay, or even withhold entirely, the licenses needed to trade for furs.

As a result, and as the demand for furs increased, more and more illegal traders journeyed west to find furs for European markets.

Secretly supplied by Québec merchants, young men made two- and three-year voyages deep into the western wilderness. These *coureurs de bois* lived in native villages, learned native ways, and made friends and families with the native people.

[They] made themselves like unto savages and forgot what was due from them to French subordination and discipline.

—Nicolas Perrot, 1671

This style of trade was risky. Some years would be profitable. There were rumors of returns of up to 700 per cent. Other years would bring the “runners of the woods” to the brink of starvation. Some men never returned.

Still the demand for furs increased.

In 1660, two young Frenchmen—Pierre-Esprit Radisson and his brother-in-law, Médard Couart des Groseilliers—explored the regions around Lake Superior. Yet when they returned to Quebec, the French government slapped them with heavy fines for illegal trading. The two men tried to persuade the government to send a trading expedition to Hudson Bay. The government refused to hear their idea.

Determined to find sponsors, the two men took samples of fine grade beaver and information about the interior of North America to England. There they found investors who were happy to persuade the English king to license a fur trading company. Charles II gave the new company a monopoly to trade in all the land where rivers drained into Hudson Bay.

The company on the bay

Starting in 1670, the Hudson’s Bay Company built a string of large trading forts, or factories, along the shore of Hudson’s Bay, far to the north of Lake Superior.

A group of British businessmen governed the company from their headquarters in London. Every year, company ships would sail from England to Hudson’s Bay, bringing a fresh supply of trade goods and collecting the furs traded the year before.

To compete, French traders traveled out into the country west and north of Lake Superior. They set up posts at Rainy Lake, Lake of the Woods, Lake Winnipeg and along the Red River. They hoped to intercept the natives and trade with them directly.

Soon the Hudson’s Bay Company was losing business to the French traders. The “pedlars from Quebec” were cutting into English profits by intercepting native peoples and trading with them on the spot.

[If the Natives could] obtain their supplies at their door, they would take them, whatever the price may be.

—M. de Clairambault d’Aigremont, 1710

The French offered convenience the Hudson's Bay could not. Competition was fierce. There were threats, sabotage and attacks.

The French together with a great many Indians are coming down to burn our Factory and Cutt our Throts . . .

—Governor Anthony Beal, 1706

The British take over

In 1754, war broke out along the Ohio frontier between the French, English and several Native federations. This so-called “French and Indian War” soon involved the colonies of both France and England. Eventually, the North American conflict helped make the “Seven Year’s War” into the first “First World War.”

By 1759, the French abandoned their trading posts on Lake Superior. Québec City fell, then Montreal. In 1760, the French surrendered. And in 1763, the French Great Lakes territories came under British control.

Independent English traders quickly established themselves in the new territories. They moved into areas *not* controlled by the Hudson's Bay Company. They took over the old French trading posts and hired the French workers. With Montreal as their headquarters, Detroit, Michilimackinac and Grand Portage became their trading centers in the west.

As they expanded, the English traders tried to convince all the native peoples they met to trade with them.

Lords of lakes and forests

For the next ten years, trade continued and competition increased. Some traders grew corrupt. Some native peoples felt cheated and conspired against the traders. Several posts were attacked. An epidemic of smallpox raged among the native peoples.

At the same time, the independent English traders had problems competing with each other. Each trader wanted to control the trade in specific regions. They cooperated on rare occasions when they found themselves in actual competition with the Hudson's Bay Company.

Four different interests were struggling for the trade of the Saskatchiwaine, but, fortunately they had this year agreed to join their stock, and when the season was over, to divide the skins and meat.

—Alexander Henry, the elder, 1775



Enter the Nor'westers

Finally, a group of traders decided that a partnership was the best way to continue. They pooled their resources and formed a new company. Each partner agreed to pay themselves at the end of each season with a share of profits.

They called their partnership the North West Company. Montreal became their headquarters.

The new company moved quickly to beat out their competitors and expand their territory. Each spring they sent out scores of canoes on trading ventures.

By the early 1800s, the company had grown and prospered. Twenty-five partners boasted of over one hundred trading posts scattered from the St. Lawrence River valley to beyond the foothills of the Rocky Mountains. Larger than the Hudson's Bay Company, the "Nor'westers" employed almost 200 clerks and nearly a thousand voyageurs, interpreters and guides. They also contracted with large numbers of hunters and canoe men.

Unlike the Hudson Bay Company, which discouraged close contact, the Nor'westers encouraged cooperation with native peoples. Instead of waiting, like English shopkeepers, for the native peoples to bring their furs to them, the Nor'westers adopted the French strategy of "home delivery." Instead of building huge forts hundreds of miles

apart, the Nor'westers built smaller posts no more than thirty miles apart.

Frontier merchants

The North West Company bought special goods to use in trading for furs. Company merchants selected goods from around the world and shipped them into Montreal where they were packaged into “outfits” of one season’s worth of trade goods, supplies and provisions. Other items, like liquors and silver work, were purchased in Canada.

The articles necessary for this trade are coarse woollen cloths of different kinds, milled blankets of different sizes, arms and ammunition, linens and coarse sheetings, thread lines and twine, common hardware, cutlery and ironmongery of several descriptions, kettles of brass and copper, and sheet iron, silk and cotton handkerchiefs, hats, shoes, and hose, calicoes and printed cottons.

—Alexander Mackenzie, 1801

Fabrics were far and away the most popular trade goods, accounting for sixty percent of the business. Twenty-five percent of trade involved weapons and tools, six percent involved alcohol, three percent jewelry and just two percent for tobacco.

Intense competition

Still there was trouble. Competition between the companies increased. Both tried to appeal to Native tastes with new and different goods. Both worked to expand their territory farther and farther west. Both searched to find new sources of furs. Both struggled with increasing costs and longer supply lines.

The Hudson’s Bay Company expanded their territory and build new forts. They went deeper into the wilderness to trade. They competed head on with the North West Company.

At the same time, there were rivalries between partners of the North West Company. One group of disgruntled Nor'westers left to form the “New North West” or “XY Company.”

The resulting competition was direct, up close and personal. The XY men built their posts right next to North West Company posts. They tried to make the native peoples trade with them instead of the Nor'westers. They offered more goods, better goods. Sometimes they lied.

After the severest struggle ever known in that part of the world . . . and suffering every oppression that a jealous and rival spirit could instigate; after the murder of one of our partners, the laming of another, and the narrow escape of one of our clerks, who received a bullet through his powder horn, in the execution of his duty, they were compelled to allow us a share of the trade.

—Alexander Mackenzie, 1801

Both companies suffered from the competition. Finally, in late 1804, the partners of the

XY Company and North West Company agreed to a merger.

Monday 31st [December] A Cloudy Mild Day. at 9 AM to my Amazement I was Saluted by Mr Bellaux from Montreal. I remained speechless for a few Seconds & after recovering from my Astonishment I cou'd scarcely put trust to sight . . . by him I received a letter advising me of a Settlement having taken place between the 2 parties trading to the NW which puts a Stop to Opposition.

—John Sayer, 1804

After the merger, the company continued to suffer. Some of the founding partners died. Wages and fur values decreased. The cost of trade goods went up. The Nor'westers tried to cut costs by reducing its number of trading posts. They cut down on gifts to native peoples and trimmed the ranks of laborers.

the hunt is declining very fast., and we are obliged every year to make new discoveries and settle new posts. . . I believe that our discoveries are now about at an end, and that the trade cannot be extended much farther.

—Duncan Cameron, 1804

Still, the competition between the Nor'westers and the Hudson's Bay Company continued. It got harder and harder for either company to make a profit.

Pushing deeper and deeper into the wilderness, the Nor'westers had to ship supplies and furs longer and longer distances. While they could ship furs and supplies directly from England through Hudson Bay, the Hudson's Bay Company found the cost of supplies and transportation grew and grew.

Something had to give. In 1821, despite different corporate cultures, different management styles, different trade routes and different operations in different languages, the Hudson's Bay Company and the North West Company merged.

The end of an era

The demand for furs continued. So did competition and conflict.

The United States defined its northern border. There were tariffs and taxes. Laws changed. Some traders became American citizens in order to stay in business. Some went to work for the newly formed American Fur Trade Company. This firm soon controlled the Great Lakes fur trade, and its owner—John Jacob Astor—became America's first millionaire.

At the same time, the United States started buying native lands so white settlement could expand. Many fur traders lied and claimed that natives still owed them for goods traded on credit. The government settled the claims by giving much of the money for native lands to the fur traders.

Fashions changed as well. Beaver hats were no longer the fashion statement of the day. Since silk hats were cheaper to make, more people could afford to buy them. The demand for beaver hats declined and prices for quality beaver pelts dropped.

By the 1850s, “big business” fur trade, as it had been for 200 years, had ended.

Modern day fur traders

People still hunt animals for food, as well as, furs and the modern-day demand for furs continue to be strong. Like the days of the Nor’westers, animal pelts are exported from North America to far off destinations like Europe, China and Russia. There, the furs are made into hats, coats and other garments.

An average of 6,000 people buy a Minnesota trapping license each year. Today’s trappers usually operate on a small-scale when compared to the international, “big business” in the days of the voyageur.

While a significant amount of trapping continues today, it is very unlikely to lead to over-harvest of game. Strict regulations are in place to ensure that healthy populations of fur-bearing animals are around for centuries to come.