Indian Trappers and the Hudson's Bay Company: Early Means of Negotiation in the Canadian Fur Trade

Derek Honeyman, University of Arizona

Abstract: The fur trade and arrival of the Hudson's Bay Company had numerous effects on northern North American indigenous populations. One such group is the Gwich'in Indians in the northwestern portion of the Northwest Territories. Aside from disease and continued reliance on goods imported from the south, the fur trade disrupted previous economic relationships between indigenous groups. In some examples, the presence of the Hudson's Bay Company furthered tension between indigenous groups as each vied for the control of fur-rich regions and sole access to specific Company posts. However, due to the frontier nature of the Canadian north, the relations between fur trade companies and indigenous peoples was one of mutual accommodation. This was in stark contrast to other European-Indian relations. This paper examines how credit relations between the Hudson's Bay Company and the Gwich'in reveals a model of resistance.

Keywords: Indian-white relations, credit, fur trade, Gwich'in, sub-Arctic history

INTRODUCTION: AN ECONOMIC FRONTIER

The northern fur trade and the resulting waves of white settlers brought devastating changes to indigenous cultures: disease, reliance on goods such as metal pots and rifles, and forms of exploitation. Many indigenous hunters and trappers became enmeshed in a capitalist model, and subsequently, were coerced into exploiting the world around them. Natural resources that were exploited were fur bearing animals and timber cut to support the growing population. However, as will be demonstrated, resistance to the presence of the settlers, and the models of exploitation they enforced, did exist. More importantly, both sides had to accommodate one another.
The arrival of the Europeans in the New World provided immense opportunities for the accumulation of wealth. Fur resources in western Europe were virtually extinct, but those resources on the American continent were just beginning to be exploited. The Canadian north was rich in such resources, but it was also a frontier. Being a frontier was advantageous for the early Europeans as it facilitated what Braudel designates the "conquest of space" (1981:98), a luxury shared by the Russians in Siberia and the British in Australia and New Zealand. In landscapes such as these, the perception was that conquest was over space, but not over men. This silent conquest ranged from the carts coming from the Argentine pampas to the slow trek of covered wagons heading west in the United States (Braudel 1981:98). As diverse as the obstacles faced by these "pioneers" and the geography of the terrain, there is one similar facet they shared; "the colonists' life started from the rock bottom....everyone was their own master" (Braudel 1981:98). While this may have been true for the settlers, it was not true for those already residing in the area.

One such starting point for any burgeoning society is the creation of an economy, particularly the formation of credit. For example, the "chronically inadequate supply of coins" was a motivation for credit creation (Hilton 1960:6), as demonstrated by the formation of paper money and credit as a substitute for metal coins in Europe (Braudel 1981:439). Concerning the topic at hand, furs were used as currency in Russia and Alaska under Peter the Great and in Siberia, taxes were collected in the form of furs, also known as "soft gold" (Braudel 1981:443). At the turn of the century, both indigenous peoples and white settlers were using beaver furs to buy goods from Hudson’s Bay Company (HBC) posts, which were typically located in ideal and strategic areas. These prime beaver furs, known as "Made Beaver" (hereafter M.B.), were a standard of currency for almost a century and a half (Emberley 1997:3). A consumer could buy a rifle if the furs he brought in could be piled as high the rifle
standing on its butt (Robert Wishart, pers. comm., n.d.). Once the rifle was purchased, fur could be rapidly acquired again to trade for more goods.

The frontier quality of the Canadian north undoubtedly had an impact on the form of the economy. As Ommer notes (1990:11), the crucial role the frontier played was in the formation of credit. In other words, the Canadian north provided an opportunity for increased profit, but merchant capital was faced with a diverse array of obstacles: a "set of problems, or at least a new context for an old set of problems" (Ommer 1990:14). For instance, how did one adapt to changing political structures at the local level and the regional level? More importantly,

how did one do all this in the context of a trade which required financial dealings all the way from the international money market to the squatter on the North American frontier and including a whole variety of intermediaries as well? [Ommer 1990:14]

Clearly then, the fur trade was dependent on indigenous trappers. This dependence resulted in a certain amount of respect for the ability of the indigenous trappers to locate fur-rich areas. As I will further describe, indigenous trappers had a great deal of control over access to fur-rich areas. Furthermore, merchant firms such as the Hudson's Bay Company were subject to market competition and this encouraged fair behavior. Another factor was that the Europeans and the indigenous peoples were too dependent upon each other to allow any type of extensive exploitation to occur.

While the Canadian north was a frontier, it was not a place where many chose to reside permanently. Many Europeans came north determined to get rich quick and leave just as quickly. According to Coates (1991:xxii), "the preoccupation with quick returns provided the psychological foundation for a boom-and-bust economy, and for a lack of concern with the environment and the aboriginal inhabitants." This "bust-and-
boom" economy played a significant role in the interactions between the indigenous populations and the European traders and trappers. Curtin (1984:209) describes areas rich with fur as "open-access" resources, also called the "fisheries model": "where a resource is there for the taking, with potential captors in competition with one another, the individual fisherman or hunter will try to capture all he can." This notion of "open-access" has serious implications; the most serious is in contrast to the view that indigenous peoples are the "Keepers of the Game" as one author eloquently puts it (Martin 1978). In this view, the indigenous hunter possesses not only insight into the animal's behavior, but also possesses a profound respect for the animal's spirit, and this respect ensures the continued presence of the animal. Competition did ensue, not only between differing indigenous groups, but also between merchant firms, and to a larger degree, between countries. What is increasingly obvious is that the Indian was not wholly independent in the presence of merchant firms, the most notable being the Hudson's Bay Company. Often he or she was economically dependent.

THE HISTORY OF THE FUR TRADE

The fur trade drew many of the indigenous peoples of northern Canada into a global market. However, as I will illustrate, they were very active in negotiating their role. This is particularly true of the Gwich'in, who still reside along the Peel River in what is now the Northwest Territories. The Gwich'in acted as middlemen between the traders and other indigenous peoples. More importantly, the Gwich'in controlled access to fur-rich areas. At times, this control resulted in conflict with other groups such as the Inuit. Gwich'in elders relate one particularly violent episode between the Inuit and the Gwich'in on the east side of the Peel that occurred many years ago. This episode describes Inuit men that had ventured south along the Peel and were met with strong, armed resistance once they entered
Gwich'in territory. It appeared that the Gwich'in came out ahead in the short and bloody conflict.

Before the fur trade in northern Canada, and to some extent in the present, "the environment required that the people function primarily in the smallest viable social unit—the extended family—which again restricted the possibilities for a more extensive social structure" (Coates 1991:7). These people were characterized by a band form of organization due to the extensive mobility needed to follow resources. Before the arrival of Europeans in the Canadian north, indigenous peoples followed a central-based foraging system; coming together on a regular basis during the summer/spring fishery and then dispersing into smaller, extended family units. Likewise, family units would gather for the annual caribou hunt. (This pattern is still very much in evidence today. For example, with the exception of spending most of their time in town, many Gwich'in choose to live in the "bush" with their family for periods of time. "Bush" life is characterized by setting nets, trapping, and hunting, as well as other subsistence activities. During the caribou hunt, groups of men typically converge on the migration route and secure enough meat for their families to last the year.)

Leadership was loosely defined; one man may have acted as a trading chief and another as a bandleader during the hunt. Shamans, on the other hand, enjoyed considerable power through their understanding of the spiritual world. This understanding was utilized to assist hunters to locate game and to ritually heal the infirm, to name only two responsibilities. The shamans' influence was seriously undermined as the introduction of European diseases went beyond the scope of their abilities. As Coates notes (1991:14), when missionaries, miners, and government agents arrived behind the trappers and the traders, they encountered an aboriginal society questioning their spirituality and ability to fend for themselves.
In the 1840s, fur traders began arriving in the upper Yukon River basin of Canada. This group of visitors marked the beginning of a wave. Gold miners entered in the 1870s and were followed by all the "frontier" types, such as fur traders, missionaries, government agents, prospectors, miners, and settlers in the 1890s (Coates 1991:xxi). According to Coates (1991:xxi), the burgeoning fur trade in the southeast, such as the Great Lakes, and previous contact with Canada's indigenous populations, had shaped both the biases about the native people and the perception of the natural resources of the north. Furthermore, two natural factors in the north contributed to a long lasting trade: the many waterways facilitated access, and longer and colder winters produced thicker pelts (Curtin 1984:214).

Along these major waterways were the Hudson's Bay Company posts. By the mid-seventeenth century, the placement of these posts proved to be an effective means of conducting trade with the trappers. Indian trappers in the interior would bring furs to Indian middlemen who, in turn, carried them to the posts: "in effect, a series of European trade diasporas meeting a series of native American trade diasporas at convenient sites on major waterways" (Curtin 1984:217).

Gift-giving established friendly relations; with wealth came prestige, but only if the wealth was distributed as gifts. Trade was an excellent means for Indians to acquire prestige and influence:

The result was a system of diffused reciprocity, which worked because gift giving was a way to attain desirable high status; and the giver could give willingly because he himself might someday receive an equivalent gift in time of need. The system can be explained in terms of normal economic theory, based on the need to allocate scarce goods and services...this diffused reciprocity was imbedded in a social order. [Curtin 1984:227]

In light of Bloch and Parry's discussion (1989) on the symbolism of monetary transactions, more should be said about
the importance of beads as a form of currency among the Gwich'in prior to the 1820s. Wentzel (1889-90:110) noted that the "Loucheux" (name given to the Gwich'in by early settlers) would scarcely trade for anything else, "and for the want of this, their favorite article, they preferred taking back to their tents the peltries that they had brought to trade." Beads were general-purpose money and were employed as an exchange standard; a specific bead length was equivalent to M.B., the Hudson's Bay Company standard (Krech 1981:78). Not only were beads used as decoration, but were used to pay for furs, moose skins, shaman's services, and were often distributed after a death (Krech 1981:78). More importantly, they were used to evaluate one's wealth.

**EARLY INDIGENOUS RESISTANCE TO THE FUR TRADE**

As Coates discusses (1991:22-24), initially there was considerable resistance from the indigenous peoples to assisting the fur traders. To a large degree, this resistance had to do with traditional trading networks between specific groups and the repositioning of their places in these trading networks when large European merchant firms intruded. For example, the Peel River Gwich'in found themselves in the lucrative position of middlemen in the trading network between the Hudson's Bay Company and the western indigenous groups, and were reluctant to give this up. When John Bell tried to cross the Richardson Mountains to the west in order to establish posts with the inhabitants, he could not recruit any of the Peel River Gwich'in to assist him. Often Bell received misrepresentations of the terrain, or the guides he finally managed to hire left him before he reached his destination. According to Coates (1991:23), the Gwich'in resistance and desire to hold the middleman position prevented the HBC from expanding west into the Yukon watershed for five years.

Another example also represents this form of resistance on the part of the indigenous groups. The Russian American Fur
Company, while never reaching very far east from Alaska and the west coast, had enjoyed extensive trading relations with coastal peoples. Over the years, many Russian material goods entered the east. Because of the availability of supplies from Tlingit Indians, the MacKenzie River Indians hesitated in assisting the Hudson’s Bay Company expansion. Many of the indigenous groups had recognized that they held a monopoly on both the source of supply and a trading district; this all proved very advantageous for the groups concerned. Furthermore, to a large extent, many of these new trade positions were a result of both the environment (i.e., what the HBC recognized as being as a good supply source and who had traditional claim to that area) and the pre-HBC trade networks. As Rich notes (1955:36), along with direct contact with European traders, there extended behind the Indian middlemen a vast network of trading that spread European material goods throughout North America. “Specific trading patterns, however, proved to be highly variable, as Native groups reoriented their activities to exploit new opportunities” (Coates 1991:22). The western Gwich’in were situated in an ideal locale for trade; though the MacKenzie River Drainage was a monopoly trade area after 1821, they had access to Russian trade in Alaska (Krech 1976).

The fact that many indigenous groups, not only the Gwich’in, were able to dictate trading relations demonstrates their power. As Wolf notes (1997:173), the relations between indigenous groups, particularly in eastern Canada, were also dependent on global politics. The most obvious example here is the relationship between the English, the French, and their respective indigenous allies. It is increasingly clear that the key role of the indigenous trader has been seriously neglected in the literature pertaining to the history of the fur trade (Rich 1955:42). The Hudson’s Bay Company, however, had its own strategy. HBC drew the Indians to the posts and into a relationship of indebtedness: credit.
THE HUDSON’S BAY COMPANY AND THE INTRODUCTION OF CREDIT

The Hudson’s Bay Company monitored and exploited the rich fur resources of the Canadian north. Company posts were located at strategic locales that offered access to the many traders. The indigenous groups situated near the posts, such as the Peel River Gwich’in, often enjoyed positions of power. This was especially true if they held a monopoly on the supply source and could control other groups’ access to the posts. Monopolies could be highly tenuous, however. There were instances when the supply source would suffer, as for example, when the upper reaches of the Arctic Red River were “ruined of Beaver” (HBCA B.80/a/7/fo.9d). As a result, the Hudson’s Bay Company looked towards the Peel River, known to be a rich source of beaver (Krech 1981:79).

While monopolies over access to rich areas and the positions of middlemen fluctuated among indigenous groups, the Hudson’s Bay Company held a government monopoly over all English trade. The French were excluded by treaty after 1713, but remained active and competitive in the south (Curtin 1984:229). Company prices in James Bay were set in recognition of the French prices, but this hardly allowed Indian trade parties to make more than one trip to English and French posts in one season. Trade parties could, however, make the trip in the subsequent year if they found the prices too low at James Bay compared to what they heard about French prices offered in the south. Company personnel thus realized that they had to be competitive with the French, or the traders would not return. “In general, then, though reciprocity and redistribution were both present, and monopoly elements were strong, the North American fur trade ultimately responded to the market principle” (Curtin 1984:229).
HUDSON'S BAY COMPANY RECORD KEEPING AND CREDIT

The HBC kept records of all transactions (most of which have survived) and fortunately, "are frequently more complete than other lines of evidence such as correspondence files or daily journals of events" (Ray 1976:30). Furthermore, post traders were required to make duplicates of records in order to send them to London every year. Thus, in instances of missing local HBC accounts, gaps could be filled with the material from London. As a result, the HBC records are an excellent source for the question at hand: How were credit relationships negotiated with the indigenous populations?

The account books took two guises: the "Trade Good Accounts" (further subdivided by the "Journal Section" and the "Ledger"), and the "Stores Accounts". The Journal Section typically had the following entries: (1) a beginning inventory for the year ("Trading Goods Remaining as per Balance of the Last Years Acct"), (2) an inventory of the goods received by ship ("Trading Goods Received as per Invoice from on board"), (3) an inventory of goods available for trade, (4) the official rates of exchange, (5) a listing of the goods sold to Company employees ("Men's Debts"), (6) a listing of the goods given or used at the post ("Expenses"), (7) a list of all goods given to Indians, (8) itemized fur receipts, and (9) a closing inventory of goods. The Ledger typically had the following entries: (1) an alphabetical index to the ledger, (2) a reconciliation of accounts to the general charge, (3) a reconciliation of goods accounts, (4) a reconciliation of beaver, (5) men's debts, and (6) balances remaining. The Store Ledger comprised those items that were to be used for local manufacturing, such as gunsmith, carpenter's stores, harpooner's stores, etc.

It is the Men's Debts section that is of interest here. This is where the bookkeeper kept track of which employees bought goods and what they owed. Likewise, in terms of labor accounting, the section Expenses kept track of the goods that
were allocated to pay local Indians who had performed a service for the post. For example, dispatching messages to other posts and hunting deer and geese were noted (Ray 1976:33). It should be stated however, that these "official" ledgers are not the only means of keeping track of who did what for whom. As I have noted elsewhere (Anderson et. al. 2000:31), the archdeacon MacDonald, an Anglican missionary posted in the Gwich’in area, noted individuals in his personal journal (MacDonald 1862-1903) who did work for him on such a consistent basis that it could be argued that his journal was, in a sense, an account book.

The account books demonstrate that the indigenous peoples were far more conscientious in paying back their loans than were the white customers (Ray 1990:198). The growing bad debt burden that the Company faced by 1900 was not so much a result of defaults but a variety of factors; depletion of game and competition from white trappers. As Ray demonstrates, "many of the whites were 'highliners' who moved in when fur prices were high, trapped without regard to the future, and moved away when resources or prices declined" (Ray 1990:198). For those indigenous groups who were somewhat restricted to territorial boundaries, depletion of fur bearing animals was a crisis.

Before Canadian Confederation in 1867, fur traders typically outfitted their Indian clientele in the late summer and early autumn in preparation for the winter fur harvest. This outfitting was considered an advance and was calculated by the average return of the hunter in question. As Ray notes (1990:189), this situation was advantageous to both parties; the Indian hunters counted on receiving equipment and tools for the hunt regardless of current economic circumstances.

In this sense credit provided an economic safety for native and trader alike since both of them depended on regular returns. In addition, company traders used the debt to establish a claim on some or all of
an Indian’s future returns. This was a major concern whenever local competition was keen. [Ray 1990:189]

Besides providing furs to the posts in the winter, native people were also hired to provide labor in the summer. Hundreds would be hired as boatmen and canoemen in the summer months. However, when the Company converted to steam powered freighters, many jobs were lost (Emberley 1997:195).1 As Ray notes (1990:190), the reliance of the Company on labor in the summer was its “Achilles heel”; the labor force could strike at any time or not work to its full capacity, as the Red River uprising of 1869-1870 demonstrates. Furthermore, as game depletion became a norm, especially among major transportation routes and along the shores of the Hudson Bay and James Bay, there was an increased reliance upon seasonal work for the posts (Ray 1990:190).

**CONCLUDING REMARKS**

One of the initial problems facing the merchant firms, in the case of the Hudson’s Bay Company, was a scarce supply of labor. As Ray demonstrates (1990:188), this scarcity included both laborers and employers, and therefore preconditioned a relationship in which both parties shared roughly equal bargaining power, as they were dependent upon each other. This supports Ommer’s statement that the “frontier” aspect of the Canadian north played a role in the formation of credit relationships. Originally, the isolation forced both parties to be dependent upon each other. To put it simply, indigenous hunters had knowledge of animal behavior (i.e., migration patterns and food sources), as well as technological knowledge that greatly assisted them in surviving the harsh climate (i.e., construction of snowshoes and the use of dog teams). On the

---

1 There was still some employment to be gained however, with the use of steamships. Some of our informants had been hired to cut wood and bring it to the river’s edge for fuel.
other hand, the white traders had access to rifles, metal traps, and hardier tools, to name only a few assets. Michael Asch (1976; 1977; 1979), has argued that the indigenous communities of the MacKenzie River Valley created a “mixed economy:” continuing a hunting-gathering existence while participating in the white-dominated economy. The inhabitants of the valley “did not remain solely as hunters and gatherers, nor did they simply meld into the advancing Canadian economic frontier” (Coates 1991:xx). The ready acceptance of new material goods and their incorporation into traditional models of hunting reflect how the indigenous hunters took advantage of European culture.

As Pentland points out (1981:28-33), the old system of personal labor relationships between Indians and whites broke down as competitive labor markets developed. During the period after this breakdown, between 1867 and 1945 (Canadian Confederation and the end of World War Two), one of the primary ways the Hudson’s Bay Company looked after social overhead costs was through the debt system (Ray 1990:189).

Furthermore, the Company provided accommodation to the best hunters and trappers, as well as steady summer employment. The personal journals of Robert MacDonald (1862-1903) reveal the Protestant work ethic that figured prominently in European, in this instance Scottish, dealings with Canada’s indigenous populations. His journals are filled with descriptions of those individuals who provided service to the mission. Those who worked steadily and returned from trips to other communities, in particular, were rewarded with more work. Likewise, the Company account books and ledgers describe those hunters and trappers who performed consistently to Company standards as good workers, as opposed to those who shied away from transactions with the Company, who were denoted as “docile”, “unreliable”, “useless”, etc. (Ray 1990:189). These descriptions were given to those who, for whatever reason, did not wish to perform services for the Company, or to
enter a credit relationship with the Company. Such descriptions likely misinterpret whatever motivation provoked those individuals to be independent. Yet, the perilous nature of living in the north, coupled with game depletion and the introduction of disease, often made families dependent on the posts for food and warm clothing. Despite the power the indigenous hunters had in negotiating access to fur-rich areas, as well as their option to trade with competitive markets, the dependence on the posts made many people enter into credit relations in order to provide for their families. MacDonald (1862-1903) provides some tragic examples of starvation during the winter at Company posts, where at times people had to sweep the floors of storage rooms to get some scraps of dried meat to use in a stew that would barely feed all the residents. Stories of cannibalism at other posts during the winter months sometimes caused families to travel long distances to take a member home before anything unfortunate occurred.

Ray notes (1990: 196) that the Company was concerned about the wellbeing of the Indians. It was also concerned with the growing bad debt burden, and pressure was growing to abandon the old practice of assuming the native’s social overhead costs. However, men within the Company recognized it was also very risky to transfer these costs to the government. For example, the Indians of James Bay were facing two problems. One, the Company was restricting its summer labor force and two, credit restrictions were being enforced. J.S.C. Watt, the manager for Rupert’s House, noted that the Indians needed credit more than ever to survive (Ray 1990: 199). In light of the changing face of the north due to a variety of factors, his supposition proved true.

Regardless of the introduction of credit, some indigenous groups were able to exercise a considerable amount of power in their dealings with the HBC, either by acting as critical middlemen between the Company and other indigenous groups, or by controlling access to fur-rich areas. Not only was
there a meeting of cultures in the Canadian north, but one of economies as well, and the question of how some indigenous groups were able to operate within a system of power like that imposed through credit, is one of importance.

REFERENCES


Hilton, George W.

Hudson's Bay Company Archives
HBCA B.80a/1-19: Fort Good Hope Post Journals, 1822-1843. Winnipeg.

Krech, Shepard

MacDonald, Robert

Martin, Calvin

Ommer, Rosemary E.

Pentland, H. Clare

Ray, Arthur
Rich, E.E.

Wentzel, Willard

Wolf, Eric