

Commerce by a Frozen Sea:
Native Americans and the European Fur Trade

by

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Introduction: Native Americans and Europeans in the Eighteenth-Century Fur Trade

We therefore beg your Majesty to accept these two elks and two Black Beavers which we now offer to You in terms of the Charter and in the same manner in which they were offered to your illustrious Father King George VI on the occasion of his visit to these territories in May, 1939.
Address of Hudson's Bay Company Governor, William Keswick, to Queen Elizabeth II, Winnipeg, July 24, 1959¹

Visiting heads of state are routinely offered gifts. One unusual gift-giving ceremony took place on July 14, 1970 at Lower Fort Garry, the site of an old fur trading post, on the occasion of Queen Elizabeth's visit to Manitoba. In the course of the ceremony, Queen Elizabeth was presented with a quantity of poplar along with a tank holding two live and very frisky beaver. When the Queen "bent over the tank to inspect her new possessions, she turned to the Hudson's Bay Company Governor, Viscount Armory, and asked 'Whatever are they doing?'" In the best diplomatic tradition, the Governor replied "Ma'am, it's no use asking me. I am a bachelor."² The incident, while amusing, was much more than that. The ceremony highlighted a relationship that spanned continents and centuries.

The gift to the Queen of England symbolized a commitment set out in a royal charter written three hundred years earlier during the reign of Charles II. The charter granted the *Company of Adventurers Trading into Hudson Bay* "sole Trade and Commerce" over what was then known as Rupert's Land; named after Prince Rupert, cousin of the king. Although not

known at the time, Rupert's Land was a vast area that encompassed the entire drainage basin of Hudson Bay. Embedded in the charter, and among the conditions relating to the operation of the company, was the requirement: "TO BE HOLDEN of Us, Our Heirs and Successors ...YEILDING (sic) AND PAYING yearly to Us, Our Heirs and Successors...two Elks and two black Beavers, whensoever, and as often as We Our Heirs and Successors, shall happen to enter into the said Countries, Territories and Regions hereby granted."³ It was to be two hundred and fifty-seven years before the company had to make good on the provision. On August 9, 1927, in a ceremony in Winnipeg, the company presented to the Prince of Wales on behalf of his father, King George V, two black beaver pelts, and two mounted elk heads. The Hudson's Bay Company fulfilled this condition of the 1670 charter three more times, when King George VI came to Canada in 1939 and on the occasion of Queen Elizabeth II's visits in July of 1959 and 1970.

The timing of the payments highlights the extraordinary longevity of the Hudson's Bay Company. Moreover, the ceremonies symbolize not just the link between company and the English Crown but also the intertwining of state policies and decisions in Europe with the trade environment of the New World. The two frisky and frolicking black beaver given to Queen Elizabeth in 1970 are reminders of the basis of the trade and of the vast array of connections that brought the native peoples of the Canadian subarctic into the Atlantic economy. Even the site of the event, the former trading post of Lower Fort Garry, reminds us of the physical locations where exchanges between native and European traders took place, while the gift-giving nature of the ceremony brings to mind the structure of trade relations between Native Americans and Europeans, which included the aboriginal practice of exchanging gifts before the actual trading

began. And, although the Hudson's Bay Company did not literally meet its charter obligation at the ceremony in 1970, those present must have been grateful that young poplar trees were substituted for the two elk.⁴

The earliest interactions between Europeans and the native groups who occupied the North American subarctic had elements that were social, cultural and religious, but theirs was primarily a commercial relationship. From the isolated exchanges between natives offering pelts to European fishermen, who, in turn, beckoned these same individuals with metal items, grew a broadly-based trade. Native Americans had raw materials that were valued in Europe, and Europeans traders could supply a wide variety of goods not available in North America. This bilateral exchange not only provided new technologies that improved the natives' ability to meet their basic needs of food and clothing, but it also gave them access to a wide range of consumer goods previously unknown to them. In exchange England and France received a steady supply of furs, most importantly beaver, for use in the European felting and hatting industries. Because the harsh subarctic winters produced furs of exceptional quality, beaver pelts from the Hudson Bay region could be used in garments, and some of the pelts imported to Britain were re-exported to the Continent for that purpose. But beaver pelts were valued primarily for their wool which was turned into felt for high-fashion hats. At first beaver hats were purchased only by the wealthy, but as the industry grew in the seventeenth century and new felting techniques were developed in the early eighteenth century, hats with a lower beaver content became available to those with more modest incomes.

The commercial relationships that were formed between the Cree, Assiniboine,

Chipewyans and other Native American nations and those Europeans, who came to trade, involved forces that were economic, institutional, political and environmental. How these forces played out on each side of the trading relationship and on each side of the Atlantic is the focus of this book. The history of colonial North America is often conceived in terms of those British North American colonies that formed the republic of the United States of America. Yet British North America extended beyond the thirteen colonies of the revolution. The area that would ultimately become Canada provides a counterpoint to our understanding of events further south. Moreover, the Hudson Bay region stands apart even from the other northerly colonies, both French and British. It was an area without a structured government or governor and without European settlers, due to its isolation and lack of agricultural land. There were no European trappers in competition with the natives. And there were no clergy or European women.⁵

Britain took possession of the hinterland of Hudson Bay for the purpose of trade, although the trade was not exclusively British. French traders competed with the Hudson's Bay Company, traveling to the region from Montreal on an annual cycle. But because of the great distance, French, English and Indian interacted to a large extent outside the political forces that played out in the lower thirteen colonies and New France.⁶ This isolation allows us to focus more clearly on how transatlantic and transcultural trade took place in an environment largely untainted by imperial conflict and European settlement. The major Indian trading nations, the Cree and Assiniboine, were astute in exploiting French and English rivalries in the economic sphere, while avoiding the political tensions that pervaded the more easterly colonies. The English and French traders in this region of North America were removed as well from the world of politics. Their interest was business and trade, and war was bad for business.⁷ Political events

as they played out in Europe and in the eastern regions of the continent had limited impact on the hinterlands of Hudson Bay.

The area encompassed by this study is the western drainage basin of Hudson Bay, a region that stretches from the Bay to the Rocky Mountains and covers much of present day Manitoba, Saskatchewan and Alberta (see Figure 1.1). These are the ancestral lands of the Algonquin speaking peoples, the Cree, Assiniboine and Dakota as well as the more northerly Athapaskan-speaking Chipewyan. The region is defined by the rivers, including the North and South Saskatchewan Rivers, which flow west to east from the Rocky Mountains to Lake Winnipeg and on into Hudson Bay. It is bounded to the north by the height of land around Lake Athabasca, which is the source of rivers that flow into the Arctic, and to the south by the height of land near the source of the Mississippi River that separates the Hudson Bay and Gulf of Mexico drainage basins. The whole Hudson Bay drainage basin, both west and east, covers roughly 1.5 million square miles and captures about 30 percent of total Canadian precipitation and groundwater flows.⁸

The Hudson's Bay Company was established in 1670 under royal charter. The involvement of the Crown reflected Britain's mercantilist policy of expanding its territory, and promoting and protecting domestic industry.⁹ During the first half of the seventeenth century, furs were already being shipped to England from the seaboard colonies of North America, still a number of factors gave Britain the impetus to support the new trading company. In Russia, the beaver population had been depleted, and in eastern North America, beaver stocks were declining. The Europeans wanted new sources of supply. In the case of the British, the desire

for additional supplies was heightened by the dominance of the French over the existing fur trade.¹⁰ Indeed, the years following 1670 were ones of conflict, as the French tried to maintain their position; but, in 1713, the Treaty of Utrecht defined the Hudson Bay drainage basin as British and from that point the threat of military action in the Hudson Bay region was greatly reduced. For the next fifty years, the playing field was one of economic not military competition. It was during this time that the Hudson's Bay Company became a major player in the fur market.

The Hudson's Bay Company was a physical presence along the coast of Hudson Bay throughout the eighteenth century and its archives provide the most extensive documentary evidence available on the history of the region and the trade. The documents, which contain both qualitative and quantitative evidence, are a window on the structure of aboriginal society and the fur economy during a time when few Europeans had penetrated inland. Despite its importance in illuminating the history of the period, the Hudson's Bay Company was just one of the principals. The French also traded for furs. And, unlike the trade in other parts of North America where some Europeans were involved in hunting the animals, only the Indians supplied the pelts and skins in the Hudson Bay region. Their decisions to trap and trade were made in the interior of the country at the family or tribal level. English and French could influence these decisions, but only through the types of goods they made available and the rates of exchange they offered.

English and French traders and trading companies were the conduits between two markets: one in North America and the other in Europe. Both markets depended on a demand for furs in England, France, and other European countries. These furs could be made into luxury garments, but they were used mainly in the felting and hatting trades. In fact, it was increasing

consumer demand for beaver wool hats in the seventeenth and eighteenth centuries that was the foundation of the fur trade. Thus, hats became part of a material culture that linked the aboriginal nations of the North American woodlands with producers, consumers, and governments in Europe.

The trade in furs took place over extraordinarily long distances. The Hudson's Bay Company was headquartered in London while its posts were located on the coast of Hudson Bay connected through the often fog- and iceberg-bound Hudson Straits. The French trade stretched from Paris and La Rochelle to Quebec City and Montreal. From there French *voyageurs* traveled by canoe into the heart of the continent in search of native traders. Those natives who traded with the Hudson's Bay Company also traveled long distances. They came down-river to the coast often from far in the interior, timing their travel to lie between the spring thaw and the autumn freeze-up. The great distance between the head office in London and the post managers located at Hudson Bay forced company directors to pay special attention to their modes of communication. Apart from infrequent reports from returning traders, communications were limited to letter books, post journals, and account books. For the historian, geographer, anthropologist, ethnohistorian, and economist, these records are an unrivaled source of information.¹¹

In 1958 E.E. Rich completed what is now regarded as the canonical history of the Hudson's Bay Company.¹² He based his account on the more qualitative Hudson's Bay Company documents, among them the letters between the head office in London and the post managers, and the reports and other forms of correspondence. These sources provide insight and context into how the trade was conducted, and we too make considerable use of them. But we

also consider the quantitative record. For, in addition to the letters, instructions, and general discussion of the trade, the archives contain documents reporting, for example, the number of beaver pelts of different types sold at auction in London and the prices received for each lot, the number of furs of each type brought to the various Hudson's Bay Company trading posts each year, the *official standard* price of each trade good and each fur or skin, and the quantity of all European goods received by the Indians at each trading post each year, both as gifts and during the trading process. Our formal analysis of this evidence sets our book apart from most research on the fur trade and allows us to address controversial issues concerning native and European economic and social behavior.

The trade in furs, which ultimately extended over much of the North American continent, was pursued by both English and French. In fact, until their defeat in the Seven Years' War of 1756 to 1763, the French were the largest if not the dominant player. By the end of the 1750s, French trade extended from Quebec City to the shores of Lake Winnipeg and south to much of eastern and central North America. Because of their greater geographic reach, the French had a larger share of the total trade, and until the early 1760s France imported many more beaver pelts than did England. Despite this level of activity, the French have been much less studied than the English, although not completely ignored.¹³ Indeed, the more extensive literature on the Hudson's Bay Company is a reflection not of its importance relative to the *Compagnie des Indes* and other French trading groups, but rather of the extraordinary records contained in the Hudson's Bay Company archives. But even though extant French documentary sources are lacking, we treat the French as important participants in the fur trade, and we are able to gain

insight into their involvement in part through our interpretation of the quantitative evidence from the Hudson's Bay Company records.

Initially, historians characterized the Hudson's Bay Company's role in North America as the "sleep by the frozen sea." This view, however, has long been rejected. It is true that until the 1770s nearly all trade between the English and the Indians took place at company-built posts located along the shore of the Bay rather than inland. Yet in every other respect, the company was an active, engaged participant. Economist Harold Innis recognized this involvement in his early work on the fur trade. Subsequently Arthur Ray, a historical geographer, and others have documented the way the company responded to native traders and its French competitors. But even more importantly, these researchers shifted the focus from the Europeans to the Native American traders. Arthur Ray has been especially effective at combining both the qualitative and quantitative evidence to bring natives to the forefront.¹⁴ Following on his path-breaking work, historians Kerry Abel and Jean Friesen have studied the behavior of natives in the nineteenth century exploring aspects of native property rights on the Great Plains and in the sub-arctic regions of western Hudson Bay.¹⁵ Others have discussed the ethnographic and anthropological impacts of the trade.¹⁶

Our book is part of this larger literature. It examines the degree to which natives were influenced by their relationships with the Europeans and how their social structures, in turn, affected those same relationships. By including both sides of the trade, we are also able to address outstanding disputes. In a provocative book, *Keepers of the Game*, Calvin Martin highlighted the contradiction between the natives' goal of preserving the animal stocks and the fact that in many regions beaver populations were depleted; and in *The Ecological Indian*,

Shephard Krech III showed that throughout their history, there were instances where native peoples undermined the resource base. Indeed, within this literature lie two contradictory stories of native behavior. On the one hand there is an acceptance that native trappers at times over-exploited the resources, and on the other there is a view that native peoples constrained their hunting for the commercial trade by self-limiting their demand for goods that they purchased from the Europeans. Our analysis of the quantitative record allows us to resolve the tension between these two opposing viewpoints.

At the heart of the Hudson's Bay Company's trade was the establishment of its *official standard*. This achievement, quite remarkable for its time, created a monetary unit for the region, the *made beaver*. No *made beaver* coins were ever minted; nonetheless, this standard acted as a common unit of account by which all European goods, such as kettles, blankets, beads or lace, and furs, such as fox, martin, lynx or wolf, were measured. The trading post transactions, meticulously recorded in this unit of account, reveal that both native and company traders were astute and responsive to the markets in which they operated. We learn, for example, that the *official standard* prices varied across company trading posts in ways that reflected the strength of French competition and the natives' ability to play English off against French, and French against English. Thus at Fort Albany and Moose Factory, posts that served a region where French *voyageurs* were active from the time they were established, the company's official prices for European goods averaged thirty percent below the prices at York Factory and Fort Churchill, two posts that were free from competition until well into the eighteenth century. Indeed, the sophistication of the company was such that the price differentials for individual

goods even varied according to how effectively the French could transport those goods. Items that had a low value relative to weight such as alcohol, guns or blankets sold for similar official prices across posts because these were generally not traded by the French. By contrast, jewelry and cloth, which had high values relative to their weight, sold for much higher prices at those posts that were initially free from French competition.¹⁷ The company records also show that by making the company aware of French actions and vice versa the Cree, Assiniboine and other native traders took advantage of their market position to force the company to increase the price they paid for furs in terms of trade goods.¹⁸ Once French traders moved further west into the regions that had previously been served only by the Hudson's Bay Company, native traders received higher prices for their pelts.

The *official standard*, established by the company directors in London, also became an auditing tool to monitor the post managers. Although the directors set policy, it was the post governors and factors who engaged in direct exchange with the natives. During the period 1700 to 1763, when market conditions changed both in Europe and in the Hudson Bay hinterland, remarkable is the extent to which the English traders on the ground were able to adapt, especially given that communication was solely by way of the annual ship from London.¹⁹ We document their responses to changing market conditions by deriving a price index for furs, based on the actual exchanges between natives and the company and the accounts of gift-giving. Our fur price index is a single measure that reflects the overall terms of trade between the ten to twenty types of furs and skins brought by native traders and the sixty to seventy varieties of trade goods sold by the Europeans. The index allows us to examine quantitatively the response at the posts to events taking place thousands of miles away in Europe and hundreds of miles away in the

interior of the North American continent.

Changes at the posts in the rate of exchange between furs and trade goods, as reflected by our fur price index, were closely related to movements in the price of beaver pelts in European markets. The Hudson's Bay Company's *Fur Sale Books* provide a detailed record of the London fur auctions. Prices at these auctions and prices in France reveal an exceptionally buoyant eighteenth-century market for beaver pelts.²⁰ This was a period of technological change in felting and increasing European demand for hats. As we document, the price index of furs at the posts tracks the price of beaver pelts in Europe. This price index, which is a construct based on the actions of the individuals in North America and not in London, shows that traders at the posts adjusted their exchanges in a way that reflected conditions in the broader fur market. This meant combining the reports from the head office on the London fur auctions with the information they were receiving from the Indians about conditions far in the interior.

The quantitative accounts reveal a company that responded appropriately to markets both in North America and Europe. The more qualitative record, found in the correspondence and letter books, reinforces this view of the company's behavior, and suggests that company factors and natives were trading on an equal footing. Natives traders were the company's customers, and, as customers, they considered not just the price of the company's goods, but also their quality and variety. Of particular concern to them was the quality of the guns and other metal products. There is every indication that the company was sending firearms that met English standards, but the Indians were not satisfied and demanded better. The problem was that, because metal gets brittle in sub-zero temperatures, gun barrels could explode. From the letters we learn that once Indians began refusing some guns, the company sent armorers to the posts to ensure

that only guns free of flaws were offered in trade. Armorers also repaired guns that were damaged, often by frost-wedging, a problem that was almost unknown in England.²¹

The company's responsiveness to concerns about firearms extended to the other trade items. It was typical for the annual letter from each post to include a section itemizing any problems Indians found with goods that had been sent the previous year. At the same time, the letter also noted shipments that had proved especially satisfactory to the Indians. In the case of luxuries, such as beads, there was extraordinary specificity as to the varieties Indians wanted. For practical items efficacy was paramount. In the case of knives, for example, company traders made clear to the head office that natives were concerned more about the quality of the blade than the color of the handle; and messages relating to kettles dealt with the most suitable weight and shape. In response to the post letters, company directors adjusted the types of goods they sent out in subsequent shipments.

Our analysis of the quantitative and qualitative evidence presents a view of the Hudson's Bay Company that is for the most part in keeping with the writings of E. E. Rich, Arthur Ray, and others, who attribute the company's long-run success to the effectiveness of its management and workers on both sides of the Atlantic. More contentious, and certainly surprising in light of the large body of literature that points in another direction, is our characterization of Indian behavior. Although we support the historical consensus that natives were astute traders who took advantage of English-French rivalries to improve their terms of trade, in other respects we describe natives in a way that is contrary to much that has been written, especially about their supply of labor to the fur trade. Our findings stem in part from a close examination of the underlying historiography. We explore in particular the reports from the Parliamentary Inquiry

of 1749. E.E. Rich, whose seminal paper on native responses established the conventional view, claimed that “all who had any knowledge of the trade were convinced that a rise in [fur] prices would lead to the Indians bringing down less furs.”²² This is the view that has been accepted in the literature. He based his conclusion mainly on the statements of Hudson’s Bay Company officials to the Parliamentary Inquiry and while he correctly interpreted these statements, the testimony of *former* company employees, which was included in final Committee report, presents quite a different picture of native behavior. In the view of these employees, Indians responded to higher fur prices at the posts by increasing their hunting effort.

We resolve the opposing positions by analysing the volume and types of trade goods received by the Indians at the company’s largest trading post, York Factory. By documenting the large increase in the trade in luxury goods, which coincided with the increase in fur prices, we show that Indians could not have been the “indolent” people described by Hudson’s Bay Company officials. Rather, native behavior was characteristic of the industrious workers emerging in Europe, who too were increasing their work effort in response to greater market opportunities. Further, our discussion of the view that Native Americans were indolent traces its origins to a selective use of the evidence presented to the 1749 Parliamentary inquiry, and accepted uncritically in the subsequent historiography.

Our finding that Indians were industrious is further supported by the evidence on alcohol. The perception that brandy was central to the trade or that native groups had developed a dependency on alcohol to the detriment of their consumption of other goods is clearly at variance with the company records.²³ Focusing again on the trade at York Factory, which served the largest of the Hudson’s Bay Company hinterlands, we show that at least until the 1740s alcohol

was unimportant. Natives spent more on firearms and they spent more on blankets and kettles. Tobacco and cloth also took up larger shares of the natives' trade budget. But more significant than these findings is our account of the role of alcohol in native social life. Because the Hudson's Bay Company was the only supplier of alcohol until the late 1730s, we can quite accurately determine natives' total alcohol consumption.²⁴ The data reveal a population that far from being addicted to alcohol was largely abstemious. Average alcohol consumption was just one-twentieth that of contemporary English workers. In fact, the alcohol provided by the Europeans in the Hudson Bay region could have supported no more than light drinking even among the subset of natives directly involved in the fur trade.

The growth of the North American business in beaver was, in the first instance, the result of declining and disappearing beaver stocks in the Old World, especially Russia. Then, as the trade became established in the eastern portion of the North American continent, beaver populations became depleted there as well, with the result that the trade extended further into the interior. Yet even in the interior of the continent, the beaver trade could not be sustained. By 1821, when the Hudson's Bay Company merged with its Montreal rival, the Northwest Company, beaver in the entire Hudson Bay hinterland had become so depleted that the merged company was forced to suspend fur trading activity at many of its posts. The decline in beaver stocks was a long-run process caused directly by the Indians themselves, since they were the trappers. We conclude that the seeds of this nineteenth-century depletion were sown much earlier, certainly by the first half of the eighteenth century. We do not, of course, have a count of the beaver population, but the annual pattern of beaver returns at each of the trading posts, and the trade in other skins, provide compelling evidence that beaver populations were falling in

some of the Hudson Bay Company's trading regions. Natives did the trapping, but responsibility for the over-harvesting also lay with the Europeans, both the Hudson's Bay Company managers and the French traders. They controlled the price paid to the native traders for their pelts. When the company and the French increased the price of furs by offering more goods in exchange for pelts, natives responded by raising their trapping effort. The increased effort reduced beaver stocks and led to harvests that were ultimately unsustainable.

So it was that in the main subarctic regions served by the Hudson's Bay Company and then the French, native trappers depleted the resource base that was their avenue to European goods and technologies. The native labor supply response to rising fur prices places them in the same category as the industrious workers of eighteenth century Europe, but their failure to protect the fur-bearers is harder to understand. Given that it was in the interest of native groups to preserve resources, why did they not restrain their trapping of beaver? The answer, we argue, lies in their rules concerning ownership. We explore the question of property rights and native territoriality, focusing on the extent to which families or tribes had control over specific areas. In order to conserve, native groups needed to establish boundaries and prevent trespass. Tribal boundaries and family hunting grounds did exist, and territoriality was enforced;²⁵ but, because the Cree, Assiniboine and other native groups were hunter/gatherers living in a subarctic environment, paramount were the rules they had developed to minimize the risk of starvation. Although these norms did include designated hunting grounds, the extent of privilege to the beaver stocks was limited. Natives with rights to an area could prevent hunting for trade, but outsiders in need were always permitted to take animals, including beaver, for food. This "Good Samaritan" rule thus reduced the incentive to conserve. Other features of native society such as

its migratory nature and the social norms of gift-giving and a general “ethic of generosity” were essential to the long-run viability of the native population, but they were inimical to the protection of the beaver. Thus, preservation of the society took precedence over the preservation of the beaver stocks.

The commercial fur trade provided Europeans with the basic resource for felting and hatting. That same trade gave native groups access to iron technologies and to commodities previously unknown to this subarctic region. Such changes in material culture affected the standard of living of Native Americans. Metal pots and knives, awls and needles, thread and thimbles, improved the work life of women; and knives, twine, nets, hatchets and guns made some aspects of hunting easier. Meanwhile beads, cloth, jewelry, alcohol and tobacco brought new degrees of luxury.²⁶ But to what extent did the fur trade and their traditional economy allow the Cree, Assiniboine and other groups a living standards similar to Europeans? To answer this question we compare the consumption of food, clothing, housing and luxury goods across these two populations. We find that relative to working-class English households, Native Americans had a high-protein, mainly meat, diet that was far superior, and their clothing was of higher quality as well. On the other hand, the English had better housing and consumed more luxury goods, especially alcohol. As we show, any conclusion about relative living standards depends on how one weights food, clothing, housing, and luxuries. Where weights appropriate to the native economy are used, we find that native consumers had real incomes somewhat higher than English workers; but if English weights are assumed the ranking is reversed. In either case, however, the difference is not great. Thus, in the middle of the eighteenth century, Native Americans in the region of Hudson Bay appear to have been about equally well off materially as

low-income English households.

Finally, we place the experience of the period 1700 to 1770 in the context of the later trade. The Seven Years' War of 1756-1763 ended French control of the fur trade, nevertheless, the impact on the Hudson's Bay Company and native society was much less than in other regions. With the British conquest of New France and the departure of the *Compagnie des Indes*, Scottish merchants took over the trade operating out of Montreal. Thus, war replaced some of the actors, but did not change fundamentally the nature of the competition.²⁷ In fact, the rivalry became more intense and led in the early nineteenth century to the undermining of the resource base. Given our findings on living standards, the eighteenth century, in contrast to the nineteenth century, may very well have been a golden age for the Native Americans living in the Hudson Bay lowlands. It was only in later years that they fell far behind, in part because the beaver stocks continued to decline, but also because an economy based on furs offered no real avenue for productivity growth.

Our reassessment of native and European interactions in the fur trade draws on the wealth of information available from the Hudson's Bay Company Archives and other sources, which we interpret using an approach that in the 1960s became known as "new" economic history. We have added a short appendix for those interested in certain of the technical details. The discussion in the chapters, though, is presented in a way that is fully accessible to those without a background in economics. Our approach may be novel in many ways; still, the view of the fur that we present is grounded on the archival evidence and past research. Often our conclusions are in keeping with the received wisdom, but on important questions our work points in entirely new directions. Overall, we find that both Europeans and Native Americans responded

effectively to the enormous challenges of their new commercial relationship, a commercial relationship that was characterized by competition and cooperation underpinned by mutual respect .

Figure I.1. North America: Surface and Water Drainage

Insert Figure I.1 here

Source: Atlas of North America / H. J. De Blij, editor, p. 16.

Endnotes

1. Hudson's Bay Company Heritage, *Our History*, "Paying Up - The Rent Ceremony."
2. Ibid. The two beaver were subsequently donated to the Winnipeg Zoo.
3. Hudson's Bay Company Heritage, *Corporate Collections*, "The Royal Charter of the Hudson's Bay Company."
4. With the move of the Hudson's Bay Company's head office from London to Winnipeg in the 1970s, the company asked that the clauses relating to the rental payments be removed from its charter. Thus the rent ceremony in 1970 was the last.
5. For an excellent discussion of how European traders were able to live in the northerly interior of the continent, see Sylvia Van Kirk, *Many Tender Ties*. She describes how first Indian women and then Métis women as wives of European traders provided the technology and expertise to allow them to survive the northern winter.
6. The absence of a colonial agent, the lack of agricultural land and nature of trading at Hudson Bay meant that many of the forces at work in the thirteen colonies did not exist. One must be wary, then, of interpreting the region in terms of the literature on what happened further south. The discussions in Fred Anderson, *Crucible of War*, Virginia DeJohn Anderson, *Creatures of Empire*, Alan Taylor, *The Divided Ground*, and Richard White, *The Middle Ground*, may not apply or apply in a much more muted fashion.
7. The story might have been different if the French and English could have used the inherent hostility between the Cree, Assiniboine and the even more northerly Chipewyan. However, prior to the French and Indian Wars, the region of the Churchill River had not been reached by French *voyageurs* from Montreal.
8. For a detailed on-line map of the drainage of Hudson Bay, including the river system see

Canada, Natural Resources Canada, *The National Atlas of Canada*, "Drainage Basins, 1985."

9. Royal charters were not unusual. The East India Company received its charter in 1600; while the Royal Adventurers into Africa, which later became the Royal African Company, was chartered in 1660.

10. Many of the pelts were shipped to Amsterdam where they were processed or even shipped to Archangel as we discuss in Chapter 1.

11. The Hudson's Bay Company records are housed in its head office archives in Winnipeg, Manitoba. There is also microfilm copy of the collection in the National Archives of Canada, Ottawa, Canada.

12. E. E. Rich's two-volume *Hudson's Bay Company, 1670 - 1870*, was copyrighted by the Hudson's Bay Company in 1958. The first trade edition appeared in 1960 in three volumes. Another classic book on the fur trade is Harold Innis, *The Fur Trade in Canada*.

13. While literature on the French trade is limited, there is the important work of W. J. Eccles and the analysis of Thomas Wien. See W. J. Eccles, "Fur Trade and Eighteenth-Century Imperialism," and Thomas Wien, "Selling Beaver Skins," and "Castor, Peaux, et Pelleteries." The fur trade is of course part of eighteenth-century histories of New France; but for special focus on the trade see also Gratien Allaire, "Le Commerce Des Fourrures à Montréal."

14. Arthur Ray has produced many important works, but his *Indians in the Fur Trade*, and his work with Donald Freeman, 'Give Us Good Measure', are watersheds in fur trade history.

15. Kerry Abel and Jean Freisen, eds., *Aboriginal Resource Use in Canada*.

16. Charles Bishop, *The Northern Ojibwa*, and Toby Morantz, "Historical Perspectives," have written extensively on the eastern James Bay region.

17. The high cost of travel by canoe from Quebec meant that the French were relatively

uncompetitive in these goods.

18. Arthur Ray was the first to clearly document the effectiveness of natives as bargainers. See his *Indians in the Fur Trade*, and Arthur Ray and Donald Freeman, 'Give Us Good Measure'.

Note that an increase in the price that native traders received for furs or pelt was equivalent to a reduction in the price of European trade goods. A higher price per pelt meant that a native trader could buy more European goods with any one pelt or any European trade item required fewer furs to make a purchase.

19. Trading posts received one ship from England each year, although depending on the trade and concern about the French, that three-masted ship might be accompanied by a smaller sloop.

20. Thomas Wien has compiled evidence on fur prices in France which he compares to prices in England, but his series, although very useful, are less complete. See Wien, "Selling Beaver Skins."

21. Arthur Ray was the first to document the impact of a sub-arctic climate on metal goods.

22. E.E. Rich, "Trade Habits and Economic Motivation among the Indians," p. 47.

23. On the effects of alcohol further to the south, see Kathryn Braund, *Deerskins and Duffels* and Peter Mancall, *Deadly Medicine*.

24. Even after this time, the company was the primary source since the French traded little alcohol due its low value-to-weight ratio. See in contrast to these findings for the Hudson Bay hinterland, Daniel Usner, "Frontier Exchange Economy," and Peter Mancall, *Deadly Medicine*, on the role of alcohol in other parts of the continent.

25. Charles Bishop, "Emergence of Hunting Territories;" Toby Morantz, "Historical Perspectives on Family Hunting Territories."

26. We are not implying that Natives Americans necessarily used these commodities in the same

way as Europeans. What we do know is that natives chose some products over others as we show in Chapter 3; and, more importantly, they chose to spend time in the fur trade in order to acquire the European goods.

27. The Seven Years' War, sometimes called the French and Indian Wars, although the dates are slightly different, was more important to other parts of North America. For a recent synthesis of how the wars influenced the course of events, see Fred Anderson's, *The War That Made America*.

Chapter 2: The Hudson's Bay Company and the Organization of the Fur Trade

Hearing also some Frenchmen discourse in New England of a passage from the West Sea to the South Sea, and of a great trade of beaver in that passage, and afterwards meeting with sufficient proof of the truth of what they had said, and knowing what great endeavours have been made for the finding out of a north-west passage, he thought them the best present he could possibly make His Majesty, and persuaded them to come to England.

Report attributed to 'George Carr', London 1665¹

The flow of pelts that transformed the English felting and hatting industries in the late seventeenth century was the result of two fortuitous events. The first was the signing of the Treaty of Breda marking the end of the Second Anglo-Dutch War. England, the United Provinces, France and Denmark signed the Treaty in the Dutch city of Breda in July 1667. England had captured New Amsterdam from the Dutch, and as part of their negotiations the English commissioners had offered to return New Netherlands in exchange for Dutch sugar factories on the coast of Surinam. The Dutch declined. And so it was that the region became British, and New Amsterdam became New York City. In the same negotiations Acadia, the region of present day New Brunswick and Prince Edward Island, was returned to France, although the French territorial boundary was left unspecified. Thus, in the middle of the 1660s, the northern coastal region of North America was divided between French and English. The second event was a chance meeting in New York in 1664 between British commissioners George Cartwright and Sir Robert Carr, and two French Canadians, Médart Chouart, Sieur des

Groseilliers, and Pierre Esprit Radisson.²

At this time, pelts destined for the felters and hatters of La Rochelle and Paris were sent down the St. Lawrence River to Quebec City for transshipment to Europe. Pelts from the New York region, that had previously flowed to the Dutch, now entered the London market. These furs were an important part of the transatlantic trade and were the raw material upon which the hatting industry in Europe depended. But fur stocks in the eastern part of North America were declining. That, combined with the knowledge that the best pelts came from more northerly regions, led Europeans to search for alternative sources of supply. These two French traders, Radisson and Groseilliers, who met with the Englishmen in 1664, were central figures in that search.

The *voyageurs* had been looking for a trade route north of the St. Lawrence River, that would allow them to access new sources of furs safe from the predations of the Iroquois and their English partners. In the course of his travels, Groselliers accompanied some Huron Indians up the Ottawa River, through Lake Nipissing and down the French River to Georgian Bay at the top of Lake Huron.³ The journey taken in the 1650s was highly significant because it gave the *coureurs de bois* a relatively direct route from Montreal to the upper reaches of the Great Lakes.⁴ During these travels he met members of the Cree nation and probably heard talk of a fabulous “frozen sea” to the north and by the time he returned to Quebec in 1656, he had acquired fourteen thousand *livres* of furs.⁵ Subsequent journeys by Radisson and Groseilliers were equally successful as trading expeditions but much less so in terms of the reception these traders received at Quebec. Both were assessed heavy taxes on the furs and then fined for violating the French authorities’ ban on travel to the interior. As E.E. Rich so aptly puts it: “They [Radisson

and Groseilliers] had brought a stream of life-giving furs to the colony; they had proved the wealth of the north and they had pioneered a new and efficient approach to it. Their reward was fines, imprisonment and abuse.”⁶

Unhappy with their treatment at the hands of the authorities in Quebec, Groseilliers traveled to France in 1661 to seek redress from the King. He also tried to enlist support for a sea expedition to the north. On both counts he was unsuccessful. Groseilliers then sailed to New England, again to seek sponsors for a voyage to the north. It was serendipitous that both Groseilliers and Radisson were in New England at the same time as George Carteret and Sir Robert Carr. As Radisson wrote: “the Commissioners of the King of Great Britain [Carteret and Carr] arrived in that place, and one of them would have us to come to New York, and the other advised us to come to England and offer ourselves to the King, which wee did.”⁷ And so in 1666, Médart Chouart, Sieur des Groseilliers, and Pierre Esprit Radisson sailed to England. They immediately went to Oxford where the Court had moved as a result of the Plague. They subsequently followed the Court from there to Windsor and back to London, where they finally had an audience with Charles II.

What these French men had to offer the English was experience in the fur trade and a vision of an alternate trading regime. They believed that a sea route existed to a new, northerly fur-bearing land, a region which could be serviced directly by ship rather than through the interior by canoe. This idea met with a sympathetic reception in England both because it meshed with the belief that a Northwest passage (to China) existed and it played into a mercantilist perspective that saw raw materials as the key to building an empire. England’s hope was to claim these northern lands that had yet to be explored by the French. With the backing of

a number of courtiers, London merchants, and financiers, a trial voyage was conducted in the summer of 1668 by two ships, the *Eaglet* and the *Nonsuch*. The *Eaglet* could not handle the weather and was forced return to Plymouth. But the voyage of the *Nonsuch* to Hudson Bay was a great success. That voyage demonstrated the viability of a commercial venture in the region, and in 1670 a royal charter was granted under the official title: "Governor and Company of Adventurers of England tradeing into Hudson's Bay."⁸ From that point on the structure of the North American fur trade was permanently altered. The charter granted the company "sole Trade and Commerce of all those Seas Streightes Bayes Rivers Lakes Creekes and Soundes in whatsoever latitude they shall bee that Lye with the entrance of the Streightes commonly called Hudsons Streightes together with all the Landes and Territoryes upon the Countriyes Coastes and confynes of the Seas Bayes Lakes Rivers Creeks and Soundes aforesaid that are not actually possessed by or granted to any of our Subjectes or possessed by the Subjectes of any other Christian Prince or State."⁹

This grant covered the entire drainage basin of Hudson Bay which we showed in Figure I.1. The headwaters of the rivers in the west are located in the Rocky Mountains. In the south, the height of land between those rivers draining into Hudson Bay and those draining ultimately into the Gulf of Mexico is at the headwaters of the Mississippi, while the height of land between the Hudson Bay and Arctic drainage basins is near Lake Athabasca. Thus, the land granted to the Hudson's Bay Company covers much of present day Manitoba, Saskatchewan and Alberta. The grant also included parts of present day northern Ontario and northeastern Quebec. In 1670, this region was totally unexplored by Europeans. Indeed, given the size of the area, even native groups were unfamiliar with large parts of it.

In contrast to the trade of eastern North America, which was pursued in the interior by independent traders who sold their furs to merchants and merchant houses, the trade around Hudson Bay was conducted by a joint-stock company. The sixteenth and seventeenth centuries saw the evolution of other chartered long-distance trading companies including the East India Company and the Royal African Company. As an organizational form, these joint-stock chartered companies have generated intense debate. The issue is whether they were inefficient, rent-seeking, monopolies or whether the charters were the equivalent of a patent allowing these firms to cover the cost of exploration and establishing a market.¹⁰ Much of the current historiography sees them for the most part as efficient, if not highly profitable, entities. The Hudson's Bay Company, like other joint-stock companies, was hierarchical. At the head office in London, there was a Governor and a board of directors, known as the Court of Assistants. All were drawn from and elected by the shareholders and they ran the company.¹¹ They determined the types and quantities of trade goods, hired men for the Bay, and arranged fur sales in England. Most importantly, they established trading posts or "factories" around the Bay and employed salaried managers or "factors" to run them, along with accountants, skilled tradesmen, and labourers, who were known as company's servants.

The great distance separating the directors in London from the managers in Canada led to problems of information and control for the head office. The managers at the Bay posts had better information than London about many aspects of the trade because they were the ones who traded directly with the Indians and supervised the company's servants. This was recognized by the directors in London and they did not try to micro-manage the posts. Instead, they gave those at the Bay a lot of latitude as to how they conducted the company's operation. The flexibility,

however, led to the agency problem that post managers might work on their own behalf rather than in the best interests of the company. In order to deal effectively with the issue of agency, the head office needed to know what was happening at the Bay.

All contact with the posts was by means of the annual ship that traveled between London and the Hudson Bay coast.¹² Although information from the posts could not be used until the following trading season, the London directors were able to put in place procedures that allowed them to assess the reliability of their employees at the Bay and evaluate their performance from year to year. Like other long-distance trading companies, the Hudson's Bay Company specified the means by which its employees were to communicate with the head office. Central to this process were the company's correspondence and account books, which became the basis of nearly all the information obtained in London about activities at the Bay.¹³

Partly because of its long-term success, the Hudson's Bay Company has built up a rich archives that includes the letter books, journals, diaries, maps, and account books, which were so important to its early operation. These documents were first housed in London, but, with the relocation of the company's head office to Winnipeg, Manitoba, in the 1950s, the records too were moved to Winnipeg. In 1999, the Hudson's Bay Company donated its archives to the Province of Manitoba.¹⁴ The extant records for the first few decades of the company's history are spotty; but, from the beginning of the eighteenth century, the archives contain a continuous record of the company's activities, both at the head office in London and at all its trading posts. In a narrow sense, these documents describe a fur trading business - goods bought and sold. In a broader sense, though, the archives reveal a relationship between two very different societies and cultures. Indeed, the depth and richness of this resource is unparalleled.

After receiving its charter in 1670, the Hudson's Bay Company began its operation by building several trading posts, strategically placed on the Bay coast, at or close to some of the key waterways. The physical pattern of trade, which was determined by the rivers flowing into the Bay, comprised three relatively distinct hinterlands that included a large part of the Hudson Bay basin.¹⁵ These hinterlands varied markedly both in area and in the number of beaver they could support. Regions with more small lakes and streams and less tundra or high northern boreal forests could sustain a greater beaver density.

Fort Charles, on the east coast of James Bay, close to the mouth of the Rupert River, was the first factory to be built. Although Fort Charles was soon abandoned, other more permanent posts were soon established. Moose Factory was built in 1672 near the conjunction of the Missininabi and Abitibi Rivers (see Figure 2.1). The post was intended to divert Indians living in the region west of what is now the Quebec-Ontario border, who had been trading with the French.¹⁶ Better located than Moose Factory in term of attracting Indian traders was Fort Albany, completed in 1679 by the company's second Governor, Charles Bayly, just before he finished his term and returned to England. Fort Albany was built at the mouth of the Albany River just 150 kilometers from Moose Factory.¹⁷ During the first half of the eighteenth century, Fort Albany and Moose Factory together served an area of roughly 600 thousand square kilometers that extended from Quebec in the east to a line roughly 200 kilometers from the Manitoba border, somewhat east of what later became Fort Severn.¹⁸ The southern reach of the hinterland was just north of Lake Superior. Although the area within 100 kilometers of the Hudson Bay coast is not suited to beaver, the habitat further south is ideal. In the 1980s the Ontario government conducted an extensive land use survey of the region and found that the

districts making up this hinterland were supporting roughly one beaver per two square kilometers (or 1.3 beaver per square mile).¹⁹

Destined to become the most important trading post, receiving by far the greatest numbers of furs, was York Factory. The company first established a small settlement on the Hayes River in 1782, but built a more substantial, permanent structure two years later on the adjacent Nelson River.²⁰ For much of the eighteenth century, York Factory had a catchment area of nearly one million square kilometers. Although the natural beaver densities are lower in this hinterland than in Fort Albany's, its larger catchment area more than compensated. In addition to including a portion of northwestern Ontario, the York Factory hinterland encompassed much of present-day Manitoba and part of Saskatchewan. Because of its westerly location in comparison to the James Bay posts, York Factory did not face serious competition from French traders until the late 1730s. In fact, because of its relative isolation and large hinterland, York Factory underpinned the success of the Hudson's Bay Company during much of its first hundred years.²¹

The last post to be established prior to the Seven Years' War of 1756 to 1763, and the most northerly of the Hudson's Bay Company factories was Prince of Wales Fort, later renamed Fort Churchill, built at the mouth of the Churchill River.²² Although a structure had been erected in 1687, it was not until 1716 that Fort Churchill began receiving significant numbers of furs. The post was located at 58° 75' latitude, less than 8° south of the Arctic Circle, and, despite being relatively insulated from competition, it never became an important part of the company's operation. The area that it served, 500 thousand square kilometers, was not much smaller than the Albany hinterland, but lying on the northern edge of a boreal forest that transitioned into tundra, the region was generally inhospitable to beaver, and animal densities were low.

To the extent that movement across hinterlands occurred, it seems to have been potentially greatest between York Factory and Fort Churchill, but the factors at both posts were serious about reducing such cross-hinterland trade. In 1725 Richard Norton, the governor at Fort Churchill told some Cree Indians who had previously traded at York Factory to return to that post.²³ One reason for imposing such restrictions was to reduce the potential for conflict between Cree, Assiniboine, and Chipewyan. In fact, Fort Churchill had been set up in part because of a history of warfare between the Cree and Assiniboine and the Chipewyan and was seen as a way of keeping the groups separate. So we can be reasonably sure that the bulk of the pelts traded at each of these posts came from their respective hinterlands. This is not to say that those Indians who traded the pelts necessarily trapped them. There was intermediation. Some natives, many of them Cree, acted as middlemen for natives living far from the Bay and the trading routes of the French voyageurs.²⁴

During the first forty years of the company's operation, wars between England and France spilled over to the Hudson Bay region. During these decades, Hudson's Bay Company posts changed hands from English to French several times, and it was only with the signing of Treaty of Utrecht in 1713 that peace was restored and all the posts came back into company hands. The Treaty deemed the lands in the drainage basin of Hudson Bay to be British; and from that point on, competition in the area was mainly economic and not political or military. Although the company did remain concerned about possible French attacks, the reality was one of peaceful coexistence among the European traders and among the Indians. Even during the Seven Years' War, the company trading posts saw no military action.

Life at the Bay

The posts built by the company at the mouth of the Rupert, Hayes, Nelson, Albany, Missininabi and Abitibi Rivers were crude log huts. We get some idea of just how crude from the various descriptions of those who lived at the posts. Joseph Robson, a critic of the construction work, describes the logs as being “of white fir eight or nine inches square which are laid upon one another.”²⁵ These logs were not dried and so they shrank “very much and ought to be caulked for some time yearly until it has done shrinking.” The lack of insulation became a problem in winter, especially if the stoves went out because then, according to James Isham, who became Governor at York Factory in 1738, ice froze on the inside of the walls to a thickness of six or eight inches “which is everyday cut away with Hatchetts.”²⁶ The posts were heated with wood in large brick stoves which made the rooms very smoky and dark, especially as the windows were covered with three inch wooden shutters. During the winter months, men often journeyed a few miles inland to cut timber; there they slept in temporary shelters. Despite the primitive nature of these shelters, conditions might not have been very different from those at the posts.²⁷ The most southerly point of James Bay lies at the same latitude as London, but because it is located in the interior of the continent and exposed to water currents from the Arctic, its climate is much harsher, with sub-freezing temperatures that typically stretch from October to April. The company officials in London wanted the posts to grow their own food and keep their own livestock, but the very short subarctic growing season meant that little could be home-grown either for food or as livestock. What crops could be grown, how to treat livestock, and how European goods functioned in this environment was learned over the course of many decades. The company men did hunt, and native hunters who remained in the area supplied the

posts with meat and fish. Still, the posts were highly dependent on the provisions that arrived with the annual ship from London which was their one contact with the European world. York Factory's provisions list for 1706 includes: 21,017 pounds of flour; 148 bushels of peas; 64 bushels of oatmeal; 2 hundred weight of biscuit bread; 20 flitches [sides] of bacon; 1171 lbs of prunes; 315 lbs of currants; 1006 lbs of raisins; 567 lbs of sugar; 1001 lbs of molasses; 68 gallons of vinegar; 28 gallons of oil; 1 bushel of mustard seeds; 12 pounds of ginger; 1.5 pounds of nutmeg; one pound of mace; one pound of cloves and 2 lbs of cinnamon; 60 cheeses; 3 barrels of salt; half a barrel of suet and 16 firkins of butter. In addition, the company sent 360 gallons of strong beer, 80 bushels of malt and 20 gallons of wine.²⁸

Writing in 1750, Andrew Graham, later Governor of York Factory, asserted that "the Company's Servants lives like Princes, seldom a week passes but when they have fresh provisions of different kinds, and the Factors and Officers lives in so grand a manner beyond description: this living, with the healthfulness of the Climate, the easy labour, and regular command induces the generality of us to continue many years in Hudson's-Bay."²⁹ Countering this idyllic view of life at the Bay, Umfreville wrote: "the provisions allowed the servants are, taken altogether, but of the middling kind ... Great quantities of venison and geese are salted for the use of the Factories during the spring and fall of the year. This provision will sometimes remain three or four years in the casks unopened; after which it becomes so completely putrified, rancid, and devoid of taste, that a person might as well expect nutriment from the shavings in a carpenter's shop."³⁰ The reality probably lies between these two descriptions, although certainly in a good hunting year the men would have had plenty of fresh meat and fish.

An important consideration for the ships, that made the annual journey between London

and the Bay, was the thawing and freezing of northerly Hudson Strait. Hudson Strait is ice-bound for most of the year and when open, icebergs and fog posed a constant threat. Given how far north the Strait lies, magnetic compasses cannot be used.³¹ Nevertheless, the quality of seamanship was such that very few ships were lost on the passage.³² In his *Account of six years residence in Hudson's Bay*, Joseph Robson describes his voyage to the Bay: "In the year 1733 I embarked on board the Mary frigate, ... We sailed from Gravesend the 16th of May, put into Tinmouth the 24th, touched at Carstown in the Orkneys the 7th of June, and arrived at Churchill-river the 3rd of August."³³ This was a typical journey, yet the fact that occasionally a ship did not arrive fuelled anxiety for those living in this remote area.³⁴

For the men living at the company posts, the year can be seen as starting with the arrival of the ship from London. This would happen in July, August, or September. Ships could only arrive and leave during these three months, since the thawing and freezing of Hudson Strait imposed a strict regime on voyages to and from the Bay. Moreover, the timing of both the thaw and freeze-up was uncertain, limiting the period any ship could anchor at the Bay posts to no more than two or three weeks. These ships were the posts' lifeline. They carried trade goods for the following year, provisions for the posts, and all correspondence between the head office and the post factors. The ships left with the furs collected in the just-completed trading season, any excess timber that the men had obtained, mainly during the winter, and the letters and record books for the head office. Men coming to the posts and those leaving Hudson Bay also went with the ship. The unloading and loading of the ship typically took place within a ten- to twenty-day window.³⁵ With contact to the outside world extremely limited, the arrival of the ship was no doubt one of the highlights of the year.

The daily journals, kept by all post factors, offer a gripping picture of the traders' world on the Hudson Bay coast. Here we summarize Chief Factor James Isham's journal for 1740/41, which describes the daily activities of the men and conditions at York Factory over what appears to have been a typical year.³⁶ Figure 2.2 is Joseph Robson's depiction of the area around York Factory. At the post were a doctor, armorer, tailor, carpenter, blacksmith, cooper, bricklayer, and other men, mainly laborers. The normal complement at York Factory was between thirty-six and fifty men, but in 1740 there were fewer than thirty at the post. Because of York Factory's almost complete isolation and its reliance on a single shipment from London, it was designed to be largely self-sufficient.

We begin on August 2, 1740, the day after the annual ships raised anchor and sailed for London, carrying a cargo of pelts and timber, letters and post records, and the men who were returning to life in England. The ships left behind provisions for the men, the trade goods that would be exchanged the following year, and those workers who were beginning employment at the post. On that day, among the many tasks, beer was being brewed by two men, an activity that took place weekly. The following day a sick Indian woman came to the post and was seen by the doctor.

During the month of August, as was true throughout the year, the tradesmen were employed at work related to their training. The armorer was mending or cleaning guns, including "old" Indian guns that been left. He also spent time making gun locks.³⁷ The bricklayer was working on a fishing house. The blacksmith was making at different times of the month scrapers, bayonets, and hatchets. He also made hinges for the doors and windows of the fish house. The cooper was making staves for casks, and the tailor was mending the men's

clothing as well as making them new outfits. On August 5th seven men were sent upriver with one week's provisions to gather firewood. They returned on the tenth for more provisions and, on the sixteenth, they brought the firewood from the interior which they rafted down river.

Isham complained that he did not have enough men to bring all the timber that had been cut. On August 18th some men were sent back with twelve days' provisions.

By August the main trading period was long over, but still "home guard" Indians, as they were called by the company, were coming to trade on a regular basis. Mostly they brought game. In total fifteen canoes arrived over the month in addition to a number of families and individual traders. Very few stayed long and by August 13th, there was just one Indian family left at the post. The game and fish provided by both the Indian hunters and the company men were necessary supplements to the provisions from England. In August, which was not especially good for hunting, Chief Factor Isham's journal records a total of 246 geese, 30 ducks, and 143 fish (mainly pike). Game was more plentiful in September. In that month the post received 565 geese, 115 pike and trout, 12 deer, and a quantity of deer tongues. The southern migration of geese was over by mid-September, and the men turned their attention to rabbit and partridge. Snares were set on October 3rd, and on October 4th they caught 57 rabbits. But the area was quickly trapped out. The catch over the following days was 20 rabbits, then 15, 6, and 2. More snares were set on the ninth but with little result. Company men or Indians were bringing in partridge almost every day; the total for October was 76. Venison was, of course, highly valued. On October 27th nine men went inland. They made over a mile of deer hedges and set 27 snares. No deer were caught. In fact nearly all the deer received by the post were from the Indians, who were more skilled and could move further into the interior.

The last canoe of the year arrived on September 29th, and a few days later the river was reported "full of ice." From that point until February the company men were almost completely on their own, with a mere handful of Indians coming to the post. During this time, the armorer continued repairing or making parts for the guns; the tailor made winter clothing - beaver mittens and beaver overcoats - for the men at the post, and "fine coats" for trade; the carpenter and a number of men were sent into the interior to square timber; while others went further inland for periods often over a month to hunt and trap. While they left with provisions, these were supplemented with what they could catch themselves. So, for example, they might take four weeks of provisions for a six-week trip. Throughout the winter, then, many of the men were away, but they all returned for Christmas and New Year's.

In February and March Indians began arriving at the post; the total for each month was twelve individuals or families. Nearly all had game to trade, but two Indians came because they needed food, both for themselves and for their families who had been left behind being too weak to travel. Indians were at times a source of information about conditions at the other Hudson's Bay Company posts. On January 5th, for example, an Indian man and his son were sent to Fort Churchill for news and to bring buttons if any could be spared, as well as lamp oil. They left Fort Churchill on January 24th and returned to York Factory on February 5th, a journey (on foot) of twelve days. The Indian informed the post that all at Fort Churchill were well, although one of the company men had frozen to death due to an accident. The men also learned that the Governor of Fort Churchill, Richard Norton, was in his new house and awaiting supplies from the annual ship to complete it. The Indian man also brought some buttons.

Activity at the post increased in April, and for the first time since the previous autumn

Indians were supplying the post with venison. More important, though, were the preparations for the spring goose hunt. Indians were arriving at the post almost daily, and by April 26th there were 26 families totaling 130 persons. The following day 25 of the families left for the Fourteens River and the marsh for the goose hunt (see Figure 2.2). Company men participated by supplying the Indians with powder and salting the freshly killed geese. It was not until May 15th that the hunt, which was dictated by the timing of the migration, began in earnest, and by May 21st the men had 430 geese in salt. The hunt was effectively over by May 25th. Overall it produced 800 geese for the post, which were stored in casks that had been prepared over the winter by the company's cooper. Despite this apparently impressive haul, Chief Factor Isham commented that this was poor year for the hunt, affected by the easterly wind that had driven many of the geese from their usual migration path.

The Chief Factor also reported that the ice on the rivers was breaking up. Because the rivers flow north to Hudson Bay, it is the water closest to the Bay that thaws last, and it was not until May 26th that the first canoes arrived at the post. The numbers at first were small, six canoes on the 26th, three on the 27th, six on the 28th; and there were similar numbers in early June. Undoubtedly the most significant date of the trading year was June 12th. On that day eighty-five canoes arrived at York Factory, with traders representing at least four different native groups. The following day there were another thirteen canoes; and on June 17th, thirty canoes. The Indians who came to trade spent very little time at York Factory. Some stayed as little as one day, and others just a few days. In fact, by June 20th all those who had arrived on or after the twelfth had left. Another thirty canoes came to the post on June 22nd, but by the end of the month the trading season was effectively over. Thus, even though the company men spent the

entire year at Hudson Bay, fur trading itself occupied less than a month, and nearly all of that trade was concentrated in just one week.

In July Indians continued to arrive, but now they brought mainly game rather than furs. This was most importantly the month when the post prepared for the ships from London. The furs received from the Indians had to be sorted, counted, and packed into bundles for the casks that the cooper had prepared. It was essential that the furs were properly packed or else they could arrive in England damaged and possibly unsaleable. During this month the carpenter made a beacon, which was set on July 20th. On July 24th buoys were placed at five fathoms and three fathoms. Finally, on August 2nd, the *Churchill*, captained by George Spurrell, arrived along with a sloop. Almost immediately the men began removing the cargo from the ships, and by August 6th both vessels were fully unloaded. Over the next three days the homeward cargo, mainly furs and lumber, was boarded. Also placed on the ship would have been the post records and accounts, as well as other correspondence. On August 12th, having spent just ten days at the post, the ships weighed anchor, and the following day set sail for London bringing to an end the 1740/41 trading year.

In addition to describing the daily activities of the men, the post journals make clear the dangers of the subarctic climate. In 1749, when he was fifteen or sixteen, Andrew Graham sailed on the *Churchill* to work as one of the company servants at the Bay.³⁸ In 1753, while working at Fort Churchill he was appointed 'Assistant Writer' at York Factory, and in September he made the journey overland. The following January, James Isham, Chief Factor at York, sent Andrew Graham, Humphrey Marten and four Indians back to Churchill to get his personal belongings and some trade goods. The group returned from Churchill on January 22nd

and arrived at York Factory on January 31st. During the trip, Andrew Graham's feet were severely frostbitten. James Isham's entry for February 7 brings home the reality of a fur trader's life:

Andrew Graham the surgeon has scarified [bled - at the timing bleeding was the treatment for many injuries] again in several places of his feet, being froze in a most dismal manner, and is the opinion of the surgeon that it's impossible to save his toes, if so he can save his feet but hope for the best. In examining into the affair, I found he complained of a pain in his ankle three days before he came to the Fort. Being asked by his companions how he was, and if his feet was cold, he answered no, and so continued till he came within ten mile of the Fort, where crossing Port Nelson River he froze his feet unknown to him or any of his companions, who asked him as they were entering upon the island if his feet sweat, or if he was a cold. He told them he was quite warm and hearty. Now the case is plain, he being in a manner sotted and numb never felt any pain through the frozen part still increased insensibly. But as I observed on the 2nd instant, for in truth it was out of mere carelessness and neglect; for ordering the surgeon to show me the socks he had on a that time, which I would not have walked in such forty miles from the Factory for £10,000. Not but he had good socks when he set out to and from the forts, but burned them in the night in drying. Besides, notwithstanding he burnt his socks, as he had blankets it was very easy to take part to keep his feet warm, so that in the whole affair it is allowed to be mere carelessness and neglect.³⁹

By the end of March, Andrew Graham was, according to the not very sympathetic chief factor, "in a fair way of doing well." Andrew Graham fully recovered and went on to become chief

factor at York Factory and Fort Churchill. Nearly twenty five years later in June of 1773 he described his then current state to the directors in London:

... I am now rendered useless and an object of pity by being afflicted with a grievous disorder, an inguinal hernia, which is become so troublesome since last February that I dread a mortification, the pain at times being acute, and seconded with sickness, headache, and a slight vertigo. This malady is of such a nature that my continuing any longer in your service may be improper, as I may die a miserable death without assistance, and your affairs here wants an active person, and one who will continue a considerable time; often changing your factors confuses the natives.⁴⁰

But Andrew Graham must have been remarkably robust, because the next year he noted that “by using an elastic truss I have been without complaints since last autumn, and my constitution being sound I hope I shall do very well by being hauled at intervals.”⁴¹ Graham left the company’s employ the following year, 1774, and lived for another forty years in Edinburgh.

Pricing Furs at Hudson’s Bay Company Trading Posts

By keeping men year-round at posts along the Hudson Bay coast, the company was able to establish a long-term, stable, trading environment for the exchange of European goods for furs. Permanent trading posts at well-defined locations with salaried employees provided the Indians with what might be regarded as a type of general store. As the equivalent of owners of a general store, the company directors set the prices for furs in terms of European goods. They developed a list, called the *official standard*, that specified a price for each type of fur and each trade good in terms of a unit of account.⁴² The unit of account was the *made beaver (mb)*, given that name because a prime beaver pelt was assigned a price of one *made beaver*. A portion of an

early Fort Albany price list is shown in Table 2.1. In 1700, for example, the price of cloth was *2mb* per yard meaning that Indian traders coming to Fort Albany, who traded at the official rate, exchanged two prime beaver pelts for one yard of cloth. In the same year a gun sold for seven prime beaver pelts and a blanket for five. Marten had a price of $1/4mb$, which meant four marten pelts were equivalent to one beaver pelt. It therefore took four martens to purchase one pound of tobacco, since tobacco had a price of one *made beaver*. These prices established a rate of exchange between furs and trade goods that became central to the conduct of the trade. The *official standard* also allowed for more transparent accounting on the part of post managers.⁴³ By valuing all furs and commodities in the same unit of account the directors in London were able to measure managerial performance, since they could compare the value of the furs purchased with the cost of the European goods traded. If the *made beaver* value of the trade goods was the same as the *made beaver* value of the furs, then the managers were exactly following the *official standard*. Natives were not shown, nor could they have read the price list; nevertheless they came to expect continuity in the rate that each type of fur could be exchanged for specific European goods.

The directors in London initially expected the post factors to adhere rigidly to the *official standard*, but it soon became apparent that trade could be improved by permitting the posts more discretion. Post managers needed to respond to changing market conditions in Europe and to competition from French traders. Increased latitude over pricing also allowed the trading mechanisms of the company to mesh more seamlessly with native trade practises; in particular facilitating the exchange of ceremonial gifts at the opening of the trade. Accordingly, towards the end of the seventeenth century, the pricing structure was made more flexible, although all

exchange continued to be underpinned by the *official standard*. Post factors were now permitted and ultimately encouraged to bargain with the Indians over specific furs and European goods. For example, in 1716 the *official standard* price of a pound of Brazil tobacco at Fort Albany was 1*mb*. In his annual letter to the head office, Richard Staunton, the chief factor at Fort Albany, reported that during the summer of 1716 he had traded Brazil tobacco at ½ pound per *made beaver* rather than at the official rate.⁴⁴ Other examples included shot at 3 ¼ lbs. per pelt as compared to the *official standard* of 5 lbs.; vermilion, ¾ ounces per pelt rather than 1½ ounces; and blankets, 7 rather than 6 beaver pelts per blanket. These comparisons are typical of the period before 1750 in that post factors were exchanging European goods for furs at rates far less than the *official standard*. With the increase in market power of native traders in the 1730s and 1740s, furs began to be exchanged at higher rates, eventually becoming higher even than the *official standard*.

Allowing changes in the rate of exchange between goods and furs was more than an accounting modification. The purchase of furs below the *official standard* freed up European goods for other uses and allowed factors to structure the trade more in line with native cultural practices.⁴⁵ An “ethic of generosity” was an important element of native society, not just in the region of Hudson Bay, but throughout the Americas, and a component of this ethic was the practice of gift-giving. The company directors became aware, as had French traders earlier, that if they were to attract significant numbers of Indians to its posts, it would be essential to conduct the trade in a way that mirrored this native practice. At first the company tried to accommodate the Indians by “inadvertently” leaving items for native traders to pick up, but by the eighteenth century gift-giving had become formalized both in terms of structure and the company’s

accounting procedures.⁴⁶ Prior to the start of actual trading, Indians and company officials participated in a ceremony intended symbolically to cement their friendship. During this ceremony, gifts would be exchanged. Native traders would offer a few items to the English, but it was the company that gave much more of substance in return.⁴⁷ The company gifts included many of the same goods that were subsequently exchanged in trade, although the gifts tended towards such luxury items as alcohol and cloth. Because of this ceremony, the Indians' overall return for their pelts included the goods they received as gifts as well as those for which they traded. Recollecting the concentrated nature of the trading season, the men at the post would have been trading and holding gift exchanges almost continuously, activities that were facilitated by the long period of daylight during the northern summer.

Post managers had discretion both in terms of gift-giving and during the actual trading process, which meant that the official values of furs traded did not necessarily balance with the value of European goods. From a head office perspective, this latitude made it harder to ensure that managers were working in the best interests of the company because there was no longer an exact correspondence between the *made beaver* values of the pelts and trade goods. So, at the same time as managers were allowed flexibility over pricing, the head office introduced the accounting concept of the *overplus* to help assess their performance. This measure was calculated simply as the difference between the value of furs received and the value of trade goods expended, all priced in terms of the *official standard*. In the summer of 1716, for example, Richard Staunton, Governor at Fort Albany, took in 20,583*mb* in furs. In exchange for these furs, he paid out 13,810*mb* in European goods. He reported the difference as an *overplus* of 6,773*mb*, or nearly 33 percent of the official value of furs received. Just as they kept an

accounting of how their trade differed from the *official standard*, post factors also recorded the value of the goods the Indians received in the gift-giving ceremonies, entered in the accounts as *expenses*. In 1716 Governor Staunton distributed gifts with an official value of 928*mb* which partially offset the *overplus*. These accounting measures acted as monitoring devices for the company's head office, but they also provide us with a convenient gauge of market conditions.

Accounting practises may not seem exciting, but the fact is the accounts kept by the post factors offer a unique window on the conduct of the fur trade. They allow us, most importantly, to document the competing interests of the European and native traders. On the one hand, each post factor had the incentive to minimize the quantity of European goods that he traded for a given number of furs. The fewer goods he traded, the better he would look in the eyes of the London headquarters, unless, of course, native traders were driven away. At the same time, Indian traders had an incentive to extract as many European goods as possible for each pelt delivered to the post. More European goods represented a higher price per pelt and a higher implied wage for the time spent hunting, trapping and travelling. We can use the information on the *overplus* and *expenses* in combination with the *made beaver* values of furs and goods exchanged to generate an index of how the two groups, native traders and post factors, were doing over time.

If all trade took place at the *made beaver* prices listed in the *official standard*, then our index of the fur price would be 100. The actual price in each year can be compared to that base. Using Fort Albany in 1716 again as the example, the post accounts show that the official value of goods paid out was 13,810*mb* in goods and 928*mb* in gifts, while the official *made beaver* value of the furs was 20,583*mb*. The value of the goods and gifts expressed as a percentage of

the value of the furs is the fur price index. Thus, in 1716, the fur price index was 71.6.⁴⁸ It follows that those Indians who came to Fort Albany in that year received 28.4 percent less in European goods than they would have received had they traded at the official company rate. It would be easy to take an index of less than 100 as a measure of exploitation but this would not be correct. What must be remembered is that the trade involved a bilateral negotiation. Indians were not forced to do business with the Hudson's Bay Company, nor did they have to accept goods they did not want. And, more importantly, they could not be compelled to return to the Bay posts in subsequent years. Rather it is better to see this index as an indication of the *relative distribution of gains*. In some years, the company had a greater share of gains from trade, and in others, the native traders. For example, when French competition increased in a Bay post hinterland, Indians had more bargaining power and could force the post managers to increase the fur price. Indeed, as we describe in Chapter 3, greater competition led in the late 1740s to price indexes at the company posts that were above 100. The *official standard* was the lynchpin of the Hudson's Bay Company's pricing policy and our window on the nature of exchange between the Indian and company traders. In contrast to an independent French *coureur de bois*, who had a relatively short time horizon of no more than a few seasons, the Hudson's Bay Company was a commercial operation that planned to trade for furs over the long term. As we discuss in detail in Chapters 4 and 5, the prices the company paid the Indians affected how many pelts would be brought to its posts in future years, and determined, in essence, the long-run profitability of the trade. But what determined the prices that made up the *official standard*?

The directors and shareholders of this company were established merchants and financiers in London. In deciding what to pay the Indians for furs, they had to take several

elements into account. First, they had to consider the expected sale prices of furs in England, especially beaver pelts. Since the company was a late entrant into the fur market, there was already a good deal of information on the price of beaver in London, Amsterdam and Paris. Some of the major furriers, such as Thomas Glover were early stockholders in the company and so would have been able to bring their expertise to bear.⁴⁹ Second, the head office had also to include the cost in England of the trade goods that it would offer in exchange for furs. Third, there were transportation, tariffs and the costs of administering the trade to consider.

Transport costs comprised several components. There was the direct cost of the voyage, namely the cost of the ship and crew, and the cost of docking in London and loading and unloading the cargo. Export duties on trade goods sent to the Bay and import duties assessed on furs brought to England were another cost. The specific tariff had an especially large impact on the lower quality pelts, so much so that the company could lose money by transporting such furs to London.⁵⁰ The general letter sent to Governor Beale at Albany in 1711 stated: "you are ordered not to send home any stage [damaged] or summer beaver either parchment or coate" because it was not worth the custom's duties paid on them. The general letter to Governor Knight in 1714 and in 1715 included the same order. He was told to "send us none [damaged beaver] home" again, because the price relative to the cost of the pelt, transportation and import tariff made it a losing proposition.⁵¹ Finally, the company had to cover the costs of administering the trade on both sides of the Atlantic. These included the wages and provisions of the workers at the Bay and the cost of the company's operation in London.

We can get some sense of company costs by comparing the prices paid by the Hudson's Bay Company for trade items in England with the *official standard* price of those same items at

the company's most important post, York Factory (see Table 2.2). In 1742, the company paid 1.88 shillings per pound for beads in England, while the official price at York Factory was *2mb* per pound.⁵² Blankets, which the company purchased for 7 shillings per blanket, were assigned a price of *7mb*. On these and most goods, the per shilling cost in England was the same or less than the made beaver price at the post. Guns were an exception in that they were purchased for 22 shillings but had a price of just *14mb*.⁵³ Excluding guns, which had a relatively low *made beaver* price compared to their cost in London, the per shilling cost of trade goods averaged roughly 30 percent less than the official *made beaver* price of those goods. In other words, 0.7 shillings worth of trade goods corresponded to one *made beaver* worth of furs. At the time the *official standard* at York Factory was established, the company was receiving about 5 shillings for prime beaver pelts at its fur auctions in London. This means that Indians who traded at the *official standard* received 14 percent (that is, $0.7/5$) of the ultimate value of their furs. The remaining 86 percent covered the company's costs and any profit it received from the trade. At Fort Albany, the *official standard* was more generous to native traders, averaging about one shilling worth of trade goods for one *made beaver* worth of furs. Since a prime beaver pelt was 5 shillings, natives at Fort Albany were receiving 20 percent of the value of their furs in England. While it may appear from these numbers that Indians were receiving far less than the true worth of their furs, these differentials between the price in London and at the Bay were, in fact, needed to cover the company's operations on both sides of the Atlantic as well as the high transport costs.

Michael Wagner, using the Grand Journal accounts, has itemized the various costs of the company's operation.⁵⁴ In the trading year 1748/49 the approximate breakdown was: trade

goods, £4,000; provisions for the post employees, £6,000; shipping expenses, £5,000; servant salaries and expenses, £5,000; duty charges, £3,500; and central administrative expenses, including the salaries of committeemen, £1,500.⁵⁵ The total cost of £25,000, which can be compared with the company's operating revenue of £31,000, left the company an operating profit of £6,000.⁵⁶ The £4,000 value of the trade goods received by the Indians represented, therefore, 13 percent of the company's costs and operating profit, a share roughly in keeping with our estimates for York Factory and Fort Albany.

If the cost issues were not complicated enough, the head office also had to consider the extent of French competition in the region. Trading by the French varied in degree and intensity depending on the year and the location of the particular Hudson Bay Company trading post. From the inception of the French trade, *coureurs de bois* gradually pushed westward up the St. Lawrence and Ottawa Rivers into the northern reaches of the Great Lakes, following the original routes of Sieur des Groseilliers and Pierre Esprit Radisson. By the end of the seventeenth century, the French were trading in the hinterland served by Fort Albany and Moose Factory, and so were competing with the Hudson's Bay Company. It took until the late 1730s before the French penetrated the York Factory hinterland. Fort Churchill was so remote that it faced virtually no competition until after the Seven Years' War. In setting its original price list, the company directors recognized that in hinterlands where French traders were active, they had to make exchange more attractive to the Indians. With *coureurs des bois* present in the more southeasterly parts of the Hudson Bay hinterland, the James Bay posts of Fort Albany and Moose Factory established lower *official standard* prices on most trade goods than York Factory and Fort Churchill. For example, the *official standard* price of cloth was 40 percent less at Fort

Albany and Moose Factory and the official price of combs was 50 percent less. But not all prices differed by region. Brandy was 4mb per gallon at all the posts and blankets had similar prices, 6mb at Fort Albany and Moose Factory, and 7mb at York Factory and Fort Churchill.

A list of *made beaver* prices at York Factory and Fort Albany for 1740 is shown in Table 2.3. Although the generalization does not hold in every case, it appears that those items with a high value relative to weight were the ones where the price differential was greater. These were also the goods where the French were most competitive. The Hudson's Bay posts were supplied directly by ship, whereas the French traders traveled by canoe from Montreal along the Ottawa and French Rivers into the Great Lakes, portaging over the heights of land. At the end of the trading season they had to make the return trip to Montreal. The overland route meant higher transport costs for the French, but the differential was not the same across trade goods, being less on the high value-to-weight items. As a consequence, Fort Albany and Moose Factory set lower prices on high value-to-weight items than did York Factory. The official price of tobacco, a high value good, was 27.5 percent less at Fort Albany than at York Factory, whereas there was no difference in the price of alcohol, which was more costly to transport.⁵⁷ Transport costs also explain why cloth, another high value-to-weight item, officially sold for 40 percent less at Fort Albany than York Factory, but the differential on blankets, a comparatively low value good, was only 15 percent.⁵⁸

Overall, a French trading presence in a region had a marked effect on the *official standard*. In 1740, for example, native traders at York Factory received European goods with an official value of 27,500mb, meaning that at the *official standard* they would have exchanged 27,500 prime beaver skins or the equivalent in other furs. On the other hand, had those same

goods been priced at the *official standard* in use at Fort Albany, only 18,400 *mb* in furs would have been exchanged. Thus, in 1740, Fort Albany and Moose Factory had official prices on European goods that were on average 29 percent less than those at York Factory.⁵⁹ Why native traders in the York Factory hinterland did not journey to Fort Albany to take advantage of the better prices may seem puzzling, but it must be kept in mind that York Factory was nearly 1,000 kilometers up the coast from Fort Albany and was served by a completely different river system.⁶⁰

The European Market and Fur Prices at the Bay

Furs shipped from Hudson Bay were sold at auction in lot sizes controlled by government legislation. In the early eighteenth century, prime beaver pelts were selling for about 5 shillings but by the 1740s, prices had roughly doubled. In 1748 whole parchment beaver sold for between 9 and 11 shillings per pelt and the average price of half parchment pelts was 4.6 shillings. The company's *official standard* at its Bay posts of one *made beaver* for a whole parchment pelt and one-half *made beaver* for a half parchment pelt thus reflected their relative price at the fur auctions.⁶¹ As noted in Chapter 1, the trend in beaver prices in Europe was significantly upward, with average sale prices increasing at 2 percent per year.⁶² Over the fifty-year period, 1713 to 1763, the price of beaver pelts nearly tripled.⁶³

How did the rising price of pelts in Europe affect the price received by native traders? One possibility is that higher output prices simply increased company revenues and so dividends for shareholders without benefiting the Indians. Our fur price index reveals instead that successive chief factors responded to the rising price of beaver pelts in London by raising prices at the trading posts as well. In the case of Fort Albany (and Moose Factory), furs were trading

at an index price of 68.3 in 1713, and this index stayed in a narrow band of 66 to 72 for the next 20 years, as shown in Figure 2.3. Then, in 1733, due to a combination of a lower *overplus* and many more gifts, the price index jumped to 81. The index continued to increase in the following decades, reaching a peak of 128 in 1756. Although the price index declined somewhat over the time of the Seven Years' War, native traders were still receiving close to 100 over the years 1758 to 1763. From 1713 to 1763, the annual trend in fur prices at Fort Albany was 1 percent, implying an increase of 65 percent over the fifty-year period.⁶⁴ Had the Hudson's Bay Company been the sole purchaser of furs, the price index would likely have remained in the 66 to 72 range. What led the company to raise the price index was the way higher fur prices in Europe, especially Paris, affected the intensity of French competition.

The French had always been a presence in the Fort Albany hinterland yet the price of furs did not begin to increase until the 1730s. As E.E. Rich puts it, in the 1730s "the French threat took on a new vigour."⁶⁵ He attributes the change to the impact of "fresh and vigorous personalities," with Pierre Gaultier de Varennes, Sieur de la Vérendrye being the most important.⁶⁶ Personalities certainly mattered, but it was the higher European fur prices of the 1720s and 1730s that provided the French with the incentive to move further into the interior. Because French trade was operated by independent *coureurs de bois* or *voyageurs* in contrast to the hierarchical, joint-stock, Hudson's Bay Company, their response to higher European prices was central to what happened on the Hudson Bay coast. Higher prices in Europe allowed individual traders to move further west because, in effect, these higher prices covered the cost of travelling a greater distance. A *coureur de bois* or *voyaguer* could now compete with both his fellow French traders and the Hudson's Bay Company by going into new territory. In 1731, de

la Vérendrye set out with fifty men and built a post on Lake of the Woods, near the border of the Fort Albany and York Factory hinterlands, with the aim of increasing French trade in the region by diverting the Indians from Hudson Bay.⁶⁷ Indian wars prevented the post, Fort St. Charles, from doing much trade the first year, but it soon became active, and by 1733 the Hudson's Bay Company factors were responding by offering the Indians better terms, as the price index at Fort Albany illustrates (see Figure 2.3). Later, as the price of furs in Europe rose further, French activity again increased and, as a consequence, Fort Albany offered higher and higher prices to the Indians in the region, a pattern that held through to 1763.⁶⁸

The prices received by native traders at York Factory display a similar profile. In the York Factory hinterland, the company had a virtual monopoly until 1738 but with the relocation of a French trading post, Fort Maurepas, to the mouth of the Winnipeg river in 1739 and the building of additional posts, the French became increasingly successful at diverting trade. The fur price index at York Factory reflects the emerging French presence (see Figure 2.4). It was only with the settlement laid out in the Treaty of Utrecht of 1713 that the Hudson's Bay Company regained control of trade in the region; and so York Factory began receiving furs later than Fort Albany. Its first few years of operation, 1716 to 1722, was a period of re-establishing contacts with the natives. It did so by offering generous terms to those who came to the post. But once the trade was secure and natives began bringing large numbers of furs to the post, the price of furs was reduced sharply. In 1723 native traders received just 69.9 percent of the *official standard*, and for the next fifteen years the price index hardly deviated from that level, despite much higher fur prices in Europe.⁶⁹ The return of Sieur de la Vérendrye to the region, and the establishment Fort Maurepas, Fort Dauphin and two other posts shortly thereafter, led to

a dramatic change in York Factory pricing policy. In 1739, the price index at the post jumped to 75.3. From that year to the end of the period, James Isham and the other chief traders at York Factory acted to protect their share of the fur trade by offering more and more generous terms to native traders. In 1754, the index peaked at 115. From 1738 to 1763 fur prices at York Factory post rose at an annual rate of 1.2 percent or 35 percent in total.⁷⁰

The more northerly Fort Churchill was so distant from the Quebec base of French operations that it faced hardly any competition. It was too costly for the French to canoe from Montreal, and it was not until well after the Seven Years' War that traders from Montreal were operating in the region. Only in the 1780s did Montreal traders begin to organize themselves in a way that allowed them to penetrate the Fort Churchill trading grounds, wintering over west of Lake Superior, with Grand Portage on the western side of the Lake becoming the meeting point. Some traders traveled between Montreal and Grand Portage, while others moved between the interior and Grand Portage, collecting supplies and dropping off their furs. But prior to 1763 this specialization had not occurred. Even a doubling of fur prices in Europe was insufficient to induce a French trade in the Fort Churchill hinterland. The Hudson's Bay Company's resulting monopoly in the Fort Churchill hinterland is reflected in its pricing of furs (see Figure 2.5). The price index at Fort Churchill exhibits much wider year-to-year fluctuations than at Fort Albany or York Factory due to the smaller size of the hinterland and hence thinner market. More importantly, the marked upward trend in fur prices seen at Fort Albany and York Factory is absent. Excluding the years 1723 to 1727, when the post was in its infancy and apparently being mismanaged by chief factor, Richard Norton, the annual trend in fur prices at the post was just 0.56 percent, about half the rates seen at the other posts.⁷¹ The implication of the more modest

trend is that the company factors at Fort Churchill did respond to the buoyant market for furs in Europe by offering somewhat better terms to the Indians over time, but because they felt no pressure from French competitors their response was far less.

Increasing the price of furs at its trading posts was the Hudson Bay Company's primary response to French competition, but it was not the only one. While used only occasionally, a second approach was to send individuals into the interior to persuade the Indians to come to the Bay. This policy was adopted in the Fort Albany hinterland in 1743 when, on his own initiative, the Governor, Joseph Isbister set up an inland station, Henley House.⁷² Henley House was not considered a trading post, but rather an interception point to entice Indians down to the Bay. The establishment of Henley House was one of the very few instances in the pre-1763 period when representatives were sent inland. The outpost met with mixed success and came to an unfortunate end. In early 1755, conflict with the home guard Cree led to the destruction of Henley House and the death of all the personnel.⁷³

Five years later, in 1750, York Factory's Governor, James Isham, built Flamborough House up river from the coast. The goal was the same, to intercept Indians who otherwise might have traded with the French. The head office agreed with the Governor's plan: "As you are of opinion that if a proper Person were sent a great way up into the Country with presents to the Indians it May be a means of drawing down many of the Natives to Trade We approve therof..."⁷⁴ But after several years, perhaps because of the ineptitude of its commander, Samuel Skrimshire, it was decided that the outpost was not serving its purpose, and Flamborough House was abandoned.⁷⁵ Even though the Flamborough House endeavor was not successful, James Isham sent Anthony Henday, a general laborer, to winter with the Archithinue Indians, who

resided in the plains of Alberta, to persuade them to come to the post to trade. Leaving York Factory on June 26, 1754, Heday finally reached the Archithinue Indians on October 15th. He gave them presents and explained through an interpreter that he hoped that some of the young men would travel to York Factory to trade. The Chief answered that:

[I]t was far off, & they could not live without Buffalo flesh; and that they could not leave their horses &c and many other obstacles, though all might be got over it they were acquainted with a Canoe; and could eat Fish, which they never do. The Chief further said they never wanted food, as they followed the Buffalo and killed them with the Bows and Arrows.⁷⁶

Anthony Heday did not winter over; rather, he spent just a few days with the group before heading back to York Factory. It was not until a decade after the end of the Seven Years' War that the Hudson's Bay Company changed the nature of its trading arrangements and successfully moved inland. By that time, Montreal traders had already entered large areas of the company's western hinterlands.

There is much in the literature on how the Hudson's Bay Company's trade was administered. In many ways the descriptions fit economic historians Karl Polanyi and Immanuel Wallerstein's view of trade in frontier regions.⁷⁷ They could see the company's posts as 'ports of trade', which they define as sites offering military security and protection, and facilities of anchorage and storage. At these sites, agreement on the goods to be traded has been pre-established or is traditional. Karl Polanyi claims that "the port of trade [was] a universal institution of overseas trade preceding the establishment of international markets. It was as a rule situated on coastal or riverain sites, where inlets and extensive lagoons eased transportation by

land.”⁷⁸ The Hudson’s Bay Company’s trading posts had some of the features of his description of ports of trade. The *official standard*, for example, established rates of exchange between furs and European goods, and there was a general understanding about what furs natives would bring and the sorts of goods the company would provide. On the other hand, the system that developed on the shore of Hudson Bay was much more than an unchanging set of relations between an industrializing power and a primitive society. Not all rules were set in Europe, and the *official standard* allowed for flexible pricing. Moreover, as we will discuss in Chapter 3, even the mix and the total value of the trade goods adjusted to market conditions. The fur trade of Hudson Bay was, in fact, a vibrant set of relations between two equal partners. Native traders as much as the company controlled the terms. Native traders decided how much time to spend on commercial activity, and they controlled the number of pelts that they would offer to the Hudson’s Bay Company and the French *coureurs de bois*. Such decisions were not imposed from outside. Rather they framed the conduct of a trade that had broad implications for native economic life.

Table 2.1. *Official Standard Price of Skins and Trade Goods: Fort Albany, 1700 (selected items)*

INSERT TABLE 2.1 HERE

Source: Hudson's Bay Company Archives, Post Account Books: Fort Albany, MG 20 B3/d/11.

Table 2.2. *Official Standard* at York Factory, Cost of Trade Goods in England, 1742/43
(Selected Items)

	Quantity Received ^a	Price in England (shillings)	Official Standard (made beaver) ^a
Beads (lb)	501	1.88	2
Shot (lb)	15,628	0.15	1/4
Tobacco (lb)	1,266	0.42	1
Blankets (per)	335	6.00	7
Duffel (yd)	301	1.25	2
Flannel(yd)	443	0.83	3/2
Combs (per)	490	0.52	1
Guns (per)	443	22.0	14
Hatchets (per)	1,246	0.84	1
Ice Chisels (per)	280	0.50	1
Knives (per)	4,155	0.16	1/4
Twine (skein)	252	1.08	1
Scrapers (per)	200	0.58	1/2
Brandy (gallon)	1,204	3.00	4
TOTAL VALUE		22,424	24,211
TOTAL VALUE (excluding guns)		12,678	18,009

^a Based on returns from York Factory. There was no change in the *official standard* at any of the trading posts after 1720. Quantities received are drawn from the post's "General Charge" account, which reports quantities delivered to the post. The figures differ somewhat from the amounts traded to natives because of gifts and carry-overs to other years. Using the amounts traded in 1743, gives rise to a different weighting of the shilling and made beaver prices, and would lead to a slightly higher price of furs, 0.74 shillings per made beaver rather than 0.70.

Note that the General Charge may have been less sensitive to yearly fluctuations in the trade in individual items.

Source: Hudson's Bay Company Archives, *Post Account Books: York Factory*, MG 20 B239/d/33.

Table 2.3. Prices of European Trade Goods: York Factory and Fort Albany, 1740

INSERT TABLE 2.3 HERE

Sources: Hudson's Bay Company Archives, *Post Account Books: Fort Albany*, MG 20 B3/d/49;
York Factory, MG 20 B239/d/30.

Figure 2.1. Trading Hinterland of Hudson Bay

Insert Figure 2.1 Here

Sources: Arthur Ray, "Bayside Trade," and Arthur Ray et al., "Rupert's Land."

Figure 2.2. Joseph Robson's Sketch of the Area Around York Factory (Port Nelson)

Insert Figure 2.2 Here

Source: Glyndwr Williams, *Hudson's Bay Miscellany*, opp. p. 92. Reproduced with the permission of the Hudson's Bay Company Archives, Archives of Manitoba.

Figure 2.3. Fur Price Index At Fort Albany and Price of Beaver Pelts in London, 1713 - 1763

INSERT FIGURE 2.3 HERE

Source: Table A1 and Table 1.2.

Figure 2.4. Fur Price Index At York Factory and the Price of Beaver Pelts in London, 1716 - 1763

INSERT FIGURE 2.4 HERE

Note: The London price is based on a weighted average of the number of whole parchment, half parchment, and coat beaver pelts sent from the respective posts.

Source: Table A1 and Table 1.2.

Figure 2.5. Fur Price Index At Fort Churchill and the Price of Beaver Pelts in London, 1722 - 1763

INSERT FIGURE 2.5 HERE

Note: The London price is based on a weighted average of the number of whole parchment, half parchment, and coat beaver pelts sent from the respective posts.

Source: Table A1 and Table 1.2.

Endnotes

1. Quoted in E. E. Rich, *Hudson's Bay Company*, I, p. 24. Rich suggests the author was in fact George Cartwright. 'George Carr' appears to be a mixture of the names of Cartwright and Sir Robert Carr, English commissioners sent to America to settle, among other things, the boundaries of the British possessions.
2. *Ibid.*, pp. 23-24.
3. For a map showing Sieur de Groseilliers' route, see *Civilization.ca - Virtual Museum of New France*, <www.civilization.ca/cmc/index_e.aspx?DetailID=4157>, accessed 11/04/08.
4. *Coureurs de bois* is the name given to the French fur traders who journeyed west and north from Quebec. The literal translation is wood runners. They were also called *voyageurs*.
5. The French *livre* was 1.077 pounds.
6. E.E. Rich, *Hudson's Bay Company*, I, p.28. For a more complete discussion of these and subsequent events see chapters 2 and 3.
7. *Ibid.*, p. 29.
8. *Ibid.*, p. 38.
9. *Ibid.*, p.53.
10. For a sense of this debate see Ann M. Carlos and Stephen Nicholas, "Giants of an Earlier Capitalism;" "Agency Problems;" "Managing the Manager;" and "Theory and History;" S.H.R. Jones and Simon Ville, "Rationale for Early Chartered Trading Companies;" and , "Theory and Evidence."
11. Stock was sold in units of £100 book value although one could buy part of a share. However, one needed £100 book value to vote and to be elected to the Court of Assistants, a shareholder had to have a minimum £400 book value of stock. The amount required to be

elected Governor or Deputy Governor was higher. By 1720, the minimum book value of stock required £1,800 and £900, respectively. William Scott, *Constitution and Finance*, p. 236.

12. As noted in the Introduction, a smaller sister ship might accompany the main the ship from London, but posts could not expect more that one visit per year.

13. For a fuller discussion of the role played by these information sources, see Ann Carlos and Santhi Hejeebu, "The Timing and Quality of Information."

14. On June 19, 2007, it was announced that the Hudson's Bay Company archive records spanning the first 250 years of its history, 1670 to 1920, have been included in the United Nations Educational, Scientific and Cultural Organization's (UNESCO) Memory of the World registry. For a complete description of these archives at the Archives of Manitoba, see <www.gov.mb.ca/chc/archives/hbca>, accessed 11/03/08.

15. We take our demarcation of the hinterlands from the work of Arthur Ray, "Bayside Trade."

16. E.E. Rich, *Hudson's Bay Company*, I, p. 81.

17. Throughout the book distances are reported in kilometers. Note that 1 kilometer = .621 miles; 1 square kilometer = .386 square miles.

18. Beginning in 1733 the returns from Moose Factory were reported in a separate account.

Because Fort Albany and Moose Factory served a common hinterland, the returns from both posts, from 1733, are combined under the heading "Fort Albany." Fort Albany was by far the larger of the two posts. Throughout, references to Fort Albany should be understood to include Moose Factory. Fort Severn, down the coast from York Factory, received small numbers of furs that were included in the returns from York Factory.

19. These estimates are based mainly on aerial surveys of beaver colonies and reports from trap lines. See Ontario Ministry of Natural Resources, *Land Use Guidelines*. According to the land

use plans for districts within the Fort Albany hinterland, excluding the district of Moosonee, the average beaver density in the early 1980s was 0.67 beaver/km². In the Moosonee district, however, the density was only 0.10 beaver/km² according to information supplied to us by the Ontario Ministry of Natural Resources. The relevant area of the Moosonee comprises about 30 percent of what was the Fort Albany hinterland, implying that the average beaver density in that hinterland during the early 1980s was about 0.50 beaver/km². The maximum potential density would have been somewhat greater, although by the 1980s there was very little trapping of beaver.

20. The post was originally named Port Nelson.

21. A second, much smaller, post was built 250 kms. down the coast at about the same time. New Severn (also called Fort Churchill - not to be confused the post later built on the Churchill River) was located on the Severn river and acted more as a branch of York Factory. Returns from Severn were included in the York Factory accounts.

22. Some of the trading post were named for figures associated with the company; for example, Fort Charles (Charles II), York Factory (James, Duke of York), and Fort Churchill (John Churchill, 1st Duke of Malborough).

23. K.G. Davies, *Letters from Hudson Bay*, p. 111.

24. See Arthur Ray, *Indians in the Fur Trade*, ch. 3.

25. K.G. Davies, *Letters from Hudson Bay, 1703-1740*, p. xiv. Joseph Robson published his *Six Years in Hudson's Bay* in 1752 as an anti-company tract. He had lived at York Factory and Fort Churchill from 1733 to 1736 and 1744 to 1747.

26. K.G. Davies, *Letters from Hudson Bay*, "General Letter from Moose Factory, 1739," pp. xiv-xv.

27. See Glyndwr Williams, *Hudson's Bay Miscellany, 1670-1870*, Introduction, for more description on the standard of housing at the Bay posts.
28. Thirty-six to fifty was the full complement of men at York Factory, although the actual number in any year could be less. It was possible to include spices in the provisions only because of the long-distance trade of the East India Company, which dramatically reduced their price. Glyndwr Williams, *Hudson's Bay Miscellany, 1670-1870*, p. 70.
29. Williams, Glyndwr, ed. *Hudson's Bay Miscellany, 1670-1870*.
30. Quoted in Barbara Belyea, *A Year Inland*, p. 231.
31. The Hudson Straits run so far north that the magnetic pole does not approximate true North. The accurate measurement of longitude was another century away.
32. The *Prince Rupert*, a frigate lost late in 1682 near the site of York Factory, was the first. The *Eastmain* was lost in 1714 and the *Hudson's Bay* in 1736. Although the *Mary* ran aground in 1724, she was able to return to Fort Albany. E.E. Rich, *Hudson's Bay Company*, I, pp. 137, 437, 459, 534.
33. This was the normal route up the English Channel to the Orkneys and then across the Atlantic to Hudson Strait. Joseph Robson, *An Account of Six Year's Residence*, p. 9.
34. To guard against the non-arrival of a ship, enough provisions were kept at the post to carry the men over an additional year or even two.
35. Hudson's Bay Company Archives, *Correspondence Outward - Official*, 1679-1694, MG 20 A6/1.
36. Hudson's Bay Company Archives, MG 20 B239/a/22, August 2, 1740 to August 13, 1741.
37. As we will discuss in the Chapter 3, having goods made and repaired on site was a response to some of the problems experienced with metal products manufactured in Europe.

38. A sloop was normally a single-masted ship with a mainsail and jib rigged fore and aft, a term from the Dutch *sloep*.

39. Glyndwr Williams, *Andrew Graham's Observations*, p. 334.

40. *Ibid.*, pp. 345-46.

41. *Ibid.*, pp. 345-46.

42. The unit of account might have been Britain's currency, the pound sterling, but, because it was less practical for the posts to use currency, this alternative measure was devised.

43. Valuing all furs and commodities in the same unit of account meant that the directors in London would be able to measure managerial performance against the costs of the furs purchased or the European trade goods traded. If the *made beaver* value of the trade goods was the same as the *made beaver* value of the furs, then the managers were exactly following the *official standard*.

44. Arthur Ray and Donald Freeman, 'Give Us Good Measure', p. 262. Richard Staunton's rate of exchange on marten was closer to the *official standard*. The official price of marten was 1/3 *mb*, and in 1716 he was exchanging four marten for one pound of Brazil tobacco (rather than three marten for one pound, which was the official rate).

45. The difference between the *official standard* and the actual trade resulted in European goods being "freed" up in the sense that if trade had taken place at the *official standard*, native traders would have received more European trade goods. These goods were not merely kept by the company traders but used for the ceremonial parts of the trade. Thus the price Indian traders received for any fur comprises what was obtained in actual trade and what was received in the ceremonial gift exchanges.

46. E.E. Rich, *Hudson's Bay Company*, I, p. 75.

47. Andrew Graham described a ceremony at York Factory, one that included the smoking of the calumet and much ritual. Glyndwr Williams, *Andrew Graham's Observations*, pp. 317-21.

48. Letting 100 represent the *official standard*, the price of furs can be represented by the following index:

$$\text{Price Index of Furs} = \frac{\text{Official Value of goods received in trade and gifts}}{\text{Official Value of furs}} \times 100. \text{ Over}$$

the summer of 1716 the native traders at Fort Albany received, on average, a price for their furs, based on this index, of 71.6 ($71.6 = \frac{13,810 + 928}{20,583} \times 100$).

49. The Board of Directors or the Court of Assistants was comprised of elected shareholders. Shareholders were required to hold a certain amount of stock in order to be eligible to vote and in order to hold office.

50. The level of the tariff set on fur and hat imports and on the re-export trade was discussed in Chapter 1. What made the tariff particularly problematic for the Hudson's Bay Company and, indeed, all other fur importers was the fact that the tariff was levied as a specific rather than as an *ad valorem* tariff. A specific tariff is levied on a per unit basis, i.e. so much per pelt, whereas an *ad valorem* tariff is levied on the value of the good. Because the tariff was specific the percentage tax on low-value furs was greater.

51. Hudson's Bay Company Archives, *Correspondence Outward - Official*, MG 20 A6/3.

52. This is just an average price because the range of beads was quite extensive as we discuss in Chapter 3.

53. A comparison of the *made beaver* price of a gun to its purchase price does not reflect the costs to the company of the many guns returned to London from Hudson Bay. For the first fifty

years of the trade, metal products were a cause of much concern. These quality issues are discussed in the Chapter 3.

54. Michael Wagner, "Managing the Empire for Cash."

55. Ibid., ch. 5, p.1.

56. The Company had also to pay interest on its debt outstanding and dividends to its shareholders.

57. The differential on tobacco might have been greater had the French better access to the Brazil tobacco favored by the natives. See Arthur Ray, *Indians*, p. 85.

58. The relation between the value-to-weight ratio and the price differential was by no means perfect. Ice chisels, a low value item, sold for much less at Fort Albany, and some of the luxury items sold for the same price at the two posts.

59. Weighting the prices by trade in another year, or making the comparison between Fort Albany and Fort Churchill would give similar results.

60. Natives, just as the ships into Hudson Bay, were constrained by the thawing and freezing of the rivers. The extra time involved in traveling to Albany could mean that they would not get back to the Great Plains before the rivers began to freeze.

61. Coat beaver and parchment beaver both had an official price at the Bay of one *made beaver*. At these particular auctions, however, coat pelts sold for 35 percent less than parchment pelts, likely a result of the *carroting* technology. By 1763, though, the prices of coat and parchment beaver had returned close to parity (see Table 1.2).

62. The fitted (exponential) trend line is $4.90e^{0.0206(t-1713)}$, $R^2 = 0.86$ (t is the year).

63. The implied total increase in price is 180 percent.

64. The fitted trend line is $63.6e^{0.01(t-1713)}$, $R^2 = 0.74$.

65. E.E. Rich, *Hudson's Bay Company*, I, p.515.

66. Ibid., p.515. The trader's full name was Pierre Gaultier de Varennes, Sieur de la Vérendrye.

67. Ibid., p.517.

68. In Ann M. Carlos and Frank D. Lewis, "Property Rights," we present a formal model in which the objective of the company is to maximize profits over the long run. Raising fur prices at the post in response to rising prices in Europe increases profits in the short run by attracting more furs. But in the longer run returns are adversely affected by the over-harvesting of beaver. The optimum long run strategy then is keep down the post prices. But where the French are competing the optimum strategy is to increase fur prices despite the implication for beaver depletion, because, otherwise, the company would lose too much of the trade.

69. The range was 65.3 in 1728 to 73.0 in 1732.

70. During this period the London price rose by 2.9% per year. The trend lines for the London price is $7.0e^{0.029(t-1738)}$, $R^2 = 0.85$. The trend line at the post is $75.4e^{0.012(t-1738)}$, $R^2 = 0.49$.

71. The fitted trend line is $79.3e^{0.0056(t-1728)}$, $R^2 = 0.25$. Although the trend in price was less, the level of prices received by native traders at Fort Churchill, at least until 1739, averaged about 15% above the prices at York Factory. Neither post faced competition during this earlier period, but it appears that because of the much lower beaver densities in the Churchill hinterland, better terms had to be offered to the natives.

72. E.E. Rich, *Hudson's Bay Company*, I, p. 551.

73. The destruction was both the result of anger by a small group of home guard Cree and ineptness on the part of the post factors. The issue revolved around the fact that the men at Henley had Indian women as wives. When the home guard Cree claimed their share of hospitality at the post, they were denied. Rich, *Hudson's Bay Company*, I, pp. 610-30.

74. E.E. Rich, *James Isham's Observations*, p. 323.
75. E.E. Rich, *Hudson's Bay Company*, I, pp. 585-86.
76. Barbara Belyea, *A Year Inland*, p. 107.
77. Karl Polanyi, "The Economy as Instituted Process" and "Ports of Trade in Early Societies;" Immanuel Wallerstein, *The Capitalist World-Economy and Mercantilism and the Consolidation of the European World-Economy*.
78. Karl Polanyi, "Ports of Trade in Early Societies," p. 31.

Table 2.1. *Official Standard Price of Skins and Trade Goods: Fort Albany, 1700 (selected items)*

<i>Beaver:</i>		<i>Producer Goods:</i>	
whole parchment	1	guns	7
half parchment	1/2	hatchets	1/2
coat	1	ice chizzles	1/2
		powder (lb.)	2/3
marten	1/4	shot (lb.)	1/5
cat	1		
red fox	1/2	<i>Household Goods:</i>	
wolf	1	blankets	5
bear	2	kettles	1
moose	6		
		<i>Alcohol and Tobacco:</i>	
		brandy	4
		tobacco (lb.)	1
		<i>Other Luxuries:</i>	
		baize (yd.)	1
		beads (lb.)	1 1/3
		cloth (yd.)	2
		combs	1/2
		duffle (yd.)	1 1/2
		flannel (yd.)	1
		needles	1/12
		shirts	1
		thread (lb.)	2
		vermillion (lb.)	10

Source : Hudson's Bay Company Archives, *Post Account Books: Fort Albany*, MG 20 B3/d/11

Table 2.2. *Official Standard* at York Factory, Cost of Trade Goods in England, 1742/43
(Selected Items)

	Quantity Received ^a	Price in England (shillings)	Official Standard (made beaver) ^a
Beads (lb)	501	1.88	2
Shot (lb)	15,628	0.15	1/4
Tobacco (lb)	1,266	0.42	1
Blankets (per)	335	6.00	7
Duffel (yd)	301	1.25	2
Flannel(yd)	443	0.83	3/2
Combs (per)	490	0.52	1
Guns (per)	443	22.0	14
Hatchets (per)	1,246	0.84	1
Ice Chisels (per)	280	0.50	1
Knives (per)	4,155	0.16	1/4
Twine (skein)	252	1.08	1
Scrapers (per)	200	0.58	1/2
Brandy (gallon)	1,204	3.00	4
TOTAL VALUE		22,424	24,211
TOTAL VALUE (excluding guns)		12,678	18,009

^a Based on returns from York Factory. There was no change in the *official standard* at any of the trading posts after 1720. Quantities received are drawn from the post's "General Charge" account, which reports quantities delivered to the post. The figures differ somewhat from the amounts traded to natives because of gifts and carry-overs to other years. Using the amounts traded in 1743, gives rise to a different weighting of the shilling and made beaver prices, and

Table 2.3. Prices of European Trade Goods: York Factory and Fort Albany, 1740

	York Factory mb/unit ^a	Value ^b made beaver	Fort Albany mb/unit ^a	York Factory mb/unit ^a	Value ^b made beaver	Fort Albany mb/unit ^a
PRODUCER GOODS						
files	1	308	1	1.5	11	1
fishhooks	0.071		.05	1	150	.5
flints	0.083	192	.05	2	318	1.33
guns	14	3,500	11.	0.25	10	.083
gun worms	0.25	85	.25	3.5	3,454	2
hatchets	1	762	.5	1	346	.5
ice chizzles	1	472	.5	2	14	1.5
knives	0.25	828	.125	0.333	47	.25
mocotaggans	0.5		.5	1.5	29	1.
net lines	1	218	.5	0.667	244	.5
powder horns	1	181	.5	0.5	16	.5
powder (lb.)	1	3,360	.67	1.5	18	.5
scrapers	0.5	108	.5	4	140	4
shot (lb.)	0.25	1,847	.2	0.083	42	.083
twine (skein)	1	114	1	0.667	123	.5
TOTAL		11,974		1	108	.5
HOUSEHOLD GOODS						
awls	0.125	105	.083	0.083	34	.083
blankets	7	1,323	6.	7	182	4
fire steels	0.25	94	.25	0.225	106	.167
kettles	1.5	1,018	1	1.5	72	1.5
TOTAL		2,540		0.5	28	.5
TOBACCO AND ALCOHOL						
brandy (gal)	4	1,514	4.	2.5	226	1
rundlets	1	350	1.	3	12	.5
tobacco (lb)	1.31	4,543	.95	0.5	64	1.25
tobacco boxes	1	162	.5	1	5	.5
tobacco tongs	0.5		.5	4	148	2
water, strong (gal)	4	132	4.	16	296	10.67
TOTAL		6,701			6,243	
					27,457	
					19,553	
					GRAND TOTAL	
					GRAND TOTAL (Albany) ^d	

^a Made Beaver per unit.

^b The value of goods received in trade at York Factory in 1740.

^c There were also some miscellaneous items traded that would bring the total to 6,418MB.

^d Based on prices at Fort Albany.

Source: Hudson's Bay Company Archives, *Post Account Books: Fort Albany*, MG 20 B3/d/49; *York Factory*, MG 20 B239/d/30