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# Days the Mississippi Trade

hoda R. Gilman

**T**HE DECLINE of the fur trade is one of the common clichés of frontier history. Writers have painted a picture of trapped-out beaver streams, buffalo herds reduced to isolated survivors, and Indians fading into the sunset, while the romantic fur trade, shaper of empires, expires under the plow of the pioneer farmer. But like so many hallowed clichés, this one does not stand up when the facts are examined. As historian James L. Clayton has pointed out, the business of gathering, processing, and marketing furs did not decline with the coming of white settlement. In fact, the total value of United States fur exports increased steadily between 1830 and 1880.<sup>1</sup> What was true nationally appears, so far as the record has survived, to have been true in the Upper Mississippi Valley also.

An 1836 invoice of pelts shipped from Mendota to Prairie du Chien, Wisconsin, by the American Fur Company's Western Outfit shows a total of 293,288 furs, skins, and robes.<sup>2</sup> This represented the over-all results of hunting and trapping by the Sioux Indians in the winter of 1835-36 over an area roughly corresponding to the southern half of Minnesota and nearby parts of Iowa and South Dakota. In 1870 the St. Paul firm of Joseph Ullmann (Ullman) and Company, Minnesota's leading fur dealer, shipped a total of 847,788 pelts — nearly three times that of 1836.<sup>3</sup> The figures are not strictly comparable, because the 1870 harvest probably drew from a wider area — most of Minnesota, the Dakotas, and perhaps western Wisconsin. Offsetting this is the fact that in 1836 the American Fur Company exercised a virtual monopoly in the region, while Ullmann and Company was by no means the only fur buyer in 1870.

While these figures must be treated as only an indication, they strongly suggest that the number of fur-bearing animals and the harvest of pelts not only did not decrease over this period of 34 years, but probably

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<sup>1</sup> James L. Clayton, "The Growth and Economic Significance of the American Fur Trade, 1790-1890," in *Minnesota History*, 40:219 (Winter, 1966).

<sup>2</sup> Invoice filed under date of July 20, 1836, Henry H. Sibley Papers, in the Minnesota Historical Society.

<sup>3</sup> Evadene Burris Swanson, "The Use and Conservation of Minnesota Game, 1850-1900," 30, thesis, University of Minnesota, 1940. Microfilm copy in the Minnesota Historical Society. Mrs. Swanson based her work largely on the papers of the Rose Brothers Fur Company of St. Paul, now in the Minnesota Historical Society.

*Mrs. Gilman, assistant managing editor of the Minnesota Historical Society, presented this paper at the Second North American Fur Trade Conference held in Winnipeg in October, 1970.*

increased somewhat. Nor did the kind of animals trapped change greatly. After depletion of the beaver, the major fur resource of the Upper Mississippi Valley was the muskrat. In 1836 rats accounted for 95 per cent of the furs shipped (75 per cent of the monetary value), followed by deer, mink, raccoon, and buffalo. In 1870 rats represented 96 per cent of the quantity, while next in order were mink, buffalo, deer, and skunk. Nevertheless, by 1854 the great fur companies had closed their doors, and historians would soon write off the fur trade as an influence on the destiny of the region. What happened?

The key to the situation, of course, is the Indian. For what has loosely been called the fur trade was an extractive industry which relied for its profits on exploiting the wilderness skills and cheap labor of the American Indian. Furs were its main but not its only product. There were notable exceptions to this statement at different times and places — as in the Rocky Mountains during the 1820s and 1830s — but certainly on the Upper Mississippi it appears to have held true.

While a rudimentary knowledge of furs was essential to the Indian trader, his crucial qualification was an ability to handle his unruly labor force. The term "trade" itself implies an equality that existed only as long as the Indians had the effective power to exclude the white men from access to the land and its resources. By the nineteenth century this power had long since passed. Indian "ownership" of the land was then only a legal fiction convenient in preserving wilderness resources for exploitation exclusively by the fur companies.

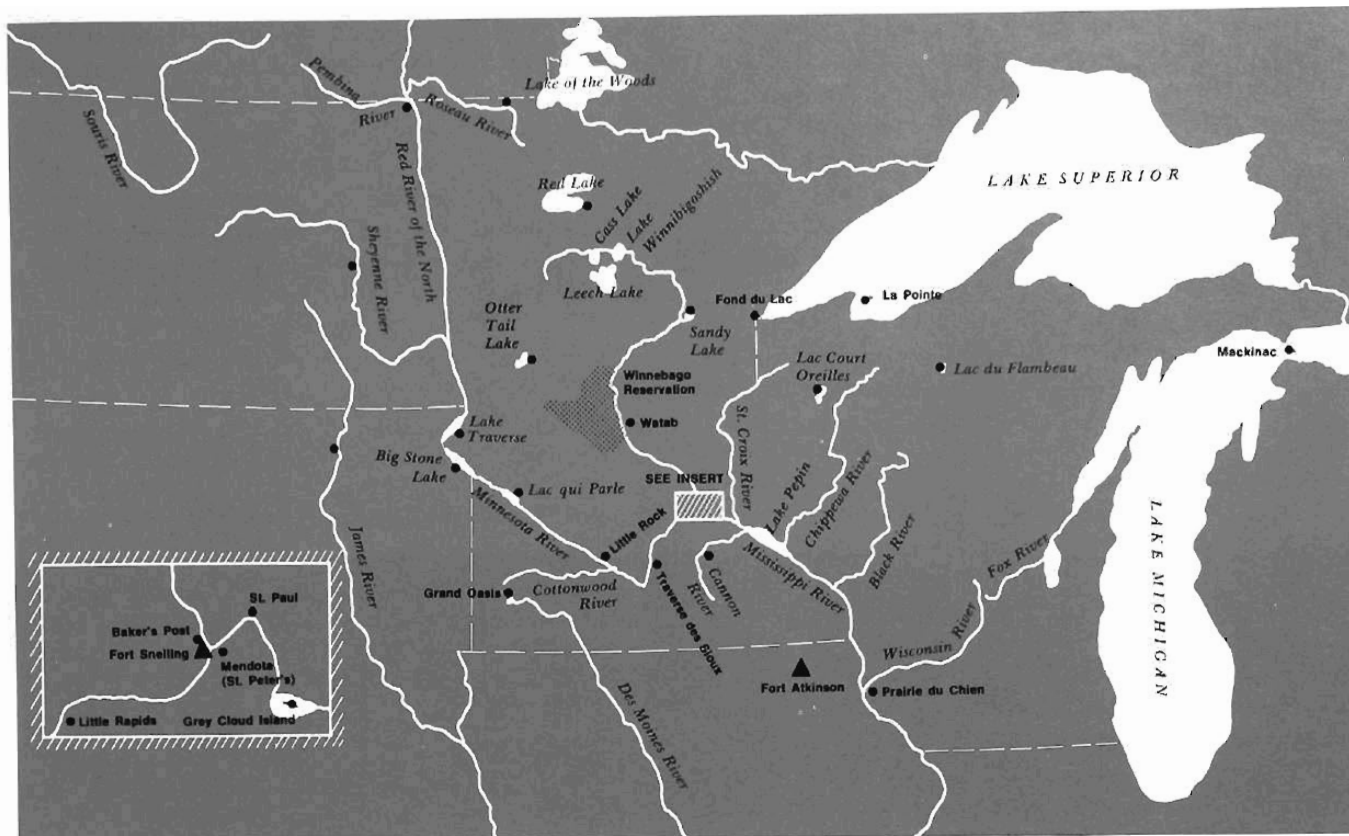
As population grew and the profit potential of other extractive industries like lumbering and mining increased, political pressure was brought on the government to pay off the fur trade interests and open the land to multiple exploitation. The elaborate charade of Indian treaties and land purchase was only the political and diplomatic window dressing necessary to disguise a subsidy to the fur companies for persuading or coercing their customer-employees to come docilely to the treaty table. Not only did the traders collect direct payments from the government; they also reaped a substantial percentage of the money nominally given to the Indians.

At this point the fur trade became both in fact and in local parlance the "Indian trade," depending upon government money for its existence and with furs only an incidental by-product. Once the cream of profits was skimmed, however, the large entrepreneurs turned to more promising enterprises. The Indian could no longer be used profitably. His culture and social disciplines had been shattered. His access to the land was shut off, and his population was declining so sharply

that sober men predicted his disappearance within a generation or two. So ended the red man's first attempt at accommodating his communal subsistence economy to the commercial civilization of the white man. Fur remained — a wide open resource for those with the patience and sagacity to develop a new pattern of operation.

The two decades between 1834 and 1854 witnessed this transition in the Upper Mississippi Valley. A new era began in 1834 with the retirement of John Jacob Astor and the reorganization of the American Fur Company under the presidency of Ramsay Crooks. Three years later the Sioux and Chippewa tribes signed their first major land cession treaties, opening most of northwestern Wisconsin and the section of Minnesota between the St. Croix and Mississippi rivers to white settlement. In 1842 the American Fur Company failed, but its descendant in the area — the Upper Mississippi Outfit of Pierre Chouteau, Jr., and Company — continued in operation under varying names and contractual arrangements for more than a decade longer. Nevertheless, by the early 1850s, when the Eastern Sioux were at last forced to retire to a reservation, this so-called fur company was already deeply involved in lumbering, banking, general merchandising, steamboat lines, and land speculation. Its principal agent, Henry H. Sibley, having collected handsomely at the treaty table, closed out his interests in the diminished Indian trade in 1854. Most of his leading associates did likewise, leaving the field to a variety of small entrepreneurs and local storekeepers.

IN 1834 the Upper Mississippi Valley Indian trade, despite changes at the top, still operated much as it had for a number of decades. It was shared between two major divisions of the American Fur Company, which, although never maintaining a total monopoly, was the region's dominant influence by a long frontier mile. The company's structure reflected a consistent policy of maximizing profit and minimizing risk for the parent concern at the expense of its agents in the field. Its organizational unit was the "outfit" — a term that might apply to anything from a single trader's annual canoe-load of goods to a major regional division. The form of organization stemmed from the seasonal nature of the fur business, which followed a regular yearly cycle on the Upper Mississippi as elsewhere. Goods were supplied to the Indians in late summer or early fall; hunting took place in late fall and early spring; the furs and skins were collected in late spring; and a general settlement and restocking occurred in the summer. Almost all contracts in the business, therefore, ran from July or August, usually renewable the following summer. There was a considerable time lag



*FUR POSTS dotted the northwestern interior throughout the first half of the nineteenth century.*

at the top of the pyramid, and it was not unusual for a major outfit to be as much as three years behind in its annual determination of profit and loss.

The Mississippi and its western tributaries from Dubuque, Iowa, to the Falls of St. Anthony at present-day Minneapolis became in 1834 the territory of the newly-formed Western Outfit, which also controlled southern and western Wisconsin, including the valley of the Black River from its mouth to the falls and the Wisconsin Valley as far as the historic Fox-Wisconsin

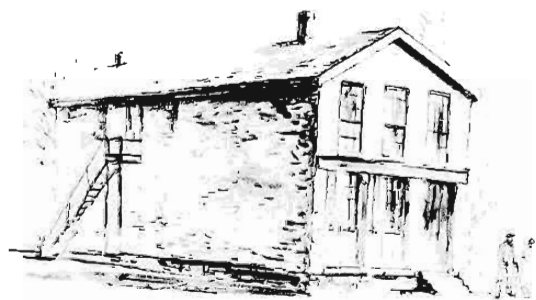
portage.<sup>4</sup> The headwaters of the Mississippi, along with eastern tributaries like the St. Croix and the Chippewa, fell to the company's Northern Outfit, a loose organization headquartered at La Pointe, off the south shore of Lake Superior. This partition was not drawn along lines of transportation or geography; it was based strictly on tribal territory. The Northern Outfit controlled the Chippewa; the Western Outfit dealt with the Sioux, the Winnebago, the Menomonie, and a few remnants of the Sauk and Fox.

The so-called "Western Outfit" was a direct heir to Astor's Upper Mississippi Outfit, which had been run by crusty, crafty old Joseph Rolette. Rolette remained the senior partner in the new organization, but the business was shared on a 5-3-2 basis by Hercules L. Dousman and Henry H. Sibley. Dousman and Sibley represented a new breed of trader in the valley — men with education and close family ties in the East. Neither was limited by talents, outlook, or available capital to making money from the Indians, and both looked upon the Northwest as a developing frontier rather than as a preserve of hunters and fur buyers. Dousman's business genius and Sibley's ability to lead and direct men soon made the Western Outfit a strong and independent force.<sup>5</sup>

<sup>4</sup> The territory is defined in detail in the contract between the American Fur Company and Joseph Rolette, Hercules L. Dousman, and Henry H. Sibley, partners of the Western Outfit, signed August 15, 1834. Photostatic copy among the Dousman Papers in the Minnesota Historical Society. The original is owned by the Newberry Library, Chicago.

<sup>5</sup> There is no satisfactory biography of either Dousman or Sibley. A carefully researched but fictionalized story of Dousman's life is found in two novels by August Leleth, *Bright Journey* (New York, 1940), and *The House on the Mound* (New York, 1958). For Sibley, see Theodore C. Blegen, ed., *The Unfinished Autobiography of Henry Hastings Sibley* (Minneapolis, 1932); Wilson P. Shortridge, *The Transition of a Typical Frontier with Illustrations from the Life of Henry Hastings Sibley* (Menasha, Wis., 1919).

The business of the Northern Outfit around the headwaters of the Mississippi and as far west as the Red River Valley was entrusted to a semiautonomous unit known as the Fond du Lac Department, headed by a veteran of the old North West Company, William Alexander Aitken. Since 1821 this department had borne the brunt of fierce competition with the Hudson's Bay Company along the international border, but in 1833 its governor, George Simpson, and Aitken had concluded an agreement by which the American Fur Company abandoned its border posts from the Red River to Lake Superior in return for an annual payment of 300 pounds sterling. Under Crooks's direction American Fur kept the bargain until 1842, and to the distress of the Chippewa, held a near monopoly in northern Minnesota for close to a decade.<sup>6</sup>



THE TRADING HOUSE of Joseph Rolette, Sr., at Prairie du Chien in 1835

Despite his potentially strong position, Aitken exercised little authority or independence. He had neither the toughness of Rolette nor the abilities of Dousman and Sibley and was perpetually in trouble with his superiors, his Indians, his clerks, or his women. After 1834 his department was supplied (and supervised when necessary) from La Pointe, where Lyman M. Warren, a partner in the Northern Outfit, acted as chief agent. Also supervised and supplied from La Pointe were the *Folle Avoine*, or Wild Rice, Outfit, a small operation in the St. Croix Valley, run by Thomas Connor, another old Nor'Wester, and posts at Lac Court Oreilles and Lac du Flambeau, Wisconsin. All dealt with the Chippewa and were tributary to the Mississippi.

The Western Outfit was formed under a six-year contract signed in August, 1834. This was renewed in 1840 and again in 1841, the only change being an equalizing of the shares assigned to the three partners.<sup>7</sup> Business was done on joint account with the American Fur Company which held a 50 per cent share in the outfit. Trade goods purchased in England and on the Eastern Seaboard were delivered by the com-

pany to Prairie du Chien, the outfit's headquarters. On the original price, plus import duties and costs of handling and transportation, the parent company charged a 5 per cent commission, and it also charged interest at 7 per cent on the amount advanced. Furs received were sorted, appraised, and packed at Prairie du Chien. They were then forwarded to Mackinac, where they might be either purchased directly by American Fur or sent on to New York and Europe to be sold on commission for the Western Outfit. The latter was the usual course. The Western Outfit handled all of its own internal business. The partners signed contracts with subordinate traders, hired employees, and purchased on their own account all provisions and other items, such as whisky and lead, that could be bought in the Mississippi Valley.

Subdivisions within the organization also followed tribal lines. The largest was Sibley's Sioux Outfit, operated from the mouth of the Minnesota River opposite Fort Snelling—a place known at first as "St. Peter's" or "The Entry" and in later years as "Mendota." There Sibley engaged in direct trade with the Mdewakanton Sioux and also supervised a far-flung string of posts, the most distant of which in 1834 was at Lake Traverse on the headwaters of the Red River. At Mendota he succeeded Alexis Bailly, who had operated semi-independently under a contract with Rolette. Bailly's business, which was purchased by the Western Outfit, included posts at Traverse des Sioux on the Minnesota River and at the Grand Oasis, an isolated patch of woodland on the prairies of what is now Murray County. Both places were managed by hired clerks who had worked for Bailly on a straight salary. Sibley continued these arrangements.<sup>8</sup>

<sup>6</sup> John S. Galbraith, "British-American Competition in the Border Fur Trade of the 1820s," in *Minnesota History*, 36:241-249 (September, 1959); William A. Aitken to Ramsay Crooks, December 25, 1834, Crooks to Aitken, March 6, 1835, American Fur Company Papers. Microfilm copies of all items cited from this collection are in the Minnesota Historical Society. Originals are in the New York Historical Society.

<sup>7</sup> Contract between American Fur Company and Western Outfit, August 15, 1834, copy in Dousman Papers; agreement between American Fur Company, Rolette, Sibley, and Dousman, October 8, 1841, copy in Dousman Papers, original in Newberry Library.

<sup>8</sup> Sibley to Crooks, November 1, 1834, Rolette to Crooks, January 20, 1835, American Fur Company Papers; Rolette to Sibley, March 14, 1835, agreement with Joseph Laframboise, June 28, 1835, agreement with Louis Provençalle, July 2, 1835, all in Sibley Papers; Willoughby M. Babcock, "Louis Provençalle, Fur Trader," in *Minnesota History*, 20:259-268 (September, 1939); R. J. Forrest, "The American Fur Company's Post at the Great Oasis," in *Minnesota History*, 14:84-86 (March, 1933).

He also found within his department two men who had been established for nearly a generation as traders in the area. Both had family connections among the Sioux, and one of them, Joseph Renville, wielded great influence with the turbulent Sisseton branch of the tribe. Himself a mixed-blood Sioux, Renville had served as guide and interpreter for the British trader

<sup>9</sup> Gertrude W. Ackermann, "Joseph Renville of Lac qui Parle," in *Minnesota History*, 12:231-246 (September, 1931); Henry H. Sibley, "Memoir of Jean Baptiste Faribault," in *Minnesota Historical Collections*, 3:168-179 (1880); David Lavender, *The Fist in the Wilderness*, 335, 380 (New York, 1964).

<sup>10</sup> Contract with Joseph Renville for trade at Lac qui Parle, June 6, 1835, contract with Jean B. Faribault, July 6, 1835, Sibley Papers.

<sup>11</sup> Contract with Joseph Renville for trade at Lake Traverse, June 6, 1835, agreement with Joseph R. Brown, June 17, 1835, Brown to Sibley, May 6, 1836, all in Sibley Papers; Sibley to Crooks, December 31, 1834, February 28, 1835, American Fur Company Papers; George W. Featherstonhaugh, *A Canoe Voyage up the Minnay Sotor*, 1:319 (Reprint Edition, St. Paul, 1970).

<sup>12</sup> Crooks to Sibley, October 18, 1836, Sibley Papers.

*IN THE 1860s this storehouse at Mendota held furs collected in the Indian trade. Elkhorns and whisky kegs are piled on the beach awaiting a downriver steamer.*



Robert Dickson and had been among the founders of the Columbia Fur Company in 1822. Since 1827, when Columbia had been absorbed by the American Fur Company, he had operated like a small feudal baron from his post at Lac qui Parle in the Upper Minnesota Valley. With Renville and with Jean Baptiste Faribault, a Frenchman who had traded for many years at the Little Rapids of the Minnesota, near present-day Carver, Sibley signed very similar contracts.<sup>9</sup>

For both men the company agreed to provide all trade goods and supplies and to secure such employees as were necessary — though not to pay salaries. In return the traders agreed to sell their furs to the company or, if selling elsewhere, to leave the furs on deposit in the company warehouse until replaced by the full price in cash. Neither contract included a profit-sharing clause, the company taking its cut in the markups and interest charged on goods. Both contracts ran for five years and were renewed with minor changes until 1842.<sup>10</sup>

Sibley signed another kind of contract with Renville for the management of the post at Lake Traverse. The company's agent there, Hazen Mooers, had left American Fur to open an independent post farther down on the Minnesota. Renville agreed to supervise the business at Lake Traverse on condition that he and the company would share equally in the profit or loss. Sibley was to hire and pay all employees, including a clerk for the post, and was to have access to the books at all times. The Western Outfit retained title to all buildings, goods, and furs. It was clearly viewed as a temporary expedient, and it clearly failed to work. After one year the management of the post was assumed by the outfit's hired clerk, Joseph R. Brown.<sup>11</sup>

One condition was included in every contract: the promise to deal only with the Indians belonging to the outfit and not to interfere with the Indians of any other trader allied with the company. It was, of course, intended to prevent ruinous competition among the company's own agents and employees, but it was far easier stated than enforced.

In 1836 Aitken established a post at Otter Tail Lake on the western border of the Chippewa country. Sibley complained to Crooks that it drew the Sisseton from Lake Traverse, and Aitken received prompt orders to pull back.<sup>12</sup> Similar complaints arose on both sides from time to time; but, in general, competition between Northern Outfit traders and those of the Western Outfit was easier to control than the constant minor friction between traders within the same area and dealing with the same tribe. Had business been conducted on a cash basis the problem might not have been severe, but traders who extended credit (and all did) felt distinctly possessive toward "their" Indians.





THE COLUMBIA FUR COMPANY post at Lake Traverse was visited by Samuel Seymour who sketched the landscape and Sioux burial platform in 1823.

Nearly every letter and report from the Minnesota Valley refers to the dilemma in some way. Typical is a query from Joseph Laframboise, Sibley's clerk on the Cottonwood River in 1839. "I pray you," he wrote, "to let me know what I am to do with the People of the Smooth Leaves, that Alex [Faribault] claims as his own. They have a village here at present, and I had them last year, and they owe me some little balances, and this spring I made them some little promises, and now shall I send them from me like that?"<sup>13</sup>

Independent competition was always present, but it was usually limited by lack of financial resources. Mooers traded successfully for three years at Little Rock near present-day New Ulm and in 1838 moved to Grey Cloud Island in the Mississippi, just above the mouth of the St. Croix. There he was joined by Joseph Brown, who also opted for independent action rather than employment with American Fur.<sup>14</sup>

On the Mississippi above Mendota there was an unusual opening for competition because Chippewa frequently came down the river to visit Fort Snelling and the Indian agency there. Before 1834 Sibley's predecessor, Bailly, had traded with them, much to Aitken's annoyance, but Sibley was more scrupulous. The resulting opportunity was seized by an independent named Benjamin F. Baker, who built a store on the Mississippi a mile above Fort Snelling and operated a small string of posts, most of them among the Chippewa farther up the river. In a letter to Crooks at the end of 1834, Aitken reported that his northern posts "are out of the reach of the influence of the River St. Peter so that the [Indians there] had to submit to their traders without . . . ceremony but our lower

Posts which are on the Mississippi are somewhat incommoded still."<sup>15</sup>

The first three years after the reorganization of 1834 saw a brief flurry of expansion. Sibley surveyed his new domain and took steps to open at least two additional posts — one on the Sheyenne River in what is now North Dakota to take advantage of the rising demand for buffalo robes and another at Little Rock on the Minnesota to compete intensively with Mooers. He also pushed ahead vigorously with developing a local source of provisions for the western posts. Much of Brown's time at Lake Traverse was devoted to farming, and extensive crops of corn and wheat were raised.<sup>16</sup>

In the Fond du Lac Department the company, relieved of competition from the Hudson's Bay posts, sought to exploit its new monopoly by increasing prices and curtailing credit. Gifts of tobacco and ammunition which had been handed out freely for fifteen years were abruptly cut off. The result was anger and unrest among the Chippewa. Aitken, admonished to keep his expenses down, found it necessary to cut the

<sup>13</sup> Laframboise to Sibley, August 6, 1839 (translated copy), Sibley Papers.

<sup>14</sup> John H. Case, "Historical Notes of Grey Cloud Island and Its Vicinity," in *Minnesota Historical Collections*, 15:372 (1915).

<sup>15</sup> Aitken to Sibley, February 10, 1832, Sibley Papers; Aitken to Crooks, December 25, 1834 (quote), Crooks to Aitken, February 20, 1835, American Fur Company Papers; Donald Dean Parker, ed., *The Recollections of Philander Prescott*, 153, 160, 167 (Lincoln, Neb., 1966).

<sup>16</sup> Trading license of Joseph Rock, September 30, 1835, Brown to Sibley, July 19, 1836, Lawrence Taliaferro to Sibley, July 22, 1836, Oliver Faribault to Sibley, August 15, December 3, 1836 (translated copies), Crooks to Sibley, September 14, 1836, all in Sibley Papers; Featherstonhaugh, *Canoe Voyage*, 1:320.

number of posts by half in 1834–35, since, as he reported to Crooks, "It required for the present year that each post should be manned with a sufficient number of men to show the means of defending our property." Like Sibley, Aitken wanted to ease his supply problem by employing his idle clerks at farming, but he felt an order from Crooks "would be more efficacious than one originating with my self if I was to tell them to prepare land for cultivation they would ask me for hands to do it."<sup>17</sup>

The panic of 1837 and the depression years that followed brought retrenchment. Trouble with the Sisseton at Lake Traverse in the spring of 1838, resulting in the wounding of Brown and the death of another employee, gave Sibley an excuse for closing that post and abandoning activity on the Sheyenne River. "Burn all the Buildings, fences, etc. immediately and withdraw everything from there and . . . establish no new post for this year," advised Dousman, "for besides punishing the *dogs*, no *new post* can pay the expense at the present rate of Furs." Two months later, in July,

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<sup>17</sup> Aitken to Crooks, December 25, 1834, Crooks to Aitken, March 6, 1835, American Fur Company Papers.

<sup>18</sup> Theodore C. Blegen, ed., "Two Missionaries in the Sioux Country: The Narrative of Samuel W. Pond," in *Minnesota History*, 21:162 (June, 1940); Dousman to Sibley, May 6, 1838, Renville to Sibley, May 25, 1838, Sibley Papers; Sibley to Crooks, July 2, 1838, American Fur Company Papers.

<sup>19</sup> Dousman to Sibley, July 12 (quote), November 5, 1838, Sibley Papers. For the treaties, see Charles J. Kappler, comp. and ed., *Indian Affairs. Laws and Treaties*, 2:491–500 (Second Edition, Washington, D. C., 1904). The Chippewa retained their land around the headwaters of the Mississippi north of a line through present-day Pine, Aitkin, and Crow Wing counties.

<sup>20</sup> Warren to Aitken, September 8, 1838, Crooks to Aitken, September 8, 1838, to Sibley, October 1, 1838, Borup to Aitken, February 4, 1839, Aitken to Sibley, April 21, 1839, April 21, 1841, extract of letter from Crooks to Pierre Chouteau, Jr., copied in Chouteau to Sibley, August 18, 1843, all in Sibley Papers. For Dousman's sentiments toward Aitken, see Dousman to Sibley, June 24, 1849, also in Sibley Papers.

<sup>21</sup> Dousman to Sibley, February 19, March 6, April 16, 1839, March 31, 1840 (quote), trading license of Joseph Laframboise, September 26, 1839, agreements with François Fresnière, June 26, 1839, August 4, 1840, Crooks to Dousman and Rolette, June 21, 1840, Sibley to Solomon Sibley, September 2, 1840, Kenneth Mackenzie to Sibley, September 22, 1840, all in Sibley Papers.

<sup>22</sup> Lavender, *Fist in the Wilderness*, 418; Grace Lee Nute, "The Papers of the American Fur Company: A Brief Estimate of Their Significance," in *American Historical Review*, 32:523, 537 (April, 1927), reprinted in *Calendar of the American Fur Company's Papers* (Washington, D. C., 1945); contract between Pierre Chouteau, Jr., and Company and Dousman and Sibley, February 26, 1842, copy in Dousman Papers, original in Newberry Library.

1838, Sibley told Crooks that he had closed all but three of his outlying posts — those at Lac qui Parle, Traverse des Sioux, and Little Rapids.<sup>18</sup>

In the meantime, a long step toward irreversible change had taken place with the signing of the Chippewa, Sioux, and Winnebago treaties of 1837. Under these agreements the three tribes ceded to the United States all their lands east of the Mississippi and within its watershed. And under them the traders collected a total sum of \$325,000. This windfall was fortunate for both Northern and Western outfits as losses the previous year had been heavy. Reporting the ratification to Sibley, Dousman observed, "This is good news . . . otherwise we were gone *Coons*."<sup>19</sup>

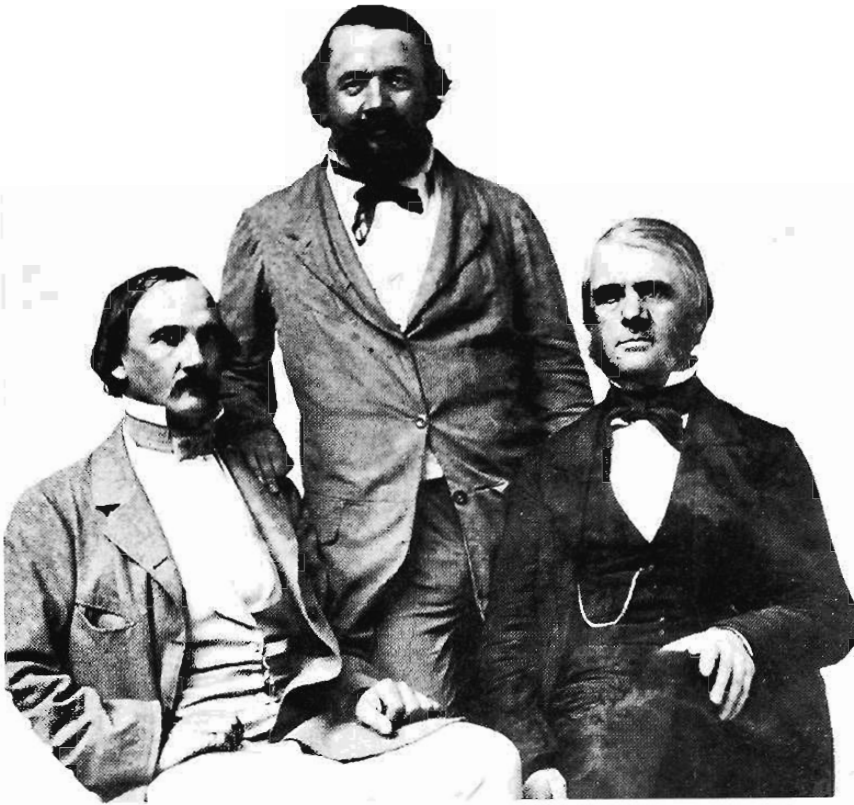
It did not save the Northern Outfit from a thorough shakeup of management, however. Both Warren and Aitken were sacked. Warren was replaced at La Pointe by Dr. Charles W. W. Borup, but Aitken returned to his post at Sandy Lake and gave every appearance of becoming a competitor, probably with some *sub rosa* assistance from Dousman, who was his cousin and reluctant benefactor. Aitken was soon reinstated.<sup>20</sup>

In the spring of 1839 the price of muskrat rose sharply, and during the next two years the Western Outfit again expanded its operations. Sibley resumed trade with the Sisseton on the Sheyenne River (though not at Lake Traverse) and reopened the post at Little Rock. Still business generally continued in the doldrums. "Times have never been so hard on this river since it was settled," wrote Dousman from Prairie du Chien in March, 1840. Sibley himself tried to leave the trade that summer, but Rolette refused to release him from his contract.<sup>21</sup>

A NEW PHASE in the Upper Mississippi Indian trade was about to begin, however. Beset by fierce competition and a temporary slump in the European fur market, the American Fur Company faced increasing difficulties, and early in 1842 Crooks sold its interest in the Western Outfit to Pierre Chouteau, Jr., and Company of St. Louis. Seven months later American Fur went into bankruptcy. The four-year contract signed in February of that year by Chouteau, Sibley, and Dousman revealed the new balance of power within the outfit. Although Rolette was given an equal interest with Dousman and Sibley, the agreement provided that "in no case shall said Joseph Rolette have any voice or control in the business."<sup>22</sup>

Rolette himself, a victim of illness and alcohol, would die within the year, but the specific exclusion of his influence in management was a symptom of broader change. The older generation of traders — men like Faribault, Bailly, Renville, and Aitken — were ill-equipped to cope with new conditions and would





*IN THIS RARE, imperial-sized ambrotype taken at Mathew Brady's Washington, D.C., studios (c. 1857), Henry H. Sibley (left) is joined by Joseph Rolette, Jr. (center), son of the old trader, and a gentleman who may be Franklin Steele (right).*

soon be phased out. Nearly all, including Rolette, left sons who continued to find employment in the trade, but the control of affairs had long since passed into other hands.

The new organization was called the Upper Mississippi Outfit, but Sibley's division remained the Sioux Outfit, and the name "American Fur" continued in general use. A memorandum attached to the contract included a noninterference pact with Crooks, whose Northern Outfit retained control of the Chippewa. Certainly so far as employees and outsiders were concerned, the nature of "the Company" had not changed.

Nevertheless, the character and rhythm of the business itself had already begun to alter. The new contract defined it as "trade with whites and Indians," for with the opening to settlement of the Mississippi's eastern shore and the vast pine stands of the St. Croix Valley, the white population had quickly increased. The treaties also had provided for an assortment of teachers, farmers, and blacksmiths to help the tribes adjust to the inevitable end of their hunting economy, and these new government salaries added to the general mercantile trade in the area.

The volume of purchases no longer rose and fell with the coming and going of Indians on the fall and spring hunts; the date of the annuity payment was now the crucial time for the trader to be on hand.

When he was, the rewards were high. After a payment at La Pointe in 1838 Crooks wrote: "between their debts, and goods they bought here we got about \$3,500 out of \$4,700 they received from the government." When the Winnebago were paid their annuity in September, 1843, Dousman told Sibley that despite fierce competition "I got \$18,000 out of the \$36,000 that was paid, but the Inds have at least \$8,000 in their hands yet."<sup>23</sup>

Sibley's trade with the Sisseton and Wahpeton Sioux was less affected, for these western bands had as yet sold none of their lands and still relied upon furs for a livelihood. Even in the Upper Minnesota Valley, however, changes were under way. As early as June, 1842, Sibley signed a contract with Norman W. Kittson and Franklin Steele to supply goods for trade at certain places on the Minnesota River and also at Baker's old location on the Mississippi. Kittson, a Canadian, had served as a clerk for Sibley, and Steele had been for several years the post sutler at Fort Snelling. Both were aggressive businessmen without friendships or family connections among the Indians. Sibley evidently hoped that they would enforce reforms and introduce new methods in his sprawling,

<sup>23</sup> Crooks to Aitken, October 1, 1838, Dousman to Sibley, October 4, 1843, Sibley Papers.

nepotism-ridden enterprise. The contract declared bravely that "The credit system is hereby abolished." Also a uniform tariff of prices was to be agreed upon for all trading outlets.<sup>24</sup>

In the spring of 1843, Steele withdrew from the arrangement and Sibley formed a joint outfit with Kittson to control Lac qui Parle and all the territory beyond. Kittson was to make his headquarters at a new post at Big Stone Lake, to open another post on the James River, and to supervise the trade on the Sheyenne River, which had been conducted spas-

<sup>24</sup> Agreement between Sibley and Kittson and Steele, June 30, 1842, Sibley Papers.

<sup>25</sup> Agreement between Sibley and Kittson, May 22, 1843, Kittson to Sibley, July 16, 1844, Martin McLeod to Sibley, September 28, 1844, January 10, 1845, all in Sibley Papers.

<sup>26</sup> For a full discussion of Kittson's ten years at Pembina, see Clarence W. Rife, "Norman W. Kittson, A Fur-Trader at Pembina," in *Minnesota History*, 6:225-252 (September, 1925).

<sup>27</sup> Extract from Crooks to Chouteau in Chouteau to Sibley, August 18, 1843, Aitken to Sibley, June 1, 1844, October 7, 1845, April 20, 1846, A[lexander] R. MacLeod to Sibley, September 16, 26, 1845, April 19, 1846, all in Sibley Papers. The post at Cass Lake was established to trade for maple sugar, "as it is an article which we cannot have too much of, and the transportation from St. Peters a heavy tax." Kittson to Sibley, October 19, 1852, Sibley Papers.

*ISSUED ANNUITIES by their Indian agent, these Lake Superior Chippewa of the 1870s paid off debts and contracted new ones from ubiquitous traders.*

modically by François Fresnière (or Frenier), a former guide and interpreter residing at Lake Traverse. Kittson was also nominally in charge of Lac qui Parle but realistically dubious about his ability to control Renville. The real prize sought by the new outfit was buffalo, although even on the high coteau of eastern South Dakota muskrat continued to be a major factor in the returns.<sup>25</sup>

The trail of the buffalo led northward. Or perhaps Sibley and Kittson had larger schemes in mind from the outset. As agents of the Chouteau Company, they were in no way bound by the old agreement between American Fur and the Hudson's Bay Company, and in the fall of 1844 Kittson boldly opened a post at the mouth of the Pembina River, on the very doorstep of the British firm. The challenge did not pass unnoticed, and the decade that followed saw an intermittent but fierce trade war conducted all along the border from the Souris River to Lake of the Woods.<sup>26</sup>

In pushing eastward and establishing posts on the Roseau River and at Red Lake (eventually as far east as Cass Lake), Kittson encroached on the territory of the old Northern Outfit, but by then it did not matter, for the pact with Crooks had already broken down. In 1843 the American Fur Company had again dismissed Aitken. This time Dousman openly supported him and bought his furs, and within two years a string of loosely allied independents was trading in the Chippewa country, supplied by Sibley and Dousman.<sup>27</sup>

Another concession to change appeared in 1844,





JOSEPH ROLETTE, SR.



HERCULES L. DOUSMAN



NORMAN W. KITTSON

when Sibley contracted with David Faribault to open a small retail outlet in the burgeoning settlement of St. Paul, some eight miles down the Mississippi from Mendota. This arrangement was to run for only a year, but Sibley maintained his interest in St. Paul and in 1847 established a permanent "St. Paul Outfit" under the management of William H. Forbes.<sup>28</sup>

THE CONTRACT of the Upper Mississippi Outfit with Chouteau expired in 1846, and at that time Dousman withdrew from the trade. The Indian population of southern Wisconsin had virtually disappeared. His business for some years past had been largely with the Winnebago, who were relocated in northeastern Iowa and receiving generous cash annuities. "Never," says historian William Watts Folwell, "did traders have fatter picking than . . . among the Winnebago." In 1846, however, the tribe agreed to be removed once more — this time to a tract in north-central Minnesota between the Sioux and Chippewa. By then Dousman had acquired large interests in land, lumber, steamboat lines, and railroads and was, in fact, reputed to be one of the wealthiest men in Wisconsin.<sup>29</sup>

Dousman's place was taken by two of his former employees: Bernard Brisbois of Prairie du Chien and Henry M. Rice, a young Vermonter who had followed his fortunes westward and had joined the Indian trade after a stint as sutler's clerk at Forts Snelling and Atkinson. Rice had gained a remarkable rapport with the Winnebago, and in 1846 he was entrusted by the tribe with choosing the land that was to be their new home in Minnesota. He and Brisbois contracted with Chouteau to carry on the trade in the same area for-

merly allotted to Dousman, and it was understood that when the Winnebago were removed Brisbois and Rice would continue to trade with them.<sup>30</sup>

Sibley made an independent arrangement with Chouteau to carry on the trade with the Sioux for two more years under the name "St. Peter's Outfit." The terms were very similar to those under which the Upper Mississippi Outfit had operated. At the same time, however, several internal changes took place in Sibley's business. These came about through the death in May, 1846, of old Joseph Renville, who had clung to his "fort" at Lac qui Parle and had continued to support a vast flock of dependents despite all the pressure that could be brought by Dousman, Sibley, and Kittson. Sheer distance now prevented Kittson at Pembina from supervising his lower posts, and the responsibility had fallen to his competent clerk at Big Stone Lake, a thirty-three-year-old Canadian named Martin McLeod.<sup>31</sup>

<sup>28</sup> Agreement with David Faribault, September 8, 1844, Sibley Papers. On Forbes, see Henry L. Moss, "Biographic Notes of Old Settlers," in *Minnesota Historical Collections*, 9:147 (1901).

<sup>29</sup> William W. Folwell, *A History of Minnesota*, 1:309; *Dictionary of Wisconsin Biography*, 107 (Madison, 1960).

<sup>30</sup> Folwell, *Minnesota*, 1:239; Chouteau to Sibley, March 23, 1846, Sibley Papers.

<sup>31</sup> Contract between Pierre Chouteau, Jr., and Company and Sibley, October 17, 1845, Sibley Papers. For difficulties with Renville, see Crooks to Sibley, April 27, 1836, December 27, 1842, Dousman to Sibley, November 19, 1845, Martin McLeod to Sibley, February 21, 1845, all in Sibley Papers. On McLeod, see Charles J. Ritchey, "Martin McLeod and the Minnesota Valley," in *Minnesota History*, 10:387-402 (December, 1929).



CHARLES W. W. BORUP



HENRY M. RICE



JOSEPH ULLMANN

After Renville's death Sibley tried to consolidate all trade with the western and southern Sioux under one organization. Thus a partnership was formed in September, 1847, under the name "Upper Sioux Outfit." It included McLeod, Joseph Laframboise, and Alexander Faribault. The new outfit paid Kittson \$500 plus the value of inventories for all of his lower posts. McLeod was to manage these: Laframboise would be responsible for his own place at Little Rock and also for Traverse des Sioux; and Faribault would open a new post on the Des Moines River. The joint enterprise was predictably short-lived. The post on the Des Moines never materialized, and the younger Faribault remained comfortably situated at his old place on the Cannon River. Laframboise's energies were limited to Little Rock, and in 1848 McLeod signed a new agreement with Sibley, taking over the name of Upper Sioux Outfit and managing the posts at Lac qui Parle and above on the same terms as those given to Kittson in 1843.<sup>32</sup>

Meanwhile, Sibley's casual dealings with some of the Chippewa traders brought complaints from Brisbois and Rice, who claimed the Upper Mississippi as their territory through Dousman's arrangement with Aitken. Early in the summer of 1847 Rice headed north to search out a new home for his Winnebago

and to pursue some other plans of his own. On the way he must have talked with Sibley at Mendota, for there was evidently an understanding between the two when Rice wrote from La Pointe on July 4 that he had already succeeded in hiring from under the very nose of Dr. Borup all of the Northern Outfit's best men. He outlined detailed plans for a network of posts throughout the Chippewa country to be supplied with goods by Sibley and himself.<sup>33</sup>

The word "charisma" was not in vogue then, but it must indeed have been a quality that Rice possessed. Men of all sorts responded to his spell—from the lordly Pierre Chouteau, Jr., to the grizzled and discouraged Aitken. For a moment the Indian trade's inevitable decline seemed halted, and spirits were lifted with the unspoken sense that great movements were afoot. Rice was everywhere in the Upper Mississippi country during the next year. From La Pointe he went to Fond du Lac and Leech Lake, where he wheedled land from the Chippewa. Then he returned to the Winnebago country and traveled north once more in the dead of winter to the Mississippi headwaters to report the new joint Chippewa Outfit doing well and the competition beaten out. Recovering from an illness at Crow Wing, he wrote cheerily to Sibley: "I am getting strong altho' not *yet* dangerous." By March he was in New York and Washington, where he was dismayed by Chouteau's refusal to let him buy more goods for the white trade at Prairie du Chien and St. Paul. Scarcely a month later he was again at the Falls of St. Anthony on his way up the Mississippi, while Brisbois wrote plaintively from Prairie du Chien that the Winnebago were refusing to move and "I do not

<sup>32</sup> Agreement between Sibley and McLeod, Laframboise, and Alexander Faribault, September 6, 1847, agreement between Sibley and McLeod, October 2, 1848, Sibley Papers.

<sup>33</sup> Brisbois to Sibley, July 13, 1846, Rice to Sibley, June 29, July 4, 1847, Sibley Papers.

know how they will manage [at Fort Atkinson] if Mr. R. does not come down soon."<sup>34</sup>

Rice wrote Sibley on May 13 that, should there be any discussion with Chouteau about arrangements for the next year, "You will please to act for me." He wanted Brisbois removed from control, for "It is impossible for him to manage a large business — he has not the nerve." Accordingly, sometime in late May or June, 1848, a new contract was drawn up. Brisbois was replaced by Sylvanus B. Lowry, a friend of Rice, who was to take charge of the Winnebago trade. Rice was to supervise Lowry's outfit and also to run the Chippewa Outfit, while Sibley would continue with the Sioux. All three were to be combined under one organization known as the Northern Outfit, in which Chouteau would hold a half interest and each of the partners a sixth. The Mississippi below Lake Pepin and the valleys of the Wisconsin, Black, and Chippewa rivers were left to Brisbois, but the new Northern Outfit was to occupy all the rest of the country formerly worked by the Wisconsin and St. Peter's outfits. The contract was to run for one year — to July 1, 1849.<sup>35</sup>

Whether Sibley was captivated by Rice's charm or simply overwhelmed by the incredible energy of the man, he soon had reason to become wary. After the unhappy Winnebago had been established on their new reservation at Long Prairie and Rice had paused momentarily at Crow Wing, Kittson conferred with him about the division of trade along the border between their two outfits. Writing later from Pembina, Kittson cautioned Sibley: "But few of your old friends will be left on the lower part of the Miss. in Chippeway Outfit, they will all be replaced by new creatures who may answer certain purposes better than the old hands."<sup>36</sup>

The nature of these "certain purposes" was no mystery. Sibley had been less than happy in the fur trade for many years, and he was keenly alert to any possibility of getting out, as Dousman had done, without sacrificing money or prestige. In 1848 the time was close when Minnesota would be organized as a territory and would elect a delegate to Congress. Sibley had his eye on the office. As the area's leading citizen, he was the obvious choice, but it was already clear that Rice had similar ambitions and would be a formidable opponent. The two were rivals for the first time in an election of dubious validity held in August, 1848, to choose a representative in Washington for the citizens of Wisconsin Territory who had been excluded from the boundaries of the state. The campaign, however, was tepid and Sibley won easily.<sup>37</sup>

Relations between the partners became increasingly tense through the following year, but there was no

open break between them. In June, 1849, Rice moved his headquarters from Mendota to St. Paul, where he was deeply involved in real estate development. Sibley seems to have assumed that much of this land business was being done on behalf of the outfit, although he was dubious about the extent of it. The fact of land speculation itself was not unusual.<sup>38</sup>

In July Rice made another foray into the north. The tattered remains of the old Northern Outfit of the American Fur Company had been sold the previous year to Borup and had continued to operate out of La Pointe under the name "Northern Fur Company." Chouteau had dickered for it unsuccessfully, not, as he told Rice and Sibley, that the trade at La Pointe was worth anything, but "more with a view to force Dr. Borup to come to such arrangements as would prevent him from opposing us on the Mississippi . . . and more particularly with the Winnebagoes, far the best trade of all." Where Chouteau had failed, Rice succeeded, bringing Borup into the Chippewa Outfit.<sup>39</sup>

Apparently Borup already had an unsavory reputation in the trade. Chouteau and Sibley both swallowed hard, but, as Sibley wrote, "Whatever may be the other objections urged against him, it is admitted by all that he is a close business man, industrious and methodical."<sup>40</sup> He added: "There are reasons why I

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<sup>34</sup> Rice to Sibley, October 5, December 6 (quote), 1847, April 6, 8, May 13, 1848, Brisbois to Sibley, May 31, 1848, Sibley Papers; J. Fletcher Williams, *A History of the City of Saint Paul*, 187 (*Minnesota Historical Collections*, vol. 4, 1876).

<sup>35</sup> Rice to Sibley, May 13, 1848, and undated draft of agreement between Pierre Chouteau, Jr., and Company and Sibley, Rice, and Lowry, filed under date of June 1, 1848, Sibley Papers.

<sup>36</sup> Kittson to Sibley, July 28, August 16 (quote), 1848, Sibley Papers.

<sup>37</sup> Sibley to Charles Trowbridge, September 6, 1847 (copy), original owned by the Sibley House Association, Minnesota Daughters of the American Revolution; Dr. Thomas R. Potts to Sibley, September 14, 1848, Sibley Papers; Folwell, *Minnesota*, I:234-243.

<sup>38</sup> Sibley to Chouteau, June 20, 25, 1849, Sibley Letter Books, vol. 92, in the Minnesota Historical Society. Rice's activities included platting a new addition to the city of St. Paul and building a hotel. See Williams, *Saint Paul*, 188.

<sup>39</sup> Chouteau to Sibley, May 8, 1848, to Sibley and Rice, July 14, 1848 (quote), Borup to Chouteau, December 21, 1849, all in Sibley Papers; Sibley to Chouteau, August 8, 1849, Letter Books, vol. 92. Chouteau's second letter is accompanied by copies of letters between Chouteau and George Ehninger, receiver of the American Fur Company.

<sup>40</sup> Sibley to Chouteau, September 5, 1849, Letter Books, vol. 92. Chouteau admitted (to Sibley, September 3, 1849) that had it not been for the urging of Sibley and Rice, "we would have had the utmost objection from the character you, Mr. Rice & ourselves had of the gentleman."

am of opinion that [the arrangement] may be favorable to our interests." Rice planned, it seems, to turn over the main management of his fur business to Borup, while he himself built political fences and played with real estate. No sooner, however, had the doctor taken a close look at the books than he wrote privately to Sibley, informing him that Rice's outfit was in a scandalous state of disarray.<sup>41</sup>

There had been a tacit agreement that the contract of July, 1848, would be extended for another year, and in early September, 1849, the partnership was still operating under its terms, although nothing to that effect had been signed. When Chouteau wrote to tell Sibley that he had ratified Rice's agreement with Borup, he suggested that the whole arrangement be extended for another year. Sibley took this to mean actually two years — or one more year after the summer of 1850 — and declined. Borup's revelations strengthened Sibley's suspicions, and he repeated a suggestion he had made earlier in the summer — that Chouteau send someone to investigate the state of Rice's affairs.<sup>42</sup>

The days that followed saw a feverish exchange of *sub rosa* correspondence — Borup collecting and relaying to Sibley information damaging to Rice, Sibley prodding Chouteau with ever-mounting urgency either to come himself or send a representative, and Chouteau dragging his feet. At last in early October, Joseph

A. Sire of the Chouteau firm arrived from St. Louis, and an explosive confrontation followed.<sup>43</sup>

The charges and countercharges, the legal action, and the shock waves that reverberated through Minnesota politics for the next twenty years are all part of another story. The course of the fur trade itself was not greatly affected. Since the contract had never been formally renewed, there was no difficulty in dissolving the partnership, and since Dr. Borup was so conveniently on hand, there was little question about who would step into Rice's place. One can guess, though, that Sibley had rather limited enthusiasm for his new partner, and some of his associates and subordinates made it clear that they had even less.<sup>44</sup> The Chippewa and Winnebago outfits were reorganized under the doctor as the Minnesota Outfit. Rice opened a store at Watab, on the east bank of the Mississippi opposite the Winnebago reservation, where he kept an active finger in the Indian trade. As Borup shrewdly predicted, however, Rice's competition proved more significant in politics than in business.<sup>45</sup>

Sibley also was more and more occupied with politics. The position of Congressional delegate which he held from 1849 to 1853 kept him in Washington for nearly half of each year. In his absence the business was entrusted to his younger brother Fred, who had joined the Sioux Outfit as a clerk in the fall of 1849. It was not an enterprise to inspire optimism. The winter of 1849–50 was a bad one everywhere in the region. The traders went into debt and the Indians starved. Next year was no better. As William H. Forbes wrote from St. Paul: "Our whole dependance is now a treaty if that chance was not in perspective [*sic*] Sioux O[utfit] would hardly be worth keeping together." Kittson, too, was discouraged with "the cursed fur trade." Failure of the wild rice crop along the border had left his Indians too weak to hunt, and in helping to keep them alive his debts were mounting.<sup>46</sup>

Only among the Mississippi Chippewa and the well-subsidized Winnebago was there still money to be made. In December, 1850, Fred Sibley wrote uneasily to his brother: "The M[innesota] O[utfit] has so many more advantages that I am fearful our account will not show as favorably." Borup, he felt, was gaining in influence with Chouteau and was not to be trusted. The next May, Sire wrote to Sibley from St. Louis: "At no time do I recollect St. Peters and Sioux Outfit with such heavy indebtedness as that of O[utfit] 50. . . . The liabilities are immense!"<sup>47</sup>

Thus, as he faced the treaty tables in the summer of 1851, Sibley was under enormous pressure to negotiate a settlement favorable to the traders. In doing so some corners were cut, and a Congressional investiga-

<sup>41</sup> Sibley to Chouteau, August 16, 22 [?] (quote), 1849, Letter Books, vol. 89; Chouteau to Sibley, September 3, 1849, Borup to Sibley, September 4, 5, 1849, Sibley Papers. For an example of Borup's business ethics, see Borup [to Fred Sibley?], March 12, 1852, where he proposed selling to the Indians 100 barrels of bad flour rejected by the Fort Snelling quartermaster. Letter in Sibley Papers.

<sup>42</sup> Chouteau to Sibley, July 12, September 3, 1849, Sibley Papers; Sibley to Borup, September 5, 1849, to Chouteau, September 5, 12, 1849, Letter Books, vol. 92.

<sup>43</sup> Borup to Sibley, September 15, 19, 20, 28 (three letters), 1849, Sibley Papers; Sibley to Chouteau, September 19, 26, 27, 28, October 10, 1849, to Borup, September 15, October 7, 1849, Letter Books, vol. 92.

<sup>44</sup> See, for example, William H. Forbes to Sibley, December 21, 1849, December 17, 1850, Alexander Faribault to Sibley, January 12, 1850, Fred Sibley to Sibley, December 16, 1850, Borup to Sibley, December 22, 1849, all in Sibley Papers.

<sup>45</sup> Borup to Chouteau, December 6, 21, 1849 (handwritten copies), Sibley Papers; Charles D. Elfelt, "Early Trade and Traders in St. Paul," in *Minnesota Historical Collections*, 9:166. For a discussion of Rice's ensuing role in Minnesota territorial politics and Indian affairs, see Folwell, *Minnesota*, 1:312–318, 367–373.

<sup>46</sup> Forbes to Sibley, December 17, 1850, Kittson to Sibley, February 28, 1851, Sibley Papers; Rife, in *Minnesota History*, 6:239.

<sup>47</sup> Fred Sibley to Sibley, December 16, 1850, Sire to Sibley, May 24, 1851, Sibley Papers.



tion resulted. In the end, however, the treaty makers were cleared of any behavior not acceptable to the ethics of the day. Sibley received more than \$103,000, and other Sioux Outfit traders were also treated liberally. Only Kittson was disappointed, for a treaty negotiated at Pembina in September for the purchase of Chippewa lands in the Red River Valley failed to get through Congress.<sup>48</sup>

The relinquishment by the Santee Sioux of their homeland in southern Minnesota was the last act in the drama of the Upper Mississippi Indian trade. In August, 1851, Sire, speaking for Chouteau, wrote: "If the treaty is ratified I look upon your Sioux fur trade [as] at an end and not worth the attention of any large concern." All that remained were the mechanics of liquidation.<sup>49</sup>

SEVERAL DISTINCT TRENDS are apparent in the trade over this period of twenty years. It is not surprising to find that as the monopoly of the American Fur Company crumbled, and as transportation, agriculture, and commerce moved westward, the terms offered the individual trader improved greatly — even if his real income did not.

Alexis Bailly, writing to his brother in 1835 as he was being dropped by the company after ten years' association, commented bitterly: "They have treated me ungratefully, for I have cleared for them upwards of two hundred thousand dollars and more since my first connection with them, and yet have fair prospects to make a failure that will prostrate me for years." His situation had probably been much like that of Aitken, who from 1831 to 1834 was guaranteed no salary. He took goods at the usual 5 per cent commission and 7 per cent interest on the cost delivered at Mackinac, hired five clerks and numerous other employees, paid a markup of one-third on all supplies taken for his own family, received no rent for the company's use of his buildings at Sandy Lake, and agreed to sell his pelts only to American Fur. In return, he was generously allowed half of any profit or loss on the enterprise.<sup>50</sup>

No copy has survived of Aitken's agreement with the new Northern Outfit in 1834, but the terms given Dousman and Sibley in the same year show a marked improvement. Their combined share in the business was only one quarter, but Dousman was guaranteed \$1,500 and Sibley \$1,200 annually before any distribution of profits to the other shareholders. Also the company agreed to pay board and room for the partners and to charge any other goods taken for personal use at a markup of only 12½ per cent. Rent was paid on buildings and land owned by the partners.<sup>51</sup>

There was no such thing as a standard agreement, however, and the terms given each trader depended to a large extent on his own bargaining power. This is clearly reflected in the contracts signed by the Western Outfit in 1834 with Renville and Faribault. As noted before, they were essentially similar, but the markup paid by Renville was calculated on the original cost of the goods in England (110 per cent) or New York (65 per cent). This yielded him somewhat better terms than those given Faribault, who paid a flat one-third on the cost of both delivered at Prairie du Chien. Thus, in 1835 for goods purchased in England at \$1,000, Faribault would have paid approximately \$2,400 and Renville \$2,100.<sup>52</sup> When the contracts were extended in 1840, Sibley reduced the rate on Renville's New York goods to 60 per cent and brought Faribault's whole markup down from 33½ per cent to 20 per cent. In the same year Sibley contracted to supply François Fresnière with goods to trade on the Sheyenne River at a markup of 25 per cent on cost and charges.<sup>53</sup>

The contract signed by Chouteau in 1842 retained the half interest formerly allotted to American Fur and continued the 5 per cent commission and 7 per cent interest charges. However, Dousman and Sibley each received an annual salary of \$1,500 in addition to his share of the profits. Chouteau's separate agreement with Sibley's St. Peter's Outfit, which took effect in 1846, continued these terms. The 1848 agreement with Sibley, Rice, and Lowry followed the same pattern,

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<sup>48</sup> For discussions of the treaties of Traverse des Sioux and Mendota and the investigation that followed, see Lucile M. Kane, "The Sioux Treaties and the Traders," in *Minnesota History*, 32:65-80 (June, 1951); Folwell, *Minnesota*, 1:462-470. The claims paid to various traders are listed in several undated schedules filed among the Sibley Papers for the months of July and August, 1851. Kittson received \$2,850 under the Traverse des Sioux treaty for the debts of the upper Sioux bands. For an account of the abortive Pembina treaty, see Willoughby M. Babcock, "With Ramsey to Pembina: A Treaty-Making Trip in 1851," in *Minnesota History*, 38:7-10 (March, 1962).

<sup>49</sup> Sire to Sibley, August 28, 1851, Sibley Papers.

<sup>50</sup> Bailly to Joseph P. Bailly, March 2, 1835 (typewritten copy). Alexis Bailly Papers, in the Minnesota Historical Society. An undated copy of the agreement with Aitken is among the Sibley Papers.

<sup>51</sup> Contract between American Fur Company and Western Outfit, August 15, 1834, copy in Dousman Papers.

<sup>52</sup> These figures were computed from a detailed memorandum of "Charges on Goods imported, 1835," signed by Dousman and filed under date of January 1, 1835, in the Sibley Papers.

<sup>53</sup> Contract with Renville for Lac qui Parle, June 6, 1835 (endorsement July 1, 1840); contract with Faribault, July 6, 1835 (endorsement October 14, 1840); agreement with François Fresnière, August 4, 1840.

retaining the salary figure of \$1,500 for Sibley and Rice and allowing Lowry \$750.<sup>54</sup>

A new and liberalized pattern was also evident within Sibley's Minnesota Valley trade. Under the arrangement with Kittson in 1843 the base cost of goods was figured on Mendota for the first time rather than on Prairie du Chien, and the markup was only 10 per cent. Profits were shared equally with Sibley, however, and neither Kittson nor McLeod, who later worked under the same contract, was guaranteed a salary.<sup>55</sup>

What might happen to an individual trader whose



"BEAVER MONEY," issued at posts when "hard" money was scarce, was redeemable in fur company supplies rather than in specie.

outfit lost money and who found himself hopelessly in debt to the company is illustrated by an unusual contract signed in June, 1835, with Joseph R. Brown. To work off a debt of nearly \$2,500 owed to Rolette and to the Western Outfit, Brown became virtually an indentured servant for a period of four years. In return for his services as clerk and trader, for which the prevailing annual salary was in the neighborhood of \$600, the company agreed to pay Brown \$150 and to cancel one quarter of his debt each year. He was also to receive a specified list of provisions, including pork, flour, tea, sugar, coffee, lard, and tobacco for his own use. As noted before, he proved a valuable man, although not slow to assert himself. "If the comp'y cannot afford to furnish me Cavendish tobacco," he wrote

<sup>54</sup> Contract between Chouteau and Dousman and Sibley, February 26, 1842; contract between Chouteau and Sibley, October 17, 1845; undated draft of contract between Chouteau and Sibley, Rice, and Lowry.

<sup>55</sup> Agreement with Kittson, May 22, 1843; with McLeod, October 2, 1848.

<sup>56</sup> Contract between Sibley and Joseph R. Brown, June 17, 1835, Brown to Sibley, October 4, 1836. Brown blamed Indian Agent Lawrence Taliaferro for his financial plight. See draft of a letter from Brown to Lewis Cass, Secretary of War, June 17, 1836, Sibley Papers.

<sup>57</sup> Sibley, in *Minnesota Historical Collections*, 3:171; Aitken to Crooks, December 25, 1834.

to Sibley in 1836. "I would thank you to send me 8 lbs on my [own] acct."<sup>56</sup>

THE CHANGING position of the Indian in the fur business is difficult to document. By 1834 the tribes of the Upper Mississippi Valley were largely dependent on the fur trade for their livelihood. Old traders like Faribault could remember the time when business had been done on a cash basis, but by the early 1830s the credit system was already well established. In theory the independent Indian brought his winter's catch of fur to the trader's post and bartered it for the marginal luxuries that made his life in the wilderness easier. If he were dissatisfied with the price offered, he refused to trade. In reality the Indian, in Aitken's words, "had to submit to his trader." Although masked by attitudes and terminology dating from an earlier era, the relationship was not too different from that of an employer who pays at piece rates and keeps his workers in debt to the company store.<sup>57</sup>

Limited competition always existed, and traders were fond of complaining about stolen credits, but before the time of encroaching settlement, this seems to have been a fairly small-scale problem on the Upper Mississippi. The business then was relatively well organized, and traders generally respected each other's human "territory." The majority of Indians were kept in line by the weight of their economic dependence. A band which took its pelts to a transient competitor ran the risk of being refused credit by its regular trader the next year. And without advances of ammunition and replacements for lost and broken traps or guns, the chances of survival were bleak. The mountains of bad debts on which the traders based their claims at the treaty tables were mainly accumulated through the failure of winter hunts to produce enough furs to cover the advances made at the prices offered.

Undoubtedly, many Indians realized their situation, but few were familiar enough with the white man's language and patterns of thought to leave a record of their feelings. One exception was Flat Mouth, respected chief of the Leech Lake Chippewa, who voiced his people's resentment at their exploitation by the American Fur Company following the noninterference agreement with the Hudson's Bay Company. Addressing the Frenchman Joseph N. Nicollet in the summer of 1836, he said: "See how the Americans treat us: . . . They abandon us to the mercy of merchants who trade at a price three times above that ever asked by the French and the English, and in return supply us only with bad merchandise, thus making the price six times higher. And these traders, well do



SIoux INDIANS, photographed while camped at Mendota in the early 1860s

they know the American government is *not capable* of either helping or protecting us. They do with us what they please, and if in these times when they force us to go naked and starve, we beg for justice, not charity, they threaten to leave.”<sup>58</sup>

It was, of course, a threat that was seldom carried out. In all industries there are areas in which the interests of owners and workers run parallel, and this was true of the fur trade. It was to the benefit of the traders to keep the business going—to get their Indians hunting with the greatest energy and efficiency possible and to keep the women at work dressing furs and robes to produce the fine “Indian handled” goods that sold at premium prices. If it could not be done without advancing credits, then credits were advanced. Starving men hunted food, not fur, and therefore a trader did what he could to keep his Indians from starving—which is not to imply that some traders did not also have humanitarian feelings.

The dilemma was succinctly stated by Kittson in 1851: “Our great misfortune is want of food for the hunters. Fur animals are as plenty as usual, but the d—l is to skin them.” Later the same spring McLeod complained that as the Sisseton “have come in in a miserably weak condition and have no food now, but fish occasionally[,] it may be a month before their robes are dressed.”<sup>59</sup>

The traders have often been credited with struggling to keep peace among the tribes. They unquestionably did, for it was a matter of vital self-interest. Warfare always spelled injury to the trade and occasionally to the trader. Aitken nearly “closed all his worldly concerns” in an incident between Sioux and Chippewa on the St. Croix in 1839, and Kittson had a bad season in the spring of 1852 because the presence of Sioux nearby kept his men from the hunt. McLeod summed it up laconically in telling Sibley that one of his Sisseton had been killed by the Chippewa. “I regret this,” he wrote, “as he was a good man, a famous hunter, and got credit for \$50.”<sup>60</sup>

Without exaggerating greatly, one might argue that the Upper Mississippi Valley fur trade in its final stages collapsed not from depletion of the wild game but for lack of Indians. Bad winters and periods of starvation they had always known and somehow survived, but the effects of disease and liquor and the

<sup>58</sup> Martha Coleman Bray, ed., *The Journals of Joseph N. Nicollet*, translated by André Fertey, 113 (St. Paul, 1970).

<sup>59</sup> Kittson to Sibley, February 28, 1851, McLeod to Sibley, April 22, 1851, Sibley Papers.

<sup>60</sup> Aitken to Sibley, October 12, 1839, Kittson to Sibley, April 1, 1852, McLeod to Sibley, February 21, 1845, all in Sibley Papers.

demoralization that accompanied the destruction of their culture so decimated the Indian labor force that it simply could not support a trade of any great extent.

As early as 1836 the post at Grand Oasis was closed because smallpox had drastically reduced the number of Sioux in the vicinity. In 1837 Nicollet observed a far higher rate of sterility among the Sioux around Fort Snelling than with the more isolated Chippewa of Leech Lake, and a census of the Mdewakanton Sioux, clustered in seven villages near the mouth of the Minnesota River, reveals that in 1844 they numbered less than 2,000 souls. By 1845 Laframboise at Little Rock reported that he had only 26 Indians hunting for him. He managed to eke out a living of sorts for almost ten years longer, but in 1849 he wrote bitterly to a former partner: "Furs, my dear child, I have none. It is not with twenty Indians that we can make anything."<sup>61</sup>

With the opening to settlement of the eastern bank of the Mississippi, competition became a major factor in the trade. Many early contracts — as well as government licensing regulations — had expressly forbidden "drouining," or following Indian bands on their hunts to collect furs at the source.<sup>62</sup> It soon became a necessity. As McLeod observed in 1845: "The day for being successful in procuring furs without being continually on the alert is past." He regularly sent men across the coteau to search out his Indians and secure buffalo robes as soon as they were dressed. The extent

to which even supposedly respectable traders would go in beating out the competition is revealed in a letter from one of Sibley's clerks at Traverse des Sioux in 1852. A small band of Indians returning from a hunt on the Des Moines River was camped at Mankato. "If I can get a horse," he wrote, "I will take about \$200 worth of goods and go to them . . . for they will trade every bit of fur that they [have] rather than pay their credits to [Madison] Sweetser."<sup>63</sup>

PERHAPS THE MOST SIGNIFICANT trend in the business during this period was toward diversification. In a very real sense the larger traders — men like Chouteau, Dousman, and Sibley — spent the last two decades of the Indian trade in the process of getting out of it. As early as 1837 Sibley was investing in lumber, and in 1838 he had joined Dousman in building a sawmill on the Chippewa River. At about the same time, Dousman began acquiring shares in various steamboats on behalf of both himself and Sibley. Chouteau also invested, as did Rice in later years. The traders were at this time among the largest customers of the steamboats operating on the Upper Mississippi, and the interrelationship was a natural one. Dousman continued to be a major power in the packet lines until his death in 1868.<sup>64</sup>

Until the early 1850s the fur company offered the only banking services available north of Prairie du Chien, and as population and business increased this became a significant side line. Sibley was called upon to serve not only individuals, Indian missions, and various government expeditions, but also on occasion to help out the Indian agent and the paymaster at Fort Snelling. Although it was a routine part of his operation, he does not seem to have actively sought such opportunities. Not so Borup. In May, 1851, the doctor began advertising that bills of exchange and drafts on all parts of the United States were available at the office of the Minnesota Outfit in St. Paul. A year later he went into partnership with Charles H. Oakes, another former fur trader, to open the city's first commercial bank.<sup>65</sup>

Sibley was introduced to general mercantile operations in 1836–39, when he operated the Fort Snelling sutler's store in partnership with Samuel C. Stambaugh. He undertook this not with a desire to expand his business in that direction but to forestall competition in the Indian trade from the fort sutler. By 1847, when he opened a permanent St. Paul store, it was clear that the white trade would soon outweigh dealings with Indians in the new settlement. Chouteau was reluctant to become involved in the general mercantile business, but Sibley persisted, and under the

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<sup>61</sup> Joseph N. Nicollet, *Report Intended to Illustrate a Map of the Hydrographical Basin of the Upper Mississippi River*, 13 (28 Congress, 2 session, *House Documents*, no. 52 — serial 464); Bray, ed., *Journals of Joseph N. Nicollet*, 253; "Record of annuities paid to the Mdewakanton of the St. Peter Agency," filed under date of January 1, 1844, Laframboise to Sibley, October 1, 1845, to Hypolite Dupuis, February 24, 1849, all in Sibley Papers.

<sup>62</sup> This term, also corrupted into "durwining," and "durouining," apparently derives from the French phrases *couvir la drouine* or *en dérrouine*, commonly used in the fur trade from earliest times to refer to "peddling" goods among the Indians. Its origin may possibly have been the French word *drouine*, meaning tinker's sack. See John Francis McDermott, *A Glossary of Mississippi Valley French, 1673–1850*, 66 (St. Louis, Mo., 1941).

<sup>63</sup> McLeod to Sibley, January 10, February 21 (quote), 1845, D. K. Kennedy to Fred Sibley, December 7, (quote), 1852, Sibley Papers.

<sup>64</sup> Warren to Sibley, March 13, 1837, Dousman to Sibley, September 8, 22, 1838, April 24, 1840, Sibley Papers; William J. Petersen, "Steamboating in the Upper Mississippi Fur Trade," in *Minnesota History*, 13:221–243 (September, 1932).

<sup>65</sup> Adolph O. Eliason, "The Beginning of Banking in Minnesota," in *Minnesota Historical Collections*, 12:671–690 (1908); Sydney A. Patchin, "The Development of Banking in Minnesota," in *Minnesota History*, 2:111–119, 124 (August, 1917).

management of Forbes the "St. Paul Outfit" seems to have at least paid its own way. The stock of goods was determined by Sibley, but Forbes clearly had a voice in it. He repeatedly urged a wider selection. The growing influence of the white trade is evident in his plea to Sibley while the latter was in the East in February, 1850: "Will you take Mrs. Sibley with you in the selection [of my fancy goods]. . . . Please be particular about the prints. I think Grant & Burton's prints are too much of the Indian."<sup>66</sup>

The importance of land speculation has already been noted. This became an element in the Upper Mississippi fur trade even before the retirement of Astor, and its prevalence increased as settlement pushed northward. Land claims were sometimes accepted in payment of bad debts, and Chouteau apparently had no great objection to the use of company funds in speculation as long as the profit was credited to the outfit. After Sibley had closed out his fur activities, he received a salary from Chouteau for managing the latter's extensive Minnesota land holding.<sup>67</sup>

So by 1854 the bourgeois had taken up real estate and banking, the voyageur had turned in his paddle for a hoe, and the Indian had retired in sadness and anger to a reservation. Prairie and forest were dotted with clearings and cabins, the beaver were gone, and the buffalo were ranging beyond the Missouri. The great days of fur were past. Or were they?

Ironically, in the same year Sibley wound up the last of his trading affairs, a young Alsatian named Joseph Ullmann — just two years away from his native land — opened a small wholesale house on St. Paul's Jackson Street. From St. Louis he shipped up the river a stock of staple merchandise — coffee, tea, sugar, liquor, clothing — and set about making connections with storekeepers in the settlements that were springing up along the Mississippi and St. Croix and in the Minnesota Valley.<sup>68</sup>

Money was scarce on the frontier, and before long Ullmann found his customers offering to pay in pelts, the historic coin of the wilderness. One can imagine him doubtfully fingering the unfamiliar skins. What were they worth? And where would he get rid of them? Still, the backwoods produced little else as yet, and if he refused to take them, there would be an end of business. So he recorded in his daybook the receipts of "muchratz," "racouns," "dirskin," "kattzen," "wolf," and "red foks." After a sizable bundle of pelts had collected, he shipped them to William McNaughton and Company of New York, whose appraisal he felt he could trust. When, weeks later, the answer arrived,

he could scarcely believe his eyes. Ullmann may not have known prime pelts from poor, but he knew an opportunity when he saw one. Within two years he had a turnover in raw furs of between \$300,000 and \$400,000.<sup>69</sup>

He had acquired a partner, another young immigrant named Isidor Rose, and the two men set up a system for canvassing the frontier communities to buy up furs. Some were purchased from professional trappers, both Indian and white, but the bulk of the pelts came from the settlers. Many a pioneer farmer earned more money trapping muskrat in winter than breaking the stubborn land in summer. This was what one historian has called the "egg-money" trade, and it grew rather than declined as population pushed into the far corners of the Northwest. Unromantic it was, but it made a millionaire of Ullmann.<sup>70</sup>

By 1866 he had opened an office in Chicago, leaving Rose to handle the firm's affairs in Minnesota. The next year it was New York, and in 1868, London. By 1875 Ullmann established headquarters in Leipzig, Germany, and from there he continued to manage a fur business that by 1900 operated on four continents. His customers included the leading couturiers of Paris, and he furnished a large proportion of the Canadian bearskins used by the British army.<sup>71</sup>

Meanwhile, Henry H. Sibley spent his last twenty years presiding over the St. Paul Gas Light Company.

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<sup>66</sup> Francis Paul Prucha, "Army Sutlers and the American Fur Company," in *Minnesota History*, 40:22-31 (Spring, 1966); Sibley to Forbes, November 12, 1849, Forbes to Sibley, November 30, 1848, February 4, 1850 (quote), December 17, 1850, Sibley Papers.

<sup>67</sup> Jane Spector Davis, *Guide to a Microfilm Edition of the Henry Hastings Sibley Papers*, 17 (St. Paul, 1968).

<sup>68</sup> Mrs. Joseph Ullmann, "Spring Comes to the Frontier," in *Minnesota History*, 33:194, 197n (Spring, 1953); Swanson, "Use and Conservation of Minnesota Game," 24.

<sup>69</sup> Swanson, "Use and Conservation of Minnesota Game," 24-30.

<sup>70</sup> Swanson, "Use and Conservation of Minnesota Game," 24-30; Clayton, in *Minnesota History*, 40:219.

<sup>71</sup> Swanson, "Use and Conservation of Minnesota Game," 25.

THE PHOTOGRAPHS of Rolette, Sr., and Dousman on page 132 and Rolette's post on page 126 are from the State Historical Society of Wisconsin. The others are from the Minnesota Historical Society's collection. Map and photograph on pages 122-123 are by Alan Ominsky. Picture on page 128 is the volume 2 frontispiece of William H. Keating's *Narrative of an Expedition* (Philadelphia, 1824). Print on page 131 is from Benjamin G. Armstrong's *Early Life Among the Indians* (Ashland, Wis., 1892).



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