

Selling Beaver Skins in North America and Europe, 1720-1760: The Uses of Fur-Trade Imperialism

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Résumé de l'article

Les historiens supposent généralement que pendant les dernières décennies du Régime français au Canada, la concurrence dans le commerce des fourrures suivait les lignes de force de la rivalité impériale en Amérique du Nord. Situés sur la baie d'Hudson ou au sud du lac Ontario, les postes de l'empire adverse auraient constitué la principale menace pour les commerçants montréalais établis au cœur du pays indien. Cet article cherche les traces d'une telle concurrence à distance dans le commerce du castor. Il s'agit là d'une fourrure que les politiques de la Compagnie française des Indes rendaient moins chère dans le système commercial français que dans celui centré sur Londres. Or la distribution des recettes du castor entre les concurrents se montre peu sensible aux fluctuations dans cette différence intercoloniale des prix ; il semble bien que les marchands canadiens aient brandi l'épouvantail du concurrent étranger afin d'ajouter du poids à leurs demandes faites à l'État d'augmenter le prix du castor. Une conclusion s'impose : cette obsession d'un ennemi externe, transmise aux historiens par les sources officielles, a obscurci la dynamique interne du commerce canadien des fourrures au cours de cette période.

Selling Beaver Skins in North America and Europe, 1720-1760: The Uses of Fur-Trade Imperialism

THOMAS WIEN

Résumé

Historians have tended to assume that, during the last decades of French rule in Canada, competition in the fur trade and the imperial contest in North America ran along the same lines. The posts of the rival empire on Hudson Bay or south of Lake Ontario are thought to have posed the main threat to the fortunes of the Montreal-based traders established in the heart of Indian lands. This article assesses the evidence for price competition between such distant antagonists in the trade in beaver. Owing to the Compagnie des Indes' pricing policies, this commodity usually fetched a lower price in the French trading system than it did in the one centred on London. There is little sign of a response in the distribution of beaver receipts to changes in the intercolonial price differential. This suggests that Canadian merchants exaggerated the force of foreign competition in order to lend weight to their appeals to the state for an increase in the price of beaver. The paper concludes that the obsession with the external foe, which the official sources have transmitted to historians, has obscured the internal dynamic of the Canadian fur trade during these years.

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Les historiens supposent généralement que pendant les dernières décennies du Régime français au Canada, la concurrence dans le commerce des fourrures suivait les lignes de force de la rivalité impériale en Amérique du Nord. Situés sur la baie d'Hudson ou au sud du lac Ontario, les postes de l'empire adverse auraient constitué la principale menace pour les commerçants montréalais établis au cœur du pays indien. Cet article cherche les traces d'une telle concurrence à distance dans le commerce du castor. Il s'agit là d'une fourrure que les politiques de la Compagnie française des Indes rendaient moins chère dans le système commercial français que dans celui centré sur Londres. Or la distribution des recettes du castor entre les concurrents se montre peu sensible aux fluctuations dans cette différence intercoloniale des prix; il semble bien que les

This paper presents some preliminary results of research into the transatlantic fur trade in the eighteenth century. I would like to thank Hélène Bédard, Catherine Desbarats, John Foster, James Pritchard, and the participants in the séminaire libre of the Département d'histoire of the Université de Montréal for their comments on earlier drafts, without burdening any of them with the responsibility for the errors that remain. Thanks are also due to the Hudson's Bay Company for permission to consult its archives. The Social Sciences and Humanities Research Council of Canada provided financial support in the form of a post-doctoral fellowship.

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La diminution du prix des castors sera une occasion aux sauvages alliés des François de porter leurs castors aux Anglois par l'avantage qu'ils y trouveront, d'établir par conséquent un commerce et des liaisons plus fréquentes avec les Anglois dont les suites deviendront infailliblement très dangereuses pour la Colonie.

Canadian merchants' memorial,
October 1749¹

En cas de rupture entre les deux couronnes il seroit essentiel de faire la conquête de la Baye d'Hudson qui nous hôte beaucoup plus de peleteries, et de castors, que tous les postes de la colonie n'en font rentrer.

J. Legardeur de Saint-Pierre, commandant,
Mer de l'Ouest posts, August 1752²

Strewn among the official papers of the last decades of the French régime in Canada, observations such as these blur the distinctions between trade and conquest, economic competition and the contest for empire. Written to be perused in the ministerial chambers of Versailles, they adopt the imperial idiom of their powerful recipients. Since the King's power extended also to the preservation of documents for posterity, the official correspondence has survived to become the central source of information regarding his subjects' activities in Indian lands.³ Little wonder that historians have seen the Montreal-based fur trade in the West during these years as an imperial affair. They differ, to be sure, on the nature of the empire in question. Sixty years ago, Harold Innis saw the history of the trade as an epic struggle pitting the Hudson's Bay Company and the New Yorkers against a coalition of French-speaking traders, soldiers, and officials. According to Innis, the outcome of the conflict was nothing less than preordained. From their advantageous position on the edge of the trading area, the British could attract Indian customer-suppliers with low-priced merchandise. Meanwhile the ungainly French trading system in the interior lurched toward collapse under a crushing burden of military and transport costs.⁴

1. Canada. National Archives (NA), MG 1, Archives des Colonies (AC), C¹A 93, f. 10, "Observations sur les réponses fournies par la Compagnie des Indes," enclosed in La Jonquière and Bigot to Maurepas, 1 October 1749.

2. "Mémoire ou journal sommaire du voyage de Jacques Repentigny Legardeur de Saint-Pierre ... chargé de la découverte de la Mer de l'Ouest," printed in *Report on Canadian Archives, 1886* (Ottawa, 1887), clxviii.

3. The principal series are: NA, AC, C¹A, Correspondance générale, Canada, and NA, AC, B, Lettres envoyées.

4. H.A. Innis, *The Fur Trade in Canada* (1930, rev. ed. Toronto, 1956), 84-145; see also E.E. Rich, *The History of the Hudson's Bay Company 1670-1870* (London, 1958), I: 500-32, 549-55, and 637-47.

Drawing on his own and others' more recent work, W. J. Eccles has inverted Innis's argument, turning the French trading empire into an imperial trade. From 1700, he argues, the French state subordinated western commerce to its alliance-building programme among the Indians. As it paid a fair share of the expenses, notably most of the costs of waging war, the result was beneficial for all concerned: the Montrealers more than held their own in the contest for the Indians' furs, and the French maintained their influence among the Indians until the British navy cut their supply-lines in the Seven Years' War.⁵

Eccles interprets much more accurately than Innis both the thrust of royal policy and the trend in fur receipts.⁶ But regardless of these differences, the two historians agree on the identity of the principal adversary. For the empire of the St. Lawrence as for the empire of Louis XV, the competition spoke English and traded from the periphery. For Innis as for Eccles, the imperial rival serves as an essential reference point: the French loss is the British gain (or vice versa). Both measure success in the escalating struggle for supremacy in North America in packs of fur as well as conquered territory or points scored in diplomacy.

French officials would no doubt have endorsed this view. Yet they saw the trade more as a policy instrument than as a business; they tended to take for granted the actual participants in the exchanges, provided the furs continued to flow and a strategically sufficient number of Indians remained favourably disposed toward His Most Christian Majesty. In their conception of the trade, the state—especially its military representatives—carried the tune.

In reality, however, colonial merchants and traders paid the piper, a fact that historians tend to forget. Operating independently or in small *sociétés*, they provided the bulk of the trade's requirements of capital and commercial expertise.⁷ Nearly as important was their role in underwriting official charities. Through licence fees and other royalties, the state diverted part of the investors' profit into the pockets of its favourites. These included post commandants and other officers posted in the West, their indigent friends and relations in the colony, the governor himself and, as we shall see, the Com-

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5. W. J. Eccles, "A Belated Review of Harold Adams Innis, *The Fur Trade in Canada*," *Canadian Historical Review* 60 (1979): 419-41, reprinted in his *Essays on New France* (Toronto, 1987), 61-78; *idem*, "The Fur Trade and Eighteenth-Century Imperialism," *William and Mary Quarterly* 40 (1983): 341-62, reprinted in *Essays*, 79-95.
 6. On the former, see D. Miquelon, *New France 1701-1744: "A Supplement to Europe"* (Toronto, 1987), 14-31 and 77-94; on the latter, see A. J. Ray and D. Freeman, "Give Us Good Measure:" *An Economic Analysis of Relations between the Indians and the Hudson's Bay Company before 1763* (Toronto, 1978), 32-36 and 165-92; T. Wien, "Castor, peaux et peleries dans le commerce canadien des fourrures, 1720-1790," in *Le Castor Fait Tout: Selected Papers of the Fifth North American Fur Trade Conference*, eds. B. Trigger, T. Morantz, and L. Dechêne (Montréal, 1987), 72-92.
 7. On the economics of the trade, see L. Dechêne, *Habitants et marchands de Montréal au XVIIIe siècle* (Paris, 1974), 127-230; on the merchants and traders, see J. Igartua, "The Merchants of Montreal at the Conquest: A Socioeconomic Profile," *Histoire sociale/Social History* VIII, No. 16 (November 1975): 275-93.

pagnie des Indes. Without the merchants' and traders' contribution, maintaining a French military presence in the West would have been, if not impossible, at least much more expensive, which in practice no doubt amounted to the same thing.

Precisely because they were cast in the role of the milchcows, the investors in the trade could expect to receive a minimum of cooperation from the state in their enterprise. That enterprise, of course, was not primarily to satisfy the Indians or even to enrich France, but to earn acceptable returns on one's investment. Without satisfactory profits, they would take their capital elsewhere. As a result, it was less the overall volume of the colony's fur receipts that interested them than the terms at which they received their share. Given the nature of their trade, this was likely to make them into lukewarm imperialists at best. Relative to their English-speaking competitors, they were at a considerable disadvantage. Shouldering the burden of operating a delivery service to half a continent, they also paid substantial sums to the state or its protégés, as we have seen. With much fewer portages and payments to make, the rivals could easily have undersold the Canadians in head-to-head competition.⁸ The Montrealers, then, had every reason to avoid such confrontations.

Avoid them they did, by all indications. After all, we associate the usual signs of a trade in difficulty, namely the concentration of capital or its departure in search of greener pastures, with the aftermath of the Conquest, not the preceding years.⁹ Clearly, something was shielding the Canadians from the effects of foreign competition.

Some, but by no means all, of the protection came from the state. For strategic reasons, it used the diplomatic and military means at its disposal to keep the Anglo-Americans out of the populous south of the trading area (for the moment, the Hudson Bay traders did not need to be dissuaded from venturing inland). Yet there remained the traffic in the other direction, the Indians' visits to the English-speakers' posts. Here the state was less effective. Granted, its uniformed emissaries mended diplomatic fences in the West, notably by distributing presents of arms and ammunition to large numbers of Indians. It is nevertheless unlikely that the conditional loyalty received in return extended far into the commercial realm.¹⁰ The Canadians, at any rate, do not appear to have held the officers' services in high esteem; as soon as they could afford to do so, G. Allaire's findings suggest, they began excluding their military associates from direct participation in the trade.¹¹ With so few troops in Indian lands,¹² the state could hardly

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8. On such costs at Oswego, the New Yorkers' post on Lake Ontario, see T.E. Norton, *The Fur Trade in Colonial New York 1686-1776* (Madison, 1974), 88-89, 109, and 170.
 9. It is true that war and the predatory practices of Bigot and consorts may have constrained some investors to curtail their activities during the last decade of the French régime. See F. Ouellet, "Dualité économique et changement technologique au Québec (1760-1790)," *Histoire sociale/Social History* IX, No. 18 (November 1976): 260-62.
 10. Miquelon, *New France*, 149-50; cf. A. Rotstein, "Innis: The Alchemy of Fur and Wheat," *Journal of Canadian Studies* 12 (1977): 6-31.
 11. See G. Allaire, "Officiers et marchands: les sociétés de commerce des fourrures, 1715-1760," *Revue d'histoire de l'Amérique française* 40 (1987): 424-25.
 12. There were 261 officers and enlisted men in the garrisoned posts in 1750. Eccles, "Fur Trade," 355.

mount a blockade around the New Yorkers' posts to replace the Iroquois one, which by 1720 had become so permeable. Distant Hudson Bay was open to all comers in any case.

If the Canadians could not rely on their state to prevent the Indians of the interior from deserting in droves to seek out the lower prices of the English-speaking opposition, other forces must have come into play to inhibit such movement. To some extent, strategically positioned Indian nations limited access to the posts of the periphery. Some, like the Cree and Assiniboine around Hudson Bay, imposed themselves as middlemen, and others, like the Iroquois in the south, exacted tolls from the traffic passing through their territory.¹³

The Canadians' locational advantage was, however, based on more than being on the right side of these intermediaries; much of it stemmed from simple proximity to the Indians. Such, at least, is the message of the Hudson Bay experience during these years. As the Montréalers advanced in the interior, the middlemen (and women) reduced the frequency of their visits to the Bay and became more selective in their purchases despite steadily falling prices. At the same time they admitted that the Canadians charged them much more than did the Hudson's Bay Company. As A. J. Ray and D. Freeman argue from their vantage point on the Bay, in this respect the Indians resembled other consumers. They were prepared to pay for delivery, to put up with the Canadians' higher prices in return for being saved the inconvenience of travelling long distances to find lower ones.¹⁴ In other words, the Montréalers could remain competitive by hiding behind the shield of distance, by giving a wide berth to the competition.

Viewed from Montréal rather than from Versailles, then, the French trade becomes a Canadian one, and the venture in Indian lands comes to resemble more a scattering of convenience stores than a blockade. Ironically, the Canadians were able to contribute to the imperial effort by avoiding the imperial foe. Conversely, it may well be that the state's main contribution to the Montréalers' enterprise was in protecting them, not from the imperial enemy, but from each other. For unless other forces intervened, weak competition from afar presupposed stronger competition from close by. Over shorter distances, the Indian supplier-customers *would* comparison-shop more systematically, with devastating effects on the Canadians' profits.¹⁵

It follows that the gravest threat to the terms of trade and the Canadians' fortunes may have emanated, not from the edge of the trading area, where the officials have told us to look, but from its centre. "Its the french [that] is our Cheifst Obstacle [*sic*]," lamented, with some justification, a Hudson's Bay Company factor.¹⁶ Would the "French" trading out of Montréal have returned the compliment?

13. Miquelon, *New France*, 167.

14. Ray and Freeman, 223 and 252-56.

15. The same mechanism operated among the Hudson Bay posts: Ray and Freeman, 249-50.

16. NA, MG 20, Hudson's Bay Company Archives (HBCA), A 11/43, Correspondence Inward, 120-25, James Isham to Committee, 1747, quoted in Ray and Freeman, 190.

Only a detailed analysis of prices and profits in the various regional settings of the trade between Canadians and Indians can give a complete answer to this question. Given the state of the sources, that study will be some years in the making.¹⁷ Here we will take a more oblique approach, in examining an aspect of contemporary discussion that seems to contradict the notion that competition from the periphery was relatively weak. The official correspondence contains much debate on the relative price of trade goods and furs in the British and French trading systems. The participants, often merchants, appear convinced that price competition from afar was a significant threat to the trade. This paper examines the case for "imperial" competition in a single commodity, beaver.

No other fits the purpose as well. Not only was it the mainstay of the trade but, according to contemporaries, it was particularly likely to end up in packs with English markings on them. The argument ran as follows: since this fur usually fetched a higher price in neighbouring colonies and trading factories than it did in Canada, Indians would take their beaver to the opposition in times when the colonial price-curves diverged. This implies that traders of either empire transmitted such price changes to their Indian suppliers, and that the latter, wherever they might live, responded to the lure of higher prices far away.

Here, then, was the original model of price competition between rivals of different European origin. In what follows, we will take the Canadians at their word, and attempt to measure the effect of changes in the price differential on the distribution of beaver receipts among the imperial rivals. The cause of the price differences is an appropriate place to begin. In large measure, they resulted from the policies of the *Compagnie des Indes*.

THE MONOPOLY OF THE COMPAGNIE DES INDES

Founded in 1718, the French Indies Company began life as a pillar of John Law's *système*. Among the privileges it inherited in absorbing the short-lived *Compagnie d'Occident* was the exclusive right to export beaver skins from Canada. But for a brief interlude of free trade, lasting in practice from mid-1720 until early in 1722, Law's creation retained the monopoly until the end of the French régime.¹⁸

From the company's point of view, there were worse times to be involved in the beaver trade. By 1718, the glut of this commodity had come to an end, taking with it the export duty of 25 per cent that had been used to help pay for the colony's administrative expenses. There remained the Canadian merchants' habit, developed during the crisis, of smuggling beaver over the Lake Champlain route to Albany in response to the higher prices prevailing in the English trading system. If they could be persuaded

17. See Gratien Allaire's recent work: "Le commerce des fourrures à Montréal: documentation et méthode d'analyse," in *Le Castor Fait Tout*, 93-121, and his "Officiers et marchands."

18. On the beginnings of the company's monopoly, see D. Miquelon, *New France*, 78-81; M. Giraud, *Histoire de la Louisiane française, III: L'époque de John Law (1717-1720)* (Paris, 1966), 68-69 and 84. The *arrêtés* concerning the company are compiled in Dufrene de Francheville, *Histoire générale et particulière des finances, III: Histoire de la Compagnie des Indes* (Paris, 1738), 415-27.

of the error of their ways, beaver would assume its rightful place in Canadian fur exports, accounting for well over half of the total value.¹⁹

The main features of the transatlantic beaver trade are well known. Usually employing merchant shipping rather than its own vessels, the Compagnie des Indes conducted a caricature of the Canada trade. It dealt in three kinds of European goods: gunpowder, shot, and strouds, a kind of woolen cloth produced in Gloucestershire. This last, an essential item in the Indian trade, it had the exclusive right to import into France and from there into Canada.²⁰ In return for these articles and for *récipissés du castor* redeemable in France, it received at its warehouses in the three colonial towns (in 1749, it closed that of Trois-Rivières) between one hundred thousand and two hundred thousand pounds of beaver skins annually. Divided into a variable number of grades within the general categories of coat (*castor gras*) and parchment (*castor sec*), the beaver was shipped to France in 120-pound bales.²¹

The company purchased beaver according to a fixed, periodically adjusted scale of prices.²² It incurred minimal expenses in the colony: the salaries of three (and eventually two) receivers, of a few clerks, and of its agent at Québec; shipping costs and payments to soldiers or guards employed to curtail smuggling; and a tax of two livres tournois per pound on 4¼ per cent of its beaver receipts, paid in the form of gratuities to the most influential colonial officials.²³ The latter also received an annual gift of coffee and tea, their share of the fruits of the company's eastern trade.²⁴

Shipped in several merchantmen so as to minimize the risk of losses at sea, the beaver usually reached La Rochelle in December and Paris by wagon a few weeks later. Stored in a special wing of the company *hôtel* on the Place de la Bourse, it was sold for cash throughout the year to hatmakers.²⁵ Here, too, the company set the prices. In some

19. Wien, 92.

20. The company made several attempts to introduce French reproductions of the strouds, none of which seems to have found favour with the Indians. On the goods trade, see M. de Beauvart, "Considérations sur l'état présent du Canada," October 1758, printed in *Collection de mémoires et de relations sur l'histoire ancienne du Canada* (Québec, 1840), 12-13.

21. A.J.E. Lunn, *Développement économique de la Nouvelle-France 1713-1760*, trans. B. Morel-Nish (Montréal, 1986), 97-102. A few muskrat skins, also used for felting, came to accompany the beaver; see L.-A. de Bougainville, "Mémoire sur l'état de la Nouvelle-France," *Rapport de l'Archiviste de la Province de Québec, 1923-24* (Québec, 1924), 54.

22. The company imposed a tare or reduction of 5 per cent on the official price to compensate (and no doubt more than compensate) for the contribution of packing materials to the gross weight.

23. NA, AC, C¹¹A 87, f. 268, La Galissonnière to Maurepas, 25 October 1747; Archives Nationales, Paris (AN), AC, C² 32, f. 293, Compagnie des Indes to Duquesne and Bigot, 6 April 1753.

24. Archives du Port de Lorient (APL), 1 P 278, liasses 13 and 14, Godeheu d'Igouville to Directors, Compagnie des Indes, 16, 26, and 28 April 1749, etc.

25. AN, AC, C² 40, ff. 98-98v, M. Gilly, "Mémoire et observations sur l'administration de la Compagnie des Indes," February 1755.

years, it set the quantities as well by forcing buyers to accept a particular mixture of grades.²⁶

This, then, was an administered trade in the most literal sense of the term. How did the company manage its monopoly? With little material on which to base their judgments – few accounts have survived in the more accessible documentary series – historians have sometimes cast the *Compagnie des Indes* in the role of a public utility bringing stability to a disaster-prone branch of transatlantic commerce.²⁷ That may be so, but it made a surprising number of enemies in the process. Apart from the petition of Canada merchants that helped bring about the period of free trade, there were at least two more attempts to end the company's monopoly in the forty years that concern us. The first coincided with the expiry of the privilege of the defunct *Compagnie d'Occident* in 1742 and the second found supporters on both sides of the Atlantic a dozen years later.²⁸ Neither succeeded. Nor did the colony's three hatters, one of them also a company receiver, who in the mid-1730s began shipping semifinished hats to France.²⁹ The company quickly put a stop to this challenge to its privilege. In the end, only one form of resistance to company control of the export trade in beaver proved reasonably successful: the illegal shipments to New York.³⁰

There was no mistaking the cause of all this dissatisfaction. As Philippe Haudrère's recent study shows,³¹ the company may well have emphasized stability, but stability of revenues above all. It extracted substantial sums from its beaver trade, in a way that other participants in the transatlantic fur trade, English- or French-speaking, did not. Hence its unpopularity. Hence also its importance in distinguishing the French trading system from the English one, in which even the chartered Hudson's Bay Company sold its beaver at auction without being able to set more than the starting price.

The principal source for this judgement is a page of notes from directors' meetings of 1745.³² The profit on the company's Canadian activities, reports the anonymous notetaker, amounted to some two hundred thousand livres per year over the period 1727-43. The sum is not enormous, but then neither was the invested capital. The average

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26. Bibliothèque Nationale, Paris (BN), Nouvelles acquisitions françaises (NAF) 9227, f. 140, "Travail de MM. les syndics dont ils ont rendu compte à l'assemblée," 28 May 1748.
27. Lunn, *Développement*, 97-99; E.R. Adair, "Anglo-French Rivalry in the Fur Trade during the Eighteenth Century" (1947), rep. in *Canadian History before Confederation*, ed. J.M. Bumsted (Georgetown, 1972), 148.
28. NA, AC, C¹¹A, 121 (1), transcriptions, p. 126, "Mémoire concernant le commerce du castor, en Canada," 26 June 1751; *ibid.*, 17 [*sic*], f. 211-12, Memoir of Taché and Hevé, ca. 1753; Archives nationales du Québec à Montréal, Archives judiciaires, pièces détachées, "Procès-verbal des délibérations d'une assemblée des négociants écuiperes de Montréal," 29 September 1754.
29. AN, AC, C² 26, ff. 240-41v, "Privilège exclusif du castor," 1735.
30. Some beaver was also smuggled to France. See, for example, AN, Marine B⁷, 326, ff. 67-67v, Le Peletier to Maurepas, 16 May 1728; Lunn, "The Illegal Fur Trade out of New France, 1713-60," *Canadian Historical Association Annual Report* (1939): 68.
31. *La Compagnie française des Indes au XVIIIe siècle (1719-1795)* (Paris, 1989), IV: 903.
32. BN, NAF 9227, f. 140. "Travail de MM. les syndics...", 23 June 1745.

return during these years came to no less than 26 per cent, well over double the profits considered normal in transatlantic trade.³³

It is apparent from the context that the European goods sent to Canada were included in these calculations and contributed to the profits.³⁴ The goods were, however, worth less than the beaver – witness the *recipissés* used to balance the company's trade – and the company's markup on goods may well have been less than on beaver as well.³⁵ Profits on the eastbound cargo, then, accounted for a substantial part of the total. Before 1745, the markup on the most voluminous grades, prime (*hiver*) coat and parchment beaver, varied between 35 and 80 per cent over the official Canadian price. Such high margins were exceptional in the transatlantic fur trade. While merchants were happy to make windfall profits on sales in Europe, they generally considered fur as merely a "return," or a transfer of value that, if all went well, would pay its own way across the Atlantic, but scarcely more. The real profits were to be made on goods sent on the outward voyage.³⁶ In other words, the monopoly company was imposing itself as a privileged exception when it used its price-setting powers to make its trade profitable in both directions. In a way that private merchants could not, it was driving a wedge between North American sellers and European buyers of fur.

Did this additional profit push up the price of beaver in France, reduce it in Canada, or both? We begin with the European end of exchanges, with the hatmakers who were the principal consumers of this fur.³⁷

Tradespeople who made, sold, or repaired headgear could be found all over eighteenth-century Europe, but manufacturers of hats made of beaver felt were a select group. In many respects, the *castor* was the consummation of the hatmaker's art. It took longer to make than other hats, used increasingly expensive imported raw materials, and fetched a price in proportion. Black, brown, or gray-white, with brims and crowns of varying

33. D. Miquelon, *Dugard of Rouen. French Trade to Canada and the West Indies, 1729-1770* (Montréal and London, 1978), 158-59.

34. My reading of this document differs somewhat from P. Haudrère's (II: 389), who takes the profit rate as applying to beaver only and not to the cargo sent to Canada, and calculates the return as a percentage of the Paris selling price for beaver and not of the total investment.

35. Even the Canadian merchants, unlikely to concede debating points to the company, implied that the markup on strategically vital gunpowder remained within acceptable limits. That on strouds was undoubtedly higher, but limited all the same by the presence in the colony of cheaper cloth smuggled in from Albany. NA, AC, C¹A 93, f. 12, "Observations sur les réponses fournies par la Compagnie des Indes," annexed to La Jonquière and Bigot to Rouillé, 1 October 1749.

36. J. Savary des Bruslons and P.-L. Savary, *Dictionnaire universel du commerce* (Copenhagen, 1760), V: 145. T.E. Norton cites a shipment of beaver from New York in 1750 which increased in value by 16 per cent on its transatlantic voyage, but yielded a profit, after expenses, of 4.5 per cent; see his *Fur Trade*, 105-06; cf. Miquelon, *New France*, 158-59.

37. On hatmakers, see M. Sonenscher, *The Hatters of Eighteenth-Century France* (Berkeley, 1987); H. Grant, "The Revenge of the Paris Hat," *The Beaver* (October 1988/January 1989): 37-44; J.F. Crean, "Hats and the Fur Trade," *Canadian Journal of Economics and Political Science* 28 (1962): 373-86; M. Lawson, *Fur: A Study in English Mercantilism* (Toronto, 1943).

width and shape according to time and place, it set standards for quality in both European and colonial markets.

In the period after 1720, beaver hatmaking was concentrated in larger centres, the largest being close to the points of distribution of imports of beaver from North America. In Paris, some sixty *fabricants* plied their trade, thirty-five of whom worked up their own materials ('[faisaient] foule chez eux').³⁸ Specializing in high-quality hats, beaver chief among them, the largest employed up to forty journeymen in their manufacture, as well as many poor women and men who prepared the raw materials. The Parisian hatmakers, close to the company's beaver warehouse, had first pick of the shipments.³⁹ Those of Lyon, the other major beaver hatting centre, occasionally complained of irregular supplies.⁴⁰ Here production was much more diverse, and the output of beaver hats and the number of workers making them no doubt smaller than in Paris.⁴¹ Marseille and Rouen, the other important hatting cities, produced few beaver hats.⁴² Marseille's industry may have rivalled those of Paris or Lyon, but it specialized in lower-priced articles made from camel hair and various kinds of wool.⁴³ Across the Channel, hatmakers using beaver were concentrated in London and its suburbs.⁴⁴ At midcentury,

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38. Sonenscher, 33-60 gives a useful overview of the French hatmaking centres. The quotation is from a hatmakers' petition, in AN, F¹² 87, p. 38, 28 January 1740.
39. Bibliothèque municipale de Rouen (BMR), Ms. Montbret 884^b, M. Pelsaire, 'Fabrique de chapeaux de castor et de vigogne, ville de Paris, 1733.'
40. Sonenscher (59-60) refers to these complaints and to the fluctuating imports of beaver into La Rochelle in arguing that the hatmakers experienced perennial supply problems. Paris hatmakers evidently had first pick of the incoming beaver, but the evidence indicates that even the Lyonnais usually obtained enough of this raw material. The La Rochelle statistics exaggerate supply fluctuations; in wartime, beaver reached France by other ports, and the La Rochelle clerks sometimes entered skins that arrived near the year's end in the next year's totals. APL, 1 P 278, liasses 13 and 14 contain correspondence relative to beaver arriving in Breton ports; for complaints of the Lyonnais, see Archives municipales de Lyon (AML), HH 32, 30/25, 'Mémoire...', 1724; *ibid.*, HH 32, 17/1, Lyon hatmakers to [Fleury?], ca. 1739; AN, F12 1461, 'Manufacture de chapeaux de Lyon,' n.d.
41. AN, F¹² 768/7, 'Délibération des maîtres marchands chapeliers de Lyon,' 15 September 1749, suggests that the core group of *fabricants* comprised some thirty members. On the structure of the industry, see M. Garden, *Lyon et les Lyonnais au XVIIIe siècle* (Paris, 1975), 179-84; A. De Francesco, 'Conflittualità sul lavoro in epoca preindustriale: le agitazioni degli operai cappellai lionesi (1770-1824),' *Annali della Fondazione Luigi Einaudi* 13 (1979): 154-62.
42. This did not exclude, of course, some production elsewhere. For a Honfleur maker of beaver hats, see Archives de Paris, D⁶B⁶ 632, Dufour Letterbook, Dufour to Récamier et Cie., 10 November 1769.
43. Archives départementales de la Seine-Maritime, Rouen, C 139, 'Liste des noms des chapeliers de la ville de Rouen,' 1755; E. Isnard, 'L'industrie chapelière à Marseille au XVIIIe siècle,' in *Mémoires et documents pour servir à l'histoire du commerce et de l'industrie en France*, ed. J. Hayem, 4th series (Paris, 1916), 65-83; AN, H1 347, 15, f. 2, 'Mémoire,' 1760.
44. By 1764, beaver hatmaking had spread to Manchester and perhaps to other English cities. See the petitions reprinted in *Proceedings and Debates of the British Parliaments Respecting North America 1754-1783*, eds. R.C. Simmons and P.D.G. Thomas (Millwood, N.Y., n.d.), I: 457-58, 464, and 479.

fifty or more worked up their own materials.⁴⁵ Hatmakers elsewhere in Europe – notably in the Dutch Republic and in Germany⁴⁶ – also used beaver, but having to obtain it second-hand from the two main importers made them less competitive. Only in the second half of the century, when new felting techniques permitting the use of rabbit and hare fur in high-quality hats spread eastward, did these conditions change.⁴⁷

How was the price of beaver in France determined? It will be recalled that the *Compagnie des Indes* imposed its selling price on the hatmakers. At first glance, the contrast with the English system of auctions could not be more marked, but the company also responded to the signals of the market. It had sound reasons to do so. For one thing, the company director responsible for the beaver trade was obliged to keep a wary eye on the hatters, particularly the politically influential Parisians, who pressed for an internationally competitive price;⁴⁸ for another, he carefully watched the inventories of unsold beaver in the Paris warehouse, lest they grow to the disastrous proportions of the late-seventeenth century. The Paris beaver price, then, sooner or later reflected conditions in the larger European market for beaver and hats.

That market was a complex affair. In their memorials demanding changes in customs duties or other advantages, the hatters of both countries tended to reduce it to a struggle to the death between the English and French industries. In this they were prone to exaggerate, like many of their compatriots who produced for export and petitioned the state for favours.⁴⁹ Not only did they neglect to mention domestic consumers, numerous and surrounded by high tariff walls in both cases, but they also made the export market out to be more competitive than it actually was. We know, to begin with, that it absorbed increasing quantities of hats from *both* national manufactures during our period. English exports of beaver and castor hats doubled in the thirty years leading up to the Seven Years' War, while in France the appreciable increase in the consumption of beaver owed much to growing exports.⁵⁰ Nor did the hat shipments of the two coun-

45. Testimony of P. Coxe, "Report of Mr. Alderman Huxley on the Petition of the Several Hat Makers," House of Commons *Journals*, 36, p. 192; Lawson, 21-22.

46. H. Lacombe de Prezel, *Dictionnaire du citoyen, ou abrégé historique, théorique et pratique du commerce* (Paris, 1761), I: 126.

47. Sonenscher, 62-68.

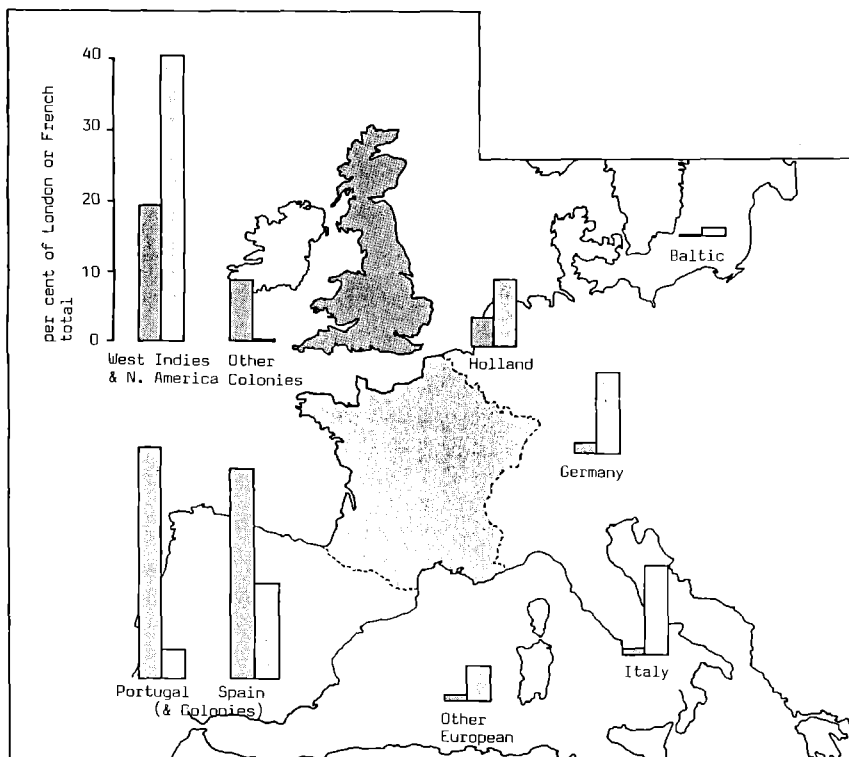
48. Among several examples, see the Paris hatmakers' memorial in AN, F¹² 87, ff. 37-38, 28 January 1740.

49. J. Black, *Natural and Necessary Enemies: Anglo-French Relations in the Eighteenth Century* (Athens, Ga., 1987), 135.

50. This can be seen in the trade's beaver requirements. According to the *Compagnie des Indes*, consumption rose from three hundred bales in the 1710s to fourteen or fifteen hundred in the 1750s. Allowing for the manifestly self-congratulatory intent of the company in citing these figures, it is still likely that French hatters' beaver consumption increased by well over 50 per cent during our period. The production of beaver and half-beaver hats no doubt increased even more, as lighter hats came into fashion and the rising price of parchment beaver encouraged hatmakers to use new felting techniques that allowed larger proportions of cheaper rabbit and hare fur. By the end of the period, a Parisian-made *demi-castor* weighing six to nine ounces contained a finish (*dorure*) of one ounce of beaver felt and, in many cases, no beaver at all. BMR, Ms. Montbret 864² (November 1756), ff. 3v, 4v; Sonenscher, 62-64, 74, 78-79; AN,

tries necessarily reach the same foreign buyers. The distribution of destinations of those exports in the mid-1750s (Figure 1) points to confrontation in some markets, but evasion in others. To judge by these figures, France was well established in markets along its eastern boundary, England in that of its traditional trading partner, Portugal (and hence in Brazil), and each power in its respective colonies.⁵¹

Figure 1
Distribution of London and French Exports of Beaver and Castor Hats in 1752 and 1754



Source: see note 51.

Marine B⁷ 388 [Champeaux], "Suite du mémoire sur les manufactures propres aux habillemens dont on envoie des ouvrages à Hambourg" (1753); Abbé Nollet, *L'art de faire des chapeaux* (Paris, 1761), 19.

51. The French figures, which are the only ones to provide an overview of that country's trade in the peacetime years of the period, clearly underestimate hat exports. Figure 1 therefore compares the percentage distribution rather than the absolute number of London and French exports, on the assumption that the French statistics, deficient as they are, present at least a representative sample of shipments (virtually all of Britain's exports of beaver and castor hats

Nevertheless, the two industries vied for markets – especially for the ones that were dearest to mercantilists’ hearts, Spain and Spanish America.⁵² All other things being equal, one would expect the London and Paris prices of beaver to converge. Alas, other things were not equal: high duties, if not outright prohibitions, greatly restricted the trade in beaver between England and France, and only the former officially permitted exports of the commodity to other countries. Close to half the quantity imported into London from North America eventually reached the Continent, principally by way of Amsterdam. These exports continued even toward the end of the period, when smaller shipments from North America helped force up the price. France meanwhile officially banned reexports of beaver in 1720, but tolerated the Indies Company’s sales of its surpluses to the Dutch until the War of the Austrian Succession.⁵³ Thereafter, it seems, the French hatters’ demand had risen sufficiently to absorb the Canadian supply.⁵⁴

Under these conditions, the two beaver prices should have remained within hailing distance of one another, with that prevailing in Paris, less exposed to the pull of foreign demand for beaver, lower than the London one. As Figure 2 indicates, this generally held true.⁵⁵ As far as can be judged from the data at hand, French hatters more often than not obtained their beaver more cheaply than did their English competitors, but both

were shipped from London). Missing from the French compilation are figures for the East Indies in both years, and for the West Indies and North America in 1752. French exports in 1752 are converted from values to quantities using the modal prices of 1754: sixteen livres for beaver hats and nine livres for half-beaver ones. BMR, Mss. Montbret 155 and 849; Public Record Office, London (PRO), Customs 3.

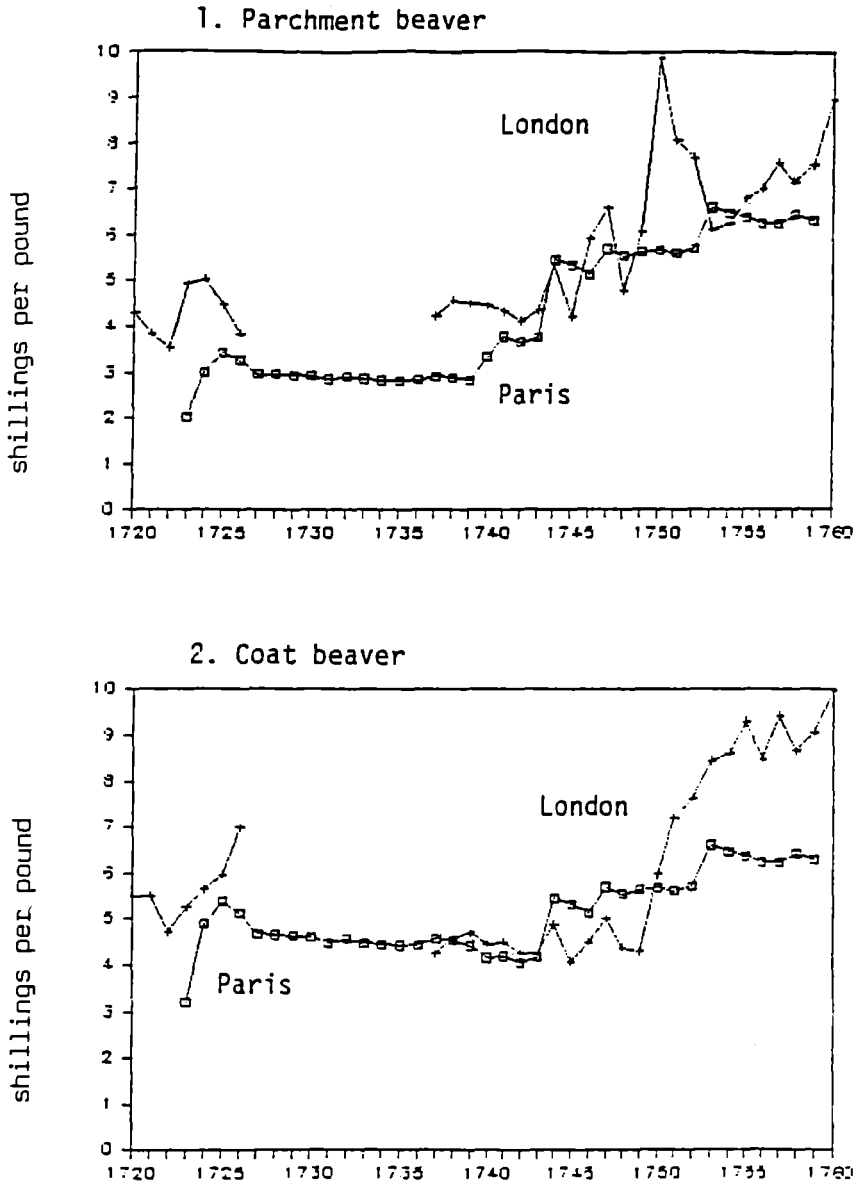
52. Sonenscher, 34.

53. BN, manuscrits français 8973, ff. 112-12v, “Compte général de la recette des effets de la Compagnie,” 15 April 1722; Archives de la Chambre de Commerce de La Rochelle, carton 21, doss. 7, no. 7313 (1732); AN, AC, C² 26, ff. 239-39v, “Privilège exclusif du castor” (1735); NA, AC, C¹¹A 92, ff. 383v-384, “Réponse au mémoire ... envoyé du Canada,” 29 March 1748; APL, 1 P 278, liasse 13, Godeheu d’Igouville to Directors, Compagnie des Indes, 24 June 1748.

54. AN, H¹ 347, no. 16, “Réponse de la Compagnie des Indes au mémoire des Etats de Bretagne,” 16 July 1760.

55. The graphs present the average prices paid at Hudson’s Bay Company sales, as calculated for the years up to 1726 by Elizabeth Mancke in her *A Company of Businessmen: The Hudson’s Bay Company and Long-Distance Trade* (Winnipeg, 1988), 36, and for the period 1736-60 by Arthur J. Ray, “Buying and Selling Hudson’s Bay Company Furs in the Eighteenth Century,” in *Explorations in Canadian Economic History. Fs. Irene M. Spry*, ed. D. Cameron (Ottawa, 1985), 104 and 109. Ray’s price index was converted to shillings on the assumption, supported by his Figure 1, that parchment and coat beaver fetched 5/6 and 4/6 respectively in 1736. Skins were converted into pounds on the basis of average weights given in Mancke, 35, n. 110: 1.06 lb. for coat beaver and 1.30 lb. for parchment. Paris prices are from NA, AC, C¹¹A 121 (1), transcriptions, p. 124, “Mémoire concernant le commerce du castor au Canada,” 26 June 1751, and AN, H¹ 347, no. 16, “Réponse de la Compagnie des Indes,” 16 July 1760. Several other sources give the Paris price of parchment beaver between 1728 and 1740 as 3 livres 10 sols; the “Mémoire” sets it at one livre more. I have used the lower figure here. Livres tournois are converted to shillings on the basis of the London on Paris exchange rate given in J.J. McCusker, *Money and Exchange in Europe and America* (Chapel Hill, 1978), 95-97.

Figure 2
London and Paris Prices of Prime Beaver, 1720-60



Source: see note 55.

industries paid more for their raw material in the latter half of the period. By all accounts, the Paris hatmakers, in enjoining the *Compagnie des Indes* to set its prices at a level that would permit them to compete with the English, won their point.

Inevitably, the French hatters' gain was the Canadian merchants' loss. The burden of the company's transatlantic profit could only have fallen on the Canadians in the form of a relatively low Montréal price for beaver. Testing this conclusion is difficult, unfortunately, because the extent of the difference in prices paid in Canada and in rival North American trading centres is not clear. The Hudson's Bay Company, of course, used beaver equivalents ("made beaver") in its North American operations, so that no direct comparison is possible to the north (although a beaver, it is generally acknowledged, fetched considerably more in trade goods at the Bay posts than at the Canadians' inland). In the south, money prices prevailed and were routinely compared. The difference in price between Montréal and Albany was, at times, too small to repay the cost of transport between the two towns,⁵⁶ but could rise, in the case of parchment beaver, to more than double the Canadian level.

In the absence of a series of prices paid for beaver in New York or Pennsylvania, some notion of the evolution of the differential can be gained from comparing the London price, which governed the New York one, with that fixed by the *Compagnie des Indes* in Canada (Figure 3).⁵⁷ Such a comparison shows that, apart from the peak of 1721, which reflected an abrupt fluctuation in the exchange rate, the times of maximum difference are the mid-1720s and the 1750s for both types of beaver. The London data are as yet lacking for the decade after 1726, but qualitative evidence indicates a third period of marked divergence in the mid-1730s.⁵⁸

How did the low price that the company paid for beaver in Canada affect the returns of that commodity? Canadian opinion invariably predicted that the higher price in neighbouring colonies or trading factories attracted beaver with something of the inevitability of gravity. To a certain extent, this can be verified.

PRICE AND THE NORTH AMERICAN TRADE IN BEAVER, 1720-1760

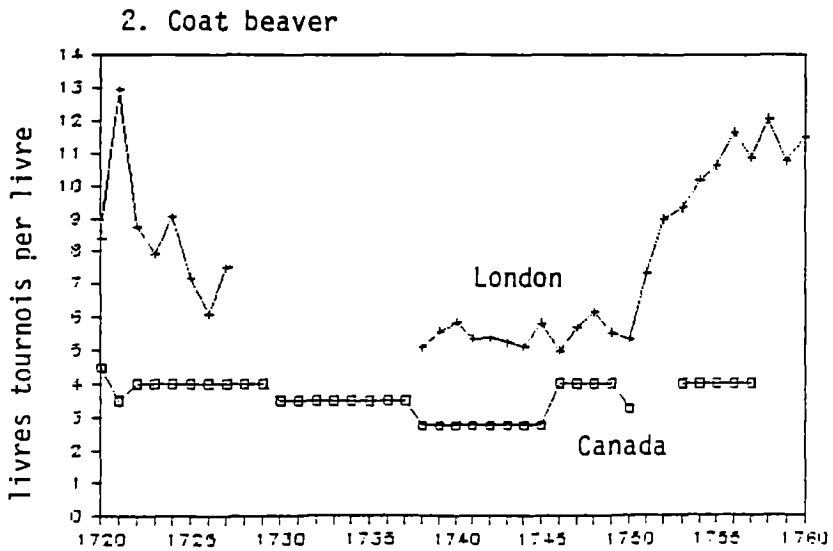
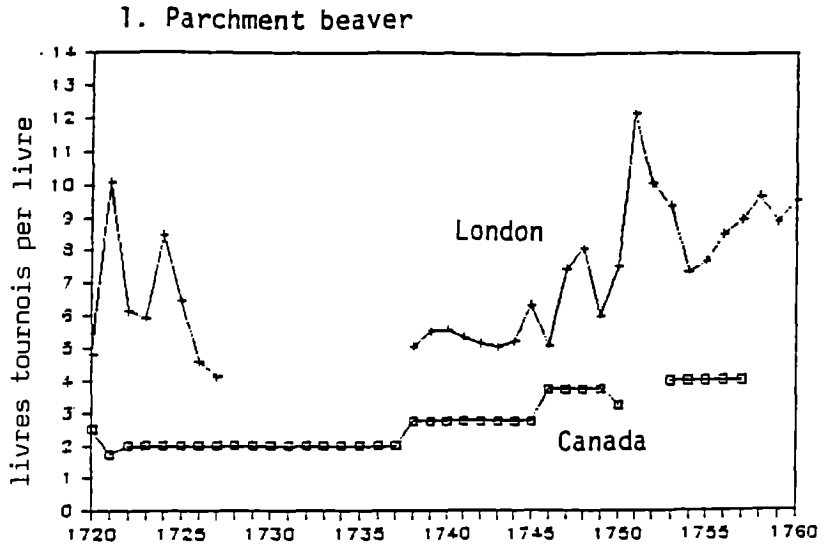
What was the actual force of attraction of the higher English prices on Indian customer-suppliers? In most exchanges between native traders and ones of European origin, prices

56. See, for example, the apologies of Robert Sanders, the largest exporter of beaver from Albany, to a Canadian correspondent in 1752, when the price difference for parchment beaver declined to one livre: NA, MG 18 C 6, letter, R. and J. Sanders Letterbook, 9 October 1752; Lunn, "Illegal Trade," 67.

57. On London prices, see n. 55 *supra*. Canadian prices are from Lunn, *Développement*, 309-10, and Bougainville, 54. To allow for the delay in communications between London and Montréal via Albany, the graphs juxtapose the Canadian price and that prevailing in London the previous year.

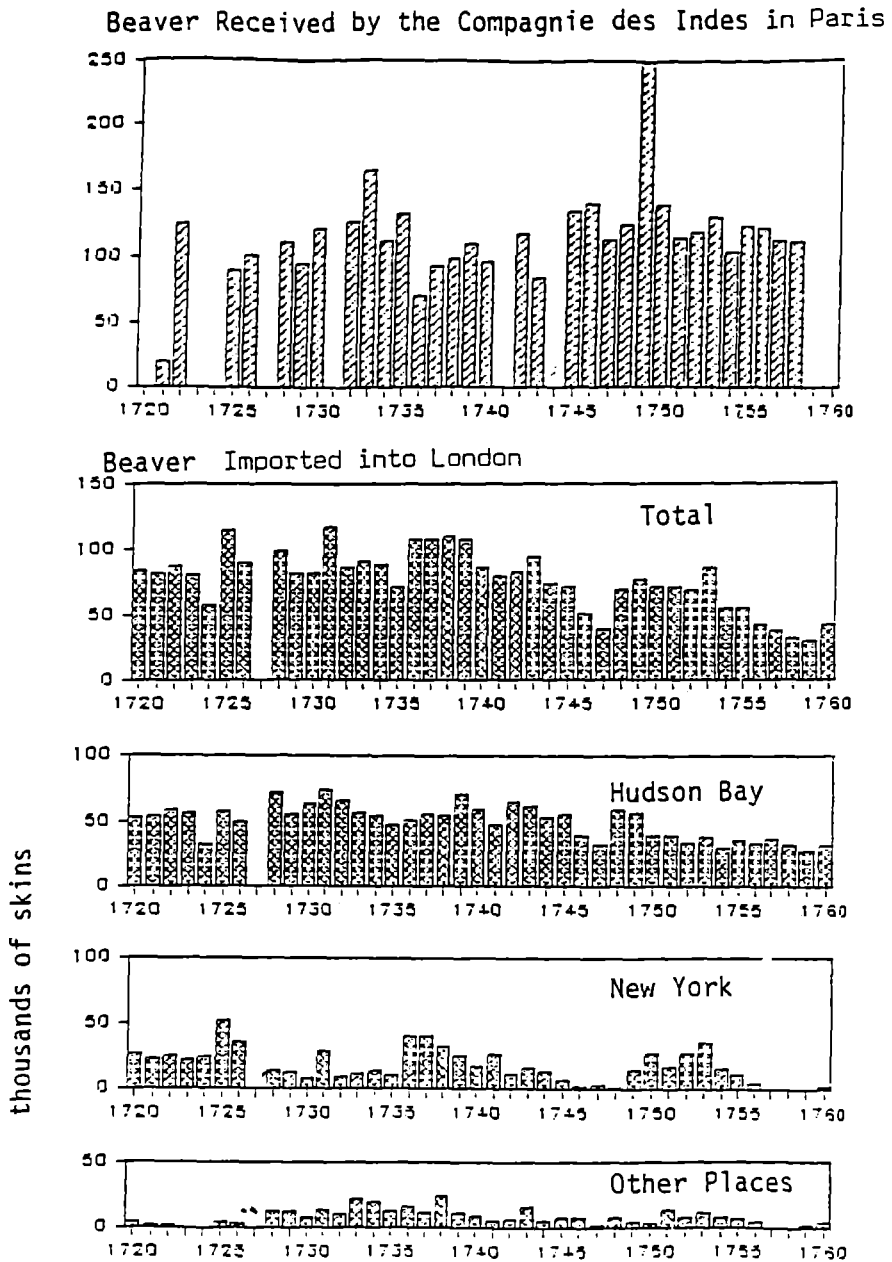
58. Norton, 107. The Hudson's Bay Company modified its accounting practices in the mid-1720s in such a way that market prices for beaver no longer appear in its main ledgers. The series of sales books, which do contain prices, begins in 1736. NA, HBCA, A 14/9 and A 15/8, Grand Ledger and Grand Journal, 1725-36.

Figure 3
London and Canadian Prices of Prime Beaver, 1720-60



Source: see note 57.

Figure 4
Beaver Received or Imported, 1720-60



Source: see note 59.

expressed in beaver equivalents masked those of the European trading sphere. Changes in the latter were reflected, if at all, in more or less willingness to bargain or to give short measure. In the best-documented case, that of Hudson Bay, the factors who did the bargaining took no notice at all of the changes in the London price of beaver. It was rather the Canadian competition in the interior that forced them to pay more, in gifts and in traded goods, for Indians' furs in the later years of the French régime. We know that this involuntary generosity only slowed the decline in receipts of the Bay posts exposed to strong competition from the Canadians inland. Even with the contribution of posts drawing a clientele from beyond the Canadians' range, the company's beaver receipts declined from a peak of some sixty thousand skins in the late 1720s to forty thousand in the early 1750s. This can be seen in the Company's post records as well as in the volume of beaver imported from Hudson Bay into London, presented in Figure 4.⁵⁹

The influence of the market price of beaver on the intensity of the bargaining in the north, if influence there was, must therefore have been felt only indirectly. In their complaints to the ministry, the Canadians implied that they were willing to transmit at least part of a *Compagnie des Indes* price increase to the Indians in order to obtain more of their beaver. One would therefore expect to see an abrupt decline in the Hudson Bay receipts in the year or two following a Canadian price increase, in 1739-40 or in 1747-48, for example. Failing that, evidence of higher prices for goods⁶⁰ at the Bay at these times would indicate that Indians had used the bargaining points that a sudden improvement in the terms of trade with the Canadians gave them to obtain better conditions from the Bay factors as well. Nevertheless, neither of these increases in the Montreal price provoked the expected reaction in the English company's receipts or prices: in both

59. But for a few dozen skins, many of them sent to southwestern ports from Newfoundland, London imported all of England's beaver. The source, Customs 3 (PRO), lists beaver in skins, pelts, and pounds. I have taken one skin to equal one pelt, despite a markedly different customs valuation. It was assumed that a skin weighed 1.33 pounds, slightly more than Hudson's Bay parchment skins (Mancke, 35, n. 110). Before 1723, when a law decreeing otherwise came into effect, part of British North American beaver exports were sent directly from the colonies to Amsterdam. *Compagnie des Indes* receipts are taken from Haudrère, IV: 902, n. 67; Canadian official exports in 1721 and 1722 are from Lunn, *Développement*, 306. Given in French pounds, these weights are converted to skins on the assumption that a skin weighs 1.33 French pounds or 1.43 English ones (Canadian receipts came in part from south of the Great Lakes, where skins were thicker and heavier). According to the Hudson's Bay Company records, fur receipts from the Bay averaged 59,064 skins (converted from "made beaver") per year in the years 1725-29, and 39,668 skins in 1750-54: Ray and Freeman, 170-71, 173. (It should be noted that in Ray and Freeman's Table 18, returns for Fort Churchill and York Factory are shifted to the right by one year; receipts of these posts dated 1730 in the table were in reality made in 1731, etc.). As Mancke (34) has shown, the volume of skins that the Company declared to the London customs officers was usually smaller. In 1750-54, for example, it was 36,300, or 8.5 per cent lower than the actual number packed at the Bay. "Other places" include, depending on the year, Newfoundland, Nova Scotia, Pennsylvania, Maryland, Virginia, Carolina, the West Indies and, in 1760, Québec.

60. I read real price levels from Ray and Freeman's calculations (210-14) of "factors' net returns in relation to official standards," which combine gifts and hidden markups ("overplus") gained by giving short measure.

instances, the former rose rather than fell,⁶¹ while the latter showed no particular sensitivity to the Canadian price changes.⁶² There is little indication in all this that price-signals emanating from Montréal greatly affected the Canadians' northern beaver trade.

The southern flank of the Canadian trading zone is more difficult to document and, no doubt, gave colonials more grounds for concern. Here the focal point of official anxiety, and of the trade, was Oswego (Chouaguen), the post the New Yorkers had constructed on Lake Ontario early in the 1720s. Its numerous small traders sold merchandise, including large amounts of rum, to Indians from as far afield as Michilimackinac, and also to Canadian voyageurs.⁶³ In 1749, Oswego received 1385 packs of fur of all kinds. If each weighed approximately ninety pounds, like the Montréalers', these receipts would have equalled those of all the Canadian posts on the lower Great Lakes combined.⁶⁴

At first glance, such a large total seems to bear out Canadian fears. Oswego was the main source of supply for the colonial hatters' growing demand for low-grade pelts⁶⁵ and, by the 1750s at the latest, it contributed to New York's exports as well. The total receipts of beaver must have been substantial, by all accounts greater than the volume flowing from Montréal to Albany. Many of them came from areas in which Canadians also traded, but the post's role should not be overestimated. Much of the Oswego trade involved Indians inhabiting its logical hinterland south of the lakes, notably from around Lake Michigan. They came laden down with deerskins and other furs as well as beaver;⁶⁶ the contribution of Montreal-based traders or their Indian emissaries which, from the valuation of the packs contained a richer mixture of fur and presumably much beaver, accounted for only one-fourth of the total received in 1749.

What is more, Oswego's receipts seem to have reached a ceiling by the War of the Austrian Succession. Closed for the duration, the post experienced a surge of business when it reopened in 1749 but, after a similar performance the following year, trade fell to prewar levels.⁶⁷ The timing is significant: between the early 1740s and the early 1750s, the beaver price differential had widened considerably, but Oswego clearly had reached the limits of its drawing power. This the New Yorkers were the first to admit.⁶⁸

61. It was no doubt wartime shipping difficulties that provoked the sole major divergence between the series of beaver receipts listed in the Hudson Bay post records and the London customs registers. According to the former, more reliable source, receipts increased steadily from 1746 to 1748, while in the latter the nadir falls in 1747. Ray and Freeman, 173, and Figure 4, *supra*.

62. Ray and Freeman, 210-14.

63. See, for example, NA, AC, C¹¹A 72, f. 167, and *ibid.*, 73, f. 386, Hocquart to Directors, Compagnie des Indes, 1 November 1739 and 3 November 1740; *ibid.*, 95, ff. 237v-38 and ff. 257-57v, La Jonquière to Rouillé, 20 and 23 September 1750.

64. "Return of Western Tribes who traded at Oswego, 1749," in *Documents Relative to the Colonial History of the State of New-York*, eds. J.R. Brodhead and E.B. O'Callaghan (Albany, N.Y., 1855), VI: 537-38; cf. the Canadian returns for the mid-1750s in Bougainville, 46-53.

65. Norton, 102-03.

66. W.R. Jacobs, *Diplomacy and Indian Gifts. Anglo-French Rivalry Along the Ohio and Northwest Frontiers, 1748-1763* (Stanford, 1950), 78.

67. Norton, 98.

68. *Ibid.*, 173.

Given that Albany's direct trade with Indians had all but dried up by midcentury, and the Anglo-Americans in the Ohio Valley dealt mainly in deerskins,⁶⁹ it would appear that the flow of beaver southward to the English colonies had ceased to expand by the War of the Austrian Succession. The result could be seen in the warehouse of the Compagnie des Indes. The early 1750s saw a consistently large number of beaver skins shipped to France once the accumulated surplus of wartime, stored at Québec for lack of shipping, had been cleared in 1749.⁷⁰ Over the long term, the volume of the Compagnie des Indes' receipts tended to rise, not decline (Figure 4).

In short, competition in the beaver trade gave the Canadians cause for vigilance, surely, but not for alarm. Large quantities of beaver drifted to the English-speaking competition, but there is no indication that in the aggregate either side made appreciable gains at the 'enemy's' expense over the whole period. France obtained a growing share of the beaver shipped across the Atlantic, it is true,⁷¹ but the expanding market in the Thirteen Colonies no doubt accounted for much of the difference. As for the changes in the price differential, the evidence suggests that their influence was minimal in re-directing Indian trade in beaver. The experience of both Hudson Bay and Oswego indicates that the English-speakers retained a substantial clientele regardless of price levels, but that the lure of higher prices lost much of its power with distance. The Canadian beaver trade meanwhile simply shifted northward or westward, putting distance between itself and its rivals. The general impression, then, is less of commercial trench warfare than of a division of the spoils.

THE COMMERCIAL USES OF IMPERIALISM

Why, then, were the Canadians apparently convinced that price was important in determining the volume of beaver receipts? The reason is simple: the Montréal price *did* make a difference to them, not as buyers of beaver from the Indians, but as sellers. To begin with, it governed the ebb and flow of illegal exports of beaver from Montréal to Albany or Oswego. The neighbouring colony, after all, was more important as a market for furs, principally beaver, than as a source of English-made goods – hence the presence of money and bills, not just merchandise, among the returns.

The letters of Albany merchants to the Montréalers indicate considerable sensitivity to beaver price levels.⁷² What statistics there are point in the same direction. The beaver that the Canadians sent illegally to Albany accounted for much of New York's exports of that commodity to London, so that the series of imports into London from the colony affords a rough notion of the high and low points of the trade. Allowing for the decline

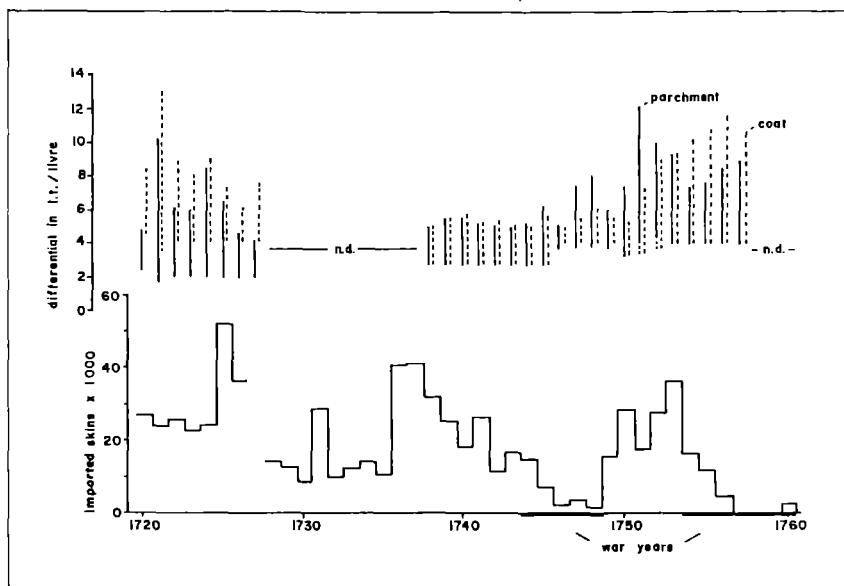
69. P.C. Phillips, *The Fur Trade* (Norman, 1960), 325-26.

70. NA, AC, C11A 83, f. 59-60v, Agents of the Compagnie des Indes to Directors, 18 October 1745; *ibid.*, 85, f. 457, Hocquart to Maurepas, 31 October 1746.

71. The two powers obtained roughly equal shares of transatlantic beaver shipments up to the 1740s. By the interwar years, the English share had dwindled to one-third or two-fifths of the total.

72. NA, Sanders Letterbook.

Figure 5
Canadian-London Price Differentials and London Imports
of Beaver from New York, 1720-60



Source: see Figures 3 and 4.

in activity in wartime and a certain delay in the Montréalers' response, periods of high imports coincide with periods of high price differentials (Figure 5).⁷³

Conducted at some expense and risk, the trade with Albany was doubtless a sideline for the Canadians. Rarely, at any rate, did London imports from New York exceed thirty thousand skins, the equivalent of a fifth of the total Canadian exports. Regardless of the gains it offered, smuggling remained inconvenient, and it made sense to attempt to raise the Canadian price of beaver so as to make sales to the *Compagnie des Indes* more profitable.⁷⁴ As a result, the Canadian merchants, often with colonial officials' support, pressed repeatedly for higher prices, especially for parchment beaver, the most voluminous grade.

Hence the fixation on price in much contemporary discussion of the trade. But why did the Canadians link price changes, Indians' choice of trading partners, and the fate

73. It will be recalled that part of New York's exports reached Amsterdam directly in the early 1720s. They are not depicted here. Qualitative evidence suggests that the price differential was also quite large in the 1730s. See *supra*, n. 58.

74. The intendant Hocquart evaluated the costs of transport and risk at sixteen sols, a fifth of the seventy-six sols paid for prime beaver in Albany in 1737. NA, AC, C11A 67, f. 292, Hocquart to Maurepas, 17 October 1737.

of the French empire? The answer, arguably, has more to do with power than with commerce. By all accounts, drawing rhetorical connections of this sort was an essential bargaining tactic. The Canadians' principal recourse in negotiations over prices was the Ministry of Marine – for obvious reasons, they were unlikely to obtain a sympathetic hearing from the Paris hatmakers, to say nothing of the company. The Canadians were most successful in attracting official attention when they could associate their demands with some grave threat to the French empire in North America. The possibility of Indians defecting to the enemy, a notion that had exercised French officials since the seventeenth century, fit the bill nicely. The administrators responded best to those who spoke their language.⁷⁵

Small wonder, then, that the two crucial increases in the price of beaver in our period fell late, during the 1730s and the War of the Austrian Succession. In the first instance, the Canadians could cite the sharp decline in beaver receipts of the mid-1730s to drive home their point. The effects of the reduction were even more apparent in France, as the loss of the *Renommée* with some sixty thousand pounds of beaver off Anticosti Island in 1736 brought the company's inventory to dangerously low levels.⁷⁶ Under these conditions, the effect of higher English prices on Indian sellers of beaver seemed all the stronger.

Conditions were similarly favourable in the war years. The merchants sought compensation for higher insurance and shipping costs that pushed up the price of imported merchandise. Once again, they used the possibility of Indians fraternizing with the enemy, particularly dangerous in wartime, to lend weight to their case, and managed to obtain the consent of the *Contrôleur Général des Finances* to a price increase.⁷⁷ Little did it matter that in the 1730s the shortfall in beaver was largely of the merchants' own making, as the corresponding increase in New York exports, fed by smuggled Montréal beaver, indicated.⁷⁸ Nor did officials notice that the Canadian receipts declined but little, if at all, in the early years of the war. They accumulated in the warehouses of Québec, while Oswego and the Albany merchants closed down for the duration. What mattered, enough to secure the Canadians their price increase, was the danger of Indians defecting to the English.

The imperial view of the fur trade thus owes much to the merchants' tactic of attracting ministerial attention by associating the price of beaver with the wider French aims in North America. As we have seen, the two were not directly related but, for the

75. This did not preclude moments of official lucidity. See, for example, the ministerial analysis of the Albany trade in NA, B 66, f. 13v-14v, Maurepas to Beauharnois and Hocquart, 23 April 1738.

76. NA, AC, C11A 68, f. 49, Hocquart to Maurepas, 14 October 1737; *ibid.*, 67, f. 291, Hocquart to Directors of the *Compagnie des Indes*, 17 October 1737. See also the complaints of the Lyonnais hatmakers in AML, HH 32, 17/1, hatmakers to [Fleury?], ca. 1739; *Bibliothèque de l' Arsenal*, Paris, Mss. Bastille 10321, "Castor."

77. NA, AC, C11A 83, f. 161-63, Directors of the *Compagnie des Indes* to Hocquart, 1 May 1745; *ibid.* 85, ff. 3-5v, ordinance of Beauharnois and Hocquart, 6 June 1746; BN, NAF9227, f. 140, "Travail de MM. les syndics," 31 December 1746.

78. Norton, 149.

merchants, official imperialism had its uses. The price of parchment beaver, central in the trade, doubled from 1737 to 1746. Except for a brief reduction early in the 1750s, it remained at that level until the end of the period. The price of coat beaver, less in demand as hatters altered their felting techniques to use more of the cheaper *sec*,⁷⁹ had declined up to 1738. Then it rose in lockstep with that of parchment.

The merchants were, of course, correct in arguing that a great difference in the prices prevailing in the rival trading-systems would eventually have created so radical a contrast in the terms of exchange that many Indians would have changed suppliers or reduced their purchases. What is striking, however, is the relatively high tolerance for such differences in the North American trade. Events, or rather beaver receipts, prove that the company could afford to hold down the Canadian price of beaver unless forced by political pressure to do otherwise. Indeed, despite that pressure, it kept price increases to a minimum and effectively maintained the intercolonial price differential. Its transatlantic markup actually increased during the period, reaching 100 per cent for the two prime grades in the 1750s.⁸⁰ Conditions in North America thus sanctioned the company's inertia; success justified its resistance to merchants' demands for higher prices. It obtained its annual beaver quota and the attendant revenues without placing undue pressure on the profits of Canadian middlemen involved in the Indian trade.

In fact, the Canadians' profits may have increased during this period. Such, at least, is the inference to be drawn from their growing tendency after 1735 to exclude military officers from a share in the returns of the posts.⁸¹ Clearly, profits had risen sufficiently to make it advantageous to the actual investors to limit their uniformed associates to a fixed fee.⁸² Granted, rising European prices not just of beaver but also of several other types of fur, which the Canadians could sell without availing themselves of the services of the *Compagnie des Indes*, must have contributed to this tendency. Yet even the embattled Hudson's Bay Company, much of whose returns in "small furs" also found their way to the wider European market, managed to transform its declining fur returns into steady, healthy dividends of 8 per cent.⁸³ Had competition been as strong as we are led to believe, traders of either European origin would have been forced to pass on the increase to their Indian supplier-customers.

All this points in the same direction. If both French- and English-speaking investors in the trade maintained satisfactory profit margins – no doubt amid regional variations

79. NA, AC, C¹A 121, f. 28, "Réponse de la Compagnie des Indes," ca. 1725.

80. Gross revenues increased correspondingly (Haudrère, IV: 1, 191). They contributed only 3 per cent of total earnings (*ibid.*, II: 399), but were no doubt much appreciated later in the period as the company's financial difficulties worsened. See P.H. Boulle, "French Mercantilism, Commercial Companies, and Colonial Profitability," in *Companies and Trade*, eds. I. Blussé and F. Gaastra (Den Haag, 1981), 113-15.

81. Allaire, "Officers," 424-25. The change preceded by nearly a decade the introduction of a new policy discouraging the officers' direct participation in the trade. Miquelon, *New France*, 160-64.

82. I am grateful to Louise Dechêne for this observation.

83. Ray, "Buying and Selling," 105; NA, HBCA A 42, Hudson's Bay Company dividend payment books.

that need further study – and if the French system carried on undaunted by its burden of charges, Indian consumer-suppliers must have made up the difference. Over the long distances that typically separated the two European trading systems, there were limits to the Indians' bargaining power; in furs or in travel time, they paid to keep the operations of both antagonists profitable.

This does not mean, of course, that competition, even of the imperial variety, did not exist during the last decades of the French régime, but it suggests that the rivalry that counted in the fur trade occurred over relatively short distances. Here Indian comparison-shoppers came into their own. Consequently, it is useful to consider the glass of competition not as half full, but as half empty: fur-trade rivalry was necessarily local before it was imperial in scale. Only if there was little competition among traders in the interior did their rivals on the edge of the trading area stand much of a chance. The dynamic of the Canadian fur trade originated, not in the need to outflank the external enemy, but in internal tensions, in the need to outflank one's neighbour in order to reach new Indian consumers.

Applied to the period that interests us, this line of argument leads to the paradoxical conclusion that the distant English-speakers owed part of their profits to the success of the Québec colonial authorities in limiting competition among the Canadians in Indian lands. If the Montréalers' most dangerous competitors were those who traded close by, they were almost invariably other French-speakers. As such, they were susceptible to the influence of the colonial authorities. Here was perhaps the most important of imperialism's uses. The better to extract its rents, the state curtailed short-distance competition by restricting the Canadians' access to Indian lands. By limiting the flow of canoes and goods westward (and, of course, northeastward to the Postes du Roi), the permit system reduced the danger of a bidding war among neighbouring traders. So did the post regulations, which assigned traders to designated areas. Three zones described rough arcs around Oswego. Royal posts occupied the front line around Lake Ontario; here, so close to the New Yorkers, private traders feared to tread. In a buffer zone centred on the state of Michigan, trade-permit holders, several to a post, engaged in moderate competition. Finally, farther to the north, post monopolists could operate with apparent impunity, at a safe distance from the Bay traders, from the Anglo-Americans, and usually from other Canadians.⁸⁴ The monopoly zone accounted for almost half of the total volume of the Canadian trade in the mid-1750s and a considerably higher proportion of the beaver.⁸⁵ This system kept the Canadians and their merchandise thinly strewn, and goods prices high. The unsatisfied demand fell to the trading Indians, and through them, to the foreign competition.

Zoning did not, of course, eliminate trespassing on the part of traders, some of them licenced, some of them not. Yet it reduced considerably such incursions. Otherwise

84. As trading partnership contracts stipulated, the commandant was not to permit "aucun autre commerçant" to trade within the post's bounds. Allaire, "Officiers," 426.

85. See the map and the table in C. Heidenreich and F. Noël, "France Secures the Interior, 1740-1755," *Historical Atlas of Canada*, Vol. I (Toronto, 1987), plate 40. On beaver, see NA, AC, C¹A 67, f. 100v, "Mémoire: détail de toute la colonie," (1737), and Wien, 86.

those most concerned would have taken measures of their own to prevent them: farmers of neighbouring posts would have joined forces, and the Canadians generally would have been more enthusiastic about outrunning the competition by engaging in the classic “trader’s leapfrog” westward.⁸⁶

In other words, the imperial state extracted a rent from the trade, principally for a privileged caste of military officers, but it also helped maintain profit levels by controlling local competition. The advent of just such competitive conditions after the Conquest, when the new rulers threw open the West, demonstrates *a contrario* the effect of the old system of regulation.⁸⁷ In a very few years, Montréalers and New Yorkers flooded the West with goods (including much more alcohol) and substantially reduced profits. The results of the change are well known: the trading area expanded on a scale that had not been seen for a century;⁸⁸ Hudson Bay traders were eventually forced to move inland; and some of the Montréalers joined together into larger “associations,” one of which would become the North West Company. Louis XV’s Canadian subjects had benefited from calmer conditions, and their need to associate was correspondingly low.

Ironically, then, the state helped maintain profit levels and assure orderly conditions for capital accumulation, the better to skim off a revenue from the trade. In the name of the imperial effort and a viable noblesse, both central features of the Ancien Régime, it certainly organized for its own purposes, but it also strengthened the antagonistic force of merchant capital. Such contradictions cause tension and, ultimately, change. In the Canadian case, we are apt to miss them if we pay too much attention to interested contemporaries telling the imperial state what it wanted to hear.

86. Miquelon (*New France*, 158 and 183) argues that the large number of merchants who participated in consortiums backing trading expeditions to the most distant destinations, such as the Dakota country or the Northwest, was a sign of the Montréalers’ lack of capital. It is tempting, in the light of the above analysis, to see this pooling of resources as proof that the merchants had better use for their capital in the safety of the main trading zone and were willing to risk but little of it in new ventures far afield.

87. J. Igartua, “A Change in Climate: The Conquest and the *Marchands* of Montreal,” *Historical Papers/Communications historiques* (1974): 115-34.

88. On the expansion of the 1660s and 1670s, see Dechêne, 174-76.