

# The Hudson's Bay Company and the Imperialism of Monopoly: A Review Article

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It has long been understood that the expansion of the British Empire was owing in part to the energetic activities of the merchant classes. The journals<sup>1</sup> of Chief Trader Peter Skene Ogden of the Hudson's Bay Company provide further proof that the quest for profits was at the bottom of British expansion in a vast and little known area called the Snake Country, now comprising eastern Oregon, southern Idaho, northern Nevada and northwestern Utah. Here, Ogden, a son of the Honorable Isaac Ogden, a judge of the Admiralty Court in Quebec, had ample latitude to exercise his motto "necessity has no laws." Described by one of his fellows as this "humorous, honest, eccentric, law-defying Peter Ogden, the terror of the Indians, and the delight of all gay fellows," he was given the responsibility of holding the Snake Country against the intrusion of energetic and ambitious American fur traders whose commercial designs were

<sup>1</sup> H[udson's] B[ay] R[ecord] S[ociety], Vol. XIII, E. E. Rich and A. M. Johnson (eds.), *Peter Skene Ogden's Snake Country Journals, 1824-25 and 1825-26* (London, 1950); Vol. XXIII, K. G. Davies and A. M. Johnson (eds.), with an introduction by Dorothy O. Johansen, *Peter Skene Ogden's Snake Country Journal, 1826-27* (London, 1961); and Vol. XXVIII, Glyndwr Williams (ed.), with an introduction and notes by David E. Miller and David H. Miller, *Peter Skene Ogden's Snake Country Journals, 1827-28 and 1828-29* (London, 1971).

These volumes, especially the first, now virtually supplant Frederick Merk, "Snake Country Expedition, 1824-25: An Episode of Fur Trade and Empire," and "The Snake Country Expedition Correspondence, 1824-1825," in *Mississippi Valley Historical Review*, XXI (June 1934); reprinted in Frederick Merk, *The Oregon Question: Essays in Anglo-American Diplomacy and Politics* (Cambridge, Mass.: Harvard University Press, 1967), pp. 72-98. For the American response to Hudson's Bay Company penetration in the Snake Country, see Frederick Merk (ed.), *Fur Trade and Empire: Sir George Simpson's Journal Entitled Remarks Connected with the Fur Trade in the Course of a Voyage from York Factory to Fort George and Back to York Factory, 1824-25* (rev. ed.; Cambridge, Mass.: Harvard University Press, 1968), containing a thoughtful introduction entitled "The Strategy of Monopoly" and other remarks of American traders; see also, Dale L. Morgan, *Jedediah Smith and the Opening of the West* (Indianapolis: Bobbs-Merrill, 1953) and Dale L. Morgan (ed.), *The West of William H. Ashley, 1822-1838: The International Struggle for the Fur Trade of the Missouri, the Rocky Mountains, and the Columbia, with Exploration Beyond the Continental Divide, Recorded in the Diaries and Letters of William H. Ashley and his Contemporaries, 1822-1838* (Denver: Old West Publishing Company, 1964).

increasingly fortified by demands from the United States Congress for occupation of the Pacific Northwest.<sup>2</sup> Ogden did his job and did it well, and his labours, so well portrayed in his journals, resulted in the growth of British trade and Hudson's Bay Company authority in the area at the expense of American rivals.

Ogden's journals are uniquely important in that they reveal how the imperialism of monopoly worked in northwestern America. Since 1953 and the introduction of the well-known Robinson and Gallagher argument about the imperialism of free trade, students of British imperial and Commonwealth history have been forced to reconsider the old assumption that the 19th century British Empire was that area where the Union Jack would be found flying. We now know that the British Empire was actually two extensive domains—the "formal empire" and the "informal empire." We also know that the British preferred to uphold their spheres of trade without annexation of territory, and that annexation was invariably a last resort.<sup>3</sup> In the case of the Hudson's Bay Company in the Snake Country we find that the company employed whatever methods were suitable and necessary to establish and maintain paramountcy, and it did so in an area nominally authorized as a place of exclusive trade by virtue of the 1821 government licence which gave it a monopoly of the Indian trade west of Rupert's Land. The success of its operations in the Snake Country and elsewhere in the Oregon territory did not actually depend on any charter or grant. Rather, it depended on whether or not it could out-trade its American rivals on the frontier of competition. In the Snake Country, therefore, we find a case study in the imperialism of monopoly, where British expansion was dictated by the trading frontier.

After the merger of the North West Company and the Hudson's Bay Company in 1821, the Bay traders were anxious to co-operate with the British government in extending British trade. Although the Company sought economies in its operations, because the costly competition with the Montreal traders had been removed, it still pursued vigorous policies of expansion. It did so because the London Committee was aware that in Britain, where free trade theories were slowly supplanting mercantilist

<sup>2</sup> Ross Cox, *Adventures on the Columbia River* (2 vols.; London: H. Colburn and R. Bentley, 1831), II, 244; quoted in John S. Galbraith, *The Hudson's Bay Company as an Imperial Factor, 1821-1869* (Berkeley and Los Angeles: University of California Press, 1957), p. 90. On Ogden, see also, *H.B.R.S.*, Vol. XXII, E. E. Rich, *The History of the Hudson's Bay Company, 1670-1870: Volume II, 1763-1870* (London, 1959), p. 571.

<sup>3</sup> John Gallagher and Ronald Robinson, "The Imperialism of Free Trade," *Economic History Review*, 2d Ser., VI (August 1953), 1-15.

ones, there was mounting opposition to the Company's exclusive trading rights. At any time, the Committee knew, it might be forced to defend its position before parliament, as it had been forced to do in 1690 and 1749 (and would have to do so again in 1857). Thus Governor George Simpson, the Company's "Little Emperor," wrote in 1824, that all effort ought to be made "to show . . . that no exertion is wanting on our part to secure to the mother country by discovery as much of this vast continent and the trade thereof as possible."<sup>4</sup>

The Committee singled out the Columbia Department for vigorous exploration, reorganization and exploitation; and within this department two frontier areas of trade, both related to the eventual boundaries of British Columbia, were particularly noteworthy. One of these was the Yukon territory, where the Company sought to forestall Russian expansion. In 1822, the Governor and Committee in London determined on pushing Company interests as far north and west of the Fraser River as possible in order "to keep the Russians at a distance."<sup>5</sup> For this reason, Chief Trader Samuel Black, Ogden's counterpart in so many ways, examined the headwaters of the Turnagain, Stikine, Totade and Finlay Rivers — all of which ran parallel to and west of Mackenzie River, with a view to drawing Indian trade in the Stikine Territory away from the Russians on the coast. This began for the Company a successful and little-known programme to stabilize and push back the northwestern frontier of its operations, a process which began first on land and, after 1826, on water. By 1839 Russian competition had been confined to the coast north of 54°40' North latitude with the Company dominating the interior and having the Russian-American Company dependent on the Hudson's Bay Company for its agricultural supplies. This movement of the Company for expansion to the north and west of the Fraser River was tied with British foreign policy of checking Russian aggrandizement in northwestern North America, a policy which also supported a substantial Royal Navy project for the discovery of the Northwest Passage in 1825-28.<sup>6</sup>

<sup>4</sup> Governor George Simpson to Samuel Black, July 25, 1824, in *H.B.R.S.*, Vol. XVIII, E. E. Rich and A. M. Johnson (eds.), *A Journal of a Voyage From Rocky Mountain Portage in Peace River To the Source of Finlays Branch and North West Ward in Summer 1824*, by Samuel Black (London, 1955), p. xlvi.

<sup>5</sup> Governor and Committee to George Simpson, February 27, 1822 in *H.B.R.S.*, Vol. III, R. Harvey Fleming (ed.), *Minutes of Council of Northern Department of Rupert Land, 1821-31* (London, 1940), p. 303.

<sup>6</sup> For the interplay of territorial and maritime factors in the making of British imperial policy for northwestern North America at this time, see Barry M. Gough (ed.), *To the Pacific and Arctic With Beechey: The Journal of Lieutenant George*

The same impulse which motivated British politicians and traders to forestall the Russians on the Northwest Coast and in the Yukon was also active in their policies in the Snake Country. The Company and the government understood that sometime in the future the Oregon Territory, claimed jointly by Britain and the United States, would have to be divided. In the Anglo-American negotiations of 1818 and 1823-24 the British government would have agreed to a partition of the territory along the 49th parallel from the Continental Divide to the Columbia River and thence along the river to the Pacific. The American negotiations, however, would not admit to this: they wanted the 49th parallel to proceed as the boundary west to the Pacific. The British government reasoned that they would strengthen their case if they could consolidate the Company's position on the north bank of the Columbia River. Accordingly, in the winter of 1824-25, Simpson, on the suggestion of the Foreign Office, arranged that Fort Vancouver be built at the confluence of the Willamette and Columbia Rivers. This ended the dominance of Fort George (Astoria), farther down stream and on the south bank of the river, as the port of the Columbia Department's operations.

This policy did not mean that the Company intended to reduce trade to the south and east of the Columbia. Quite the contrary, the Company developed a vigorous trading policy to insulate the river's north bank from American traders and settlers. Thus, the south bank of the river would be made secure from competition and keep the Americans at a safe distance from Fort Vancouver. This trading policy was announced by Simpson in a letter to John McLoughlin, the head of the Columbia Department, dated July 10, 1826:

It is intended that a strong Trapping Expedition be kept up to hunt in the country to the southward of the Columbia, as while we have access thereto it is our interest to reap all the advantage we can for ourselves, and leave it in as bad a state as possible for our successors; this party may be called the Snake, Umpqua, or any other Expedition you please, but our wish is that it should scour the country wherever Beaver can be found (but on no consideration cross the Mountains) take its returns to Fort Vancouver annually in sufficient time to be sent home by the Ship of the Season and return to its hunting grounds immediately.<sup>7</sup>

This policy, to "scour the country" or create a *cordon sanitaire*, applied

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*Peard of H.M.S. "Blossom", 1825-1828* (Cambridge: Cambridge University Press, 1973; The Hakluyt Society, 2d Series No. 143), pp. 6-18.

<sup>7</sup> George Simpson to John McLoughlin, July 10, 1826, in *H.B.R.S.*, Vol. III, p. 154 n. Also in Frederick Merk (ed.), *Fur Trade and Empire*, p. xxiii.

principally to the frontier of Company activity where American traders posed as a threat to Hudson's Bay Company trade. Understandably, it meant that the Company would trap the frontier dry, so to speak, in order to keep the Americans out of the area. This could hardly be called a policy of conservation but it must be mentioned that it occurred mainly at the periphery of the trading area. Elsewhere, within the sphere of trade, the Company usually established quotas in order to protect the beaver and there the Indians were encouraged only to take winter beaver. The summer or cub beaver were to be left.<sup>8</sup> On the perimeter, also, after 1826, the Indians received higher prices than they would get from American traders. By these methods, the Company kept the trade in British hands, and, at the same time, its sphere of influence expanded south and west from Fort Vancouver.

The field of operations for Ogden for six years beginning in 1824 was a veritable sea of mountains, coursed by rapid rivers. Travel was principally by horseback. Yet despite the terrain, Indian hostility, heavy snows and American opposition, Ogden prosecuted his instructions faithfully. Surely, the resulting expansion of Company trade and knowledge of the territory under his direction constitutes one of the great chapters in the history of European exploration in western North America. It is this endeavour which is chronicled so well in these three meticulously edited volumes of the Hudson's Bay Record Society.

In 1950 the Hudson's Bay Record Society published *Peter Skene Ogden's Snake Country Journals, 1824-25 and 1825-26*, an informative account of Ogden's first of six expeditions into the Snake Country.<sup>9</sup> This volume told how he set out from Walla Walla (Fort Nez Percés) in December 1824 with 58 freemen (or independent traders working under Company auspices) and servants, how he crossed east of the Rockies into Mexican territory at about 42° North latitude, how in May of 1825, 23 of the freemen deserted to an American party led by Johnson Gardner, and how this evoked the displeasure of the London Committee. The profits from this expedition came to approximately £2000, not large but still a satisfactory sum. As long as the Snake Country "cleared its expenses," Simpson noted, "we should not consider it good policy to abandon it as the more we impoverish the country the less likelihood is there of our being assailed by opposition."<sup>10</sup> This volume also contained the

<sup>8</sup> Merk (ed.), *Fur Trade and Empire*, p. xxiii.

<sup>9</sup> *H.B.R.S.*, Vol. XIII, cited in n. 1, above.

<sup>10</sup> Quoted in Rich, *Hudson's Bay Company*, II, 591.

account of Ogden's second expedition, that of 1825-26, to the Snake Country in and around Burnt River. This expedition, which had instructions not to stray on Mexican territory and keep within the Oregon territory, proved that the Company could trap the frontier without fear of desertions. New frontier policies, emanating from John McLoughlin at Fort Vancouver and supported by the London Committee, allowed the Company to give the freemen ten shillings for every full grown beaver, which meant that the freemen could give higher prices to the Indians for the pelts than could any of the rival American traders.<sup>11</sup> Not only were the profits accruing to the freemen good but these policies kept the trade flowing away from American hands and may have had something to do with the better treatment that the British traders received at Indian hands.

Ogden's third expedition is related in *Peter Skene Ogden's Snake Country Journal, 1826-27*, published in 1961.<sup>12</sup> Edited by K. C. Davies and A. M. Johnson, and with a superb introduction by Dorothy O. Johansen, this journal is a personal record of his endurances south of Burnt River into the Klamath territory in what is now south and central Oregon. By this time, the Company's strategy was yielding substantial profits. It was true that the American traders were penetrating into the Flathead area (in present northwestern Montana) because the Hudson's Bay Company had not pressed its trade.<sup>13</sup> But along the southeastern frontier of the Columbia country, that is in the Snake region, Ogden's work was successful. In July, 1827, this strategy was given full expression in a letter that Simpson wrote to McLoughlin:

The greatest and best protection we can have from opposition is keeping the country closely hunted as the first step that the American Government will take towards Colonization is through their Indian Traders and if the country becomes exhausted in Fur bearing animals they can have no inducement to

<sup>11</sup> McLoughlin's reasoning was as follows: "It is certain if Americans fall in with our party Unless we give more for Beaver than we have hitherto out people will desert us. We therefore have agreed to give them 10/- for every full Grown Beaver — half this amount for a cub and to allow them [to] purchase personal necessaries according to their abilities and means of from ten to fifteen pounds at European servants prices and hunting implements at Inventory prices . . . the measure adopted will be beneficial . . . as the High prices charged the Freemen and trappers for their supplies prevented our getting several Thousand Beaver Skins from the Snakes more than we have, drove our people to desert from us and to work for others whom they are now Guiding to Countries Rich in Beaver and in opposition to us." McLoughlin to London Committee, September 1, 1826, *H.B.R.S.*, Vol. IV, p. 34. The Company affirmed this policy; *ibid.*, p. lxvi.

<sup>12</sup> *H.B.R.S.*, Vol. XXIII, cited in n. 1, above.

<sup>13</sup> Rich, *Hudson's Bay Company*, II, 595.

proceed thither. We therefore entreat that no exertions be spared to explore and Trap every part of the country . . . the Snake Expedition we look to as a very prominent branch of our business and we wish by all means that it be kept constantly employed; even under all the disadvantages and misfortunes that have befallen it, the profits are most respectable, it moreover does much good in over-running and destroying that extended country south of the Columbia which is the greatest temptation to our oponents.<sup>14</sup>

Ogden did not refute this policy. In his journal entry for May 29, 1829, however, he made this interesting notation, which speaks for itself: "It is scarcely credible what a destruction of beaver by trapping this season, within the last few days upwards of fifty females have been taken and on an average each with four young ready to litter. Did we not hold this country by so slight a tenure it would be most to our interest to trap only in the fall, and by this mode it would take many years to ruin it."<sup>15</sup>

From September 1827 to September 1828 Ogden was again out trapping with his brigade in the Snake Country, this time going over his old trail across the Blue Mountains and into the watershed of the Burnt River. He found new places to trap along the Snake below present day Idaho Falls. This expedition established the Snake Country as the most decisive factor in the Company's trade. This was no small achievement: the profits had been acquired where competition was keen and where the monopoly did not run in the usual sense.

The success of the Company's trade in this area had obvious commercial importance; it also had political importance. Owing to the fact that the British and American delegates could not agree during the 1826-27 negotiations on the boundary west of the Continental Divide, the Company reaffirmed its policy of occupying and trading in the area south of the Columbia River and thereby keeping the Americans out.<sup>16</sup> By this time the Americans were penetrating into the Snake Country in great numbers. Ogden's record of his fourth expedition (1827-28) contained in the third of the three Hudson's Bay Record Society's volumes on his trading expeditions, entitled *Peter Skene Ogden's Snake Country Journals, 1827-28 and 1828-29*, edited by Glyndwr Williams, with an introduction and notes by David E. Miller and David H. Miller, tells just how difficult that strategy was to implement on the frontier.<sup>17</sup>

In page after page of his journal, Ogden records how he conducted his

<sup>14</sup> *H.B.R.S.*, Vol. III, p. lxxviii.

<sup>15</sup> *H.B.R.S.*, Vol. XXVIII, pp. xiv-xv and 145.

<sup>16</sup> Merk, *Fur Trade and Empire*, p. 294.

<sup>17</sup> *H.B.R.S.*, Vol. XXVIII, cited in n. 1, above.

operations during one of the severest winters recorded in the fur-trade era. One day he might have to act as a diplomat, informing rival American traders such as Samuel Tulloch that he would not withdraw from the Oregon territory because their privileges of trade would not expire in October 1828 as the Americans believed. Ogden refused to listen to "the old story from America [that] we shall soon be obliged to leave the Columbia. . . ."<sup>18</sup> On another day he would be found keeping Company snowshoes from falling into American hands. He refused an American offer of eight beaver or fifty dollars for a pair of snowshoes. Apparently neither the American traders nor the Snake or Blackfoot Indians had nor could make snowshoes. Keeping the American traders immobile while the four foot snows were on the ground meant that the Americans could not hunt meat; instead they were dependent on Ogden and his party for meat and other supplies. And by keeping the Americans close to him he reasoned that he was keeping them from their base in the Salt Lake region, where they could get reinforcements and trade goods, even liquor, to trade with the Indians. On another occasion, Ogden would shun American pleas for assistance for their starving. And on another he rejected their invitation to join in an extermination of the Snakes. Even though Ogden personally hated the Snakes and wrote in his journal that he would sacrifice a year or two to exterminate the whole tribe, except the women and children, he bowed to Company policy on this matter.<sup>19</sup> It was in this fashion that Ogden pursued Company policy on the frontier; and it took a man of aggressiveness and even temperament to carry on, year after year, in these difficult circumstances of close Anglo-American competition.<sup>20</sup>

<sup>18</sup> "Although it was against Company policy to use liquor in the Indian trade Ogden's opinion is clearly that the nature of Anglo-American competition would justify such a measure. After the coalition of 1821, the Hudson's Bay Company had been steadily pursuing a policy to abolish or restrict the use of alcohol in the fur-trade, although this did not apply to those frontier areas where competition was fierce. . . . However, Ogden's brigade was apparently not carrying spirits with it for use in the trade; the brandy and rum supplied to the expedition were entered under the heading of 'Provisions.'" *Ibid.*, p. 54 n.1. Ogden does not say explicitly that the American traders had introduced liquor into the trade. If they had, and the Company had not done so to counter them, this would be evidence against the claim that the Company dispensed liquor "whenever it was introduced by competitors." Galbraith, *Hudson's Bay Company*, p. 11. The full account has yet to be written on the use of liquor in the continental fur trade west of the Rocky Mountains. For the maritime fur trade, see F. S. Howay, "The Introduction of Intoxicating Liquors amongst the Indians of the Northwest Coast," *British Columbia Historical Quarterly*, VI (July 1942), 157-69.

<sup>19</sup> *H.B.R.S.*, Vol. XXVIII, p. 64.

<sup>20</sup> See *ibid.*, pp. 40-82, *passim*, for descriptions of how Ogden implemented these policies.

Ogden made two other trips, his fifth and sixth, into the Snake Country. These were more ambitious than the others. In 1828-29 he penetrated as far south as northern Nevada where he discovered "a fine large stream," the Humboldt River, which he called the Unknown River. His trading and exploring then took him eastward into the Great Basin and to the Great Salt Lake. His last expedition, in 1828-29, brought him south of the Humboldt right to the Gulf of California. Appendix C of this third volume contains Ogden's report, dated March 12, 1831, of this expedition. It is the only extant document of Ogden's last Snake Country brigade, his trade books, papers and presumably a journal, being lost during a rafting accident on the Columbia in 1830.

With the recent publication of the third volume of Ogden's journals, the Hudson's Bay Record Society has completed a project begun a generation ago. Now in three volumes we have the full story of the Company's expansion to the south in the late 1820's. No doubt this "scorched stream" policy of keeping the Americans at a distance from Fort Vancouver and the Columbia was an important chapter in the history of the North American west. By keeping the "country closely hunted" the growth of American trade and settlement in the Columbia Country was checked, at least for awhile. The effect this had on the Oregon settlement of 1846 cannot be determined; but as Harold Innis noted, strong British opposition in the Columbia area probably compelled the United States in its drive to the Pacific to move southward and take California from Mexico.<sup>21</sup> Ogden's six expeditions into the Snake Country are part of that opposition, and they deserve to be widely known. In time they will be. In 1941, W. Kaye Lamb wrote that when the complete journals of these expeditions became available it was possible that the history of the Snake Country would have to be rewritten.<sup>22</sup> It can also be suggested that Ogden's *Journals*, now happily available in printed and unabridged form, will bring more attention to an important chapter in the history of Anglo-American rivalry on the Pacific slope.

<sup>21</sup> Harold A. Innis, *The Fur Trade in Canada: An Introduction to Economic History* (rev. ed., New Haven: Yale University Press, 1962), p. 404.

<sup>22</sup> *H.B.R.S.*, Vol. IV, p. lxxviii.