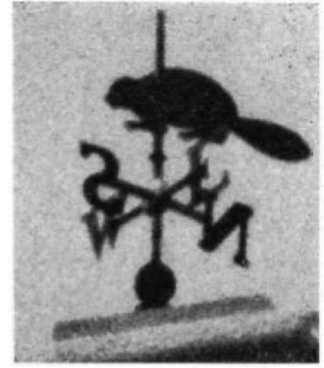


*The old beaver weather-  
vane, relic of HBC days,  
still turns above a  
building in Honolulu.*



# Dr McLoughlin's Tropical Trade Route

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THE HUDSON'S BAY COMPANY ventures are historically associated with husky, paddleswinging voyageurs, beaver pelts, pack trains, and wilderness trading posts. But as early as 1825, the Governor and Committee sitting in London, were looking beyond the fir and pine forests of the Oregon Country to the Sandwich Islands—later Hawaiian Islands—land of palm trees, outrigger canoes, and profitable trade between the two areas.

For thirty years from 1829 to 1859, the Company combined its Pacific Northwest trading post expansion policy with the commercial development of both Fort Vancouver on the Columbia River and Hawaii or Owyhee. Island-bound cargoes originated at Fort Vancouver, those for the Columbia River at Honolulu or Wahoo, and included transshipments from London.

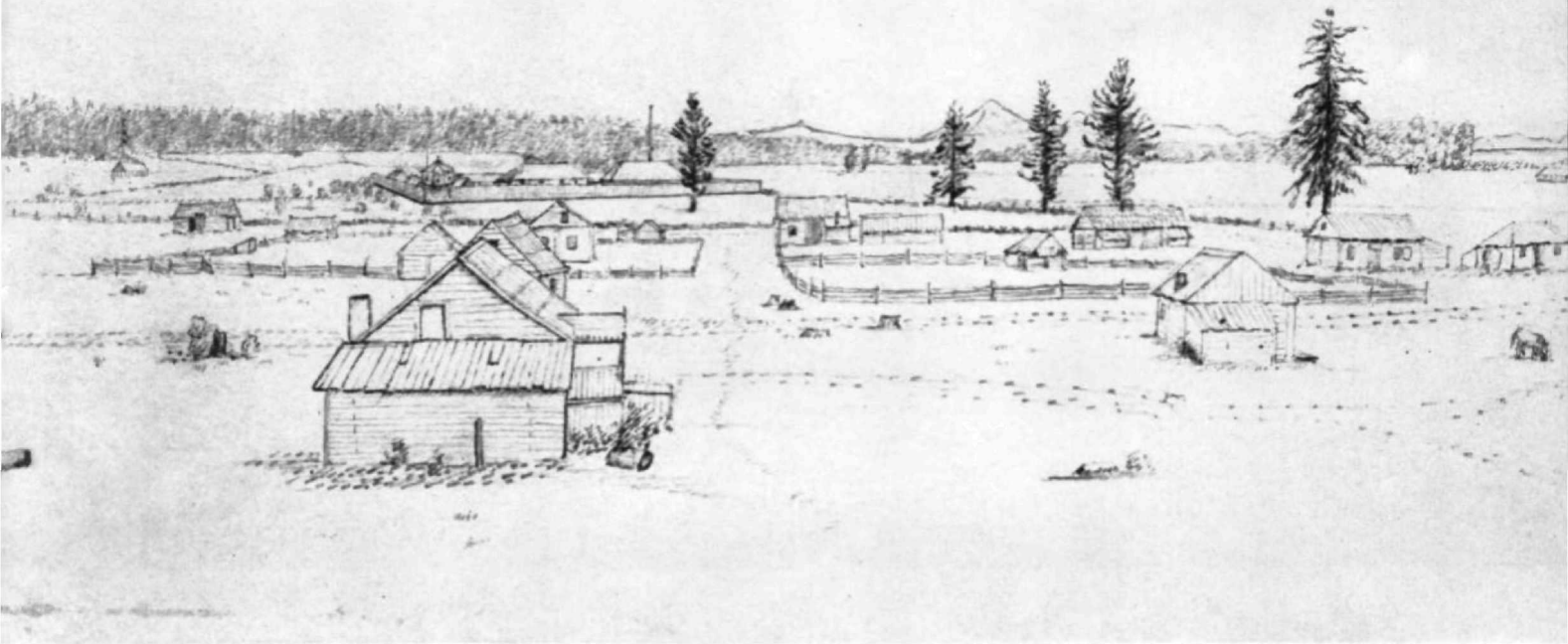
Fort Vancouver, with Dr John McLoughlin in charge, was the most important fur entrepot in the region. It was, at the same time, a centre for less exploitative activities such as farming and livestock raising. In the eyes of the Committee, Honolulu, chief port of the Sandwich Islands, and Fort Vancouver, principal factory on the West Coast of North America, would be the termini of a transpacific trade route which appeared to have profit-making potentialities. Their attention was directed to the tropics by the threat of a small, but aggressive, American competition at Honolulu which had followed in the wake of zealous New England missionaries.

Honolulu thus became the transshipment point between London and the Columbia River. On the west-

bound voyage, via Cape Horn, the ships would discharge all manner of commodities required to meet the demands of the growing English and American population as well as the Hawaiians as they adopted European ways of living. The vessels then loaded the almost black, coarse sugar, molasses, salt, rice, and coffee for Fort Vancouver and the Willamette settlements composed of retired Company employees, and a few American missionaries, augmented by an increasing flow of land-hungry immigrants.

Outward bound, to Hawaii, the ships loaded the stores from Vancouver's warehouses; valuable beaver and other skins packed in protective boxes; barrels of flour from the fort's gristmill; barrels of salt salmon; well-filled bags of wool from the sheep farms at Nisqually and Cowlitz; and lumber from the sawmill situated a few miles upstream from the fort.

Able administrators at both ends of this trade route advanced not only the Company's commercial interests, but were ever alert to protect England's commercial and political position in the Pacific. Thus, while Dr McLoughlin's fur-seeking brigades were exploiting the streams and lakes of the vast area between the Rocky Mountains and the Pacific Ocean, the Company's head office in London established the first Honolulu agency in 1833 with the appointment of George Pelly, cousin of John Henry Pelly, Governor of the Hudson's Bay Company. Pelly's salary was fixed at £300 per annum with permission to do business on his own account. Additional compensation of £100 would be made if Company busi-



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*Fort Vancouver in 1851 with the Kanaka village west of the fort. Many Sandwich Islanders, called Kanakas, worked for the Company on the west coast. From a drawing by George Gibbs.*

ness consumed all of his time. Furthermore, he would be under the direct supervision of the Chief Factor at Fort Vancouver. Pelly held this position until 1851 when he retired and returned to England.

Prior to Pelly's appointment, the British Consul Richard Charlton had officiated, but as he became privately interested in the coastal trade it was thought that the Company's affairs could best be served by having its own agent.

Instituting a full-time representative strengthened the Company's position in the Islands, especially against expanding American competition, and enabled it to meet the Pacific rim market demands in China, South America, and the Russian posts in Alaska. As the business expanded in 1840-41, George T. Allan, a clerk at Fort Vancouver, was sent to Honolulu as joint agent with Pelly. In 1845, he was promoted to Chief Trader which position he held until 1847 when Chief Trader Dugald Mactavish replaced him. A year later he gave notice of retirement and formed a private trading company with Archibald McKinlay, doing business in Oregon. Other agents who followed were Robert Clouston in 1851, and finally James Bissett in 1859.

As the business outgrew the leased premises on Nuuanu Street, a two-storey coral building and warehouse were erected on Fort Street nearer the waterfront and occupied in 1846. Two years previously, the Sandwich Island agency had been removed from McLoughlin's control because of pressing local economic and political matters in the Columbia Department, and was administered directly

from London headquarters or the Governor in Rupert's Land.

Honolulu had early emphasized its strategic mid-Pacific geographic position as a port of call, harbour of refuge, and place of refreshment by early fur-trading ventures such as the John Jacob Astor expedition, followed by hundreds of whaling ships and their crews during the 1820s through the 1840s. The charms of the gentle, tropical environment blended with those of the fun-loving Islanders to create an ideal recovery place after the long, arduous voyages in the North Pacific. It was profitable, too, as each ship left from \$800 to \$1,500 while the crews disported themselves on shore (much to the disgust and open resentment of townspeople and missionaries) and the captains spent their own or their companies' money for supplies, outfitting, and repairs. Ninety per cent of these vessels were under American registry.

The business which resulted was seasonal, whereas the foreign trade carried in Company ships and those of other countries was by contrast more enduring if less voluminous, as it reflected the market needs of consumers in Hawaii and the entire Pacific Coast of North America. In this trading picture were the Hudson's Bay Company, the Russian American Company in Alaska and California, and the Americans infiltrating into the Willamette Valley in Oregon, California, and the Sandwich Islands. The Hudson's Bay Company dominated this business and either owned or chartered the ships which plied between London, Honolulu, and the West Coast.



BAKER COLLN., HERNICE P. BISHOP MUSEUM, HONOLULU

*Warehouses and shipping at the port of Honolulu in 1857, from a lithograph by G. H. Burgess.*

Chief Factor McLoughlin was given full authority over maritime matters on the Northwest Coast, including Hawaii, from the day of arrival of the ships at the Columbia River until their final departure. To assist him, Aemilius Simpson, a former naval lieutenant, was dispatched from London in 1826, to become the head of the marine department, a position he held until his death in 1831. His services both as a navigator and a trader were valued highly by McLoughlin who sorely missed his administrative abilities in the development of the northern posts.

Among the vessels owned by the Hudson's Bay Company were the brigs *Dryad*, *Eagle*, *Isabella*, *Lama*, *Nereide*, and *William and Ann*; the barques *Ganymede*, *Columbia*, *Cowlitz* and *Vancouver*; the schooners *Cadboro* and *Vancouver*; and the sloop *Broughton*. The latter (30 tons) and the schooner *Vancouver* (60 tons) were built at Fort Vancouver, the former for the river service only, and the *Vancouver* for the coastal runs.

Most of the fleet was purchased in England and saw service between London, the Columbia River, the northern forts, and the Sandwich Islands. The *William and Ann* and the *Isabella* both were lost at the mouth of the Columbia River in 1829 and 1830, respectively. Such losses were a severe blow to McLoughlin who depended upon the spring visits of these vessels to bring needed supplies and trade goods for the various stations.

Special interest centres in the American brig *Lama*, of Boston, a 145-ton vessel 76 feet 6 inches long and 19 feet 6 inches beam. McLoughlin had authorized Duncan Finlayson to purchase her as she lay in Honolulu harbour, which he did for \$5,000 (exchange rate of 5 shillings to the

dollar) or £1,250 sterling, of which £750 came from the sale of lumber and salt salmon off the *Eagle*. The balance of £500 was paid by draft to a Mr Seth Barker and charged against the Columbia Department. The unusual feature of the transaction was that McLoughlin acted on his own initiative in purchasing the vessel with full knowledge that he would be reprimanded for such an act, as it was contrary to Company policy to buy foreign-built ships. He received the reprimand but later was commended as he had acted in good faith to meet a shipping deficiency, and furthermore he got a bargain.

As part of the transaction McLoughlin persuaded the captain, W. H. McNeill, to enroll in the Company's service along with two of his officers. The captain's salary was £200 a year which was more than was paid to the Company's other masters, but less than McNeill was getting from his American employers. But McLoughlin pointed out in a letter to the home office that "these gentlemen are perfectly acquainted with the Coast, and with the trade of the natives and when it is considered how deficient our people are on these two latter points, I hope you will consider what we have done as proper". The Chief Factor's cynicism is partially explained, perhaps justified, by his knowledge of drunkenness among some of the ship's captains, concerning which he openly complained in his letters to the Committee. McNeill served his adopted employer long and faithfully, and was honoured by the title of Chief Factor several years later.

As for the little steamer *Beaver* which had arrived at Fort Vancouver in 1836 under sail, as soon as she was outfitted with the paddlewheels which she had brought with her from England, she became a permanent fixture

in the Columbia River-Northwest Coast service, and later was used exclusively on the northern runs. Her long service of 52 years ended when she was wrecked at the entrance to the harbour at Vancouver, B.C., in July 1888.

Entry and departure of the little vessels (the brigs averaged only 288 tons burden) through the mighty Columbia gateway with its dangerous bar was oftentimes a hazardous undertaking which ended in tragedy. McLoughlin complains in one of his letters of the loss of the *William and Ann* and her crew. Later the *Isabella* succumbed to the treacherous surges on the bar. This situation was recognized by the Oregon Territorial Legislature in 1846 when it adopted a pilotage service law with fees, and in 1849 a Board of Harbour Commissioners on Pilots and Pilotage was appointed. The rates for both inbound and outbound ships were as follows: Outside the bar to Baker's Bay—\$10 per foot for vessels not exceeding 12 feet draught, \$11 per foot for vessels over 12 feet but not exceeding 15 feet, \$12 per foot for vessels all over 15 feet. From Baker's Bay to Astoria or vice versa—\$2 per foot for vessels not over 12 feet draught, \$2.50 per foot for vessels over 12 feet and not over 15 feet, \$3 per foot for vessels over 15 feet. Baker's Bay was a large indentation on the north shore of the river, just inside the mouth, and about eight miles from Astoria (Fort George) on the south shore.

Honolulu harbour on the other hand was relatively easy of access, although at times the strong northeast trade winds prevented ships from entering, and even when inside the harbour they frequently dragged their anchors. The Nuuanu wind gap in the Koolau Mountains undoubtedly was responsible for such movements. But like all ports, there were harbour dues and pilotage to be paid which applied to all ships. Dues for whalers were 6½ cents per ton, for merchantmen 2 cents. Pilotage was \$1 per foot of draught. In addition, in 1843, the barque *Vancouver* was the first ship to make customs entry under the constitutional government of Hawaii. Other costs of ship operation were the monthly wages of seamen: first

mate, £6.6s.0d; second mate, £4.4s.0d; and ordinary seamen, £2.10s.0d.

The bills of lading of these ships showed that lumber was the most important cargo on the southbound voyage. In letters to the home office McLoughlin uses such phrases as "she [the *Eagle*] may be filled up in her homeward voyage with Lumber for the Sandwich Islands:" "ship on board the *Ganymede* what ever quantity of Deals Rafters Logs and cordwood we think proper . . . for Wahoo." Delivery of these cargoes could be made in 21 days from the Columbia River, although on one occasion the barque *Columbia* made a record run of 13 days.

The lumber came from the Company's mill about six miles above the fort where the largest ships of the Company could ride in four fathoms of water and load their cargoes for the Sandwich Island market; also from Oregon City at the Falls of the Willamette, about thirty miles south. Most in demand were "deals", a trade term for boards or planks of softwood of varying lengths and one inch thick, which retailed for \$50 to \$100 per thousand board feet, or whatever the market would bear. During 1838 the price was quoted at four cents a superficial foot, and once the barque *Columbia* sailed for Wahoo with a cargo of deals billed 5,041 feet of boards, 4½ cents, \$226.84; 116,801 feet of boards, 4 cents, \$4,672.04. All of the London-bound vessels carried this kind of cargo to be discharged at Honolulu, even occasionally going to Monterey, California to test that market for both deals and salt salmon, and then on to Honolulu.

Hawaii lacked good structural materials, whereas the immense Douglas fir forests of the Columbia watershed provided an unlimited source of a superior product for store buildings, houses, and bridges. Although such structural material was not termite resistant, it was easier to obtain than the local hardwoods.

The tall, straight uncut timbers were much in demand for masts, and spars, as evidenced when the barque *Cowlitz* discharged a shipment of these, some of which measured 72 feet in length. At McLoughlin's request the *Cowlitz* had been equipped with a raft-port, a hole immediately under the counter, for loading and unloading long timbers but these extra long pieces may have been transported on deck.

Flour, a common item on the billing for both the Company and American importers, came from the gristmills at Vancouver and Oregon City. The commodity sold for \$6.50 to as high as \$15.00 a barrel.

In 1845 the barque *Cowlitz* manifested 752 barrels of flour at \$5 a barrel; 52 M feet of deals at \$15 M; 200 barrels of salt salmon, \$5 a barrel; 45 spars, \$5 each; 53 M shingles, \$4, total invoice \$5,885, which was much



*Hazards of the Columbia River bar as pictured in Franchere's "Narrative."*



*Fort George, the former Astoria, near the mouth of the Columbia, sketched by Henry J. Warre in 1845.*

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less than half of what the cargo was expected to bring, being invoiced low for import duties.

Salmon, freshly caught from the Columbia or the more northerly rivers, was salted in barrels and was in special demand by the native Hawaiians who added it to their fresh fish, fruit and poi diet. As many as 300 barrels weighing 150 pounds each would be unloaded in one shipment and sold for \$5 to \$9 a barrel. A shipment on the *Dryad* was billed as 252 bbls. salmon 6\$, \$1,512; 115 half barrels salmon 3\$, \$345.

An important contributor to the stream of export commodities to Hawaii, Russian America and London from Fort Vancouver, was the Puget Sound Agricultural Company, a subsidiary organized in 1839. While its ostensible objective was to produce grains, cattle, sheep and wool to supply the various posts, and for export, an underlying motive with a strong overtone of British nationalism was to promote emigration and colonization. The subsidiary was to be the administrative agency to apportion land, cattle, sheep and supplies to prospective settlers, but this phase of its operations was unsuccessful and it thereafter directed its efforts toward agricultural and livestock production on the farms at Cowlitz, Nisqually, and Fort Vancouver. From these sources wool became an item on the outward manifests to London.

Island exports to the mainland were the bulky raw sugar, molasses, rice, and salt. To sustain the salt salmon business salt was always on order from England and the Islands, with the nearest source Monterey in California. When a shortage was imminent, McLoughlin wrote that he would be forced to send a party to make it. Presumably, this had reference to evaporating sea water as Lewis and Clark had done earlier at Clatsop Beach.

It is evident that Dr McLoughlin had many administrative problems, but withal he was a shrewd trader. This involved commercial contacts not only at Honolulu, but with the Russians at Sitka and California and the Mexicans at Monterey, and Yerba Buena (San Francisco) where the Company was established in 1841. Knowledge of markets, shipping practices, and foreign finance were matters of daily routine.

American competition was of considerable concern in

the fur trade with the Indians, and also in the more civilized commercial pursuits with the white settlers in Oregon and Honolulu. American competition in the Sandwich Islands paralleled that of the Company in lumber, flour, and salt salmon. It was important enough to cause Dr McLoughlin to emphasize it in his letters to the Governor and Committee. As the Hawaiian business expanded for both interests, the Americans felt that the gigantic company had monopolistic designs and that it would be only a matter of time until the Hudson's Bay Company would have complete control of all commercial enterprises in the Islands. There was evidence of this in the Willamette settlements, although the Company's representatives had been generous in aiding the poverty-stricken immigrants as their wagon trains rolled onto the unspoiled lands on the verdant valley. This monopolistic situation never materialized although there was some foundation for it in view of the fact that American ships had many years earlier been driven out of the lucrative Northwest Coast fur trade in a squeeze play by the Russian American Fur Company and the Hudson's Bay Company.

There were several retail stores and wholesale firms operated by Americans in Honolulu, among them one Grimes, Ladd & Company. The latter was located near the waterfront and had its own wharf. The aggressive Americans were disliked by the more conservative English officials like William Miller, the British Consul, who wrote that they were influential in the Hawaiian government, and the Hawaiian constitution and laws were administered by them. Pelly, the Company's agent called them "damned Yankees!", which may or may not have been the first of such epithets used against the northerners.

A prominent American personality in these early years was Captain John Couch (pronounced Cooch) who came to the Columbia River in the brig *Chenamus* from Newburyport, Massachusetts in 1843. He outfitted the ship and began trading to the Hawaiian Islands. Some of his lumber cargoes were taken on at a little sawmill located about thirty miles above Astoria. Here, the ship anchored in three fathoms of water a cable length from shore,

while it loaded lumber which a scow brought from the nearby mill. Sometimes the vessel would drop down to Astoria or Fort George as the place was by then more frequently called, and take on a cargo of shingles.

The most important American trader was F. W. Pettygrove of Maine, who had established a mercantile business at Oregon City in 1843. As an influential merchant and grain buyer in the Willamette Valley he

and when the barque *Vancouver* was wrecked on the Columbia bar in May 1848 an acute scarcity of goods was felt by the settlers.

As the California market opened up in the late 1840s, commercial activities by both the Company and the Americans were partly diverted to that area. By 1854 shipping to the Islands had declined. The Treaty of 1846 had set the boundary line between the United States and



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*Portland, Oregon, in 1852 looking south to the waterfront where the upper part of a brig is visible. This settlement on the Willamette at its confluence with the Columbia was named in 1845 by Pettygrove after the city in Maine.*

always had stocks of flour available for export and was thus able to meet the Hudson's Bay Company competition in Hawaii. In a 1,000-3,000 barrel annual market, the Oregon settlements furnished approximately 41 per cent of the flour imported into Honolulu in 1847; the remainder came from the United States and Chile.

In 1845, Pettygrove moved his business to what became the townsite of Portland, Oregon, and traded there with his two ships, the barques *Toulon* and *Mariposa*. Competition reached extremes when the two companies refused to carry cargoes for each other, which petty and ungenerous rivalry extended to the trading community at Oregon City.

Although the Hudson's Bay Company was resented by many, the Willamette Valley settlers were generally dependent upon its cargoes of merchandise and supplies some of which originated as transshipments at Honolulu,

British North America at 49°. As the Oregon Country became more thoroughly Americanized, the Company retreated across the line and made its headquarters at Fort Victoria, British Columbia. By 1859 it had decided to retire from the Hawaiian Islands, and when James Bissett and family left for Victoria on the *Jenny Ford*, he was the last representative of the great company of adventurers at their tropical post. Bissett's departure on 20 August 1860 marked the end of an era in transpacific trade. It also was the forerunner of large-scale commercial enterprises which involved the export of sugar and pineapples eastbound to populous Pacific Coast markets, and the movement of quantities of lumber and Pacific Northwest flour westbound down the Columbia River as in the old days, to meet the building and food requirements of the present populous Hawaii, the fiftieth state of the Union. ♦