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Some American Characteristics of the AMERICAN FUR COMPANY

DAVID LAVENDER

WHEN JOHN JACOB ASTOR launched the American Fur Company in 1808 he supposed that he could achieve dominance over the Indian trade of the northern United States by emulating, in his own single person, the corporate practices of the North West Company of Canada. He was wrong. Today, helped by the lens of historical perspective, we can see, as Astor could not, that conditions south of the international border — those of geography, political climate, economic attitudes, settlement, and so on — were very different from conditions to the north. These purely American determinants, which often arose as irritations to Astor and his field manager Ramsay Crooks, soon forced the company to abandon the original Canadian patterns and develop characteristics of its own. Not all were admirable, but they were nevertheless representative of the American frontier milieu in which the firm operated.

The reasons for Astor's initial leanings toward Montreal are obvious. He had been visiting the city almost annually on fur-buying trips since at least 1788.¹ There he had learned to think of the Indian trade as a continent-wide enterprise. He knew of the North West Company's struggle with the Hudson's Bay Company for control of the rich Athabasca country. He quite probably heard from the lips of one or another of the Montreal agents — Alexander Henry, for instance — something of the importance which the Nor'Westers attached to finding Pacific approaches to the area, in order that sea shipping might reduce the cost of supplying their western posts. He saw the competition between the Canadian behemoths intensify after 1804, when the union of the XY and North West companies enabled the "pedlars" from the St. Lawrence to resume their push across the continental divide with still greater vigor. Although in 1807 Astor may not have known the exact result of these adventures into what is now British Columbia, he almost certainly was aware of the trend.²

Astor was aware too that during these same years, 1805-06, Lewis and Clark had completed their transcontinental explorations and had made their preliminary reports to President Thomas Jefferson. Although the explorers found the portage from the upper Missouri to navigable waters on the Colum-


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bia far more onerous than they had anticipated, Lewis insisted that easily handled merchandise—bales of fur, for example—could be readily transported across the divide on horseback. Moreover, he wrote Jefferson from St. Louis on September 23, 1806, that the valley of the upper Missouri “is richer in Beaver and otter than any country on earth.”

By channels now unknown, echoes of that statement reached Astor and quickened the ideas already nibbling at the edges of his planning. Could he not imitate the North West Company’s thrust by sending a strong party along the route Lewis and Clark had found, develop posts throughout the mountains, and establish at the mouth of the Columbia a sea-supplied depot like the one the Nor’Westers contemplated?

He possessed resources equal to the plan—ample funds, competent agents in London who could purchase desirable trade goods, and contacts with the leading fur markets of the world, including Canton, China. Since about 1800 his own ships had been carrying ginseng, silver bullion, and choice furs to the Far East, returning with tea, silk, nankeens, and chinaware. One or more of these ships could easily alter course enough to land trade goods at the Columbia depot, pick up the beaver pelts assembled there, and then trade for sea otter skins along the northwest coast before continuing to Canton.

Early in 1808 he passed on to President Jefferson and to Mayor De Witt Clinton of New York City his thoughts about forming a company strong enough to effect these designs. He added that he also hoped to force a withdrawal of the British traders operating in United States territory south and west of the upper Great Lakes, around the headwaters of the Mississippi and westward toward the Missouri. Jefferson responded with his unofficial blessings and the legislature of New York State granted, without debate, a formal charter to the American Fur Company—the patriotic name of which was hardly an accident. But in spite of Astor’s high-sounding declarations, the company’s first gestures were cautious indeed.

ONE EARLY deterrent in Astor’s way was the Embargo Act of December 27, 1807, and the uncertainties it created about importing trade goods from England. The obstacle did not trouble him for long, however. Indians within the United States had to be supplied, and since the necessary merchandise was available only in the British Isles, import exemptions were being granted within a matter of months to American citizens, although Britons remained interdicted. Astor could be confident, therefore, of qualifying for similar privileges whenever he chose.

Far more worrisome to him than political barriers were his fears of murderous competition beyond the Rockies from the North West Company, whose ruthlessness he had recently seen in operation against the XY group. And though Jefferson had commended Astor’s plans in a general way, concrete help from the government was not likely to be forthcoming in the Oregon country, where national sovereignty had not yet been established. How, then, were the
dangers attendant upon all-out economic warfare to be averted? Two possibilities suggested themselves. Astor might either pay the North West Company to yield him a clear field or, that failing, persuade it to join him, rather than fight him, in developing his western adventure. As leverage for gaining the attention of the Montreal merchants he used the troubles in which they had become involved on the American side of the Great Lakes.

The union of the North West and XY companies in 1804 had left scores of clerks unemployed. Many of them had drifted south of the border to join the fierce competition already boiling among the many traders working out of Detroit and Michilimackinac. The commerce could not absorb them. The Napoleonic Wars were reducing the price of deer, muskrat, and raccoon pelts, and at the same time were ballooning the cost of shipping in necessary trade items from abroad. Meanwhile the United States government was deliberately harassing foreign traders — or so they believed — with licensing and customs regulations that brazenly abrogated the freedom of movement supposedly guaranteed them by Jay's Treaty. The bitterest pill came on August 26, 1805, when General James Wilkinson, governor of upper Louisiana, issued an edict barring foreigners from entering the trans-Mississippi West, although for years British fur traders had been pioneering commercial routes across the areas now comprising Iowa, western Minnesota, and the Dakotas. And finally, though the matter had not yet become serious, the American government itself was trying to undermine the long-established friendship of the British fur men and the Indians of the lake country by building a handful of trading factories along the edges of the frontier.

In trying to wriggle out of this economic vise south of the border, the Canadian traders contested ruthlessly with one another, using increased amounts of alcohol to inveigle still more skins from the Indians, including pelts pledged to some other winterer as security for goods issued earlier on credit. Instead of improving their situations, most of them dug deeper into debt, and soon they were not able to pay their Montreal suppliers. Late in 1806 those merchants who were also members of the North West Company tried to restore order by bringing the disorganized individuals into a union known as the Michilimackinac Company.

Within little more than a year Jefferson's nonimportation decrees had heaped fresh trouble onto the winterers of the new company. A brigade of supply boats was fired on by United States customs officials at Niagara, and eight of the craft were impounded. Meanwhile growing unrest among the Indians of Tecumseh's confederation kept many natives from their hunting grounds.

Astor, appealing on July 27, 1813, to President James Madison for government aid in maintaining Astoria during wartime, insisted that he had presented his ideas for the Columbia adventure in person at a meeting attended by Thomas Jefferson, Secretary of the Treasury Albert Gallatin, General Henry Dearborn, and Madison, who had been secretary of state at the time of the alleged conference. At this meeting, Astor continued, government help "was promised in the most decided & explicit manner." Dorothy Bridgwater, ed., "John Jacob Astor Relative to His Settlement on the Columbia River," in Yale University Library Gazette, 24:61-64 (October, 1949). This was an extraordinary statement for Astor to have made to Madison, who reputedly attended the meeting, if no conference had in fact occurred. Astor, however, was capable of making astounding declarations under pressure, and since no other accounts of this pre-Astoria meeting exist, one is inclined to regard the "promise" of help as belated wishful thinking.

For the Canadian plights, see William R. Manning, ed., Diplomatic Correspondence of the United States: Canadian Relations, 1784-1860, 1:571-596 (Washington, 1940); American State Papers: Foreign Relations, 3:152, 164.


For information on the Michilimackinac Company, see Donald Grant Creighton, The Commercial Empire of the St. Lawrence, 1760-1850, 166 (Toronto, 1937); Louise Phelps Kellogg, The British Régime in Wisconsin and the Northwest, 259-263, 265 (Madison, 1935); W. Stewart Wallace, ed., Documents Relating to the North West Company, 224-229 (Toronto, 1934); Wayne Stevens, "Fur Trading Companies in the Northwest, 1760-1816," in Mississippi Valley Historical Association, Proceedings, 9:283-292 (Cedar Rapids, Iowa, 1918).
By the fall of 1808 conditions were so unstable that some of the disgusted traders did not even go to their usual stations for the winter. 11

AGAINST this background Astor, while visiting Montreal in September, 1808, made his first move to assert dominion over the fur trade of the northwestern United States. He offered the Montreal merchants $550,000 for the troublesome Michilimackinac Company and said he would add another $50,000 for a free hand in the still undeveloped Columbia country. The Montrealers asked $700,000 and negotiations paused. 12

During the next few years the Canadians blew alternately hot and cold toward Astor's flirtations, depending on the erratic course of the United States Congress in relaxing or tightening its various embargo acts. 13 In the spring of 1810 Astor finally decided to press ahead to the Columbia without them. To this end he formed his famous Pacific Fur Company, using the North West Company as a model.

He issued a hundred shares of stock, the same number the North West Company had determined on after its amalgamation with the XY group. Half of the shares went to Astor, who was to act as the company's importing agent for goods and its exporter of furs. The four Montreal firms that carried on similar functions for the North West Company also held approximately half of that company's stock. In the case of both organizations the remaining half was divided among the wintering partners. There were, at first, only eight such partners in the Pacific Fur Company, half of them Canadians whom Astor had enticed away from the North West Company. Among them those eight men held thirty-five shares. The remaining fifteen shares were reserved for partners whom Astor might appoint in the future. A council of the Pacific Fur Company field partners was to be held at Astoria each year, much as the wintering partners of the North West Company met annually at Fort William on Lake Superior. As was true in the North West Company, precautions were taken to prevent the eastern agent, Astor in this case, from arbitrarily overriding any unanimous desire of the winterers. Since the cast of the company was thus definitely Canadian, it was appropriate that Astor did not attach to it the name of his recently chartered American Fur Company—although obviously he set up the Pacific Fur Company not for that reason but rather to keep his Pacific partners from exerting any claim on the American Fur Company when and if he chose to activate that still quiescent trust. 14

The activation soon developed, but in a limited way. Two of the four Montreal firms comprising the Michilimackinac Company sold out their interest to the other two. The purchasers, Forsyth, Richardson and Company, and McTavish, McGillivrays, and Company, renamed their white elephant the Montreal-Michilimackinac Company. Beset by fresh embargo troubles the new firm soon yielded to Astor and with the American Fur Company formed an organization called the South West Company, whose sphere of operations extended from the Great Lakes westward past the Mississippi—but not very far past. Article 14 of the contract establishing the new firm specifically excluded territory beyond the upper Missouri. Thus Astor would remain a competitor of the

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Canadians on the Columbia, but would be their partner in the East.\textsuperscript{15}

Surviving records say very little about the relationship between the new South West Company and its winterers. The field traders seem not to have had a voting voice and apparently they traded entirely on their own risk, bound only by contracts—and debts—to buy from the South West Company and return their furs to the same organization. In any event, whatever the arrangement, the new organization followed a Canadian pattern that had been established long before the American Fur Company entered the field.

**THE WAR OF 1812** prevented normal evolution. On October 16, 1813, the Pacific Fur Company passed into the hands of the Nor'Westers.\textsuperscript{16} Thus we can scarcely even conjecture what new American features might have developed in its operations if it had remained under Astor’s control during the period when William H. Ashley’s mountain men began thrusting westward in the 1820s. Almost surely, however, there would have been modifications.

Eastward, conditions were reversed: after the war Astor acquired the South West Company from his Canadian partners. A very questionable half truth suggests that the Canadians yielded because Astor persuaded the United States Congress to pass, on April 29, 1816, an act which barred all foreigners from the American Indian trade, unless those foreigners received special exemptions from the president—a power later delegated to the Indian agents and certain territorial officers.\textsuperscript{17} Actually, the exclusion act needed no lobbying by Astor or anyone else to assure its passage. The entire West, which had long been suspicious of British fur traders, was more than ever convinced after the war that pacification of the Indians could not succeed until Canadian fur men had been barred from the country.\textsuperscript{18}

The exclusion act attempted this. Astor and his American competitors, notably David Stone of New Hampshire and Detroit, were thereupon faced with the problem of securing exemptions so that they could continue employing French-Canadian voyageurs. Only French Canadians could endure the rigors of the trade—or so Ramsay Crooks insisted, using arguments being repeated almost exactly today by California lemon growers pleading for the admission of braceros from Mexico.\textsuperscript{19}

In 1816 the arguments prevailed and all American trading firms, even those as far away as St. Louis, were allowed to bring over the border the French Canadians they needed. There is no evidence that in this particular matter Astor received any favors from the government that were not accorded equally to his American competitors.\textsuperscript{20}

The exclusion of Canadian traders from the United States (as distinct from boatmen) probably did discourage Astor’s Montreal partners in the South West Company. But other troubles were bothering them far more. Their resources had been strained by the low prices and high costs resulting from the Napoleonic Wars and from the growing—

\textsuperscript{15} Terms of the agreement are in Porter, Astor, 1:461-469. In addition to a hoped-for freedom from embargo restrictions, the Canadians gained, by their association with Astor, entry to the Chinese markets from which purely Canadian concerns were excluded by the monopolistic charter of the East India Company.


\textsuperscript{17} Porter, Astor, 2:694, 696.

\textsuperscript{18} Instances of the suspicions are scattered throughout the second volume of *American State Papers: Indian Affairs*; see, for example, pages 1-9. See also Reuben Gold Thwaites, ed., “The Fur Trade in Wisconsin 1815-1817,” in *Wisconsin Historical Collections*, 19:376-379 (Madison, 1910).

\textsuperscript{19} Crooks to Astor, April 5 [?] 1817, in Mackinac Letter Book No. 1. Photostatic copies of three Mackinac Letter Books are among the American Fur Company Papers in the Wisconsin Historical Society. The original of Letter Book No. 1 is in the Missouri Historical Society; the other two are in the Robert Stuart House, Mackinac Island. The author used the Wisconsin copies.

intensity of their competition with the Hudson's Bay Company. As one particularly ferocious phase of that struggle, a group of North West Company métis on June 19, 1816, massacred Governor Robert Semple and nineteen settlers from Lord Selkirk's agricultural colony at Red River. The cold eye of the home government was now upon the entire conduct of the fur trade, and under the circumstances the South West Company probably seemed to represent a niggling little worry that could well be dispensed with. Accounts that overlook this background while expatiating on Astor's wily machinations in obtaining full control of the company are guilty of distortion.

The purchase was consummated early in 1817 for about $100,000, and at last, nine years after its chartering, the American Fur Company was operating as a self-contained unit. Immediately conditions below the border began impressing upon it certain forms and policies different from those of its Canadian models.

THE CHANGES were not all-pervading, however. Astor, or more properly John Jacob Astor and Son, a firm established in 1818 to include young William Backhouse Astor, followed a familiar pattern as importing and selling agent for the American

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Fur Company. Ramsay Crooks became liaison man between John Jacob Astor and the traders in the field. The Canadian custom of dividing the trading country into departments was followed to some extent. In the early years the chief department was Michilimackinac, where Robert Stuart was in charge; James Abbott supervised Detroit. When the American Fur Company at last moved into St. Louis in 1822 the first manager there was James Abbott's brother Samuel, then Stone, Bostwick and Company, and, in 1827, Pierre Chouteau, Jr.

Not until we consider Crooks' arrangements with his company's winterers do the differences between the Canadian and American firms become pronounced. This in turn demands, for understanding, a survey of the markedly different economic attitudes north and south of the international border.

Unrestrained competition between the North West and Hudson's Bay companies — free enterprise, one might say — had brought deplorable evils to the trade. Monopoly, Parliament was informed, was far preferable. Even geography fostered monopoly north of the border. Traffic to the Canadian Indian country advanced through two constricted thoroughfares, both of which were closed much of each year by winter — Hudson Bay and the St. Lawrence River. Traffic thus was easy to control, and this in turn encouraged combinations and eventual monopoly. Great trusts appeared in each section, outgrew their own areas, clashed, and finally, under a royal charter of March, 1821, united on a still broader scale.

Conditions in the United States, on the
other hand, encouraged fragmentation rather than union, no matter how earnestly Astor, influenced by his Canadian associations, might desire otherwise. Three major routes to the interior were available, each with variants, and many were open the entire year. One was by way of the Hudson River and the Mohawk Valley, and its potentials were quickened by the Erie Canal, authorized in 1817, the same year that the American Fur Company attained control of the South West Company. Another was the government-built, heavily traveled National Road across the Allegheny Mountains. Most significantly, there was the Mississippi.

Steamboats quickly multiplied the traffic using the waterways. The snorting new craft reached St. Louis in 1817, Lakes Erie and Huron in 1819, and the site of today's Twin Cities in 1823. This high fluidity of commerce helped disgruntled fur traders elude the "system" of any would-be monopolist and find other sources of goods. Only where a single trade artery dominated a large region, as in the case of the Missouri River, did any department of the American Fur Company approach economic dominance—a dominance which was diluted again in the Rocky Mountains. There several suppliers, including brigades of the Hudson's Bay Company, were able to converge on the rendezvous of the mountain men from various directions.

Canals, steamboats, the National Road, and a milder climate than in the North brought settlers as well as goods into the West—and into relatively close contact with the Indians. Even where agriculture was not an attraction, the beginnings of settlement existed at the military forts, which drew sutlers, soldiers' wives, and camp followers to Sault Ste. Marie, Green Bay, Chicago, Prairie du Chien, Fort Snelling, and to the Missouri River near today's Omaha. The Indians, then, could go to frontier stores for their goods rather than deal only, as once they had to, with duly licensed, company-governed fur traders. And, finally, the United States government itself helped preclude monopolistic fur trading by establishing here and there along the frontier trading factories which were supported by public funds and did not have to show a profit to stay in existence.

Lastly, American economic philosophy was by nature opposed to monopoly. For one example, after the Revolution the Continental Congress made a tentative start toward chartering monopolistic land companies in Ohio but was soon forced by frontier protest to abandon the practice. Tentative suggestions that the government bring order to the fur trade, somewhat as the English had, by chartering a single huge company, got nowhere. Even Ramsay Crooks was aware of the feeling and warned Pierre Chouteau in 1834, shortly after the Western Department had split away from the original American Fur Company, that "your business so much resembles a monopoly that there will always be strong jealousies against you." Even the United States government itself helped preclude monopolistic fur trading by establishing here and there along the frontier trading factories which were supported by public funds and did not have to show a profit to stay in existence.

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Uniform trade conditions north of the border meant uniform practices in dealing with the winterers. After the coalition of the firms, the new Hudson's Bay Company, under the deed poll of March 26, 1821, took over the field practices developed first by the North West Company. Clerks were stimulated by the prospect of becoming shareholding partners who voted in company councils. No such arrangement existed in the South. No winterer owned shares. (Except for the Astors, only Crooks, Stuart, and Benjamin Clapp, as agents, held stock in the American Fur Company.) No winterer could vote about any company policy. And each made his own arrangements about buying goods and selling furs through the

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company as best he could, according to the conditions surrounding him.

Local traders who were strongly established bought their supplies from the company at a standard markup, as though the parent firm were nothing more than a wholesale distributor, and conducted their business entirely on their own risk, even dealing with company competitors if they so chose. If competition was particularly bitter, however, and winterers feared they could not show a profit for a year’s work, the company paid them flat salaries rather than let some rival take over the area. The company’s own preference was a profit-sharing arrangement whereby the winterer paid half the cost of the goods plus transportation and handling commission, and half the cost of boats, food, and wages for voyageurs during the year, the company advancing the other half. At the end of the year all furs (and maple sugar and lead) were turned over to the company, and profits or losses were shared on the same fifty-fifty scale. This course gave incentive to the winterer, helped protect the company from heavy losses, and at the same time let Astor share fully in unexpectedly good returns for any one year.27

Competition of course was the greatest source of loss, and the company did its best to achieve a monopoly. In 1822 Astor, Crooks, and Senator Thomas Hart Benton succeeded in having Congress eliminate the government trading factories. Crooks drove Stone out of Michilimackinac by enticing away Stone’s winterers. When Stone re-established himself in St. Louis as Stone, Bostwick and Company, the Astor firm met the threat by employing Stone and Bostwick as agents, only to jettison them when better opportunities appeared with Bernard Pratte and Company, the eventual Western De-

27 Porter, Astor, 2:825; Lavender, Fist in the Wilderness, 459. Russell Farnham, one of the best and most loyal of the company’s traders, received $1,000 a year when competition grew harsh in Iowa in 1822-23. William Morrison, who opposed the Hudson’s Bay Company in the Rainy Lake country, received $1,400 a year. Crooks to S. Abbott, December 19, 1822; Crooks to Morrison, November 24, 1821, in Mackinac Letter Book No. 2.
partment. Unable to crush the upstart Columbia Fur Company, the Western Department and the American Fur Company together absorbed that tough-fibered group and turned it into the famed Upper Missouri Outfit. But they never did get rid of hordes of opportunistic small timers — William Wallace in Indiana, William Farnsworth and Daniel Whitney at Green Bay, James Lockwood and Michael Dousman (for a time) at Prairie du Chien, Vance Campbell in Iowa, the firm of Valois and Le Clerc on the Missouri and so on — the most violent of whom were the company’s own disgruntled employees. Thus, though many Americans damned the company as a monopoly, the effectiveness of its control did not approach the true dominance enjoyed by the Hudson’s Bay Company north of the border, where conditions were very different.28

ANOTHER distinctive characteristic of the company was its lawlessness — not a flagrant disregard of fundamental moral codes, but the kind of arrogance that ignores regulations which appear to the regulated as ill-judged or inconvenient. This was a common frontier trait. Westward-moving squatters and speculators were notorious, for example, in the way they defied government edicts concerning land appropriation. Western mountain men, even those unassociated with the American Fur Company, paid no attention whatsoever to prohibitions against trapping on Indian lands. It was perhaps reprehensible, but not extraordinary, that in 1818 both David Stone and Ramsay Crooks, competitors at the time, used similar illegal devices for countering an unexpected stiffening in the exclusion act against foreign traders. The employment of foreign boatmen was, by contrast, still permissible. Astor’s and Stone’s foreign winterers were therefore listed as boatmen and the agent at Mackinac was told that the outfits were really in charge of certain American youths recently hired as apprentices. The agent accepted the declaration, but the American Fur Company ledgers still preserved in Ottawa show clearly, by a listing of salaries, that the so-called boatmen really retained command, contrary to the law.29

Liquor, which would draw skins from Indians when nothing else could, was smuggled into the Indian country in dismaying quantities, both by the company and by independents, under the pretense that it was intended as solace for the boatmen. Indian agents rash enough to interfere were instantly sued for trespass, as warning for other officials to be wary.30 Violations of edicts that tried to confine the trade to designated locations were equally widespread.

The company itself did not in general authorize and sometimes did not even know about the misconduct of its traders. Yet its own arrangements with its winterers encouraged sharp trading, and when trouble resulted the company had to come to the help of the traders or lose their confidence. The result was a continuing and bitter antipathy between the company and the Indian agents and army officers charged with enforcing the laws. Where true monopoly existed in the North, by contrast, the chief factors of the Hudson’s Bay Company, who had no need to try to beat out anyone, became arms of the government, responsible for the administration of justice.31

Fundamentally, the problem sprang from the rapid spread of settlement south of the

28Coman, in American Economic Association, Bulletin, 365-388; Crooks to S. Abbott, October 25, 1821; Crooks to Stuart, April 8, 1822; Crooks to Astor, April 23, 1822, in Mackinac Letter Book No. 2. Porter, Astor, 2:741-745; Lavender, Fist in the Wilderness, 380. For the small traders named, see the index in the latter.
30Two noteworthy affairs, involving John Tipton and Lawrence Taliaferro, are summarized in Lavender, Fist in the Wilderness, 355, 371.
border. The United States government, although committed to fostering this expansion, also tried to protect the Indians by such paternalistic methods as establishing trading factories, Indian agents, and army policemen—devices unheard of north of the border, where settlement spread slowly. In meeting these pressures of government and advancing civilization the company altered its internal structure and practices as circumstances required. It did not, however, originate. Astor was an adapter, not an innovator. Thus, if inventiveness is a truly Yankee trait, then the American Fur Company was not fully American. Otherwise it was typically a product of its times.

Variations of the Beaver Hat

A clerical hat (Eighteenth century)

The continental cocked hat (1776)

The Wellington (1812)

The Paris beau (1815)

The D'orsay (1820)

The regent (1825)