

DISCUSSION PAPERS IN ECONOMICS

Working Paper No. 01-10

Agents of Their Own Desires:
Indian Consumers and the Hudson's Bay Company
1700-1770

Agents of their Own Desires:
Indian Consumers and the Hudson's Bay Company
1700-1770

Ann M. Carlos
Department of Economics
University of Colorado
Boulder
CO 80309

Frank D. Lewis
Department of Economics
Queen's University
Kingston, Ontario

September 2001

An earlier version of this paper was presented at the Business History Conference, Miami, 2001. The authors thank Michael Smith for his many helpful comments and suggestions.

The purchase of a commodity is the result of a coincidence of wants. Someone desires a commodity and someone provides the commodity. Yet behind this seemingly simple process lies a complex fabric premised primarily on an understanding of who is the consumer and what are his or her needs, as well as the ability to produce the necessary items. Such understanding, in turn, requires learning and knowledge especially in a new environment.

During the eighteenth-century, families from the Friesenland to the Tidewater of the Chesapeake were accumulating goods. Personal and household diaries, firm and probate records, document the increased variety and range of commodities held by households; among them oak chests, pottery, cotton and mirrors, along with new groceries items, such as sugar, tobacco, and rum.¹ Concomitant with this widening in the range of consumer goods available was an increase in British and European overseas trade. Indeed, it was this long-distance exchange that allowed Europeans and colonists alike to enjoy many of the new products that became important components of their consumption baskets. But the success of these long-distance trades required, in turn, the successful exchange of goods between European traders and their indigenous overseas counterparts.

In 1670, the Hudson's Bay Company was given a charter to trade for furs in the hinterlands of Hudson Bay. Although a fur trade in North America was not new, there was a French trade through Montreal and a Dutch and then English trade through Albany and New York, this particular English Company was a new venture in a new area. The fur trade reflects the growth in the European hatting and felting industries and the commensurate growth in the demand for beaver pelts. Although beaver were harvested in many parts of North America, the highest quality pelts came from the drainage basin

of Hudson Bay. Here, however, only Native Americans hunted, trapped and then traded the furs making them the primary agents in a market where furs were bartered for European commodities.

The English managers who represented the Hudson's Bay Company came as traders not as colonists. Their assignment was to entice Native traders to exchange pelts and furs for European commodities. Although in this process of exchange Indians gained access to goods, both producer and consumer, that had previously been unknown to them, the existence of a different technology did not make that technology automatically superior and the Indians dependent. The Hudson's Bay Company had to learn what these Native traders wanted to consume. The role of English as trader provides an interesting counterbalance to the role of English as colonist. Ownership of land was not an issue and neither was war. As the Hudson's Bay Company quickly realized, war disrupted the flow of furs. As a result, the traders sought to use their influence for peace even to the extent of setting up separate posts for long-standing enemies.²

The detailed and, in many ways, unique set of accounting and trade records that is part of the Hudson's Bay Company records provides a unique window on this period of early contact. Native traders came down to trade at the posts and this interaction between those who were supplying goods for the trade and those who were buying those commodities provides us with insight into the cultural choices being made. The trade data show that the patterns of consumption changed significantly over the course of the period examined here with a decline in the share of guns and other producer-related objects and a rise in the share of what might be termed non-subsistence related commodities, luxuries or amenities. In addition, the correspondence between the post managers and the London office show that the Hudson's Bay Company was committed to learning about its consumers and to supplying

goods that were in demand while also experimenting with goods that might have a latent demand. “To please the Indians” became the Company slogan. These same records document that native traders were very careful and demanding consumers who influenced the quality and range of the goods supplied.

Quality became the defining issue. In this world where neither side was in a position to coerce the other, the question for the British traders was whether the Native traders would voluntarily choose to buy the European technology. Commodities were offered by the Company and often rejected because the quality of European commodities was not satisfactory. The letters from the head office in London document an anxiety over the quality and the nature of the goods provided. This paper argues that quality significantly affected the nature of the goods traded and defined the role of Native traders in this relationship. In particular, as long as the Hudson’s Bay Company faced a bilateral monopoly situation, the Company sought to increase the physical quality of the goods offered to Indian traders. When the French entered the market in the late 1730s, Company attitudes towards quality enhancements changed. Now the Company increased the price it paid for furs. In both situations, however, Indian consumers were defining the trade and benefitting from the exchange.

The next section of the paper provides a short history of the Company and the data sources used. This is followed by a discussion of the range of goods purchased over the period discussed here. The following sections describe the ways in which the Company sought to understand the nature of Indian demand and the role played by the quality dimension.

A British North American commercial fur trade grew from the interaction between Indians and European fishermen with French traders gradually spreading along the St. Lawrence and Ottawa Rivers seeking sources of furs in the hinterland. It was in this environment of a gradually expanding French trade that the Hudson's Bay Company was formed. On receipt of its charter in 1670, the Company quickly established several posts around James Bay: Rupert's House on the eastern side in 1671, followed in quick succession by Fort Albany on the Albany River and Moose Factory on the Moose and Abitibi Rivers (see Figure 1). Both of the latter posts were rudimentary structures; nevertheless, the Company was seen as a competitor to the French trade. The reaction was swift. In 1686 the French captured Fort Albany and Rupert's House, although they were returned in 1693.

Despite the conflict and uncertainty, the English Company continued to expand its trading area around the Bay. 1684 Port Nelson, later renamed York Factory, was built on the Nelson River. A settlement was built even farther north on the Churchill River in 1689. But even these areas were not physically secure. It was only with the Treaty of Utrecht in 1713 that the threat of military conquest was ended and the drainage basin of Hudson Bay declared English. However, the economic rivalry continued until the end of French rule in 1763. Our analysis here focuses on the trade through York Factory to the Treaty of Paris in 1763.

York Factory, located on Hudson Bay at the mouth of the Nelson River, was the largest of the Hudson's Bay Company's main trading posts. From 1713 to 1738, York Factory faced little competition, but beginning in the mid-1730s, French traders began to move into the hinterland of York Factory and to intercept Indian groups on their journey to the Bayside post. As a result, some Indians

traded with the French and others proceeded down to York Factory.³ This competition continued until the end of the French and Indian wars in 1763. That the Hudson's Bay Company only faced French competition during the second half of the period allows us to examine the ways in which competition changed Company actions regarding the determination of quality.⁴

During the eighteenth century, York Factory served a hinterland of nearly one million square kilometers controlled by Algonquian-speaking Cree bands allies: the Siouan-speaking Assiniboine and the Algonquian-speaking Ojibwa.(Figure 1) . Native population estimates for this period are, of course, rough, and are likely downward biased. For the three main groups that occupied the York Factory trading hinterland they are: Western Cree - 4,500; Plains Assiniboine - 2,700; and Northern Ojibwa - 1,400. Existing estimates, however, are drawn from reports mainly for the latter part of the eighteenth century and, in the case of the Ojibwa, the early nineteenth century. Because smallpox apparently was not as severe a problem as further south, Arthur Ray, the preeminent historian of this region, suggests that Indian population may have been somewhat higher than the numbers given above during the period of our study.⁵ The size of the trading groups coming down to the Bay could vary from a few traders to larger groups. Decisions concerning who would come down to trade were made at the household or community level, with the Company only able to exert pressure through moral suasion and the goods provided once native traders had come down to the post⁶.

The Company's method of accounting and its trading practices, although described elsewhere, are worth summarizing.⁷ The unit of account used by the Company at all its posts was the
and all values were expressed in that unit. One _____ was the price of a prime beaver

skin, either parchment or coat.⁸ The use of a prime beaver skin as the unit of account shows the importance of the beaver for the Company but it should also be recognized that the Company choose a unit that was understood by its trading partners.⁹ The or the list price gave the official rate of exchange for trade goods and furs expressed in

Native traders changed over time and the fact that it is less than 100 does not indicate that the Indians were being cheated.¹⁵ The price remained relatively stable around 70 until the advent of French competition in the mid 1730s, when the price started to rise and reached 115 in the early 1750s.¹⁶

The accounting practices of the Hudson's Bay Company were such that although we do not know exactly what European good was purchased for each specific pelt, we do know the exact number of furs traded in each year and the exact numbers of each type of European commodity that were purchased in that year.¹⁷ Interestingly, the head office did ask in 1715 that its post factors document what items were purchased with which pelts. The factors responded that the volume of trade during the season was so great that they could not headed eu buy could aleatpoino riout they cou Ba3ns

We have defined producer goods as those mainly used for hunting game and small furs. The producer-goods category was dominated by guns and related supplies which, in terms of value, accounted for 70 to 80 percent. Prior to 1720, more than 60 percent of Native income from the fur trade was spent on producer goods. However, during the 1720s and through to the 1730s, the share fell to between 40 and 50 percent; and starting in the early 1740s and continuing to 1770, the producer goods share declined to about 30 percent. (See Figure 2 and Appendix 1) Guns clearly came to play a less important role in demand. This change in consumption over the period did not merely reflect the gun as a durable item. The quantity of powder and shot also declined. Indeed as is discussed below, guns were not at all durable and they played little part in the harvesting and preparing of beaver, martin or small furs for the trade. High quality pelts were destroyed if full of buckshot holes.²¹

There is, of course, the possibility of overlap between categories. Knives (producer) and needles (luxury) could as easily be placed in the household goods category. Here we used mainly those commodities most directly used for food and clothing.²² In value, kettles and blankets dominated this class, with awls and fire steels being minor items. Over the period, the share of household goods in expenditures declined from about 10 percent to just over 5 percent. The decline in the producer and household goods shares in Native expenditure was offset by an increase in the share of expenditure on what we term luxury, amenity, or non-subsistence related items. To further indicate the nature of expenditure on these items we have combined these goods into three broad sub-categories: alcohol and related items, tobacco and related items, and other luxuries which includes beads, cloth, jewelry, and vermillion among a long list of goods.

For much of the period, the most important luxury good purchased by Indians was tobacco. There were a few large year-to-year fluctuations, but for the most part, consumption as a share of total expenditure remained in the 15-20 percent range.²³ At the same time there was a steady increase in the share of expenditure on alcohol, albeit from a very low level.²⁴ In fact, in the early period no alcohol was received in trade, and until 1730 alcohol remained a relatively minor item, with a share of about 5 percent.²⁵ With rising fur prices, especially after 1738, the share of expenditures on alcohol increased, equaling or surpassing tobacco from 1750 to the end of the period.²⁶ This increase in tobacco and alcohol mirrors the same phenomenon noted by Carole Shammas: "Probably the most striking development in consumer buying during the early modern period was the mass adoption by the English and the colonials of certain non-European groceries" such as tobacco, tea, sugar, and rum.²⁷

The issue of alcohol consumption has been presented in the literature as a negative factor in the social life of Native Americans. In the absence of more extensive trade data, it is difficult to compare the role of alcohol in the Hudson's Bay hinterland with its role in other areas. The literature on the American trade intimates that vast quantities were traded and that some Native groups were so addicted that they would trade furs only for alcohol. Daniel Usner writes, for example, that the "English government in Pensacola attempted to restrict Indian traders to fifteen gallons every three months, which was considered a necessary amount for their purchase of food from Indian villagers;" while in 1772 several Choctaw chiefs complained that rum "pours in upon our nation like a great Sea from Mobile and from all the Plantations and Settlements round about."²⁸ Braund also comments on the harmful effects of alcohol in the southern deerskin trade.²⁹

America during the period: beads, buttons, handkerchiefs, hats, lace, mirrors, rings, trunks, earrings, and medals.

The breakdown of commodities shown above documents a remarkable transformation in the consumption basket of those trading at York Factory from 1716-1770. As Kathryn Braund has noted in the context of a more southerly trade: "The improved tools meant that traditional tasks were completed faster and better" as "metal replaced stone, bone, and shell."⁴⁰ Interestingly, the superiority of the European iron technology to its bone, stone or shell counterpart has generally been taken as a given. Yet the changes in the consumption patterns evident in the York Factory data forces us to ask questions about what the quality of the European goods being presented for purchase. Did the mere existence of a European technology mean that it was automatically better? To what extent did Native American traders voluntarily choose the European technology? The trade data show that changes were occurring. The correspondence between the post factors and the head office document the nature of the perceived superiority or indeed, the lack of same, of many of the European goods and shows that Native Americans were very active participants in determining the commodities purchased by their furs.⁴¹

A feature of the long distance trades which receives very little comment is that the buyers and sellers of commodities often spoke completely different languages. Often we may assume that unspoken gestures or a basic pidgin were sufficient for a barter trade to take place. For simple exchanges this may be the case. However, the range of goods sold by the Hudson's Bay Company and purchased by Native traders speaks of a complex market relationship evolving over the seventy

years examined here. In the case of the Hudson's Bay Company trade, the Company managers presumably spoke early modern English and Native Americans coming to York Factory were Algonquian Cree speakers. As languages go, English morphology is relatively simple especially in comparison to Native American languages which are very complex.⁴² So, in the repeated transactions that were to occur how communication would take place is an interesting question.

The Hudson's Bay Company entered the fur trade with the intention of being a repeat actor and despite the early wars with France, it build posts around the coast line of Hudson Bay - Fort Albany, York Factory and Fort Churchill. The Company hired salaried managers to act on its behalf and in other work we have argued that through the use of positive incentives such as efficiency wages and gratuities, the Company did an effective job in reducing the level of opportunism by its managers. Indeed, the Company sought to create a social system in which the managers and workers were made to feel part of a family. To this end, the London Directors indentured boys from Christ's Hospital London who were educated in writing and arithmetic to be apprentice managers and by the middle of the eighteenth century it was from this group that many of the Company's major post factors or managers came.⁴³

In the general letter of 1689 sent to the post factors, the Company directors expressed their views of these apprentices:

What is interesting about this letter, written during a time of instability around Hudson Bay, is the fact that the Company Directors in London clearly recognized a need to have managers who could communicate with their customers. They were sending over fourteen year old boys who would not only learn the trade but who would also learn the language. In this, the Company saw the responsibility for communication as lying with itself rather than with those Native Americans coming down to trade. Of course, if we think of the trade as a series of repeated interactions between the same post managers but often different Native traders, the Company had a greater incentive to invest in these communication skills.

The incentive to invest does not necessarily imply that the investment was successful. But it would appear that it, in fact, was. One of these Christ Church boys was Henry Kelsey, apprenticed in 1684. Kelsey was to become a distinguished explorer and trader. By 1700, Kelsey had not only mastered Cree but also prepared a Cree dictionary which he sent back to London. E.E. Rich, the pre-eminent historian of the Hudson's Bay Company, argues that Kelsey, due to his knowledge of Cree and his interest in expanding the Company's ability to communicate with Native traders, had much to do with the loyalty of the Cree to the English during this period. For its part, by 1702 the Company had multiple copies of Kelsey's dictionary printed up and sent back to the Bay.⁴⁴

Kelsey was also involved in the organized teaching of Cree. Rich argues that this was done so that Company officials would be able to travel in the interior, he fails to articulate that the purpose of traveling into the interior was to increase the number of Indians coming down to trade at the Bay posts.⁴⁵ Indeed, by the 1720s when the Company does seem to be somewhat more constrained in its exploration of the interior, all traders continued to learn Cree. By 1750, when the French were moving

west of Lake Superior and the Company had built Flamborough House up the Hayes River from York Factory, Cree was the language of the trade. Rich describes the new master of Flamborough House, Samuel Skrimshire, as “an unsteady man, lazy and unfit for forwarding any business, ... but ... he was competent in the Cree tongue.”⁴⁶ When the French chose a route to the Rockies through Saskatchewan rather than Missouri, this occurred in part because of ease of canoe travel and in part because the voyageurs could use Cree the whole way.⁴⁷

The Company’s involvement with language continued throughout the century. Andrew Graham who became a factor in the 1760s continued a tradition started by Kelsey. His

contains dictionaries of a variety of Indian languages. Though here as with Kelsey’s dictionary, these are essentially written phonetically for European use. It was not until the 1840s, that a proper Cree Syllabary was invented by James Evans, a Wesleyan missionary working at Norway House in the York Factory hinterland.⁴⁸

The existence of a commercial fur trade provided the possibility of a shift from bone, stone and

One of the most striking features of the letters written from the post factors to the head office in London and from the directors to their post managers on Hudson Bay is the instrumental role played by native traders in determining both the quality of the commodities traded and the actual commodities sent in trade. Indian traders were not willing to accept just any commodity that the Company chose to send over to the posts, despite the fact that they had made a few hundred mile journey down to the Bay.

From very early in the trade, the head office continuously asked whether the commodities sent were satisfactory. In its letter of 1680, the directors ordered Governor Nixon to:

we notice what you write as to the guns sent you last year that they were not so good as those you carried with you and are apt to believe what you write too true, but hope those we now send you will prove otherwise for we have taken particular care therein and to encourage the gunsmiths have advanced the price with them 3/- a gun more than we paid them for those you carried with you.

Yet despite these assurances, the head office was still writing in 1724 that “we have taken care

of the wood, the post factors wrote back that “I have never knowd the Indians stand much upon the handles so the blades were but good”...“I very seldom see that there is any manner of notice taken as ye colour of ye stocks so the lock and barrell is good and well stocked and sett of some for light colourd others for Dark its as their fancy deads.”⁵⁴

In 1730, Thomas Macklish, chief factor at York Factory laid out the problem very succinctly:

We have sent home samples of several goods as is most taken with the natives ... and earnestly entreat your honours that all hatchets sent may be clear of cracks and flaws, for the natives will not trade them unless they are necessitated, for whatever crack is in the eye of the hatchet, and come to strike upon the said hatchet in winter time, it surely breaks to pieces and is of no further use to the Indians, for the extremity of the frost tries all ironwork, which we daily find by experience at the factory.⁵⁵

As a response, the London committee pursued two strategies. The first was to try and make the vendors understand what was happening to their products in the northern climate. The second was to have some of these metal products made at the Bay posts. However, even here there was a problem in terms of the quality of the bar iron sent out. In 1728, Macklish asked the Company to send out good iron so that the smith could make ice chisels and scrapers without cracks and flaws.⁵⁶

Given the preoccupation that can occur with metal products, it is important to note that concern over quality applied equally to all the other goods supplied in trade. This is made very clear in 1739 when the chief factor at York Factory responded to the head office letter of the previous year to explain the “Indians dislike of particular goods, their refusal and the reason for the same, to the best of our knowledge.” James Isham lists nineteen items. For example:

1. Beads large pearl, the Indians dislikes for the colour, both large and heavy, the shape not being for the use they put them to ... so being few or none traded ... I send them home.
2. Kettles they complain of, for their being small for the weight, of a very bad shape, the handles hanging over the side too far, the ears too weak. The kettles they like is of a round high shape, light, strong ears, and the handles to lap just upon the side of the kettle.
4. Powder they complain is of an ashy colour, very weak and foul, and of too large a grain; they finding when they put a little in their hand, it rubs to dust very soon, which is all the reason of dislike I can give for it.
5. Blankets, is only their complaint of being too short by six or nine inches, they answering very well in shape, make and colour.
7. Buttons is very weak shanked and quickly breaks; though size, shape and make, answers extraordinary well.
9. Fire steels is very faulty, gives but little fire, and full large.
14. Knives are noways pleasing to the natives, they being [having] very bad blades and worse handles, especially jack knives.
16. Twine is their complaint of being very weak and uneven, being as thick as packthread in some places and as thin as thread in other places, and of a small size.
18. Rings is too wide, the generality of the female sex having small fingers.

Isham goes on to note that he had “sent home samples of the most part which is pleasing to Indians, and most conducive to your honours’ interest.” This letter is very interesting because it shows the broad concern about quality of all the products sent out to the Bay and also the fact that Native traders would not buy what they did not like or saw as inferior. The definition of inferior is interesting because here we have a situation where although the specific technology, i.e. iron, is superior, the actual products such as hatchets or guns might not be.

The correspondence to and from the Hudson’s Bay Company posts and the head office in London during the decades to the mid 1730s documents the both the anxiety over quality as expressed by the Company and the power of those coming down to trade. This anxiety over the quality of English goods being sent to the Bay was compounded when French traders moved into the York Factory hinterland. As Arthur Ray has well documented, Native traders were very quick to take advantage of

this new situation.⁵⁷ The influence of French encroachment was beginning to be felt as early as 1728, when the factor at York factory wrote to London that “Never was any man so upbraided with our Powder, Kettles and Hatchets, than we have been this summer by all the Natives, Especially by those that border near the French.”⁵⁸ By the end of the 1730s, when French traders had set up posts within the drainage basin of York Factory (see Figure 1), the directors wrote in 1737:

We are informed that the powder, cloth, knives and hatchets [sent out from England] are not so acceptable to the Indians as the same sort of commodities as are sent from France, and therefore order that you make a strict observation wherein the difference consists between our’s and theirs and send us your reasons both from yourselves and what you learn from the Indians why the one is preferable to the other ...and send samples.

Two years later the directors wrote that they “received the two pieces of cloth and the sample of other knives you sent us which you say are French, the worst piece is very course and loose and narrow and not near so good or broad as what we have formerly and do now send, and therefore we do expect you will write us the reasons why the Indians like the French better than ours which you have omitted to do...”⁵⁹

Competition, however, wrought changes in the structure of the trade with Indian traders able to play English off against French. The result of this was a change in the prices paid for furs at the Bay posts. The price index rose from roughly 70 to a high of 115.⁶⁰ On the Indian side, this increase in income generated by the fur trade is in part responsible for the shift in expenditures towards more luxury goods.⁶¹ On the Company side, competition further increased the directors’ anxiety about the quality dimension of English versus French goods. However, this anxiety which in the past had

translated into attempts to discover how the goods could be made more pleasing to the Native consumers, now began to change.

In 1740, the directors were still writing about the quality of their commodities in a language similar to that of the previous decades. For example: “We have taken very great care about the cloth for it is thick and strong of good wool and spinning full breadth and well dyed, much better then the french cloth, we do not doubt but it will be very pleasing to the Indians.”⁶² However, by the end of the decade the tone of the letters began to change. Now fault lay not just with the products but also with the users:

Upon examining strictly into the complaints made of the guns we find it is chiefly the Indians own faults by not putting dry and proper woods in when they charge them and by firing them when the muzzle is stopped with snow which will burst the best gun that can be made, but as to the flaws we have given such strict orders that we hope you will hear no further complaints in that head, but if upon the armourers examining the guns now first any are found so defective as to be unsaleable send them home.⁶³

In 1752, the directors upon receiving four guns sent back to London were of the opinion that “we think its very extraordinary after having wrote you so fully last year on that head, the defects that you condemn them for are only fire flaws” which always happens. In the following year, the factors were told that “on no account send home any whose only defects are a few small fire flaws” arguing that these fire flaws were not “any real defect by a mark of their hardness”, yet it was exactly these same fire flaws that had been at issue from the beginning.⁶⁴

These same changes in attitude can be found not just for guns but also in other commodities traded. Among the luxury goods, beads were a very important trade item. Although often denigrated as merely beads, they had to be the correct color, size and shape or they would not be purchased. In fact, they could come from as far afield as Venice or China. In 1718, the general letter noted that “as to ye large purple and small white beads, there are none to be had in England, but hope another year to furnish you with both.” The care with beads extended over to buttons with the Company asking in 1720 if the “coat and waistcoat buttons, whether solid or hollow, pewter or other metal” are in the proper sizes. In 1724, Governor Macklish wrote that “a good quantity of unsizable white Beads sent 3 years ago by reason your Honours could not procure at that time those that were sizable as I am informed. Be pleased to order their home for they will never be traded here.”⁶⁵

Concern about beads continues through the whole period and in the 1750s, the directors sent out new sorts of beads. Their names are evocative - white barley corn, red flower black barley corn, round white with double flowers in red and green, and new sorts of China beads. These beads were expensive but evocative Bayat as 11076

kinds of useless goods in the Factory. One thing certain to be depended on is that as we never buy any goods but what we intend to be the best of their kinds, so neither will we, , purchase any species, but what shall be most agreeable to the Natives for trade.⁶⁶

This letter documents quite clearly the large shift that has occurred in the head office approach to the conduct of the trade. Whereas in the decades up to and into the 1740, the London committee wanted to know what was wrong with the commodities sent out; to know ‘how the Indians’ liked them; to have the post factors mediate this information. By the 1760s, attitudes had changed. Now Indians rather than having consumer choice were deemed ‘fickle’ and the post managers agents loyalty was questioned. This shift occurs with French competition and the resulting decline in Hudson’s Bay market share and in profitability.⁶⁷ In essence, prior to competition, the Company could afford to allow commodities to change along the quality dimension with inventories of low demand commodities building up at the posts or being sent back to London after a number of years. With the increase in the prices paid for furs, the Company could no longer allow European goods to sit unsold on the factory shelves. But rather than assume that the commodities sent out were inherently flawed or inferior, the

same time, the existence of the Company depended on the number of furs brought down to trade. So in addition to trying to ensure that the goods sent over were pleasing to the Indians, the Company also sought to find “new” commodities that would entice more Indians to the Bay posts or have the existing traders bring more furs. These “new” goods also served a dual purpose in that the Company would sell them only for specific pelts, such as martin, which might be high demand on the London market.

The first evidence of such an attempt comes in 1697 when the Directors write and ask the factors “if you could persuade the Indians to weare our Sheepe Skins drest with the wooll which maybe usefull to keepe them ware wee could supply you yearely at a reasonable price.⁶⁸ Two years later the London committee wrote that they “were sorry the Indians will not approve our Sheepe Skins.” But this did not stop the attempt. In 1702, factors were requested to try to get Indians to wear Cloth to lessen the quantity of coat beaver brought to the posts. But this too failed.⁶⁹

In 1712, the directors sent out brass handcuffs, or bracelets, which were to be traded be traded for martins only and at four martins per pair. These handcuffs never sold. However, this was not because the Indians did not use them; rather that they made them themselves. When requested in 1728 by the London committee to buy back old kettles from the Indians, the chief factor at York Factory wrote home that they could not do so because the Indians “always converted them into fine handcuffs and pouches which is of greater value with them then twice the price of the kettles.”⁷⁰

Twenty years later, the Company was still pursuing this strategy of testing new goods. In commenting on the trade goods sent, the head office wrote “you will find by the Invoice a dozen silk handkerchiefs and one doz of trunks which we send you by way of trial to see how Indians like them

and would have you rate them ... the handkerchiefs at one and a half beaver each and the trunks at two beaver each.”⁷¹

then with French competition, by receiving higher prices for furs traded. In a voluntary exchange such as that between British and Indians as traders, the exchange requires that each are satisfied. This is the nature of the relationship during the eighteenth century in the hinterlands of Hudson bay. Perhaps the differential role of European as trader and as colonist plays out into the longer term pattern of conflict and peace in the various British North American settlements.

1. Shammas, "Changes in Consumption."
2. The Hudson's Bay Company set up Fort Churchill as the main trading post for the Athabaskan-speaking groups who were long-standing enemies of the Algonquian-speaking Cree bands to the south.
3. Despite the great distances involved, Indian traders received information from those trading at Fort Albany or Moose Factory. In fact, company factors oftentimes asked Indians who had come in to trade to carry letters between the posts.
4. Although there had been a french presence at the bottom of the Bay from the beginning, it was only with the sharp increases in European prices during the 1730s that the French were able move further inland and change the prices paid for furs. See Carlos and Lewis 1999.
5. These estimates are inferred from Ray, p. 105, 111.
6. Once down at the Bay, company factors sought to induce return by making some Indians trading chiefs and presenting them with uniform coats and hats. The success of this strategy has been questioned as presents were a normal part of Indian relations. Finding new goods, as discussed later, was another strategy to induce more furs and return visits.
7. Ray and Freeman, , were perhaps the first to provide a clear description of Hudson's Bay Company accounting practices.
8. Parchment beaver were pelts from freshly-caught animals; coat beaver were pelts that had been worn for some time by the Indians. See Carlos and Lewis, "Indians."
9. The use of a commodity standard was not unusual in itself. Gold and silver were, after all, also commodities. In parts of the Royal African Company trade, iron bars were used as the standard.
10. The use of the and the fact that it was changed only infrequently has led some such as Karl Polanyi and Abraham Rotstein to suggest that the Canadian trade was tightly administered from London. Polanyi, "Economy;" and Rotstein, "Trade."
11. Ray and Freeman an excellent account of method by which furs were priced relative to European goods. Ray and Freeman, , chs. 6 and 7.
- 12.

14. The _____ by item was not generally recorded. Goods amenable to division such as gun powder or cloth may have been more affected, but there appears to have been no systematic relation between the type of good (producer, household, luxury good - as described in Table 1), and the size of the markup. It seems, then, and Ray and Freeman have also made this point, that although the markups varied by year, the relative prices of European goods stayed much the same. See Ray and Freeman, _____, pp. 268-70.

15. The Company had other costs that had to be covered including salaries, head office expenses, tariffs and transportation. To date, there have been no estimates of the total costs of operating the trade. The fact that the index is less than 100 should carry no normative connotations. It is purely an accounting device.

16. As we show in other work, an index price of 70 was such that it maintained the stock of beaver around its maximum sustained yield and protected the stock from over-exploitation, something

25. For the years before 1720, a small volume of brandy was received as gifts. What is very important to ask is just how important alcohol and other European goods were relative to Native consumption. Even if alcohol accounted for fifteen percent of total expenditure in fur trading activities, because fur trading activities made up no more than twenty percent of all activity, then alcohol probably accounted for no more than four percent of the total consumption basket. For more discussion of this issue, see Coakley and O'Rourke 2001.

26. Shammas describes a similar pattern of alcohol consumption in mid-eighteenth-century England. Note that it was only after 1750 that rum became a significant presence in the York Factory hinterland. Shammas, "Changes," p. 157.

27. Shammas, "Changes" p. 157.

28. Usner, "Frontier Exchange," p. 157. See also Mancall, "The Fur Trade," p. 157.

29. Braund, "The Fur Trade," ch. 7.

30. The population of the York Factory region is estimated at about 8,600, implying a consumption per person of 0.06 gallons of alcohol per year, or 2.3 fluid ounces in one Imperial gallon.

31. For a more extended discussion of alcohol consumption in this region see Paludetto, "Native Alcoholism."

32. McCusker, "The Business of Distillation," p. 157.

33. Picard, "The Fur Trade," p. 157.

34. Segal, "Analysis," pp. 28-31. TD (oBaap 0. (oBaap 0. Tc 0 36wemevtof an- 15 Tia seepD -0.43026uirA -0.

38. This and the following references to the Head Office letters are from the Hudson's Bay Company's, London Correspondence Outward. Note: to the extent that tobacco was made available to the servants it was English (Virginia) roll tobacco.
39. How important was alcohol and the other European goods relative to Native consumption is necessarily a matter of speculation, but we can suggest orders of magnitude. In western Europe, prior to 1700, typical households allocated about 80% of their income to food; and in late eighteenth-century Philadelphia the minimal maintenance of indentured servants was roughly 80% of their total compensation. See Cipolla, *The Vanishing American*, p. 30; Grubb, "Auction," p. 588. Assuming that at least 80% of Native income went to supplying subsistence, the European luxury goods could have accounted for no more than 20%, likely less since Natives produced some luxuries directly. Since at its peak, alcohol was about 25% of European luxury good consumption, alcohol could have comprised no more than 5% the total Native consumption basket, and was generally much less than this. Tobacco's share might have been 5% throughout the period, while estimates for other luxury goods are: cloth and gartering - 2-3%, beads - 0.2%, vermillion -0.2%, other items less.
40. Braund, *The Hudson's Bay Company*, p. 130.
41. Ray, "Indians as Consumers" has also examined this question. As Ray correctly points out, even though iron was considered a superior technology to bone and wood, it was not nearly as easy to fix a broken metal implement. At issue is not just a crude comparison of two technologies, but how that new technology would conform to the needs of those using it.
42. Pinker, *The Better Angels of Our Nature*, p. 120.
43. See Carlos and Nicholas, "Agency Problems" for a more complete discussion.
44. Rich, *The Language of the Hudson's Bay Company*, p. 373-4. This dictionary was phonetic and created for English speakers. Nonetheless, it represents a level of commitment to the trade.
45. Rich, *The Language of the Hudson's Bay Company*, p. 390.
46. Rich, *The Language of the Hudson's Bay Company*, p. 585.
47. Rich, *The Language of the Hudson's Bay Company*, p. 523.
48. Cree Syllabary. See www.omniglot.dabsol.co.uk/language/writing/cree Evans Cree syllabary is still in use today. A Cherokee syllabary was created in 1821 much the same time as Evans was working on his Ojibwa syllabary. However, the Cherokee syllabary was a Latin-based script. . Evans had tried to produce a Latin-based orthography for Ojibwa in 1820 and failed. The syllabaries he created were partly based on Pitman shorthand.
49. Quote taken from Ray, "Indians as Consumers", p. 258.

50. Hudson's Bay Company Records, London Correspondence Outward - Official. All quotations taken from this same source unless otherwise noted.
51. A related issue but one not addressed here, is that the London directors also used this information to impose quality controls over its suppliers.
52. The impact of freezing even on the most superior technology was evident in the explosion of the Challenger space shuttle.
53. See Ray, "Indians as Consumers" for discussion of this point.
54. Hudson's Bay Company Records, General Letters Inward, Letter from James Knight, 1716.
55. General Letters Inward.
56. The York Factory daily post journal for 1742 notes that one of the major activities of the smith during the winter was to make scrapers and bayonets for the trade.(HBC MG 20 B 1M156)
57. See Ray and Freeman, _____ ; also Ray, "Indians as Consumers" documents the Hudson's Bay Company's long preoccupation with French goods.
58. General Letters Inward.
59. London Correspondence Outward - Official.
60. This increase in the price of furs increased income earned by the fur trade but also increased the harvesting of furs by Native Americans. (Carlos and Lewis, 1993,1999).
61. See Carlos and Lewis "Trade, Consumption and the Native Economy (2001)".
62. London Correspondence Outward.
63. London Correspondence Outward, 1749.
64. London Correspondence Outward.
65. London Correspondence Outward.
66. London Correspondence Outward. Emphasis added.
67. See Carlos and Lewis, 1999.
68. The purpose here was to try and reduce the amount of coat beaver that was being brought to the posts. Coat beaver were pelts worn by the Indians for a number of seasons and whose price in London was declining. See Carlos and Lewis 1999.

69. London Correspondence Outward. Over time, blankets did come to be used as shawls worn over other items of clothing.
70. London Correspondence Inward.
71. London Correspondence Outward, 1732.
72. London Correspondence Outward, 1739.
73. London Correspondence Outward.

Mancall, Peter C.

. Ithaca: Cornell

University Press, 1995.

Main, Gloria L. and Jackson T. Main. "Economic Growth and the Standard of Living in Southern New England, 1640-1774." *This Journal* 48, no. 1 (1988): 27-46.

McCusker, John J. "The Business of Distilling in the Old World and the New World during the

Tanner, Adrian.

. Social and Economics Studies, No. 23. St. John's, Newfoundland:

Institute of Social and Economic Research, Memorial University of Newfoundland, 1979.

Usner, Daniel H. Jr. "The Frontier Exchange Economy of the Lower Mississippi Valley in the

Eighteenth Century,"

44, no. 2 (1987): 165-92.

Weatherill, Lorna.

. London: Routledge,

1988.

Williams, Glyndwr, ed.

London: Hudson's Bay Record Society, 1969.

Wimmer, Linda. "To Encourage a Trade with the Indians': Brazilian Tobacco and Cross-Cultural Relations in the Hudson's Bay Company Fur Trade, 1690-1750." Working Paper No. 98-22.

International Seminar on the History of the Atlantic World, 1500-1800, Harvard University,

1998.

FIGURE 1
HUDSON'S BAY COMPANY HINTERLANDS

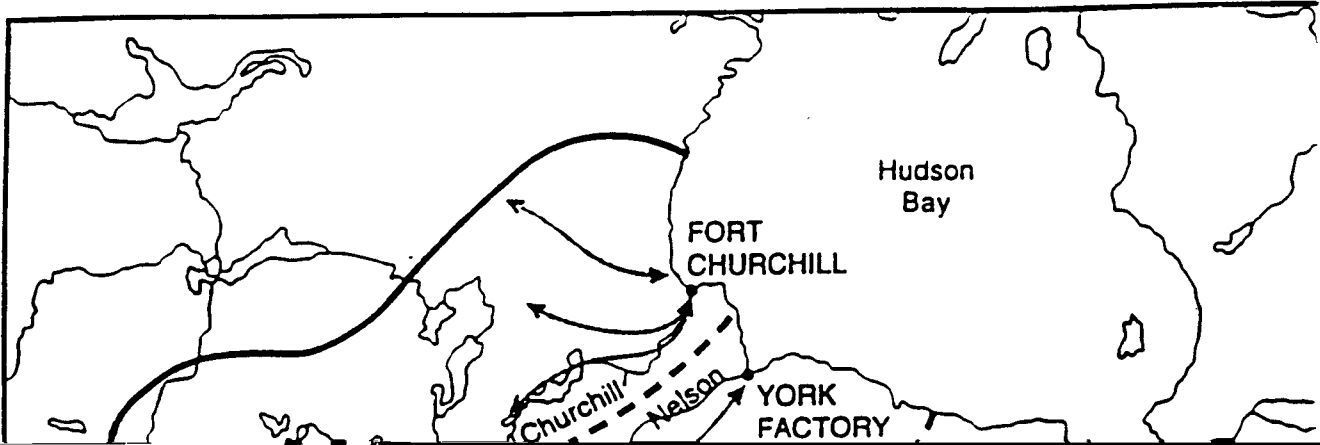
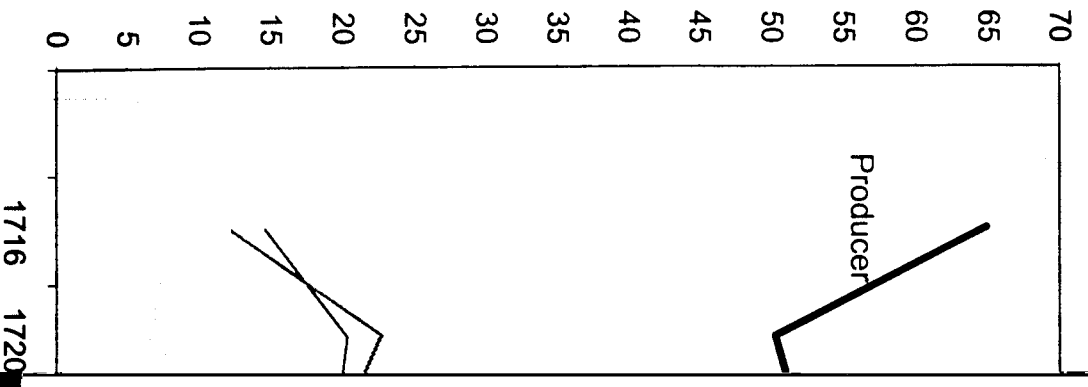


Table 1. Commodities Purchased by Native Traders

baize (yd)	medals
bayonets	mocotaggans
beads (lb)	needles
blankets	net lines
brandy (gal)	pistols
brass collars	powder (lb)
buttons	powder horns
cloth (yd)	pumps
combs	razors
duffel (yd)	rings
earrings	rundlets
gun barrels	ropes

Exp



1716 1720

Goods Traded at York Factory, 1716-1770 (Made Beaver)

	MB/UNIT	1716	1720	1725	1730	1735	1740	1745	1750	1755	1760	1765	1770
PRODUCER GOODS													
files	1		190	240	329	214	308	484	166	243	360	261	327
fishhooks	0.071				11				30		26	9	
flints	0.083	150	304	460	256	185	192	276	294	92	208	66	155
guns	14	3,770	1,820	3,906	4,410	1,876	3,500	2,730	1,106	1,638	2,380	1,288	1,876
gun worms	0.25	38	56	60	70	22	85	61	23	38	23	31	15
hatchets	1	712	1,500	763	854	657	762	853	341	508	897	732	662
ice chizzles	1	547	224	813	846	407	472	549	396	196	253	242	169
knives	0.25	688	688	1,121	818	681	828	648	375	355	586	532	485

The image shows a table with multiple rows and columns. The content is almost entirely obscured by heavy black redaction bars. Only a few horizontal white lines representing the table structure are visible. The redaction covers the vast majority of the page's content.

	1720	1725	1730	1735	1740	1745	1750	1760	1770
OTHER LUXURIES									
baize		20	14	14	12	30	18	225	398
bayonets		10		8	15	12		2	20
beads	31	8	16	12	24	71	8	71	24
buttons		2	3	2	2	4	7	5	13
cloth	189	81	98	93	123	485	227	948	1067
combs	2		4	2	16	42	20	72	70