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LIFE & WORKIDEASESSAY

How the Fur Trade Made America

In pursuit of valuable beaver pelts, John Jacob Astor built a business that spanned a continent.



An 1858 engraving shows a European trapper buying animal skins from Native Americans.

PHOTO: ALAMY

By Leila Philip

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In the winter of 1783, officers of the Hudson's Bay Company, a powerful British trade organization, crossed the Atlantic on the American ship *Carolina*. As they talked together on the upper deck, a 19-year-old German emigrant traveling in steerage listened in. He learned that the money to be made by trading beaver fur was fantastic: a prime pelt that sold for 40 shillings in London could be obtained from willing Native Americans in exchange for trinkets and knickknacks worth no more than three or four shillings.

Johann Jacob Astor did the math. It had taken him four years of working as a laborer in London to save up enough money for the fare to America. His plan was to open a music business, and he brought seven flutes which he planned to sell when he reached New York. He had so little money to spare, he had wrapped the flutes in his clothing to avoid paying the extra charge for freight. Now he resolved to find out more about this lucrative fur trade.

Within 15 years Astor, who changed his first name to the English "John," was the U.S.'s first multimillionaire, and his American Fur Company was its first multinational corporation.

When the British took over New Amsterdam and renamed it New York, they removed the Dutch flag from the city's seal but kept the beaver.

By the time Astor arrived in New York, the beaver trade had been going on for centuries. The Oneida, Seneca, Huron and Iroquois traded among themselves long before the arrival of Europeans, and Albany had been the eastern fur trade headquarters for Iroquois country since Henry Hudson turned his boat around there in 1609. The city was originally a Dutch settlement named Beverwyck, which played a critical role in the New Netherlands as a beaver trading post. The original seal of New Amsterdam displayed a beaver lying on top of the flag of the Netherlands. When the British took over in 1664 and renamed the city New York, they removed the Dutch flag from the seal, added a Pilgrim and an Indigenous man, but kept the beaver.

An up-and-coming fur trader in 18th-century New York needed access to high-quality Canadian beaver and other furs. Astor's first buying trips took him up and down the Hudson Valley, but in 1788 he arrived in Montreal, the center of the Canadian beaver trade. In October he ran an advertisement in the New York Packet boasting, "He gives cash for all kinds of Furs: and has for sale a quantity of Canada Furs, such as beaver...which he sells by large or small quantities."



A portrait of John Jacob Astor by artist John Wesley Jarvis, ca. 1825. **PHOTO:** GETTY IMAGES

Astor's ability to sell Canadian beaver put him on the map. Within two years he had formed an association with Thomas Backhouse and Company, an important London merchant. By the time he was 27, Astor's net worth in cash, merchandise, and real estate was \$30-40,000, equivalent to about \$850,000 today. He was only getting started.

During his now frequent trips to Montreal, Astor was wined and dined by the partners of the North West Company, who showed him a way of buying furs on a much larger scale. Instead of obtaining pelts directly from Indians and trappers, a trader could buy from other fur companies. The profit margin was lower, but traders could quickly amass stocks of fur. Most important, this enabled them to obtain the wonderfully valuable beaver from the northwest

trading centers of Detroit and Michilimackinac. Those beaver pelts were so dark and lustrous they sent the London prices rocketing.

Astor flourished in a world of frontier lawlessness and cutthroat competition. But his great triumph came when the size of the U.S. doubled with the Louisiana Purchase. In 1803, President Thomas Jefferson organized the famous Lewis and Clark expedition to explore these new lands west of the Mississippi. A few years after he returned, Lewis wrote bluntly of one of the goals of their expedition: "With hope of future gain from the fur trade."

All along the way they had carefully noted the presence of wildlife but recorded with particular attention and enthusiasm the presence of beaver. The men of the Corps of Discovery shot elk, deer, and later bison, but according to Lewis they were all keen for beaver. On May 2, 1805, Lewis noted that the "flesh of beaver is esteemed a delicacy among us." They particularly loved boiled beaver tail, which Lewis described as tasting like cod. Lewis also made one of the earliest observations of beaver adaptation. Back east, where beaver were voraciously hunted, they had become mostly nocturnal and crepuscular. In Montana Lewis observed them during daylight hours, writing in his journal that the beaver he saw "in consequence of not being hunted are extremely gentle and out during the day.



Beaver siblings feeding on a tree branch in Ontario, Canada. **PHOTO:** STEPHEN J. KRASEMANN/SCIENCE SOURCE

As soon as he returned to the East, Meriwether Lewis strongly urged President Jefferson to make haste and create a trading center on the Pacific. Jefferson was keen but lacked the funds. Johann Jacob Astor knew his moment. He visited Jefferson and the two fueled each other's imaginations, talking for days as they developed visions for the limitless possibilities offered

by West Coast settlement. Jefferson's thinking was geopolitical—he wanted to extend the reach of the young nation and understood the importance of opening trade with the Pacific.

Astor's goal was to create a trade monopoly. His American Fur Company, with its subsidiary the Pacific Fur Company, was a legal mirage. On paper it appeared to be run by a board of 25 stockholders, but Astor had convinced friends and associates to lend their signatures; they did not own a dime of the company, nor did they have any oversight or voting rights.

Resigned to the need to rely on private investment to open the country's westward expansion, President Jefferson granted Astor's company a government charter to found a trading post on the Columbia River where it met the Pacific. Backed by the U.S. government, Astor was able to negotiate with settlers and indigenous peoples, and soon the American Fur Company controlled the fur trade for the interior of the continent.

The linchpin of Astor's plan was to establish a settlement on the westernmost edge of the continent, to serve as a gateway for trade across the Pacific. In 1810 he financed two expeditions west. One would start in St. Louis and journey overland, establishing trade posts at each of the places the Corps of Discovery had built camps. The other would go by sea from New York City and sail around Cape Horn to arrive at the mouth of the Columbia River. From this new colony, Astor's ships would be able to transport beaver and other furs to China, where they were in high demand, then head back to North America or Europe filled with tea, spices, nankeen yellow cloth, and highly coveted Chinese porcelain. When the ship *Tonquin* arrived on what is now the coast of Oregon in the spring of 1811, a party went ashore to raise the flag for the first American settlement west of the Rockies. Of course it would bear its founder's name: Astoria.

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