

THE FUR TRADE AND EARLY CAPITALIST DEVELOPMENT IN BRITISH COLUMBIA

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ABSTRACT/RESUME

Although characterized by unequal exchange, the impact of the fur trade on the aboriginal societies of what became British Columbia involved minimal disruption because the indigenous modes of production were easily articulated with mercantile capitalism. It was the problems arising from competition and increasing costs of transportation that led the Hudson's Bay Company to begin commodity production in agriculture, fishing and lumbering, thereby initiating capitalist wage-labour relations and paving the way for the subsequent disastrous decline in the well-being of Native peoples in the province.

Bien que caractérisé par un échange inégale, l'impact du commerce de fourrure sur les sociétés aborigènes sur ce qui est devenu la Colombie Britannique ne dérangèrent pas les sociétés, car les modes indigènes de production étaient facilement articulés avec un capitalisme mercantile. Ce sont les problèmes qui venaient de la compétition et les frais de transportation qui augmentaient qui menèrent la Compagnie de la Baie d'Hudson à commencer la production de commodités dans les domaines de l'agriculture, la pêche et l'exploitation du bois. Par ce moyen elle initia des rapports de salaire-travail capitalistes et prépara les voies pour aboutir à une réduction catastrophique du bien-être des natifs dans cette province.

INTRODUCTION

In the diverse cultures in British Columbia prior to and after contact with the Europeans, economic activity included subsistence hunting, fishing and gathering as well as domestic handicrafts. With the advent of mercantilism, traders exchanged products of a capitalist mode of production - guns, powder, iron, blankets, cooking utensils, etc. - for those of indigenous modes of production, principally furs and food. At that time, before large-scale European settlement, the indigenous peoples controlled their own labour power, the labour process, large tracts of territory and those natural resources to which they had access. Such control presented a barrier to the development of an industrial capitalist mode of production based on the full commodification of labour and resources and accompanied by a European-derived culture, social organization and political system.¹

The focus of this paper is on the articulation of merchant capital and the indigenous modes of production during the first stage of world capitalist development. We intend to show that this interaction paved the way for the replacement of indigenous modes of production with a capitalist mode, particularly as wage-labour and commodity production were introduced by the trading companies in their efforts to accumulate capital and respond to the problems and contradictions faced by mercantilism. However, we maintain that merchant capital itself did not destroy the indigenous economy because there was a correspondence between both the productive and reproductive requirements of merchant capital on the one hand and those of native social and economic organization on the other. Incidental to our discussion are references to gender and ethnicity as they became part of the twin processes of production and reproduction.

Merchant and industrial capital are distinguished from each other by the unique means by which each form acquires surplus value. Industrial capital creates and retains its' own surplus in the production process as wage labourers produce more new value in the form of commodities than they consume in wage goods (Marx, 1971:293). Merchant capital acquires surplus in the circulation process by means of the exchange of commodities. This surplus is created during a production process which precedes circulation: merchant capital is by definition not productive. It does not involve itself in the process through which value is created. Its sole purpose is to facilitate the exchange of commodities. The merchant buys commodities not for his own use but in order to sell them again. His goal is to increase his monetary wealth through a process of unequal exchange. As Marx noted:

"To buy cheap and sell dear is the law of trade. Hence not the exchange of equivalents, with which trade, rather would be impossible as a particular way of gaining wealth." (Marx, 1973:856)

Unlike industrial capital, merchant capital does not require a separation of producers from their means of production in order to acquire surplus. Met-

chants engaged in the simple circulation of commodities and money may appear within any society in which commodities are produced.

With the advent of the capitalist mode of production proper, merchant capital and commerce are typically subsumed within the reproductive cycle of industrial capital. The circulation of commodities becomes a moment in the production of value because profit and capital accumulation are only realized through circulation (Frank, 1969). Merchant capital is thereby linked into the reproductive cycle of industrial capital involving production, exchange and realization. In less developed contexts it may operate in conjunction with non or pre-capitalist modes of production generating the exchange of commodities no matter how they are produced. In those regions where such modes persist therefore merchant capital serves as a bridge or link between different modes of production.

This articulation of different modes of production has variable effects upon pre-capitalist economies. Marx argued that commerce tends to dissolve old relationships and organizations of production, transforming economies based upon production for use into ones based upon production for exchange.

" . . . commerce will have more or less of a counter-effect on the communities between which it is carried on. It will subordinate production more and more to exchange-value by making luxuries and subsistence more dependent on sale than on immediate use of the products" (Marx, 1971:330).

During the fur trade period in what is now British Columbia the strength of external commercial influence was not sufficient to transform pre-capitalist modes of production, because of the resistance offered by domestic economic activity and the 'internal solidarity' of the pre-capitalist mode of production (Taylor, 1979:138). But the transition to industrial capitalism, particularly the employment of wage labour, overcame these barriers. In order to demonstrate this we first examine briefly the indigenous modes of production and social organization. We then assess the impact of the fur trade on various aspects of native social formations and modes of production. Much of the analysis relies on existing accounts of native life and the fur trade in the province. We offer little in the way of new data. Our aim is to place those accounts in an appropriate comprehensive analytical/theoretical framework.

INDIGENOUS MODES OF PRODUCTION AND SOCIAL ORGANIZATION

Prior to contact with Europeans, indigenous societies in British Columbia engaged in a mutual interchange of goods, population and ideas. On the coast, trade centers for the exchange of surplus food products developed at the fishing camps of the Coast Tsimshian and Nishga on the lower Nass River. Drucker and Heizer (1967:272) suggest that this trade primarily involved luxury items like oolichan grease and wealth goods and that basic subsistence needs were met locally. Goldman (1975:20) mentions "an active intercoastal trade in slaves

and animal pelts, and in copper shields, masks, boxes and other artifacts." The chief economic activities were sea- and river-fishing, berry-picking and the hunting of land and sea-animals (Piddocke, 1965:253). Salmon was the principal dietary staple of the coastal groups and of many of the Indians of the interior. Native men produced their own weapons and tools and were primarily responsible for game and fish production. Women were responsible for the preparation and preservation of salmon and other foodstuffs and traditionally did the gathering (Knight, 1978:54).

Barter was the means by which groups exchanged goods. Major trade routes between the interior and the coast were the Fraser, Bella Coola, Skeena and Nass Rivers (Knight, 1978:206). Coastal products such as copper, woollen garments, sea shells and certain roots were exchanged for products of the interior, principally leather and buffalo skins (Morton, 1975:361-364). These chains of exchange, many of them ritual expressions of reciprocal ties and obligations, resemble those found in Africa during the pre-colonial trading period (Dupre and Rey, 1973:153-4).

Kinship was the most important principle of native social organization in which the basic unit was the localized group of people who lived together throughout the year (Duff, 1964:16). This usually consisted of one or more large extended families. These 'corporate units' owned or controlled access to resource sites and had the use of designated territories (Knight, 1978:209). While the degree to which resource areas were considered the private property of individuals varied considerably throughout the province, Knight (1978:208) points out that "... virtually all Indian societies had some degree of custodial rights to major food resources'...". On the coast where property relations were most highly developed, economic resources such as reef-net fishing sites, weir, dip-netting and spearing-sites, clam and camas beds and berry-picking areas were owned by chiefs and chiefly families (Knight, 1978:208). Chiefs were the eldest male members of the leading families who possessed access to resources by virtue of traditional and hereditary right.

"... the economic possessions of a Northwest Coast society were chiefly in the custody of, or nominally 'owned' by, a line of eldest sons (or the matrilineal counterpart of such a line)." (Drucker, 1939:140)

Individuals, however, did not 'own' resource sites in the European sense, as close relatives of the "owner-chief" had inalienable rights to use the resources. This was not an exclusive right of use but rather a form of stewardship in which the "steward" of the resource sites controlled access to them and gave permission to other members of his local group to exploit them. Drucker (1939:139) found no cases in which access to resources was denied. The role of the chief therefore was that of an administrator and coordinator of economic activity, but this did not imply equal access to resources within native society. Chiefs administered resources such that they and their families were able to accumulate surplus wealth (Knight, 1978:208). Because access to resources was vested in

hereditary lines of descent, individual access depended upon the closeness of one's relationship to the most senior members of the leading families. Supported by beliefs about differential access to religiously-based power, this formed the basis upon which a class structure developed in the societies of the Northwest Coast (Goldman, 1975).

Sapir (1915:130) identified three distinct classes: the nobility, commoners and slaves. The nobility were those who had the most direct access to economic resources by virtue of hereditary descent and had the right to perform certain ceremonial dances, display crests, and use names associated with the kinship line (Sapir, 1915:31-32). Commoners were persons who could claim only the most distant relationship to the kinship groups in which privileges were vested. Slaves were individuals who had been captured in war, purchased from other groups or were descendents of other slaves (Knight, 1978:212). They could claim no genealogical linkage to members of the local group. Thus, while class position in coastal native societies might be understood in terms of an individual's access to the means of production, this was always intertwined with gender and kinship as the organizing principles of native social organization.

Hereditary descent in an appropriate kinship line was a necessary but not a sufficient condition for assumption of rights to economic resources and ceremonial indicators of status. Competing claims to the same privileges might be made through various lines of descent (Knight, 1978:210). Before claims were socially recognized they had to be publicly validated. On the west coast the most important institution for the validation of hereditary rights was the potlatch (Drucker and Heizer, 1967:268). It may also have functioned as a means of redistributing wealth among differentially advantaged groups (Suttles, 1960; Piddocke, 1965). Knight suggests that although potlatches involved 'transfers of exotic symbols of prestige', they were fundamentally concerned with rights to resources and power. Goldman (1975) emphasizes the pervasiveness of religious power among the Kwakiutl. Symbols such as crests, names, songs, and dances should be seen as analogous to title deeds (Knight, 1978: 211).

Although its precise meaning varied from one aboriginal group to another, the potlatch was a ceremony hosted by the members of one local kinship group and attended by visitors of one or more other kinship groups. At this ceremony individuals belonging to the host group presented status claims which were then validated by the distribution of wealth goods to the visiting groups. Wealth goods were distributed in accord with the status of the visiting participants. Hence, the potlatch validated the status claims and the degree of religious power of both the visiting and the hosting kin groups (Barnett 1938:88; Goldman, 1975). In the pre-contact period the wealth goods required to hold a potlatch were difficult to accumulate. An individual desiring to validate status claims had to call upon the other members of his kin group to provide a part of the wealth. The potlatch therefore was a test of an individual's ability to mobilize support within his kin group and of the esteem in which he was held by them (Knight, 1978:211). It was clearly a critical institution in the maintenance of social organization.

THE IMPACT OF THE FUR TRADE

The fur trade did not at first disrupt Indian social and economic organization. The reproductive requirements of both the capitalist and the indigenous modes of production were fulfilled in the trade. The exchange of commodities was profitable for those persons in advantageous positions within the class structures of both modes of production and as a result strengthened pre-existing forms of social organization. However, contradictions did arise and, it seems to us, their resolution led the way to the development of more distinctively capitalist wage-labour relationships in what later became British Columbia. We discuss the impact of the fur trade in terms of firstly, its effect on social organization, secondly, commodity production and native labour and, thirdly, dependency and unequal exchange.

1. Social Organization and Exchange

The publication of Cook's journal, in which his trade with the Indians was described, precipitated a rush of European traders to the west coast of British Columbia (Duff, 1964:54-55). The attraction of large profits to be obtained in the maritime trade led within a short time to the west coast becoming inundated with European trade goods. Large quantities of clothing, blankets, beads, cloth, iron and copper, and household utensils were brought in (Gunther, 1972:130). According to Howay (1926:93)

"The great aim was to discover what the whimsical natives wished or needed, or thought that they needed, and to supply it."

Rather than accept goods indiscriminately the Indians wanted items which had meaning and use within their culture (Fisher, 1977:6). This was in keeping with Indian commodity-production during this period which was aimed at realizing "use-value," as Ray and Freeman (1978) have noted.

The most valued trade good at first was iron in the form of small unfinished bars and tools. These tools, rope for nets, steel traps and muskets increased the efficiency of food production and enabled the accumulation of greater amounts of surplus (Knight, 1972:232). The wealth and prestige of native hunters, trappers and chiefs who controlled trade relations were thereby enhanced (Gunther, 1972:130). Over time the types of goods involved in the trade diversified. By 1794 muskets were in steady demand and later cloth and blankets became standard trade items (Duff, 1964:57). The utility of blankets derived from the fact that they were easily counted and compared and could serve as a medium of exchange in trade with Europeans and as a measure of wealth in the potlatch.

The coastal peoples were shrewd traders. They were concerned with the quality of the trade goods they received. They had a good idea of what they wanted and would not accept anything less. In situations where several trading vessels were in the immediate vicinity, the Indians would go from ship to ship

bargaining and dickering over prices. As well, if the prices offered were not high enough furs would be withheld in anticipation of better terms from subsequent traders (Fisher, 1977:8-9). Baubles and beads were never popular trade items (Fisher, 1977:4). Well-equipped trading vessels were sometimes unable to engage in trade because they did not have the items which the natives demanded.

As the number of ships visiting the coast increased the Indians took advantage of the competition to increase the price they received for their furs. The price increased rapidly in the 1790's, reducing the profits which the traders could obtain. John Boit reported that in 1795 prices had increased by 100% over the period since an earlier visit in 1792 (Fisher, 1977:5).

The European traders conducted most of their trade with Indian leaders. A chief usually traded on behalf of the whole tribe; however, when it was felt that he was not driving a hard enough bargain individuals could claim the right to dispose of their furs personally (Morton, 1973:379). Macquinna, the chief of the peoples of the Nootka Sound region, and Wickaninnish, the chief at Clayoquot Sound, both on the west coast of Vancouver Island, controlled extensive trading networks and derived considerable wealth as middlemen in the fur trade (Fisher, 1977:11-12). Another example of a coastal group being able to effectively control the trade with the interior is provided by the Tsimshian people. After the establishment of a Hudson's Bay Company fort at the mouth of the Nass River, they built their winter village around it, monopolizing its trade and acting as middlemen between the interior and the coast (Morton, 1973:723; Fisher, 1977:30).

Indians on the coast realized a profit of as much as 200% to 500% on European goods they traded with inland groups; (Fisher, 1977:12). Similarly, other coastal groups attempted to keep neighbouring tribes away from ships anchored in the vicinity, thereby monopolizing the trade and ensuring that goods passed through their control (Morton, 1973:374).

The sexual division of labour included ongoing liaisons between fur traders and Indian women which facilitated trade and protected traders against Indian attack. These relationships allowed some fur traders access to the kinship system which was the key element in native social organization. The marriage of the daughter of a chief to a fur trader had political and economic significance within Indian societies. Because descent was usually matrilineal, children produced by such liaisons also had a place in native society. The patriarchal relations in which reproduction took place in both Indian and European cultures thereby contributed to the reciprocal compatibility of the modes of production. Brown (1976:101) notes the subordination of native women by fur traders, and it is clear that they were in large measure passive participants within a patriarchal system in which men controlled not only property and decision-making but also women's sexuality and fertility.

The role of middlemen was profitable for those groups who engaged in it and for the most part simply involved an extension of traditional trading relations (Duff, 1964:58). In most cases it was beneficial for the fur trading companies as well, since these Indians provided a large part of the labour required in transporting the furs to market (Cozy, 1980:12). Douglas, the chief

factor of the Hudson's Bay Company in the area, favoured middlemen bringing furs to the coast as the safest and least expensive way of tapping the interior fur supply (Fisher, 1977:32). It became the conscious policy of the company, in the establishment of interior forts, to keep them some distance apart in order to ensure that the work of transporting furs was undertaken by the Indians to as great an extent as possible (Morton, 1973:690).

There was an increase in both the power of those tribes which had closest contact with the fur traders and in the power of chiefs within them. The favours and special treatment accorded chiefs by the fur traders led to increased jealousy among other Indians, but the wealth which the leaders accumulated helped them to ward off challenges to their leadership (Fisher, 1977:46). Greater amounts of wealth allowed for more frequent and bigger potlatches and those who already had claims to status by virtue of hereditary descent could more easily and conclusively validate them. In some cases, however, the fur trade opened up new possibilities for social mobility. Territorial destabilization among native groups accompanied the establishment of new trading centers (Knight, 1978:229). When a number of different groups congregated around the new forts, traditional rank ordering became complicated and new social relations had to be established. Attempts to maintain middlemen positions resulted in larger and more powerful confederacies (Knight, 1978:229). The development of tribal leadership among the Tsimshian is a relatively recent phenomenon which may be attributable to culture contact and the fur trade (Halpin, n.d.).

Concentrations of population arose with some post-contact villages reaching population sizes of 2000 (Knight, 1978:209). Population concentration and territorial destabilization thus disrupted native social organization to some extent but indigenous kinship systems and newly developed political alignments were able, for the most part, to adapt to these changes.

The introduction of guns and attempts to control trading relations with the Europeans increased the frequency and intensity of inter-tribal conflicts. The accuracy and speed of a ball fired from a musket were perhaps no greater than that of an arrow fired by a bow, but it was able to pierce traditional armour more effectively (Knight, 1978:229-230). Knight suggests that given pre-contact hostilities between native groups, the introduction of firearms must have forced some groups to enter the fur trade in order to obtain the weapons simply as a defensive strategy.

Duff notes that the increased commerce among tribes resulted in some cases in the more rapid adoption of the cultural traits of more powerful groups by less powerful groups. Interior tribes such as the Carrier and Tahitan were heavily influenced by their coastal trading partners and the Athapaskans were so thoroughly acculturated that they came to be regarded as "Inland Tlingit" (Duff, 1964:58).

It is apparent that the overall impact of the fur trade on native social organization in the short run was by no means destructive and indeed enhanced native wealth, cultural achievements and technical sophistication. Our argument supports the "Enrichment Thesis" outlined by Wike (1958). There were contradictions, however, which hindered mercantilist expansion. For example, the

role played by Indian middlemen was not beneficial to the European fur traders in all cases. The Chilcot Indians, a coastal group, bought goods from the Hudson's Bay Company coastal steamer and sold them in competition with Fort Selkirk goods. This was one of the reasons why Chief Factor Anderson recommended the abandonment of Fort Selkirk (Innis, 1970:324). Another fort, established within Chilcotin territory, was abandoned after the Chilcotin Indians voluntarily left the fur trade (Fisher, 1977:35). Intervention by Tlingit, concerned over their trading rights in the Stikine River area, prevented the establishment of a fort there in 1834 (Ibid :34).

2. Commodity Production and Native Wage Labour

Fur pelts were the most important commodity that the Indian population produced. Prior to contact with the Europeans both the sea otter and the beaver had been hunted and trapped (Knight, 1978:216). The furs often had ritual significance and had been used for clothing and decoration (Goldman, 1975). But the beaver was also hunted for food, especially in the northern interior where beaver meat was relished at ceremonial feasts (Morton, 1973:359). Knight (1978:216) suggests that other fur-bearing animals were probably not taken in great numbers before their pelts could be traded, that is, before becoming commodities possessing exchange value. There is little doubt that fur production of all kinds increased substantially during the fur trade period. One measure of this is the rapidity with which the sea otter population became virtually extinct thirty years after the beginning of the trade (Howay, 1926:94). This set limits on the expansion of the maritime fur trade and encouraged land-based trade. Howay (1917:276) described this as a shift from "individual efforts" to the systematic operations of large corporate organizations.

New markets were opened up for other commodities which the native population produced. The Haida, Cowichan and other Coast Salish groups all engaged in farming. Surplus potatoes were sold to the Europeans. A sporadic trade in salmon, game and other indigenous foods developed between native groups and the Hudson's Bay Company. Kwakiutl Indians dug and sold coal which they supplied to Fort Rupert. Other Indians living around Nanaimo supplied the first saw mills with logs (Knight, 1978:228).

Several contradictions arose which obliged the trading companies themselves to move away from mercantilism towards commodity production. Although the merger with the North-West Company in 1821 reduced "internal" competition, serious problems faced the Hudson's Bay Company in British Columbia three years later. The most significant included low profits due to the expensive costs of transportation and to competition from American and Russian traders. Simpson, the Governor of the Northern Department, set about reorganizing the Company's activities in British Columbia. Two policies were adopted to deal with American competition. There was 'close trapping' which created a 'beaver free zone,' keeping the Americans at a distance and increasing the prices paid for furs without regard for market value in order to monopolize the trade of the region (Merk, 1968:xxiii). Also, the establishment of a series of coastal

forts permitted control of the interior and coastal fur trade, rendering the maritime trade unprofitable as far as American and Russian vessels were concerned (Morton, 1973:726). According to an agreement entered into with the Russian American company in 1839 which limited competition in the north, the Hudson's Bay Company leased a coastal strip of Russian territory, now the lower part of the Alaskan panhandle, affording access to the Stikine and Taku river valleys which were part of British Territory (Morton, 1973:727). The Russians also contracted in the Alaska agreement to buy their provisions from the Hudson's Bay Company. This had two effects beneficial to the English company. It reduced the coastal traffic of American ships which had formerly supplied the Russian forts and it reinforced the agricultural production policy which Simpson had earlier introduced to increase the profitability of the Company.

High transportation costs were the other major factor reducing the profitability of the fur trade in British Columbia. The problem was two-fold, the expense of shipping provisions and trade goods from the east via Cape Horn, and the fact that the return voyage had to be made with only partially full holds (Morton, 1973:718). Simpson's response was to introduce a policy of self-sufficiency and to develop resources other than fur for overseas trade (Williams, 1983:63; Howay, 1917:281). The necessity to increase profits through diversification overcame any reluctance on the part of the merchant company to engage in activities traditionally beyond the scope of trading companies. As McLeod, Chief Factor of the Kamloops fort, put it:

"It has been said that farming is no branch of the fur trade, but I consider that every pursuit tending to lighten the Expense of the Trade is a branch thereof" (in Morton, 1973:717).

A major agricultural community was developed at Fort Vancouver on the Columbia, where by 1832, 400 cattle were being raised (Innis, 1970:301). Wheat was cultivated in the Columbia River region as well as in the central and northern interior (Howay, 1917:283). Salmon and herring were caught and preserved for the Company's use (Howay, 1917:284-285). Furthermore, the Company opened up new industries for overseas trade. Fishing was developed for export, especially dried herring and salmon, and the first export of lumber and spars was undertaken (Howay, 1917:284-285). Coal, potatoes, cranberries, ice, lime, bricks and salt were exploited for the first time by the company between 1849 and 1858 (Mackie, 1984). Many of these operations required the use of wage-labour, a major step in the establishment of industrial capitalism. This was also a feature of the construction by the company of routes through the interior. It built a series of 'brigade trails' suitable for the transportation of trade goods and furs by horse. These trails later became the means of communication used by the first settlers (Howay, 1917:284).

The demand for native wage labour was sporadic, as it fluctuated with varying levels of demand and supply of non-native labourers. But both groups participated in an emerging, ethnically segmented labour market. Preference

was given to British workers, followed by French-Canadians, with Indians being used when they were required as interpreters of transporters, or when other workers were unavailable. In many cases where European labourers absconded, often in search of higher wages, Indians were hired as substitutes (Morton, 1978:757).

Small numbers of Indians worked at the trading posts and were employed as backpackers and horse packers, as sealers, seamen, farm workers, coal diggers and loaders (Knight, 1978:228). They also worked as guides and letter carriers. But the wages paid for native labour were extremely low. John Tod (1841-45: 2), a fur trader in the interior, mentions giving Indians tobacco as payment for accompanying a party on a journey, employing them to chop and carry fuel to the Fort (Ibid:17), take down a fence (Ibid:34) or act as guards (Ibid:43). Tod also relates one occasion when approximately twenty Indians hauled timber for building purposes and were paid a 'skin' each, in the form of ammunition and beads, knives and tobacco, for two days work (Ibid:36). However, he noted that Indians were rarely employed about the post because the 'low price of labour' in Britain generally meant that even the wages offered in the fur trade were a sufficient inducement to hire men from the islands of Scotland.

On Vancouver Island after 1849 Indian labour was cheap and abundant. Mackie (1984) demonstrates its usefulness in the resource development and diversification which the company accomplished before 1858 in farming, saw-milling, coal-mining, shingle-making and road construction. He sees the transition from fur trade to settlement as having depended heavily on the employment of former native trading partners as labourers whose wages were paid in kind.

3. Dependency and Unequal Exchange

The fur traders relied upon the labour of Indians for the trapping, preparation and transportation of furs. To a great extent in the initial phases the Europeans also looked to the natives for their food supply and other subsistence requirements. The native population, on the other hand, while participating in the fur trade to obtain European goods, had other means of producing in order to fulfill their subsistence needs. Subsistence production in the post-contact period complemented commodity production and work for wages, thus remaining an essential part of the domestic economy which could be carried out between periods of engagement in other types of work (Knight, 1978:34-35). It therefore preserved considerable autonomy among the Indian peoples in their relations with the fur traders. They were not compelled to enter into exchange in order to acquire the necessities of life. It also allowed them to restrict commodity production if they felt that the terms of trade offered by the fur traders were disadvantageous to them (Salisbury, 1976:50-51).

This degree of independence caused problems for the European traders and they attempted to minimize it. One way of ensuring that Indians would continue to engage in commodity production was through a system of indebtedness (Sage, 1937:48). Indians were supplied with goods in the fall and were expected

to pay for them with furs in the spring. The motive behind this scheme was two-fold. In the first place it provided some assurance that the Indians would trap furs over the winter and secondly, that those furs would be sold to the company that had advanced credit rather than another one. This system was first introduced in British Columbia by the North-West Company and continued when it became part of the Hudson's Bay Company (Fisher, 1977:33).

With the decline of the maritime fur trade Indian groups which had become wealthy by supplying sea otter pelts experienced a decline in their standard of living. As mentioned earlier the Haida responded to this by producing alternative types of commodities for sale. Potatoes and canoes were produced in greater quantities and the surplus above subsistence requirements was sold to the Europeans. As well, Indian 'curios' were manufactured for sale (Fisher, 1977: 44). Such examples led Morton (1973) to argue that the Indians became as dependent upon the European trader as the trader was upon them because of the desire for European trade goods, the greater productivity obtained by their use and a consequent increase in the Indians' standard of living. However, to equate these degrees of dependence is to neglect the continuing importance of native subsistence production in this period and the autonomy of those native groups who opted out of the trade.

While it is clear that the Europeans preferred to use the 'carrot' rather than the 'stick' in their efforts to engage the native population in trade, physical coercion was one possible option of last resort. Little (1934:86, 160, 167,207) describes a number of isolated incidents in which violence was used to intimidate the native population. Such incidents demonstrate that it sometimes became necessary for the outsiders to make use of force of arms when harmonious and symbiotic relations broke down. The direct use of force was not common or typical but the threat of cannons and guns was present throughout the period. That violent coercion had to be used infrequently suggests the successful articulation of two mutually foreign but quite compatible social and economic systems. On the other hand, the Hudson's Bay Company had a general policy of limiting violence towards the natives (Fisher, 1977:39). This was, in part, a recognition by the Europeans that they were vastly outnumbered and small groups of traders and even the trading posts were highly vulnerable to attack (ITiher, 1977:39). Fisher notes that harmonious trading relations contrast sharply with Indian hostility towards European trappers operating in their territories (1977:39). There were actually no sustained attempts by the native population to expel the European fur traders. For the most part their presence was valued. As far as the natives were concerned " . . . the greater the number [of European traders] the better the terms of trade" (Knight, 1978:221).

Although a comprehensive and systematic account of the profitability of the fur trade is unavailable, evidence suggests that it was extremely profitable in its early stages. In one contemporary account of the early Maritime trade a direct observer wrote:

"So far from being a losing branch of commerce it is perhaps the most profitable and lucrative employ that the enterprising mer-

chant can possibly engage in" (Portlock, 1789:321).

John Work (Lewis and Phillips, 1923:50) recorded that prior to 1800 the Hudson's Bay Company made a profit of 60%. By 1821 the average return was 12%. In the early fur trade, for instance, some of the best skins sold for \$120 each, according to Captain James King (Fisher, 1977:2). Dixon claimed that the 560 sea-otter pelts collected by Hanna on his first trip realized \$210,600 (Fisher, 1977:3). Mayne (quoted in Lewis and Phillips, 1923:51) stated that furs bought at Fort Vancouver for \$660 were sold in London for \$5,404. The North-West Company was reported by McLoughlin to have cleared \$75,000 in its most profitable year. Shares in the Hudson's Bay Company returned an annual average of 12% during the twenty years following the amalgamation with the North-West Company in 1821. According to the Boston merchant William Sturgis a capital of \$40,000 invested in northwest voyages yielded on a number of occasions \$150,000 by way of return, a considerable sum of money in those days (Howay, 1944:25).

It is clear that these profits were produced in large part by the labour of the native population which hunted and trapped, prepared and transported the furs. Native societies became wealthier during the fur trade period and enjoyed a remarkable flourishing of artistic creativity, displays of wealth and a strengthening of their productive capacities through the use of European tools and guns (Wike, 1958; Duff, 1965:57). Nevertheless the fur trade may be seen as a classic example of unequal exchange (Kay, 1975:87).

Marx identified exploitation as occurring when the producers of commodities do not realize the full value of their labour power. The value of the trade goods exchanged was less than the profits realized from the sale of the furs in Asia, Europe and the Eastern United States. European trade goods were incorporated into traditional indigenous productive activities, assisting the native groups to become more productive and wealthier. As Clement (1983:175) has recently observed, following Innis (1956:18) and Watkins (1977:87-88), during the fur trade some Indian males became "quasi-merchants" and others "commodity producers". We have also seen that some became wage-labourers. Loxley (1981:155) sees class relations between Indians and the Hudson's Bay Company to have developed at this time and Bourgeault (1983:48) explicitly claims that they were feudal relations in which the "Indians' class position in the production of fur came to be the basis of their economic exploitation and racial oppression . . .". In general their class relations varied according to their status in the indigenous culture and their position in the articulation of several production modes. The transformation of Indian labour into an exchangeable commodity to be sold for wages was second only to the alienation of native land and resources in terms of significant long-term consequences.

CONCLUSION

The immediate impact of merchant capital during the fur trade period on the social and economic organization of native societies led to a mutual inter-

dependence between the fur traders and native people. Hence Europeans initially had a vested interest in maintaining native societies. The new sources of wealth which the fur trade introduced into situations where power, authority, and status could only be confirmed by wealth meant that certain native leaders also acquired a vested interest in maintaining the fur trade. As Coates (1982:77) observed in the context of the Yukon, natives were even able to exercise considerable influence over European traders' activities through coercion, boycotts and encouraging competition. The traditional social organization of native societies gave native leaders the authority to assume strategic positions in trade relations with the Europeans. Many of these leaders became middlemen in the fur trade, organizing the productive functions of trapping, collecting, and transporting pelts. These positions allowed them to accumulate large amounts of wealth, thus strengthening their influence within native social structure. The alliance which developed between the representatives of merchant capital and the nobility within native societies thus facilitated and reinforced trading relations.

All this was possible because the European traders, as agents of merchant capital, had no direct interest in the territories occupied by the native population, nor did they seek to directly organize their production. In general they made no attempt either to seize these lands or to change native culture. Their only concern was to make a profit from the fur trade. Interference in native affairs was mainly limited to ensuring a continuous supply of furs. But strategies were employed to maintain Indian engagement in commodity production - some of which have already been outlined. Another concern of the fur traders was to limit violence between native groups. Inter-tribal warfare disrupted commodity production and limited the freedom of movement necessary for the Indian middlemen to perform the work of collecting furs. European intervention in these disputes was limited to moral persuasion and assumption of the role of a neutral arbitrator, rather than use of force. The trading forts were designated as neutral territory and the fur traders tried to get the Indians to accept the idea that all groups should be allowed to trade there.

Marx suggests that exchange relations tend to subordinate production of use-values to the production of commodities. It is clear that commodity production by the native population increased during the fur trading period, as bartering moved from use-value to exchange-value form (Marx, 1967:87-88). However, subsistence production remained an important part of the indigenous economy. The trade goods introduced by the Europeans became productive tools and luxury items in native societies rather than subsistence goods. The native population did not therefore become commodity producers in order to acquire their means of subsistence. Subsistence items were acquired through traditional economic activities and, although European trade goods made subsistence productivity more efficient, commodity production was pursued as a means of acquiring wealth.

But in the pre-settlement, mercantilist period commodity production did not severely disrupt native social organization. Commodities were produced in the traditional ways. Individuals or groups of independent producers hunted,

trapped and fished. New techniques were introduced but the organization of production remained the same. Access to resources continued to be allocated through the kinship system. Power and authority remained vested in the leading families of native groups. Land and labour were not generally commodified. Merchant capital and native social and economic organization were able to coexist effectively because their respective requirements were complementary.

The presence of merchant capital mediated the articulation of the different modes of production. Rather than destroying naive social organization and its indigenous economy it preserved them, incorporating them into a growing world capitalist market. Profits realized from the labour of native people in British Columbia and around the world were part of a process of capital accumulation in the advanced centres of early capitalist wealth and power, mainly Britain, Western continental Europe, and the Eastern seaboard of the United States. Although the forty-year-long fur trade on the North West Pacific Coast was a short-lived, tail-end element in the three-centuries-long phase of mercantilism, during that phase as a whole enough capital was accumulated on a world-wide scale to finance the initiation of competitive industrial capitalism. Later, during British Columbia's industrialization, much of the necessary capital was borrowed from British and other western European sources who had accumulated some of their wealth through mercantile activities (Paterson, 1981). Thus, although the precise channels cannot be traced at this point, the labour of the indigenous population helped indirectly to finance the Province's own industrial revolution.

But the fur trade itself did introduce capitalist social relations to British Columbia. Its initial social relations were those of pure merchant capitalism i.e., exchange for profit. Later they were accompanied by wage labour with the employment of company servants at trading posts and the casual engagement of native workers. With diversification and resource development, mainly by the Hudson's Bay Company but also by independent merchants and traders, Indian labour became a central element of the economy. The introduction of these incipient capitalist relations was primarily a result of the failure of merchant capital to realize an adequate profit. The Company responded with activities more typical of industrial capital. It developed the resources of British Columbia directly. Agricultural goods were produced to lower the cost of provisioning its labour force, transportation routes were constructed in order to lower costs, and export markets were developed for a number of resources. All of these ventures required wage-labour. Land also first became a commodity during this period as former Company employees settled in the province.

By the time of the Gold Rushes of the 1850's British Columbia was already on the road to capitalist economic development. Full scale capitalist development occurred later with the coming of the railway, immigrant settlement and the investment of foreign capital in those economic activities - fishing, mining, lumbering and transportation - initiated by the merchant capitalists. The extensive commodification of land, labour and resources seriously disrupted native social and economic organization in the decades which followed as agents of industrial capital extended their direct control over the productive process

and occupied prominent political and administrative positions (Mackie, 1984). In allowing company employees to form joint-stock companies and to buy land at low prices, Governor Douglas actively created the core elements of a local bourgeoisie. We have shown that the basis of these later developments was laid through the labour of native peoples, the mercantile activities of the trading companies and the way they resolved contradictions which arose in their search for steady profits.

NOTES

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