1966

Fur Trade Society in Chicago, Milwaukee, and Green Bay: A Study of the Transitional Period of the American Fur Trade, 1815-1838

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Fur Trade Society In Chicago, Milwaukee, and Green Bay: A Study of the Transitional Period of the American Fur Trade, 1815-1838

By
John Haeger

A Thesis Submitted to the Faculty of the Graduate School of Loyola University in Partial Fulfillment of the Requirements for the Degree of Master of Arts

Chicago
May 24, 1966
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CHAPTER I

THE FUR TRADE AND THE FRONTIER SOCIETY

The best known and often-debated doctrine of American history was enunciated by Frederick Jackson Turner. Turner, in an attempt to analyze the effect of America's move westward upon social and political growth, delineated certain clear steps of the advancing American frontier. One of these steps involved the role of the fur trade and traders upon the civilization and settlement of the Old Northwest. Turner found that in the Northwest "... the trading posts became the nuclei of larger settlements; the traders' trails grew into early roads, and their portages marked out the location for canals. Little by little the fur trade was undermining the Indian society and paving the way for the entrance of civilization."\(^1\) Turner also realized that the fur trader hindered the advancement of the frontier. The traders had a vested interest in sustaining frontier conditions, he said, since the end of the frontier also would signal the end of the fur trade. Nevertheless, by exploring the new country and introducing goods to the Indians, the trader initiated frontier change.\(^2\)

Since Turner's period of productive writing in American history, there has been anything but a unanimity of opinion on the role of the fur trade. Paul C. Phillips, who wrote the supposedly definitive work on the fur trade in American history, stated his position quite clearly: "The attractive hypothesis of Frederick Jackson Turner offered no guide. Fur traders and trappers had no
interest in the settlement of land and pioneer communities, and held few political or social ideas that might influence established communities. An historian of the far western fur trade, however, agreed with Turner. Clarence Vandiveer found that the advance of settlement followed directly in the paths marked out by the fur traders. Quite correctly, Vandiveer claimed that a great number of our cities began their existence as fur trade posts.

Many historians have been content to say that cities began their lives as fur trade posts never considering the implications of such a generalization. In approximately a twenty year period, 1815-1835, the whole economic and social structure of the Old Northwest was altered from a fur trade or frontier society to an emerging urban community. What was the nature of this changing frontier society? What contributions did the fur trade and fur traders make to frontier development? This thesis narrows the consideration of the fur trade to Chicago, Milwaukee, and Green Bay. Beginning in 1815, when the fur trade knew its wealthiest years, and ending in 1838, when the vanguard of a new civilization arrived to exploit the land and commercial potential of these midwestern areas, this study focuses on the transitional period of the American fur trade.

Attempting to discover the nature of the fur trade society includes many elements which constituted the early history of the Northwest Territory. The role of the military, the Indians, the government factory system, and the communities of early inhabi-
tants are all intimately connected with the fur trade.

The military's role in the advancement of the frontier has been the subject of several detailed studies. One author has summarized the contribution of the military as providing the atmosphere of security so that settlers could occupy the ceded and the unceded lands of the Indians. The military post like the fur trade post provided a focal point for settlement on the rapidly expanding frontier. The military, in this study, assumes the role of a protagonist. Military posts established at Green Bay and Chicago did not noticeably increase the economic or social stability of the fur trade.

The national government realized that the potential greatness of the frontier necessitated more than military control. The Indians's supposed savagery as well as his natural title to the fertile lands of the Northwest required a two-sided policy. On the one hand, the government wished to advance the civilizing process of its red brothers while, at the same time, extinguishing their title to the land needed for the white settlers. Arriving on the frontier to administer this two-sided policy were the Indian agents. The Indian agents were commissioned to arrange treaties for the sale of land, to distribute presents to the Indians, and, in general, to act as a stabilizing influence between white and Indian. Perhaps their most important duty was in regulating the trade of white inhabitants with the Indians. Since the earliest history of the country, French and British
traders had bartered, bought, and stolen the rich harvest of furs obtained by the Indians. The Indian agents were not to prohibit this trade but merely to foster its proper conduct. This again represented only one aspect of United States Indian policy - that side which sought to protect the Indians while simultaneously aiding the fur trader and white settler.

To advance the civilization of the Indians, another aspect of United States Indian policy was also pursued. In 1795, the government inaugurated the factory system to regulate trade with the Indians. Its most distinguished aim was admittedly humanitarian, for the factory was a government store established on the frontier to buy the Indian's furs at fair prices. In return, the government factor would supply the Indians with useful commodities at cost. The factory was not established to bring profits but to end the exploitation and gradual impoverishment of the Indians. Yet the factory system provided the context for bitter debates and arguments during the frontier period. The factory was greeted with contempt by the original inhabitants. These people obtained their economic livelihood from the fur trade, and the factory was established to capture the Indian trade from their supposedly unscrupulous hands. The factory system and its area head, the government factor, were also in conflict with the military commanders and Indian agents. While the government factor attempted to capture the Indian's furs, the Indian agent was dispensing licenses for white traders. In effect, the government
factor and the Indian agent were in direct opposition. The factory system eventually collapsed in 1822, due partially to frontier hostility and the inconsistent policy of the government. 9

The original French and British inhabitants were essential ingredients of the frontier community. These settlers of frontier communities such as Chicago, Milwaukee, and Green Bay were not Americans nor before the War of 1812 had they any connection with the American government. Before the War of 1812, the Northwest Territory was still partially under British control. The majority of inhabitants were of British and French extraction, loyal to the British government. 10 Their pattern of life was in many respects idyllic. Enduring hardships during the winter months in obtaining furs, the summer was spent in carefree and lighthearted enjoyment of life. Their society was interdependent. Most families intermarried among themselves and with the Indians. This society underwent a rapid change during the years covered by this study. By 1835, the frontier outpost was changed entirely. The arrival of commercial and farming immigrants from the East bore witness to the passage of the fur trade society. This change began in 1815.

The most potent force in the changing frontier community was the American Fur Company. Before 1815, the fur trade of the Northwest Territory had been exploited by both American and British citizens with only the small capital investments of the individual traders and a few Canadian firms. John J. Astor, however, became the first of America's giant capitalists. He realized the
enormous profits which the fur trade held for a centrally organized company. In 1811, Astor entered into a partnership with two British companies which supplied goods to many traders of the Northwest. When the territory was finally designated an American possession after the Convention of 1818, Astor formed the American Fur Company to exploit the trade of this area. Through the direction of Astor's two chief agents, Ramsay Crooks and Robert Stuart, the American Fur Company became the focal point of the fur trade community for nearly twenty years.
The War of 1812 brought considerable hardship to the young society at Chicago. Before the War and the terrible Dearborn Massacre, the population of Chicago consisted mainly of the military personnel at Fort Dearborn and a few private traders, the most successful of whom was John Kinzie. During the War, the majority of these citizens had fled in the face of Indian attacks instigated by the British. In 1815, these citizens drifted back to the Chicago area. John Kinzie, being a leading citizen, was recommended for the post of Indian agent by Lewis Cass, Governor of the Michigan Territory. The post was eventually given to Charles Jouett in 1816. The population was increased by the arrival of a new contingent of soldiers for Fort Dearborn. Soon after, the Chicago factory was established under the direction of Jacob Varnum. The fur trade attracted the usual local traders as well as the Connant and Mack Company of Detroit. This company dispatched John Crafts with a large capital to exploit the fur trade of the Chicago area.

Chicago was unique among the communities of this study. Since before the War of 1812, it had been under American influence. Even though Chicago was a small community there was a distinction between British and American elements. The Indians were clearly under British influence as evidenced by their conduct during the War. The principal British trader, John Kinzie,
was one of the few people whom the Indians spared in the Dearborn Massacre. This battle took the lives of a great percentage of Chicago residents.\textsuperscript{1}

Green Bay was a much larger settlement than Chicago. While Chicago had barely thirty inhabitants outside the military personnel, Green Bay had a population of not less than 250 supported by two trading stores, three blacksmiths, a tailor, and a carpenter.\textsuperscript{5} Unlike Chicago in the number of its population, Green Bay was also dissimilar in the nature of its population. There was no American influence on the Green Bay area before 1815. The Green Bay residents were either of British or French descent and intimately connected with British interests. John Lawe, Jacques Porlier, and the Grignon brothers, the principal citizens and fur traders, were either born in England or raised in Canada.\textsuperscript{6} They were supplied in the fur trade by the Southwest Company of Canada which was represented by Robert Dickson and Jacob Franks.

Viewed locally, the War of 1812 was fought for two reasons. The War attempted to end Indian treachery supposedly prompted by the British. Secondly, the War sought to eliminate the British influence over the Indian trade in the Northwest Territory.\textsuperscript{7} The War, therefore, was directed against the residents of Green Bay. They were British traders and had a great deal of influence with the Indians. To protect their interests, the Green Bay traders, under Colonel Dickson, organized the Indians of the area to fight on the British side.\textsuperscript{8} Green Bay was a major depot for
storing of British military supplies for the Northwest during the War. 9

After the War of 1812, the residents of Green Bay were, for the first time, subjected to American influence. Fort Howard was erected in 1816 to protect the citizens of the territory as well as to control the largely British population. 10 In 1816, John Bowyer assumed the duties of Indian agent for Green Bay. In the same year, Matthew Irwin arrived from the East to take charge of the new Green Bay factory. Unlike Chicago, which had a factory before the War, this was the first attempt to regulate the Indian trade of the Green Bay area. The predominately British population resented the arrival of the United States military forces and the factory. Despite its humanitarian aims, the factory was, in fact, established at Green Bay to control the Indian trade which meant reducing the profits of the Green Bay citizens.

Milwaukee, in 1815, was the smallest of the three communities. In fact, Milwaukee until late in the 1820's could hardly be considered anything but an occasional fur trading area. In the early nineteenth century numerous traders were known to have lived at Milwaukee such as Jean Beaubien, Laurent Fily, Andrew J. Vieau, and Joseph LaFramboise. These traders occupied Milwaukee during the trading season while during the summer months the area was vacant. 11 Săhomon Juneau and Andrew J. Vieau, two of the most prominent traders of this area, first traded at Milwaukee in 1818 while maintaining their permanent residence in Green Bay. 12
While the communities of Green Bay, Chicago, and Milwaukee were adjusting to post-war conditions, John Jacob Astor formulated the policies and organization of the American Fur Company. In 1811, Astor had concluded an agreement with two British companies for the trade of the Northwest Territory. This agreement was to last for five years or until such time as the American government prohibited British traders from the Northwest Territory. When, on April 29, 1816, the United States government passed a law prohibiting foreigners from the Indian trade, Astor took sole possession of the trade. In 1817, he officially purchased the Canadian share of the Southwest Company in which he had been a partner. Astor did not immediately intervene in the Indian trade of the Northwest, but he maintained the facade of the Southwest Company since it had for many years sustained excellent relations with the British traders in American territory.

From 1815-1818, Astor organized the administrative aspects of the new American Fur Company. Robert Stuart and Ramsey Crooks were employed to manage the business operations. Headquarters were established at Mackinac for the collection of furs and the disbursement of goods to the various traders in the interior. From Mackinac, outfits, or the supply of goods for a particular post, were assembled and then loaded into boats called batteaux for transfer to the traders in the interior. The goods compiled for the trade consisted of everything from English playing cards
to tomahawks. Silk, gloves, broaches, and wrist bands were exchanged for the pelts of raccoon, mink, otter, bear, martin, red fox, deer, and muskrat. The amount of business transacted for any type of fur was usually governed by the prices in the markets of the United States and foreign countries. This information was regularly communicated to the traders from Mackinac or the New York office. 17

Traders with the Company were employed in different capacities and paid not only for the skill of the task but also for their knowledge of the Indians. Clerks and boatmen received from $150 to $200 per year. In 1821, Gurdon Hubbard, a prominent Chicago trader, received $125 for his services as a clerk. 18 The more important traders who headed an entire territory, such as Jean Beaubien and John Crafts of Chicago, received from $800 to $1000 per year. Most traders hoped for a salary since it guaranteed them against personal losses from the trade. Salaried individuals were rare, however, in the American Fur Company. Two alternative methods of compensation were introduced. The first of these methods was to supply independent traders with goods at slightly higher prices. These traders then could sell the furs they collected to whomever they wished. 19 For a long while, the Green Bay traders operated on this scheme. Finally, the traders could share the profits and losses of the trade with the Company. These men would either receive one-half the profits of their outfit or suffer one-half the losses. 20 Eventually, the Chicago
outfit operated on this scheme. The American Fur Company preferred its traders to work on the profit-sharing scheme since any losses sustained would not be completely borne by the Company. Since the trade was mainly conducted with the Indians, the connections of the traders with the Indian population were especially important. The Chicago area was inhabited by the Fox, Potawatomi, and Ottawa tribes. Alexander Robinson and Billy Caldwell, who lived in the settlement at Chicago, were half-breed Indians acceptable to both the white and Indian populations. Such ties were essential for the successful prosecution of the Indian trade. The Green Bay region, on the other hand, was occupied by the Menominee and Wisconsin River Winnebago. Milwaukee was a mixed village of Potawatomi and Menominee. The Green Bay traders, who controlled both these areas, had married into the tribes. Leading traders, such as Jacques Porlier and Augustin Grignon, had Indian wives. Thus the Indians placed a good deal of trust in these traders and their goods.

The idyllic prosecution of the early Indian trade soon came to an end. Astor brought a large capital and the harsh business practices of an organized company to the fur trade. Astor was ruthless in his takeover of a trading territory. He handled competitors in two basic ways. First, the independent trader was forced out of business by cut-throat practices, such as price wars, or political pressures on national or local officials. Astor also offered an opposing trader employment in the American
Fur Company either by salary or profit-and-loss. With a large capital and extensive organization, the American Fur Company gradually monopolized the entire trade.
Astor's consolidation of the Northwest Territory for his fur company experienced its first success within the Chicago area. In addition to the Canadian firms which he had bought out, Astor had to contend with a great number of smaller fur companies which were located in Detroit but supplied traders throughout the territory. Astor did not attempt to purchase the interests of these companies as he did with the British companies; but, rather, he applied competitive business operations within their territory. In 1816, the Connant and Mack Company of Detroit controlled the trade around the Chicago area. John Crafts was their principal agent, and his only known competition was the local trader, John Kinzie. By 1817, however, John Kinzie was employed by the American Fur Company to provide serious competition for Crafts. In 1817, Ramsay Crooks, who directed the American Fur Company's operations from Mackinac, reported that John Kinzie had been very fortunate in his trade despite the competition of John Crafts.

Since civilization and its accompanying exploitation of the land naturally caused a depletion of animal life, the fur trade was actually conducted some distance from the settlement at Chicago. For this reason, the American Fur Company supplied two outfits for the trade of this area. John Kinzie traded in the immediate neighborhood of Chicago, the Rock River territory, and the Fox River area. Furthermore, the American Fur Company sought
to drive competition away by establishing the Illinois outfit which traded along the Illinois River.\textsuperscript{4} While the Chicago outfit was supplied by shipments of goods from Mackinac, the Illinois outfit was dispatched from Mackinac with its supply of goods. Antoine Deschamps, the head of the Illinois outfit, travelled down the east side of Lake Michigan around to Chicago. After leaving Chicago, the boats portaged to the Illinois River.\textsuperscript{5} The traders were then assigned to small posts with clearly defined territories along the river. The men would remain in these posts all winter trading with the Indians and await the return of Antoine Deschamps, who would pick up the individual traders at their posts for the return voyage to Mackinac.

Ramsay Crooks was dissatisfied with the trade of the Chicago area in 1818-1819. Connant and Mack operated a post there under John Crafts. In 1819, the American Fur Company transferred Jean Beaubien from Milwaukee to Chicago to provide increased competition for John Crafts. By 1822, Beaubien with the aid of John Kinzie, had successfully captured the trade from John Crafts. Rather than compete with the American Fur Company, Crafts resigned from the Connant and Mack firm to accept employment with Astor's company.\textsuperscript{6}

Besides the competition of organized trading firms, the American Fur Company had to contend with numerous private and independent traders who were well-known in the territory. Jean Chandonnais was an independent trader in the Chicago area.\textsuperscript{7}
Ramsay Crooks decided to hire the man rather than compete with him. This proved an unwise decision, since by 1819 Chandonnais had fallen into debt to the Company loudly proclaiming his intention not to pay.

The Illinois outfit was also bothered by competing traders. Gurdon Hubbard, a clerk with this outfit, was hindered for some time by Antoine Bourbonais. In 1822, Bourbonais operated from St. Louis. Traders from this area provided a major obstacle to the capture of the trade by the American Fur Company. Astor silenced these traders by purchasing the business of his St. Louis rival, Cabanne, Berthold and Company.

The American Fur Company in 1817-1818 also began to move into the Milwaukee area. About the time Jean Beaubien was moved from Milwaukee to Chicago to oppose John Crafts, Solomon Juneau was given charge of the Milwaukee post. Juneau operated on a profit-sharing scheme with the Company while James Kinzie, the son of John Kinzie, was hired to work on a salary basis in the same area. By 1819, Juneau and Kinzie were opposed by the private trader, Andrew J. Vieau.

Once Beaubien had forced Crafts out of business in Chicago, he went back to Milwaukee to resume the trade. He was then quite surprised to find his former territory occupied by two Company traders, Juneau and James Kinzie. Beaubien, disgusted with these tactics of the Company, decided to forsake his employment with the American Fur Company and join with other private traders to
force Juneau and Kinzie from the area. Ramsay Crooks took a rather dim view of Beaubien's intention to oppose the Company. Crooks assured Beaubien that he could still obtain an adequate living in the employment of the Company. Furthermore, Crooks warned Beaubien that "We (the Company) by no means intend to interfere with your arrangements so far as you are individually concerned, but we certainly will think it bad that you assist others to annoy us . . . ."\(^\text{14}\)

Astor encountered different problems in expanding the American Fur Company into the Green Bay area. Green Bay was one of the first areas where national legislation and the American Fur Company's influence in Washington had a definite effect on the conduct of the fur trade. The national government was forced to follow a strict policy in Green Bay for several reasons. First, Green Bay had been a comparatively large settlement since the eighteenth century and had been predominately loyal to the British. Secondly, Green Bay had never been exposed to American influence before the War of 1812 with the typical American frontier establishments such as a military fort, government factory, and Indian agent. Thirdly, the Green Bay area had been the center of British hostility to the United States during the War. These factors necessitated action by the United States government to secure the area from British control.

As early as June 20, 1815, Governor Lewis Cass of the Michigan Territory had recommended the establishment of military
posts at both Chicago and Green Bay primarily to prohibit the flood of British traders and goods into American Territory. He mentioned especially that British traders brought goods to Green Bay and then utilized the connections with the Fox and Wisconsin Rivers to distribute them throughout the territory. 15 Credence was added to Governor Cass's statement by General Brown, military commander of the Northern division of Military Departments in the United States. General Brown commented that British influence was so strong throughout the Northwest Territory that the only effective measure would be a wholesale exclusion of the British from the Indian trade. Governor Edwards of the Illinois territory made strong accusations against the Green Bay traders. In 1816, Governor Edwards said that the citizens and traders of the Green Bay area were wholly British in sympathy; and, therefore, he recommended to James Monroe, Secretary of State, that these inhabitants should be removed from the territory. To replace the void the exclusion of these original Green Bay inhabitants would cause, Edwards recommended that "it might be advisable . . . to permit their places to be supplied, by good American citizens, for the purpose of affording accommodations to our garrison, to our traders, and to the Indians themselves."17

Besides the recommendations of national and state officials that actions should be taken to exclude British influence from the Northwest Territory, a strong complaint against their presence also came from the American Fur Company. To successfully
prosecute the Indian trade, Astor had to completely eliminate the British influence. Because the Chicago area had been under American influence before the War of 1812, Astor did not face sustained British competition in that area. The situation in Green Bay was quite different. The Green Bay traders for nearly a half century had been associated with Canadian firms such as the Southwest Company and Forsyth, Richardson and Company. After the War an American firm in Detroit, Stone, Bostwick and Company, reached the territory before Astor. Stone hired Jacob Franks, a British citizen, who had been the liaison man between the Green Bay traders and the Canadian firm, the Southwest Company. Because their trusted friend, Jacob Franks, was employed by Stone, Bostwick and Company, most of the Green Bay traders dealt with this company. Because Astor could not obtain the services of British traders such as those at Green Bay, he also wished to see British interests excluded from the American trade. If Astor could rid himself of the Green Bay traders, he could send his own men to that area.

The recommendations of both Astor and state officials led a Congressional committee to investigate the problem. The Congress acted immediately and passed a law which struck hard at the British interests in the Indian trade:

Licenses to trade with the Indians within the territorial boundaries of the United States shall not be granted to any but citizens of the United States, unless by the express direction of the President of the United States, and upon such terms and conditions
as the public interest may in his opinion require . . . " The law also prescribed penalties of forfeiture, fine, and imprisonment for any foreigner introducing merchandise into the Indian country or entering the Indian territory without a passport. 19

Astor was not pleased with the law. He wished to exclude British capital from the trade, but he did not wish to end the possibility of his using British traders. In other words, Astor would have liked to sever the connection between the Green Bay traders and their former British liaison man, Jacob Franks. In this way, Astor thought he could better persuade the Green Bay people to join his firm. In a letter to James Monroe, Secretary of State, Astor said that he could not operate a successful fur business without the aid of Canadian traders since United States citizens had neither the stamina nor the skill to become effective traders. Therefore, Astor asked that he be allowed to issue licenses at his own discretion. 20 Even before Astor's letter was received, the President decided that the power to grant licenses should be vested in the Governor of the Michigan Territory and the agents for Indian affairs at Michilimackinac, Green Bay, and Chicago. 21 This directive benefited the American Fur Company. Now the power to grant licenses rested with people in the actual trading areas where Astor's agents could exert an extraordinary amount of pressure upon local officials to obtain licenses for specific British traders.
The law of 1816 was immediately revised. The United States government did not follow the harsh recommendations of Ninian Edwards and General Brown who had suggested the total exclusion of foreigners from the territory. Instead, the government followed Astor's view of the value of British participation in the trade as evidenced by the following official statement by William H. Crawford, Secretary of War:

It is therefore wholly improbable that the enterprise of American citizens will furnish an adequate supply to those remote tribes. The want of capital in the hands of men accustomed to the trade, and who have enterprise to bear the fatigues, and brave the dangers incident to its prosecution will it is believed render it necessary for the present to permit foreigners to carry on this trade under such regulations as shall subject them to a strict observance of the laws of the United States.

Therefore, the law of 1816 prohibiting foreigners from the trade was relaxed under proper regulation. New regulations required an applicant for a trading license, whether he was a British or American citizen, to be of trustworthy character (decided by the Indian agent) and to give a bond equal to one-fourth the capital employed.

Although the American Fur Company was friendly with many of the local officials charged with dispensing licenses, it was at odds with Major William H. Puthuff, agent for Indian affairs at Michilimackinac, and Colonel John Bowyer, agent for Indian affairs at Green Bay. Neither of these men appeared to have been prejudiced for or against the American Fur Company, yet they were
staunchly opposed to any admission of British traders. Major Puthuff thought that all British traders had a political aim "... to alienate the Indians from the American government and people, to attach them to the British interests by every and by any of the most insidious means." Because of this opinion, Puthuff considered the traders of the Green Bay region, especially the Grignon brothers, the most dangerous to national unity.

Perhaps Major Puthuff was overzealous in his desire to protect American interests, yet there was reason for him to be suspicious of the Green Bay residents. As mentioned previously, Green Bay was hostile to the United States during the War. Of the residents at the Bay, there were only two American citizens. In addition, the Grignon brothers, John Lawe, and Jacques Porlier held commissions in the British army. Puthuff could not imagine such people returning to a peaceful pursuit of the trade after the War.

Puthuff, therefore, strictly enforced the law of 1816. In June, 1816, he seized the furs of Jacques Porlier, a resident of Green Bay, which were enroute to Canada in payment for goods he had received from a Canadian firm. Puthuff based his seizure upon the fact that Porlier had no license to trade in the territory. Puthuff worked an unfair hardship on many traders. Between the time the law of 1816 was promulgated, April 29, 1816, and the time of the seizure of Porlier's goods, Porlier would have had a difficult time obtaining a license. In 1818, Porlier was
forced to write his employer, Forsyth, Richardson and Company, that he could not possibly pay his debts since his goods had been confiscated for the past several years. Puthuff's harsh tactics had created hostility between the frontier citizens and their new government. Forlier remarked that "I begin to perceive that that word liberty in the language of politics or of the government does not mean the same thing as we commonly suppose." 29

After Puthuff's initial harsh policy with regard to the issuing of licenses, Governor Cass was forced to instruct him on the real purpose of the law. Governor Cass pointed out that merely because a person was a foreigner did not exclude him from the trade. Governor Cass commented that the real question was "... whether the person applying for a license be one who can be safely admitted to trade in the Indian country." 30

On May 4, 1817, Governor Cass received word from George Graham, Acting Secretary of War, that John Astor had embarked on an American enterprise, the American Fur Company, which should be granted every possible aid. 31 Governor Cass dealt with the American Fur Company quite fairly. For example, in the question of licenses, he did not act partisanly toward the American Fur Company as some authors charge. 32 Cass did act harshly against British capital in the fur trade, but he extended every possible favor to American companies irregardless of whether Astor held a controlling influence. When the Green Bay traders were employed by the American firm of Stone, Bostwick and Company, Cass found it
necessary to once again write Major Puthuff warning him that strict application of the law was not always the best policy. Cass expressed the desire that Puthuff should license the men requested by Stone, Bostwick and Company. He realized that the majority of these men were still British citizens, but he was also aware that they were supported by American capital. Therefore, Cass felt that "... when American capital and enterprise are embarked in this trade ... to encourage it by all proper means."33

Governor Cass's lenient policy in respect to licenses for all American fur companies was detrimental to the monopolistic designs of the American Fur Company. When licenses were difficult to obtain, Astor had enough national and local influence to attract traders from other companies by promising them licenses. The new policy of leniency was also reflected in Major Puthuff's attitude toward the Green Bay people. He wrote to Indian agent Bowyer at Green Bay in September, 1817, concerning a license for John Lawe. Although Puthuff disliked the Green Bay traders, he instructed Bowyer to issue a license to John Lawe if his conduct and deportment were good.34 Colonel Bowyer, although he would have preferred to keep licenses from Lawe and the Grignons, consented to the new interpretation of the law. He proceeded to license numerous traders. Bowyer's leniency prompted Louis Grignon to remark that "... I believe there will be as many traders as Houses."35
In January, 1818, the United States again changed the policy in regard to licensing of British subjects. This further change added to the confusion on the frontier and increased the hostility of the Green Bay traders toward the national government. Cass wrote to John Bowyer that the President had again decided to completely eliminate foreigners from obtaining licenses as traders or even from being employed as mere clerks under the watchful eye of an American citizen. Ramsay Crooks and Robert Stuart immediately raised a furor over the new policy. They pointed out to John Astor that the majority of their traders were British citizens; and, without their services, the American Fur Company would be ruined. Crooks and Stuart asked Astor to present their case directly to the President.

American policy was again changed within the short space of three months because of the influence of Stuart, Crooks, and Astor upon the government. On April 23, 1818, Lewis Cass wrote to the Indian agents at Green Bay and Chicago informing them that not all foreigners need be excluded. Cass's explanation of this change sounded as if John Astor had written the letter. The inconvenience which American capital would suffer without the aid of the foreigner's superior knowledge of the trade, Cass explained, made necessary certain exceptions to the law. Cass explained that the United States policymakers had made one unchangeable decision; no longer would foreigners be allowed to head a trading outfit or have charge of a group of men within the territory. The new law
only allowed foreigners to enter the territory under the direction of an American citizen as boatmen and interpreters. These regulations required a list of all traders entering a territory to be submitted to proper authorities, plus bonds, not only for the complete outfit but also an additional $500 bond for each foreign trader. The law also looked forward to the time when all foreigners could be excluded. It required that for every foreign trader hired as an interpreter, an American citizen also had to be employed to learn the duties of an interpreter. 38

Even though the law was more lenient, it still worked hardships on the Green Bay traders. In 1818, John Lawe claimed that he was close to financial ruin. Jacob Franks, the agent for Stone, Bostwick and Company dealing with the Green Bay traders, suggested that John Lawe arrange his trade in accordance with the regulations. John Lawe could hire Americans to transport his goods to the interior, Franks thought, while Lawe himself acted as interpreter even though he was really head of the outfit. Franks, however, warned Lawe that he should apply for citizenship as soon as possible. 39 He further urged John Lawe to form a partnership with Jacques Porlier and the Grignon brothers to minimize their losses. 40

Frank's advice did not immediately impress itself upon John Lawe. In November, 1818, Lawe wrote to Thomas G. Anderson, an old British comrade during the War. Lawe claimed that since the War he had lost nearly $800 on his property alone. Furthermore,
he had failed to obtain a license for the coming season and commented that "I wish I could sell out and leave this country forever." 41

John Lawe and the other Green Bay traders had not made such threats offhandedly. In 1819, Lawe received a letter from Robert Dickson, another British army officer, who requested him to delay his move to Canada until other arrangements could be made. 42 Dickson wished Lawe and his fellow Bay inhabitants to move to the Red River district where Lord Selkirk had purchased lands with the aid of the Hudson Bay Company to begin a settlement. 43 Lawe and the Grignons were never able to act on this scheme since Lord Selkirk died the following year.

With the death of Selkirk, Lawe and the other Bay traders decided to act upon the advice of Jacob Franks. They attempted to engage in the trade according to American regulations. In the early part of 1819, John Lawe procured a license to enter the territory as an interpreter. Governor Cass was quite willing to grant the license but the final decision was up to Colonel Bowyer, the Indian agent at Green Bay. Cass influenced Bowyer's decision somewhat by reminding him that merely because Lawe was still a British citizen did not exclude him from the trade. 44 Finally, the Green Bay traders recognized that the only way to realize a successful trade in their area was to become citizens of the United States. Therefore, late in 1819, John Lawe, Pierre, Augustin, and Charles Grignon applied for citizenship at
The efforts of the Green Bay residents to obtain American citizenship were frustrated by the changing stipulations of the original Jay Treaty. Jacques Porlier, a prominent trader of the Green Bay region, had been granted tentative citizenship as were other traders. On September 3, 1819, however, the Attorney General of the United States prescribed more stringent regulations for attaining citizenship. The Attorney General did not feel that mere residence in the territory constituted citizenship. The laws governing citizenship under the Jay Treaty, the Attorney General said, required a person to swear an oath before a delegated official. Governor Cass, therefore, was required to suspend the citizenship of the Green Bay residents until the proper oath could be administered.

This action was partially due to the influence of the American Fur Company. Before 1820, the Green Bay traders were still dealing with Stone, Bostwick and Company, a leading competitor of Astor in the territory. The Green Bay traders had resisted all the efforts of Astor's enterprise to gain their services. In 1818, Ramsay Crooks personally journeyed to Green Bay to persuade them to enter the American Fur Company. All the Bay traders, however, remained loyal to Jacob Franks and Stone, Bostwick and Company. Crooks and Stuart, seeing that their initial efforts to eliminate competition in the area had failed, decided to undertake a different policy. In 1819, they successfully cajoled
government officials into suspending the tentative citizenship of the Green Bay traders. 49 Now Crooks and Stuart temporarily possessed without competition all the trading territories on the Fox and Wisconsin Rivers.

Stuart realized that soon the government would be required to grant citizenship to the Green Bay residents. Therefore, he decided to act as a friend of the Green Bay people and help them gain their citizenship. On October 28, 1819, Stuart expressed his concern over the revocation of their citizenship, but he mentioned that Mr. Ramsay Crooks was in Washington attempting to secure citizenship for them. 50 The Green Bay residents were fooled by Stuart's clever scheme and now agreed to deal with the Company. Robert Stuart then used his influence to gain citizenship and justice for the new employees. Writing to Governor Lewis Cass on November 3, 1819, Stuart told him of the unjust action of Indian agent Bowyer at Green Bay. Bowyer, who had granted licenses to Porlier, Lawe, and Pierre Grignon for the coming year, had now decided to revoke them. Stuart explained that the traders, under the impression that they possessed licenses, had contracted for trade goods and now faced financial ruin. In conclusion, Stuart urged Governor Cass that "...such oppression and inconsistency will I am convinced be speedily remedied by you Sir." 51

In the interim, the Green Bay traders skillfully avoided the full letter of the law. John Lawe hired a Mr. Laurance, an
American citizen to do his trading in the interior. Ramsay Crooks wrote to Louis Rouse, another Green Bay trader, that hiring Americans to act as fronts was a dangerous policy. Crooks did not suggest abandoning this policy, but he did warn the traders to exercise extreme caution.

In October and November of 1821, the Green Bay traders finally received notification of their status as citizens of the United States. Even though the Green Bay residents were eventually confirmed as citizens, the results of the license and citizenship controversy seemed to have created outright hostility on the frontier. The unsettled and inconsistent policy of the United States government toward British subjects and the Indian trade had eventually brought it temporary control of this frontier enterprise. However, the loyalty of men continually abused by a strange government was certainly to be just as inconsistent.

The American Fur Company benefited from the vacillations of the government. Because the American Fur Company possessed a great deal of influence in Washington and on the frontier, it could offer its traders advantages not found elsewhere. Eventually men such as Colonel Bowyer and Major Puthuff who opposed the Company were removed from their posts to be replaced by more pliant servants. By helping to obtain licenses for the Green Bay traders, the American Fur Company eliminated an American competitor, Stone, Bostwick and Company, from the Green Bay area. Thus, by 1821, the American Fur Company had driven Connant
and Mack from Chicago, had established a post at Green Bay, and had gained the services of Lawe and his fellow traders. The inconsistent policy of the government had driven some British companies out of the territory. In place of the British, the government had helped to create the monopolistic control and enormous national power of the American Fur Company.
CHAPTER IV

THE AMERICAN FUR COMPANY AND THE GOVERNMENT FACTORY SYSTEM, 1816-1822

From 1816-1822, in both Chicago and Green Bay, the organized fur trade under the auspices of the American Fur Company and the private traders was faced with an alarming threat to its security. The re-establishment of the factory system after the War of 1812 was designed to rid the area of British influence as well as to assure the Indians a decent existence from the fur trade. The factory intended to give the Indians a fair price for their furs, and thus it was a competitive institution with the regular frontier trader.

Matthew Irwin was appointed government factor at Green Bay with a salary of $1000 per year. At Chicago, Jacob Varnum was the factor with a salary of only $800 per year. The difference in salary between the two factories most likely resulted from the more difficult task which faced Irwin at Green Bay. While Chicago had been the site of a factory before the War, Green Bay was still a comparatively untamed area without the influence of American frontier institutions.

Thomas L. McKenney, Superintendent of the Indian Trade and head of the factory system, was optimistic about the prospects of the re-established factory system. In 1815, the total amount of goods sent to Green Bay amounted to $15,738.06 while Chicago received a shipment of $9,452.34. McKenney's hopes for a success-
ful factory at Green Bay were quickly dissolved. By 1817, he appeared dissatisfied with the business of the Green Bay factory:

Since you have been at Green Bay your returns have been very much irregular and the business you have been doing, very limited. The whole amount of your sales appears to be only $538.40 and of this sum it would seem about $180 had been sold to the Indians.  

Disillusioned by the operation of the Green Bay factory, McKenney asked Irwin whether or not the business held any good prospects for the future. If the factory could not maintain a favorable trade, McKenney said, it should be closed immediately. In March, 1811, Irwin explained the reasons for the poor business done at the factory. The admission of British citizens who had for many years traded in this area, Irwin claimed, robbed the factory of the Indian trade. Irwin accused the traders of inciting the hostility of the Indians against the factory.  

The failure of the factory was caused by many factors. In September, 1811, Irwin again wrote to Thomas L. McKenney and placed primary responsibility for the failure of the factory upon the Indian policy of the national government. Irwin found an incongruity in the system of the Indian agents and government factors for

... the factors are sent to supply the wants of the Indians, and the Indian agents can adopt such measures as to defeat all their plans to that end. It is very certain that the authority vested in them to issue licenses is well calculated to destroy all the benefits that might be expected from the factories ... 
Many times the Indian agents were friendly to the traders and fur companies and thus directly unfriendly to the factor. In addition, Irwin was not merely complaining about British traders being licensed but any traders in the territory. The only effective remedy for the Green Bay factory, Irwin claimed, was an absolute prohibition of trading licenses to all traders when the factory could supply the goods needed by a particular Indian settlement.

The ineffectiveness of Irwin's business at the factory was readily apparent in his quarterly returns for May to August of 1817. In this period, Irwin collected furs valued at $304.76. At the same time, Irwin sold merchandise valued at $1,349.08. There was a definite discrepancy in Irwin's accounts. If he had only exchanged merchandise for furs of approximately the same value, then the two figures should have been relatively equal. McKenney realized the discrepancies in the quarterly account. He surmised that Irwin was selling goods directly to the white traders instead of merely conducting a fur trade exchange for the Indians. The factory had definite rules governing cash or credit sales to whites. The factor could only sell goods to white settlers when the goods were not required for the Indians. Even in this case, nevertheless, the factor was supposed to discourage such transactions by charging the white settlers prices ten per cent above the standard. Matthew Irwin did not follow these rules. In one case, he sold gunpowder at 65¢ per pound, a
price far below the minimum cost to the factory. McKenney expressed his dissatisfaction with Irwin's unsound business practices. A trader or white settler, McKenney said, would buy the powder at 65¢ per pound; and, then, he would proceed to the Indian territory to sell the powder for $1.00 per pound. Thus, Irwin had defeated the aims of the factory system in two ways. First, he made it impossible for the factory to operate within a specified budget. More important, Irwin sustained and encouraged traders to cheat the Indians, the very practice which the factory attempted to prohibit.

Because of McKenney's complaints, Matthew Irwin decided upon a scheme to increase the effectiveness of the factory. Irwin felt that his major tasks were to gain the confidence of the Indians and to subsidize their trade before the private traders could. He decided to operate like the American Fur Company by dispatching agents for the factory (sub-factors) into the interior. According to Irwin, the factory was located too far away from the actual trading areas to gain the Indian's business. Previous to Irwin's plan, the private traders had the advantage of selling goods to the Indians and collecting their furs before the factory could exert any influence. McKenney was skeptical of the whole idea and demanded that Irwin obtain sufficient security before dispensing goods to a factory agent.

The reaction of the Green Bay traders was most certainly hostile since Irwin had entered into their trading territories.
In 1821, Louis Grignon, who was trading on the Fox and Wisconsin Rivers, mentioned that there was increased competition because of the men sent from the factory. In a rather poignant statement, Grignon commented that "... for the people paid by the government, according to my thought should not try to win one or another individual just in order to make a profit under the cover of care for the savages and of the pretended benefits that they receive from the factories ... ." \(^\text{13}\)

Ramsay Crooks and Robert Stuart of the American Fur Company found this policy particularly odious. According to Crooks and Stuart, Matthew Irwin had perverted the original intention of the factory system. The man sent by the factory into the interior, Crooks claimed, acted just like a normal trader and attempted to make a profit. Because of Irwin's plan, Crooks asserted, the factory was no longer a benevolent aid to unfortunate Indians, but it was now a government business participating in the fur trade. Crooks, therefore, concluded that the government had entered into the field of private enterprise; and, because of its power, was not operating on equal grounds with the local traders. Therefore, Crooks and Stuart encouraged John Astor to speak to the President with the intention of gaining the abolition of the factory system or the reversal of Irwin's system of sub-factors. \(^\text{14}\)

There was another side to this controversy besides that of the American Fur Company on the practices of the factory system. Since the inauguration of the factory, Major Irwin had complained
about British influence in the trade. Irwin felt the contradiction of American governmental policy. Although laws had been passed to reduce British influence in the trade, Irwin stated that this was only a partial answer. The American Fur Company, he stated, had been considered an American firm by the government when, in actual fact, it was run by British citizens. To Irwin, the license law was ineffective because it was not primarily aimed at the traders of the American Fur Company. Irwin realized that the American Fur Company and the factory were two competing organizations.

The American Fur Company found the factory a tiresome nuisance to its attempt to gain a monopoly of the fur trade. They deliberately reduced the price of their goods to undersell the factory. Yet the Company held an even more important advantage over the factory—political control. Both Major Puthuff at Mackinac and Colonel Bowyer at Green Bay, who had refused to accede to the Company's demands for licenses, were eventually removed from office under the requests of Robert Stuart and Ramsay Crooks. Crooks held such influence with Lewis Cass that, even though he was a British citizen, he was commissioned to journey to Prairie du Chien to examine the conduct of the Indian agent at that place. Through the reports of his factors, McKenney was aware of the tactics of Astor's Firm. McKenney's strongest complaint was against the practice of the Company hiring all the traders in a particular area, whether needed or not, merely to
keep the factory from obtaining needed manpower for duties such as interpreters and clerks. 18

In 1820, Irwin felt he had definite proof concerning the hostile intentions and influence of the British traders employed or connected with the American Fur Company. Irwin said that a Mr. Armitinger, an independent trader, went to the neighborhood of Lake Winnebago and was fired upon by the Indians. The same incident occurred when Captain Whistler from Fort Howard entered the area. Yet when Jacques Porlier and Louis Grignon, employees of the American Fur Company, approached this area, they were unmolested and reaped a large amount of furs from the Indians. In sum, Irwin felt that these facts proved the hostility which the British traders and the American Fur Company were erecting between the American and Indian population. 19

Jacob Varnum in Chicago also complained of British traders disrupting his trade. Varnum encountered a different situation at Chicago. For the first two years, 1816-1818, the Chicago factory experienced a limited degree of success. Early in 1817, McKenney recommended that Jacob Varnum receive a raise in salary because of the increase in the volume of trade at the Chicago factory. Varnum's salary was raised from $800 to $1000 per year. From the inception of the Chicago factory in 1816 to March 31, 1818, the factory gained $2253 in the trade. The expense of running the establishment, however, amounted to $4093. Despite a total loss of $2000, the Chicago factory was more successful than
the factory at Green Bay.  

There are several explanations for the greater success of the Chicago factory. The most probable reason was the influence which the Chicago factory exerted before the War of 1812. The Indians had faith in the Chicago factory while the independent traders were still disorganized due to the War. The Chicago factory, from 1816-1818, provided the only outlet for furs and the purchase of merchandise. By 1818, however, the American Fur Company pursued the fur trade in the area. It had forced John Crafts out of business, and certainly the Chicago factory must have begun to feel the competition of the American Fur Company.

In December, 1818, Jacob Varnum, as Matthew Irwin had done, previously, remonstrated against the large numbers of traders infiltrating into the Chicago area. Varnum said that

> The indiscriminate admission of British subjects to trade with the Indians, is a matter of pretty general complaint throughout this section of the country. There are five establishments within limits of this agency headed by British subjects.  

These establishments, to which Varnum referred, most likely were the American Fur Company's posts along the Illinois River headed by Antoine Deschamps and the Chicago headquarters under Jean Beaubien.

The factories both at Chicago and Green Bay, however, received their staunchest opposition not so much from the British traders themselves as from the goods they traded. The private trader effectively distributed whiskey to the Indians, and in this
lay one of the chief causes for the poor business of the factories.

Liquor sales to the Indians had been a problem on the earliest frontiers of America. In 1802, the Congress had passed a law authorizing the President to take such measures as appeared proper "... to prevent or restrain the vending or distribution of spirituous liquors among all or any of the Indian tribes." Yet this law did not actually prevent the use of liquor. In 1816, Governor Ninian Edwards of the Illinois Territory attempted to rectify the situation by obtaining passage of a territorial law which forbade the sale of liquor to the Indians and provided penalties for such action. The Green Bay traders were promptly informed of the new law and the penalties attached. Yet they found the law both impractical and impossible for officials to enforce:

You will notice, Sir, that liquor having once been allowed among the savages it is not possible to restrain them from it, and that moreover there is not force enough here to sustain such a regulation.

Knowing that the law would be impossible to enforce, the traders carefully avoided the spirit of the law. The law only forbade the sale of liquor to the Indians so that the traders, before going into the territory, would claim that any liquor in their packs was merely for private use. The law did not ban liquor from the Indian lands, and thus a large quantity was always kept by the traders themselves and at their depot at Green Bay. John Bowyer, the Indian agent at Green Bay, attempted to
ban the storing of liquor at Green Bay, but Governor Cass informed him that such action, although desirable, would be illegal.

Many times Irwin complained bitterly of the use of liquor in the Indian trade which induced the Indians to become intoxicated and to sell their furs at poor prices. Irwin explained why it was impossible to prosecute traders for selling liquor illegally to the Indians:

A return to reason will induce many of them (the Indians) to mention who sold them the whiskey; but it is deemed illegal to accept Indian testimony, so that the British and American traders... may deal in whiskey without the smallest chance of detection. 29

Although the American Fur Company was not in full control of the territory before 1822, it was involved in the whiskey trade. In actual fact, the American Fur Company would have preferred not to deal in liquor. Liquor was an expensive commodity for a trading outfit. In addition, liquor destroyed the Indian's desire and ability to hunt. These considerations have led some authors to surmise that the American Fur Company refrained from the use of whiskey in the trade before 1822. 30 In the Company's Account Books for 1821, however, the following items were shipped to Green Bay and Chicago: 418 gallons of High Wine, 30 gallons of Jamaica Spirits, 8 gallons of Cognac Brandy, and 35 gallons of Rio Wine. 31

A more damaging example of the American Fur Company's connection with the whiskey trade occurred in 1821. At this time, Dr.
Alexander Wolcott, the Chicago Indian agent, refused to grant James Kinzie a trading license for the Milwaukee area. Wolcott was informed by Matthew Irwin that Kinzie was suspected of having sold liquor to the Indians. Irwin had probably told Wolcott of the incident so that Kinzie could not obtain a trading license for the Chicago area. Ramsay Crooks, with whom Kinzie was employed, detested the actions of Indian agent Wolcott. Wolcott, Crooks said, refused to grant James Kinzie a license on mere suspicion. To correct such an injustice to his agent, Crooks obtained a license for Kinzie from Colonel Boyd at Mackinac. Yet Crooks warned Kinzie that his conduct now had to be above reproach. Crooks's ability to obtain a license from Colonel Boyd, despite the objections of Wolcott and Irwin, was typical of the enormous power of the American Fur Company. Colonel Boyd, who issued the license to Kinzie, had been Crooks's choice for Indian agent to replace the recalcitrant Major Puthuff. In 1818, Governor Cass, realizing the problems caused by an agent licensing a trader in Mackinac for trade in the Chicago area, had outlawed such procedures without the consent of both agents concerned. Despite the action of Boyd, then, Wolcott ordered Kinzie to close his trading outfit within sixty days and leave the territory. Irwin realized that the absence of Kinzie from the Milwaukee area would leave the Indians without a trader, and he was more than happy to enter this country controlled by the American Fur Company.
Irwin, therefore, commissioned Jacques Vieau as an agent of the Green Bay factory. Vieau was an American citizen; and, according to Irwin, he was of impeccable character. Irwin gave him goods amounting to $2,228.25 with which to deal with the Indians. 

McKenney, the Superintendent of the Indian Trade, did not allow this incident concerning Kinzie to go unnoticed. On December 7, 1821, he strongly criticized the American Fur Company in the *Daily National Intelligencer* with the case of James Kinzie as an example. The people now knew, he said, the identity of "... these invisible nobodies ... dealers in whiskey, furs, and Indian blood ... agents of this same American Fur Company." 

Crooks and Stuart were hardly pleased over the Kinzie affair. In 1821, Stuart accused Irwin of exaggerating the case against Kinzie in order to improve the national image of his factory. Stuart predicted that, despite Irwin's attempts, the factory system would be abolished within a year. By 1822, Stuart had changed the tone of his criticism because of the public reaction to the Kinzie affair. Now he found Kinzie a less than reputable character and considered relieving him of his position with the Company. Finally, in April, 1822, Stuart told Kinzie to leave the Milwaukee area to another trader and return to Chicago.

Stuart then attempted to save the name of the American Fur Company by completely disclaiming any knowledge of Kinzie's activities. Stuart quite bluntly told Governor Cass that "... whenever any person either employed by, or having dealings of
whatever nature with us does not conform to the laws . . . governing the trade . . . we will always be willing and happy to have them entirely excluded from the country." Stuart actually suggested that Kinzie be expelled from the territory. The only reason the Company had been reluctant to act, Stuart explained, was because James Kinzie was the son of John Kinzie, an important trader of the Chicago area. Whether or not the American Fur Company was aware of Kinzie's activities in selling liquor to the Indians cannot be definitely proven, but the large shipments of liquor made by the Company throughout the period indicate that the Company made use of liquor whenever needed.

James Kinzie ignored the actions of Dr. Wolcott and the advice of Robert Stuart and remained in the Milwaukee area. As late as July, 1822, Kinzie was peddling liquor to the Indians. To prevent his continuing illegal conduct, Alexander Wolcott wrote to George Boyd, the Indian agent at Mackinac, to inform him of Kinzie's activities. Wolcott warned Boyd against issuing Kinzie a license for the coming year. Finally, Wolcott sent a marshal to apprehend Kinzie and make an example of his illegal conduct.

The real effect of Kinzie's activities and those of many unscrupulous traders in the peddling of whiskey were clearly evident in the Congressional investigation and the eventual report of Reverend Jedidiah Morse. In 1818, the House of Representatives had requested Secretary of War Calhoun to report on the feasibility of instituting a new plan for the conduct of the
Indian trade. Calhoun immediately wrote to the men connected with the system inviting them to comment on the best method of abolishing the current system and instituting a new organization. T. L. McKenney was the first to reply to Calhoun's inquiries. In McKenney's opinion, the abolishing of the factories could only bring harm to the Indians at the expense of aiding individual enterprise. Lewis Cass, on the other hand, was decidedly in favor of a new system for the Indian trade. Since American private enterprise was now capable of conducting the Indian trade, Cass claimed, the government should withdraw. Cass's only recommendation was to erect stringent trade laws against liquor which then would place the traders and the Indians on equal footing in the conduct of the trade. Calhoun's Report, issued in 1818, called for the abolition of the factories. In their place, Calhoun envisioned stringent government regulations over the conduct of private traders. He suggested that licenses should cost from $100 to $500, thereby limiting the number of traders in the area. In addition, the traders were to be confined to designated locations. All such regulations were intended to insure the government's supervision over the conduct of the trade. These recommendations were not immediately accepted.

Realizing that Congress was gradually moving to the abolishing of the factories unless they improved, McKenney instituted several measures to halt the financial losses. He first intro-
duced a doublecheck accounting system for the factory. Before any bills or accounts could be sent to the central office in Georgetown, they had to be cleared by Governor Cass, the Superintendent of Indian affairs for the area. In this way, McKenney hoped to insure the correctness of all accounts by an area supervisor. McKenney also prohibited the sale of furs at the factory, requiring instead that all furs had to be sent to the central office. This regulation enabled McKenney to exercise personal supervision over the sale of furs.

Opposition grew against the factories with the publication of the Reverend Jedidiah Morse's Report. Morse had been dispatched by the Committee on Indian Affairs to investigate the factories. Interviewing Matthew Irwin, Morse discovered that the Green Bay factory conducted the majority of its business with the white traders and the military personnel at Fort Howard. Annual trade with the Indians did not exceed $1600, Irwin estimated, while trade with Fort Howard and people of mixed blood accounted for $5,500. Irwin placed primary blame for the failure of his factory upon the large number of traders in the territory, thus causing him to sell to white inhabitants. Turning to Chicago, Morse found that Varnum, for the past year, had traded for furs amounting to only $25. Although recognizing the influence of whiskey upon the trade, Morse said the Indians were not actually maltreated by the trader. The Indians dealt with the private traders because they wanted to and "it is evident, that by some means,
the Indians have not confidence in the government, as fair and upright in their trade. Morse found several reasons for the distrust of the factory by the Indians; the inferior quality of its goods, prior influence of British traders, and the harmful effects of whiskey. Morse thought that the principal aim of the factory system, the civilization of the Indians, had been a total failure. Rather than advance the Indians, the factory kept them in the hunter stage of civilization by increasing their dependence on the fur trade.

In 1821, the Committee on Indian Affairs in the Senate, held final hearings before abolishing the factory. Irwin again accused the American Fur Company of ruining the factory. He stated that his sub-factor, Louis Rouse, was dispatched to the interior where Crooks deliberately sent three men to oppose him. Crooks refuted such accusations by again illustrating that the supplying of private traders was against the purpose of the factory. He claimed that Irwin supplied Rouse the goods totaling $3000 and that Rouse, in order to derive a profit, sold the goods at prices higher than required by the factory.

John Biddle, the new Indian agent at Green Bay, presented testimony which showed a definite hostility to the factory system. Biddle stated that the goods supplied the factory were inferior in quality to those of private traders. Further, he claimed that Irwin had not only supplied large amounts of goods to sub-factors
but also sold goods to private traders on credit. In sum, factors such as Varnum and Irwin had overstated their case against the British, Biddle explained, and had failed to realize the inadequacy of their own goods. The factory was of no use to the frontier community, Biddle said; and its end would be a blessing to the Indians.53

McKenney was forced to initiate action for the closing of the Green Bay and Chicago factories before Congressional action. He refused, nevertheless, to acquiesce in the reasons advanced by Congress for such action. The factories were not ineffective because of inadequacy of goods or Indian hostility, McKenney claimed. Their demise was the result of "... unsuitable provisions which exist for the regulation of the trade. Hordes of private adventurers, availing themselves of the looseness of the system, have crowded into those parts on account of the superiority of the furs which are taken ..."54 McKenney felt that the closing of the factories would cause the alienation of the Indian from the white settlements and eventually bring bloodshed. He was forced, however, to instruct Varnum and Irwin to begin closing their affairs.55

As Congressional action neared for the closing of the factories, the most outspoken protagonist in Congress was Thomas Hart Benton. Benton wielded considerable influence since he was both an inhabitant of a frontier state and a ranking member of the Senate Committee on Indian Affairs.56 Because of his connection
with Ramsay Crooks of the American Fur Company, some authors have claimed that Benton was extremely prejudiced against the factories. Such accusations do not seem warranted, however, because Benton could have become an enormously rich man through these supposed connections. Benton, nevertheless made several mistakes in his zeal to rid the frontier of the factory. In his many lengthy polemics against the system in the Senate, Benton constantly claimed that inferior goods were purchased for the trade. His major objection was against eight gross of Jew's harps which he ridiculed as totally unsuitable to the Indian trade. Such objects were extremely popular with the Indians, McKenney retorted; and thus suitable to the trade. McKenney also pointed out that the stocking of inferior goods could not be avoided. Such goods were purchased in large quantities after the War, he claimed, when goods were of poor quality. McKenney's position seemed fairly accurate. In 1815, J. Mason, then head of the factory system, had admitted that the goods selected for the trade were inferior because shortages of all products were occasioned by the War.

What was the basic cause of the failure of the factory system? Scholars have advanced many reasons. That traders could extend credit to the Indians while the factor could not has been a popular explanation for the failure. As shown by John Biddle's testimony, Irwin did extend credit to both whites and
Indians. Crooks and Stuart also frowned on traders giving credit to the Indians so this traditional explanation loses much of its credibility. Whiskey could not be considered the only major cause since the American Fur Company was not anxious to have the trader deal in this commodity. A drunken Indian was as little use to the fur trader as the factor. That the factor could not obtain Indian furs because he could not go to the hunting grounds has been another traditional explanation. At least in the case of Green Bay, however, this was not true. Irwin had dispatched his own traders. In many respects an early resident of Green Bay found a plausible answer for Irwin's failure:

Major Irwin was a gentleman of intelligence, culture and integrity, and as well fitted for the trust as any citizen totally unacquainted with the Indian country, its trade and inhabitants, could be—that is, not fitted at all; and moreover, being furnished by the government with goods unsuited to the Indian trade, and coming in competing contact with life-long experienced, astute traders, of course the effort to gain confidence, trust and influence with the Indians was a total failure. His sleazy, woolen blankets, cheap calico, and worst of all, his poor unserviceable guns, were all rejected by the Indians; and during his four years trade, he did not secure fifty dollars worth of peltries.

Thus, the factory's failure was the result of a combination of factors: the unsuitable personnel (both Jacob Varnum and Matthew Irwin were from the East), unsuitable goods, and the whiskey problem. The problem, though, can be reduced to more basic considerations. The factory was a small business attempting
to compete with the vast organization of the American Fur Company. In addition, the success of the factory was impossible because of the government's inability to establish a consistent policy in relation to the Indian trade. The government, by following a two-sided Indian trade policy, by allowing private traders to flourish while the factory was in existence, was a totally inadequate arrangement. By allowing private traders in the territory, the government provided the competition which ruined its own factories. How could a government business with appropriations of only $300,000 compete with established private traders and the emerging million dollar capital of the American Fur Company? With the abolition of the factory system, the government at least recognized its inability to follow a dual policy. The government now merely sought to control and regulate the traders, not compete with them.

The final closing of the factory was a confused and tragic incident. In 1821, McKenney had ordered Varnum and Matthew Irwin to begin the sale of their remaining goods on a cash or credit basis. Such a policy was in accord with John Calhoun's Report issued in 1818 that the factories should be liquidated over a period of time. Benton, in his zeal to end the system, demanded their closing within two months. Several Washington businessmen were commissioned to take charge of the final accounting. These men, coming from the East, were totally unacquainted with the factory and the type of business conducted. Needless to say,
Benton's hasty action caused an ultimate loss of government funds and added credence to those who had claimed the factory had always been an impractical scheme. In Chicago, Jacob Varnum had merchandise worth nearly $13,000. A. B. Lindsay, who was commissioned to close the factory, eventually realized only $1,250 in cash from this merchandise.

Lindsay took the merchandise to Detroit where it was sold at prices far below cost. In addition, the outstanding debts of Indians and whites were totally ignored because of the two-month close-out period. Varnum, the Chicago factor, characterized the policy of Thomas Hart Benton and the Congress as completely inept:

Mr. Benton had his own way. It was not probable that one in ten in Congress knew much about an obscure system for the benefit of the Indians, inaugurated long before a large portion of the members were elected. He debated it alone . . . carried all measures, one of which was so absurd as to require a new set of agents to relieve the old one and whose duty it would be to wind up the concerns. The effect of this measure, so far as the Chicago factory was concerned was a total loss of all government property. A. B. Lindsay, a hanger-on about the offices for an appointment for years, obtained the situation . . .

With the factories closed, the American Fur Company was freed of its most sustained competition. This Company now spread its power over not only the Indian trade but every aspect of frontier life.
Before the abolition of the Green Bay factory, the American Fur Company had made a decided effort to gain the cooperation of the Green Bay traders. After their citizenship had been obtained, Lawe, the Grignons, and Jacques Porlier each traded on his own account with the Company. This caused a considerable reduction in profits since the traders were competing with each other. John Lawe traded in the immediate vicinity of Green Bay, Charles Grignon at the Portage of the Fox-Wisconsin, Augustin Grignon at Grand Kakahlin, Louis Grignon on the Wisconsin, while Jacques Porlier located on Overton's Creek flowing into the upper end of Lake Butte de Morts. During the season of 1820-21, the Green Bay traders continually complained about the poor hunt. Before the 1821 trading season began, then, the American Fur Company suggested that several of the Bay traders form a partnership to reduce their losses. The agreement included five traders; Louis, Pierre, and Augustin Grignon, John Lawe, and Jacques Porlier. The traders agreed to share the profits derived, each partner receiving one-fifth the profits or losses. Under the terms of the contract, four members were to trade in the interior while one signatory remained at Green Bay to handle the business affairs. Goods for the trade were to be obtained from the American Fur
Company under the name of the Green Bay Company. The contract was to last for three years until August 1, 1824. 4

Difficulties arose concerning the contract because Jacques Porlier, who before 1821 had traded on a partnership with Louis Rouse, was not present to sign. Ramsay Crooks, therefore, signed for Porlier hoping he would enter the agreement. Informing Porlier of his action, Crooks persuaded him to enter the agreement since the competition would otherwise place him in inextricable economic difficulties. 5 The Green Bay traders had fallen into debt by competing with each other in the trade. The American Fur Company had supplied their individual needs until this contract. By forming this contract, the Green Bay traders admitted the control which the American Fur Company exerted over their economic livelihood. This control was especially evident in the formation of the contract. The American Fur Company agreed to supply only the five traders specified in the contract. Therefore numerous other traders such as Lewis Rouse, who had previously traded for the Company, were left without goods for the trade. 6

The Green Bay Company immediately encountered difficulties with the terms of the contract. Stuart had agreed to refrain from sending any other traders to deal with the Menominee Indians within the Green Bay region. 7 The Green Bay traders, however, decided to follow the Menominees all the way to the Mississippi
River territory which belonged to Joseph Rolette from Prairie du Chien. Eventually, Crooks and Stuart gave Augustin Grignon permission to enter Rolette's area but only above the falls of St. Anthony. Crooks also told Rolette that Augustin Grignon would enter his trading territory, but at the same time assured Rolette that he could trade with the Menominee if Grignon's presence caused serious economic loss.

In 1822, the Green Bay traders again faced heavy losses. Crooks had little patience with these men. He sarcastically characterized their business attitude as "... an unconquerable aversion to economy, and their only care seems to be to get into their profession the means of pampering their indolence--a want of principle is everywhere apparent." Crooks's comment about "a want of principle" was prompted by the actions of Augustin Grignon who had gone to winter below the falls of St. Anthony on the Mississippi River. Rolette had extensive credits for trade goods with the Sioux in this area. According to Crooks, Grignon had taken their furs knowing they were indebted to Rolette. Admitting that his information was merely hearsay, Crooks supported Rolette's accusations. His story was supported not because it was necessarily true, but because he was a more successful trader. Rolette's ability to extract tremendous profits from the trade, Crooks realized, demanded that his connection with the Company be maintained.
The presence of Augustin Grignon in Rolette's territory finally exploded into violence. In January, 1822, Augustin Grignon's trading house was burned and his goods confiscated by a band of Sioux. Louis Grignon immediately advised his brother to discover the cause of the Indian's hostility. As soon as Ramsay Crooks heard of the incident, he suspected that Rolette's ambition had carried him too far. Jacques Porlier, a partner in the Green Bay Company, took more immediate action. Writing to Governor Cass, Porlier accused Rolette of inciting the Indians. He pointed out that Rolette also had an outfit in the same area which the supposedly unattached Indians did not molest. Further, Porlier claimed that the Indians admitted that they had been incited by a white trader. Cass forwarded the accusations against Rolette to John Calhoun, the Secretary of War, advising that Rolette's license be revoked. Lack of evidence, however, prevented the agent for Indian affairs at Prairie du Chien from initiating legal action against Rolette.

The American Fur Company temporarily eliminated the trouble between Rolette and Grignon by concluding a contract in which both men agreed to refrain from trading with the Indians usually credited by the other. Stuart was quite sure that the Green Bay traders would break the agreement, but he felt that he must continue to employ them lest the territory be overrun by competition. Stuart had a great deal more confidence in the abilities of
Rolette and provided him with much larger quantities of goods than any of his competitors or fellow traders. Realizing that Rolette could destroy the business of any of his competitors, Stuart cautioned him that, although such action would rid the American Fur Company of an economic liability (Green Bay Company), other competitors might prove more harmful. Rolette followed the advice of Stuart and Crooks and entered into a mutual agreement with the Green Bay Company.

The American Fur Company kept Joseph Rolette well supplied with goods and even supported his most treacherous actions. A most interesting contrast was the attitude and policy followed with less successful members of the Green Bay Company. As early as October, 1821, Stuart expressed his dissatisfaction with the Green Bay Company's returns. With the destruction of Augustin Grignon's outfit by Rolette, the prospects for the trade of 1822 appeared dim. Although the American Fur Company realized the Green Bay Company would make few profits, Crooks and Stuart refused to give up their economic control of the area by breaking the contract. Stuart decided to accept the losses of the Green Bay Company rather than to throw the territory open to competition.

... Besides I know that Lockwood made them a liberal offer to supply all their wants; and let the result be loss again, they would have strengthened his opposition, so as to make it of serious consequence to our operation for there would be no restraint whatever; and it would be throwing them completely into the arms of our opponents, which, as I have already stated might be of no beneficial
result to either of them, but still must have turned out of serious detriment to us.

John Lawe was dissatisfied with the American Fur Company and their supposed beneficent trade arrangements. According to Lawe, he and the other Bay traders were forced to form the Green Bay Company. The American Fur Company, then, sold them goods at outrageous prices and limited the areas in which they could trade, Lawe claimed. Lawe was aware of Crooks's tactical maneuvers. He realized that the Company "... didn't wish I believe to ruin us for fear an opposition might form and come into the country." On the contrary, Lawe said, the American Fur Company wished to take their furs at the lowest possible prices, thus keeping the Green Bay traders in debt. To accomplish this, the American Fur Company sent other men to trade with the Menominees, refused to allow Lawe to trade at Milwaukee, and opposed the Green Bay Company at the Portage of the Wisconsin and down the lower Wisconsin River.

Robert Stuart, accused of waging open war on the Green Bay Company's trading area, denied it unconditionally: "... If it is an insinuation that we do so, I deny the fact... In short I am convinced you are fully sensible that it is not in any way in our interest to injure your concern." It would seem highly probable that the Green Bay traders were harsh in their claims that Stuart was flooding their territory with opposing traders. By the arrangements of the American Fur Company each
trader had a specific territory; for example, Joseph Rolette in the Prairie du Chien area and Solomon Juneau and J. Beaubien at Milwaukee. The Green Bay traders, on the other hand, in an attempt to recoup past losses filtered throughout the area from Milwaukee to the Mississippi. Despite the harsh actions of Rolette, Augustin Grignon had infringed upon his territory.

Although Stuart may have been innocent of flooding the territory of the Green Bay Company with opposing traders, he certainly was prejudiced in other business arrangements with the Green Bay Company. As early as 1821, Crooks warned the Green Bay men that the Company would only supply a limited number of trade goods, since they were all purchased on credit. At the same time, where an outfit did particularly well, the American Fur Company provided, on credit, as many goods as requested. Although this may have been good business strategy, it left the Green Bay traders with little hope of ever improving their economic position. Without an adequate supply of goods they could not stand up to competition, nor were there sufficient profits among five people. Thus, the Green Bay Company gradually fell deeper into debt to the American Fur Company whose power increased over every aspect of the trader's life.

To protect the American Fur Company against the debts of the Green Bay Company, Crooks decided to obtain mortgages on their property. According to Crooks's estimate, the Green Bay Company
owed $16,000 in debts:

Comment is unnecessary, we must . . . secure by mortgages what can be got at and should you get mortgages let their terms be of as short duration as possible -- for I am doubtful how the most of those gentry stand affected towards us.

Chicago presented an entirely different problem for the American Fur Company. In 1821-22, Chicago was still a relatively small village with nine or ten houses occupied by French traders. The number of Indians in the Chicago area was nearly double that of the Green Bay area, thus enabling the smaller numbers of Chicago traders to reap greater profits. In addition, the Chicago trade was conducted in a different manner than at Green Bay. In 1821, the combined nations of the Potawatomi, Ottawa, and Chippewa ceded five million acres of land to the United States. In return for this land, the government agreed to pay the Indians an annual subsidy at or near Chicago. The American Fur Company and fur traders, then, decided to change the operation of the Indian trade. Now the traders would descend upon Chicago during the annuity payments to exchange goods for the Indian's newly acquired money. Although these annuity payments did not supplant the older method of trade in furs, they did provide a lucrative traffic in money from the Indian trade. Chicago, then, was potentially a more lucrative trading area because of the smaller white population, the presence of a larger number of Indians, as well as the trade at the annuity payments.
Chicago proper, however, was not a trading area. Like Green Bay, Chicago was the depot for the collection of furs and dispersal of goods for the traders of the interior. Gurdon Hubbard, a prominent Chicago trader, was led to remark that "by this time (1820) there was a very limited trade here, in fact, this place never had been preeminent as a trading post." 29

With the withdrawal of the factory system, the American Fur Company began to consolidate its hold on the Chicago area. Chicago as compared to Green Bay was not a closely organized society and each different trader had to be gathered into the fold of the Company. From 1821-24, the American Fur Company in its efforts to organize the Chicago area did not reap great profits.

John Crafts, the former agent of the Connant and Mack Company, finally joined the American Fur Company in 1823. Crafts was especially obstinate about his trading territory and wage contract. Originally Crafts wished to receive the various goods from Michilimackinac on joint account with John Kinzie, including the territories of the Illinois River, Chicago, Milwaukee, St. Joseph, Fort Wayne, and the Wabash. 30 Robert Stuart objected to the contract for two reasons. He was hesitant about employing John Kinzie since he was then sub-Indian agent. Governmental authorities, Stuart thought, might object to Kinzie serving both the Company and the government. Secondly, such an agreement would have infringed upon the territories assigned to other trade
outfits such as Beaubien at Milwaukee, John Lawe at Green Bay, and Hubbard on the Illinois River. Eventually, Crafts obtained an area which included the Rock River, the Fox River counties, and the immediate neighborhood of Chicago. Crafts also avoided the profit-sharing wage agreement with the Company and instead received an annual salary of $1000. This wage agreement displeased Robert Stuart since the American Fur Company would have to suffer all the losses on the Chicago outfit while Crafts received $1000.

Gurdon Hubbard, like the traders at Green Bay, was also extremely displeased with the pay of the American Fur Company. In 1823, Hubbard considered quitting the Indian trade if a raise was not forthcoming. Hubbard, since 1818, had drawn only $260 per year as a clerk. Stuart, rather than lose his services and encounter him as a competitor, appointed him head of the Illinois outfit at an annual salary of $400. With territories rather clearly delineated and capable persons employed, Stuart was now ready to exploit the Chicago trade.

The operations of the trade throughout the period were characterized by the tremendous influence of the American Fur Company on both the national and local level. In Chicago, John Kinzie was serving as sub-Indian agent, yet he also maintained business relations with the American Fur Company. These relations were especially evident in 1824 when John Crafts left for Mackinac, and the Chicago post was placed in the charge of John Hamlin.
While Crafts was absent, John Kinzie was evidently connected with
the trade even though sub-Indian agent. Stuart wrote Hamlin ex-
pressing confidence in his ability to care for the post but
assuring him that John Kinzie would give all the help possible
despite his delicate position. Kinzie's position was especially
delicate at this time since the Indian annuity payments were
arriving from Washington. Wishing to prosper from this annual
payment, Hamlin sent to Mackinac for an extra supply of goods.
Kinzie, as an Indian agent, was supposed to protect the Indian
from the selling of goods at inflated prices by the trader; but
his position seemed to waver between the interests of the Indian
and the American Fur Company. John Kinzie's relation to the
Company was apparent in 1823 when Stuart cautioned David Laughton,
a Chicago trader, not to employ any goods in the Indian annuity
trade until John Kinzie could exert his influence on the Indians.

On the national level, the American Fur Company had long
wished to see the complete abolition of the liquor trade with the
Indians. Liquor not only led to atrocities by the Indians but
also inhibited their ability to hunt. In 1828, therefore, the
government passed a law definitely outlawing any liquor from
being transported into the Indian territory. The law provided
penalties of confiscation of goods and trading licenses. The
Green Bay traders welcomed the new law since their major oppo-
sition came from traders employing inferior goods but a large
supply of whiskey.
The American Fur Company, however, drastically altered their policy toward the use of liquor in the late 1820's. By this time, Stuart was quite ready to admit that the Company utilized liquor in its trade:

"... There are several parts of the country we had much better abandon than send without it; and in short we must either send some wherever there is opposition, particularly along the frontier... or... we must give up that trade entirely; if you think proper to leave this matter to my discretion I feel confident we shall not often get into difficulty; and should you forbid it altogether, rest assured the consequence will be extremely injurious; of this Mr. Crooks who you can consult, must be fully sensible, for he cannot have forgotten how much we suffered by not sending liquor in 1817 and 1818..."

Stuart, therefore, concluded an agreement with Governor Cass, who was allowed to employ limited quantities of liquor where British opposition was most pronounced. The territories in which this liquor was permitted included the Green Bay and Chicago regions. In 1825, the American Fur Company bought nearly 3,000 gallons of whiskey and 2,000 gallons of high wines. In 1826, Stuart informed John Kinzie that the chief commodity of the outfit for that year would be liquor. The strange aspect of the entire liquor policy was Stuart's claim that the liquor was used to root out British opposition around Green Bay and Chicago. In actual fact, before 1822, Stuart had already captured these areas from the British and any British traders in the area were probably employed by the Company. In essence, it seemed as if Stuart was
using national policy to consolidate his monopoly by driving out private traders who were usually American citizens. By 1827, Stuart's prerogative to use liquor in certain areas was ended. Governor Cass was finally directed by Washington officials to allow no exceptions to the liquor law of 1822. In 1824, the United States government passed another law designed to regulate the conduct of the Indian trade. This law specifically stated that:

> Indian agents to designate, from time to time, certain convenient and suitable places for carrying on trade with the different Indian tribes and to require all traders to trade at the place thus designated, and at no other place.

The law enabled Indian agents to exercise stricter control over the traders. In this way British traders could be eliminated, traffic in whiskey could be curtailed, and the Indian's welfare could be safeguarded. The law was originally supported by the American Fur Company, for it provided another legal means for the Company to eliminate competition. In the Green Bay region and throughout the territory, licenses granted to a private trader required him to trade at a designated spot. The American Fur Company would then erect a post nearby and reduce the price of its goods so drastically that the private trader would be forced out of business. Once the private trader had been eliminated, the Company would raise its prices to recoup the losses suffered in breaking down the opposition. The law was also quite favorable
to the Green Bay traders since the posts designated by Indian agent Breevoort were those ordinarily used by the Green Bay traders. The posts assigned to the Green Bay traders included: Grand Kakahlin, Winnebago Lake at the post Fond du Lac, Butte de Morts, Portage at the Wisconsin, upper Wisconsin, and Milwaukee. 48

Although the law operated quite favorably for the Company in the Green Bay area, the Chicago region became a trouble spot. The local Indian agent, Dr. Wolcott, refused to grant trading locations desired by Robert Stuart. Stuart immediately wrote Governor Cass and stated his displeasure with the law. Cass had been quite friendly and helpful to the Company on numerous occasions which Stuart hoped would also apply to this situation. Stuart felt that the law was unfair, since the Company's traders, being known throughout the area, would be required to locate at a specific post. Meanwhile, private traders, unknown by the Indian agent, would be able to avoid the law. This problem did not arise at Green Bay because most of the traders of that area resided in Green Bay and were known to each other and the Indian agent. For this reason, Stuart did not conceal his desire that Governor Cass request Dr. Wolcott at Chicago to relax the law in the case of the American Fur Company:

I hope, Sir, that you will have the goodness to request Dr. Wolcott to grant Mr. Crafts licenses for this reason, with the usual privileges that is, not to be confined to a designated spot, for others have the liberty of running about in the vicinity of their posts and it would be ruinous
for him not to have the same advantage. 49

To avoid losing the profits of the 1824 Chicago outfit, Stuart wrote to George Boyd, the Indian agent at Mackinac, asking him to grant Crafts a license for one year. Knowing that Boyd was quite friendly toward the Company, Stuart hoped to supercede the authority of Dr. Wolcott of Chicago and avoid the restrictions of the national legislation.

While Stuart was working behind the scenes pulling political strings, he warned John Crafts to obey the law as far as the situation would permit. 51

As the winter trade season approached, Stuart became more adamant in his objections to the law. Both George Boyd at Mackinac and Dr. Wolcott at Chicago had refused to grant the privileges requested. Stuart, therefore, advised John Crafts to circumvent the law. Follow the Indians into the territory not for trade but for the purpose of collecting debts and establishing credit, Stuart told Crafts. 52 Stuart quite correctly knew that the law only forbade traders to conduct trade in furs and goods outside the designated post, while saying nothing about extending credit. Furthermore, Stuart suggested a means whereby the law could be totally ignored:

But in the event of his adhering to his first determination, and that your trade suffers; you must altho very repugnant to the inclinations of the Company, or its agents, use the only means left you in securing us from serious loss, which is to confine your unlicensed trade to the lands ceded to the United States. . . . 53
Since the Indian agent only possessed jurisdiction over the Indian territory, Crafts could trade along the boundary between ceded and unceded lands without being required to locate at any definite post. By the Indian treaty of 1821, large segments of land in the Chicago area had been obtained by the United States. This land, then, would constitute the area in which Stuart and Crafts would once again avoid the laws of the United States.

Despite his many objections to the law, Stuart received little aid from Governor Cass or the national government. The law had little effect on Green Bay, but it was disastrous in Chicago and other trade regions. In 1826, Stuart was still quite active in attempting to secure the law's repeal. He cited two reasons for this repeal. Because the Indian trapping areas varied from year to year due to the increasing scarcity of game, the trading posts had to follow such movements. Stuart feared that a post established one year might be located too far away for effective trade the next. Secondly, it was extremely difficult to advance the Indians any credit under such a system. If the trader could not follow the Indians into their hunting grounds; he could not determine the prospects of the trade, nor could he be assured, after advancing credit, that the Indians would deliver the furs. The law remained on the books, nevertheless, since it was precisely these abuses which the government wished to eliminate. Many times the trader would advance the Indians credit; and then he would pay a low price for the furs,
dragging the Indians deeper into debt. With designated posts, the Indian agent could prevent many of these abuses.

In this period of consolidation, 1821-24, the American Fur Company had firmly established economic control over Green Bay, Chicago, and Milwaukee. The Green Bay Company was in complete subservience through debts to Astor's firm. In Chicago, the American Fur Company had just initiated its control. On the frontier, this control was evident in the utilization of local officials, such as Major Puthuff and George Boyd, for the benefit of the Company. The national legislation passed in 1822 and 1824 to control the operation of the trade had little effect on the Company. If Crooks and Stuart found the laws harmful to the conduct of business, they either obtained permission from local officials to avoid the laws or operated against the spirit of the legislation. During this period of the American Fur Company's consolidation, nevertheless, the nature of frontier society was changing. These changes gradually undermined the fur trade society and the monopoly of the American Fur Company.
While the government was establishing laws to regulate the Indian trade, the community of Green Bay was undergoing a rapid transformation. As the trade continually declined, the original inhabitants were besieged by an advancing civilization.

Between 1819 and 1824, Green Bay experienced an influx of settlers, not French or British in extraction, but Americans from the East. Gradually, such people brought an energetic and strongly competitive form of life to the carefree community. During this period merchants, such as Daniel Whitney, Robert Irwin, and Colonel Childs, arrived. Professional men, such as James Doty, Henry Baird, and Judge Arndt, also came. By 1824, Green Bay was still predominately French and British, but also had six or eight enterprising American families.

This new immigration exerted a definite effect on the old fur traders. In 1822, the soldiers had moved out of Fort Howard to Camp Smith, two miles up the river. Here the new immigrants established what came to be known as Shanty Town to supply the wants of the soldiers and their families. There were two principal stores in Shanty Town which supplied merchandise to the community. These stores were operated by Daniel Whitney and Robert Irwin. Whitney, by the judgement of his contemporaries, was the most ambitious businessman of the territory. He employed
several clerks in his store and eventually brought carpenters, blacksmiths, painters, and farmers to the area. Whitney provided a direct threat to the native fur traders by providing a non-American Fur Company concern where the residents could purchase goods at competitive prices. In addition, Whitney also supplied traders with goods. Lawe, Augustin Grignon, and Jacques Porlier faced serious opposition from Whitney. To make matters worse, he began to outfit the younger brothers of Augustin Grignon.

Even though Whitney only began operation in Green Bay during 1820, by late 1821 he posed a problem. Robert Stuart considered Whitney's venture doomed to failure and cautioned Lawe about extending his credits to compete with him. In 1822, Stuart, because he had sent the Green Bay Company less than a full complement of goods due to his lack of trust in their abilities, became worried that the Green Bay traders might purchase extra supplies from Whitney. Stuart knew, that since Whitney was located at the Bay, he would receive payment for the goods advanced before the American Fur Company. To prevent any such occurrence, he cautioned Augustin Grignon against any business arrangement with Whitney without the Company's knowledge.

The presence of Robert Irwin at Green Bay also caused little initial concern to Stuart. Commenting on the store of Robert Irwin, Stuart said he "... believed the house of which Mr.
Irwin is said to be agent will create more noise than effect; but if more fools will come, why we must welcome them." John Lawe considered the men in Shanty Town a more serious threat. In November, 1823, Lawe wrote to his partner Jacques Porlier that the traders in Shanty Town were attempting to deal with Indians who already were on credit to the Green Bay Company. Lawe warned Porlier to collect all debts before the Indians departed from the interior. If at all possible, Lawe exhorted, keep the Indians away from Green Bay. Lawe was especially distrustful since the Indians were making very few hunts and, even those few peltries they collected, were taken to Shanty Town. The control of the trade, Lawe said, was slipping from his hands since "... it is true that they (Shanty Town) sell so very low and that their goods are so much cheaper than ours that it goes entirely both the Whites and Indians to trade with them." Both the American Fur Company and the Green Bay traders feared that the new commercial elements would engage in the fur trade to supplement their small business with other white settlers.

The Green Bay traders also viewed the presence of military forces as a definite hinderance to their society. Contrary to some idyllic accounts of the role of the military in the settlement of the country, it was definitely of little aid to the Green Bay region before 1829. The military post during the 1820's was a self-sufficient economic unit. All Supplies and goods for
the post were brought from the commissary office in Washington. 
Not until the 1830's did the community at Green Bay supply the 
13 needs of Fort Howard. Thus, the military personnel stationed 
at Fort Howard provided not only a source of rules and regulations 
for the inhabitants but also a competitive economic unit. 14 

The soldiers were unpopular with the residents. John Lawe 
accused soldiers of driving off his few cattle and slaughtering 
his pigs. At one time, they broke into his trading store and con-
fiscated a large part of the merchandise. The soldiers travelled 
at night in gangs of ten or twelve ransacking the stores, Lawe 
said, and thus he was forced to " . . . keep a great quantity of 
dogs about the house for to keep up (sic) a constant barking. I 
wish that regiment was exchanged for they are a great nuisance in 
place of a protection for the citizens . . . ." 15 

Lawe was especially critical of the economic arrangements 
of the Fort. Each fort possessed a sutler's store which had a 
large stock of merchandise for the needs of the soldiers. With 
this supply of goods the sutler often dealt with the white popu-
lation. Besides, the soldiers rarely purchased merchandise from 
the trader's stores. To permit one man, the sutler, to trade 
merchandise under little threat of economic loss was in Lawe's 
opinion an injustice to the members of the community. In Lawe's 
judgement, the military " . . . were a nuisance to society and in 
place of being put there for the protection of the place they
are the destruction of it . . . "16

The effects of both the competition of Shanty Town and the disruptions of the military were clearly evident in the economic condition of the fur trade. In 1823, David Stone and Company of Detroit (formerly Stone Bostwick & Company), a competitor of the American Fur Company, had decided to merge with Stuart and Crooks. This merger necessitated a complete accounting of the Company's books. Therefore, Robert Stuart notified the various outfits that all accounts would be settled at the end of the 1823 season. Robert Stuart planned to use this opportunity for concluding new arrangements for the Green Bay area. He found the Green Bay traders totally incapable of managing a corporate structure such as the Green Bay Company. Many of the Green Bay traders were now neglecting to go into the Indian country, remaining instead at the Bay. Stuart also objected to the increasing number of relatives hired as agents of the Green Bay Company. He intended to close out their books, and from then on only supply a limited number of traders in the Green Bay area. Stuart expressed confidence only in the abilities of John Lawe and Augustin Grignon. He was not anxious to engage in business with white settlers and preferred to maintain interests only in the fur trade.

Although the Green Bay Company was dissolved, Stuart continued to supply a large number of people in the Green Bay area. While the Green Bay Company had only been a partnership of five people, thus at least assuring these five people a share of the profits,
now the American Fur Company supplied individual traders in the area. While only five people with a supply of goods totaling $8,626 were employed in 1824, by 1825 the trade was expanded with fourteen people and only $8,344 in goods. By 1826, the number of people trading was twenty-two with an increase to $11,617 in the value of goods. Thus, the profits derived by any single individual were considerably reduced; and, added to the many competitive factors in the community, it is little wonder that the majority of traders were in debt to the American Fur Company.

With the number of fur bearing animals declining, the military and Shanty Town providing competition, the territory overrun with traders, one might ask why didn't the traders seek a new occupation? Why continue in an occupation which surely was incapable of yielding any profits? Part of the explanation lay in the smallness of the population making farming and other crafts also unprofitable. For these original inhabitants, John Lawe expressed the dilemma into which a changing civilization had plunged them:

I will commence in saying that the first year after the War was the last year I saved myself for every year since I have been losing money and not a little in that cursed Indian trade that I have always persisted and do still persist to continue (but you may well say or ask the question why do you still continue since you find it a losing business) I will say I do not know what to do else as I am not capable of doing or following any other kind of business.

From 1823-1828, the story of the Green Bay fur trade was one
of gradually dwindling profits. The few profits the Green Bay traders gained were still being threatened by Joseph Rolette. Rolette was now in conflict with the Indians of James Porlier. Robert Stuart indicated little concern with the complaints of Porlier and Lawe against Rolette. Rather, Stuart blamed both Lawe and Porlier because they departed so late for the winter trading grounds. By the time Porlier arrived at the Portage of the Fox-Wisconsin, the Indians had already been forced, by necessity, to purchase goods from Rolette if they were to begin the hunt. In sum, Stuart felt Rolette's actions were the fault of Porlier himself; and, thus, he refused to take any action. By 1827, Porlier told Augustin Grignon that the post at the Portage ought to be abandoned. This action was required by the competition of Rolette, the gradually diminishing number of Indians, and their lack of disposition to hunt.

Stuart realized the dwindling profits of the fur trade. Accordingly, he insured himself against heavy losses by supplying individual traders only on a commission basis. Stuart agreed to supply Jacques Vieu of Green Bay for trade in the Milwaukee area, but he stipulated that Vieu must work on a strict profit-sharing scheme. Stuart concluded such a cautious agreement with Vieu since the Milwaukee territory was overrun with traders. Jean Beaubien, Solomon Juneau, and James Kinzie were again trading there. In addition, John Lawe had sent a trader to Milwaukee.
Stuart became even more cautious about the trade when he sent Michael Dousman, an American Fur Company agent, to assist Lawe and the other traders. Dousman, more accurately, was sent to Green Bay for the protection of the American Fur Company's interests. Stuart wished to exercise strict supervision over the administration of the Green Bay trade. He specifically instructed the traders to issue no more credits to the Indians for a winter's outfit. The large number of traders now in the territory, Stuart said, left little hope of ever obtaining the furs credited to the Indians. To prevent the merchandise stores of Shanty Town from obtaining their furs, he told Mr. Dousman to erect a store in the Shanty Town area to enable him to keep a careful eye on the opposition. Lawe was also instructed never to advance the white population any credit since they had too few occupations to guarantee payment. Although Stuart did not outlaw trade with the white settlers, he was against making such business the primary occupation of the traders. Therefore, he required that any trade conducted with the whites must be on a cash basis.

The strategic economic moves made by Stuart for the benefit of the Green Bay traders had little effect. For the trading season of 1825, not one Green Bay trader realized a profit. Stuart found the chief reason for the failure in the opposition provided by Daniel Whitney. He now recognized the serious threat that Whitney represented to the American Fur Company. The only way to end Whitney's interference in the trade, Stuart felt,
was to employ the traders upon whom he depended. Thus, Stuart attempted to employ Paul and Amable Grignon. This action failed to materialize, and during the 1826 season, the American Fur Company found itself opposed by seven traders employed by Daniel Whitney. Therefore, Stuart (to protect himself) warned his traders not to reduce their prices in order to compete with Whitney's men. Rather, Stuart said, hold your goods and let Whitney's men ruin each other in competition.

Stuart had employed John Lawe to supervise the traders of the Green Bay area, but his personal faults caused Stuart some trepidation. Like an all-seeing boss, Stuart even tried to regulate Lawe's private life, where it affected business matters. In a letter the epitome of snide criticism and double meanings, Stuart cautioned Lawe on his drinking habits. Rumors have circulated, Stuart said, which claimed that "... John Lawe is as good as fellow as ever lived, but must soon ruin himself, for the whiskey bottle is never off his table, and he drinks with everybody, high or low, who goes to his house ... ."

In addition to Lawe's rather loose drinking habits, he seemed to be a soft-touch in business matters. Goods sent to the Green Bay area were entrusted to John Lawe for circulation to the individual traders. Unfortunately, Lawe many times dispensed these goods to his friends and close neighbors without adequate security. In 1826, Stuart was forced to issue a harsh warning against this practice. Lawe had given goods to Charles Grignon
without security, and now Grignon had compiled a large debt with the Company. Stuart warned Lawe that if he did not prosecute Grignon in the courts, he would be held personally responsible for the debt.\(^3\)

With these many problems facing the Green Bay outfit, Stuart expressed real fear concerning the trading season of 1826-27. He expected a loss on all the outfits, but hoped that by next year many of the traders would be forced into other occupations.\(^2\)

Stuart's fears were not without justification. Green Bay had its worst season collecting furs amounting to approximately $800.\(^3\)

Considering that a total of $11,617 of merchandise was advanced for the entire area,\(^4\) the Green Bay traders had lost an irreparable sum. The trade was not only bad for the American Fur Company traders, but Daniel Whitney also lost a considerable amount of money. If Stuart would be willing to compensate him, Whitney was even prepared to give up any further ventures in the fur trade. Stuart, always the master strategist, refused Whitney's offer. Conditions were now just as Stuart wanted them. He merely wished to produce a stalemate in the Green Bay area. If the American Fur Company could make no money from the trade, it would at least maintain a token opposition for its competition. Therefore, Stuart rejected Whitney's offer to sell "... for altho we cannot abandon that trade, I would rather he should supply some of the people than we; for whether there is opposition
or not, no money is to be made there. Why Stuart maintained business connections with the Green Bay traders has been difficult to judge. Although the trade had declined, Stuart apparently feared that if competition was allowed to capture Green Bay, it might spread to more prosperous trade areas. In 1828, Stuart sent a large supply of goods to the Green Bay region for the last time. At this late date, there were still sixteen persons trading on goods worth $9,756.50.

In 1824, the influx of a few American families had begun to change the character of the trade and the nature of the settlement at Green Bay. In 1824, Green Bay still had less than a 150 permanent residents and the French-British element was dominant. By 1827-28, however, Green Bay possessed between seven and eight hundred inhabitants. Clearly, the new American element now predominated. By 1835, the city of Green Bay would possess little resemblance to the fur trade village of a decade earlier.

While Green Bay was accumulating debts to the American Fur Company from 1822-28, the Chicago area was experiencing its most successful years in the fur trade. Chicago was more prosperous as a trade center for several reasons. The principal reason rested on the delayed influence of civilization upon the fur trade community. In 1822, not only the competition of the factory system was ended, but in this year the troops of Fort Dearborn were withdrawn. The small community at Chicago was now left on its own. While Green Bay was experiencing a gradual influx of
Yankee emigrants, Chicago remained an isolated fur trade village. One observer reported, upon passing through Chicago in 1827, that "... the place had not improved since 1821; only two families yet resided there, those of Kinzie and Colonel Beaubien." Although Chicago was small, after 1825 it did experience the appearance of new settlers. They did not, however, provide a real threat to the conduct of the fur trade until 1827-28.

Although by 1822, Stuart and Crooks had eliminated their major competition from the area, as in the Green Bay territory, they were plagued with small competitors. In June, 1824, John Crafts was faced with the competition of a certain Captain Whiting. Whiting had attempted to employ some of Crafts's traders. This tactic was ended quickly by Crafts's hiring of his men several months in advance. In August, 1824, Stuart was disturbed by Captain Whiting's accusations that the American Fur Company used cut-throat business tactics to eliminate their opposition. Finally, disgusted with Whiting's bothersome competition, Stuart authorized Crafts to use his discretion in determining whether or not to purchase Whiting's business: "You know the resources of the country and the extent of injury you are likely to sustain from his winter operations." By March 2, 1825, Crafts had purchased the business of Captain Whiting ending one of the few threats on the Company's monopoly. William B. Astor, in New York, was very critical of Crafts's action in buying out
Whiting. To Astor, the Company could hardly afford to purchase the business of every small trader. Stuart defended Crafts's action since Whiting had employed several traders to oppose him. Besides, Stuart said, the decision appeared very opportune since both the Illinois and Chicago outfits were showing a considerable profit. 44

Stuart remained worried lest independent traders gain a foothold in the Chicago area. When John Crafts died in 1825, Stuart advised that his trading store be destroyed "... rather than let it fall into the hands of anyone in the trade." Since the new director of the Chicago trade planned to locate elsewhere, Stuart said, the destruction of the trading store would be of no consequence to the Company.

The Chicago area had problems with one other independent trader by the name of Wallace. Wallace brought a large supply of liquor to the area. Stuart warned Kinzie of his intentions before his arrival. In this way, Kinzie was well aware of the competition he had to face.

Before the death of Crafts in September of 1825, the Chicago outfit faced another delicate problem with regard to personnel. Jean Beaubien, who had originally forced John Crafts to join the American Fur Company, had been transferred to Milwaukee after 1821 so that Crafts could head the Chicago territory. Beaubien was dissatisfied with his position at Milwaukee which was already overrun with traders. Stuart was obviously following the same
policy as with the Green Bay traders. Since he did not have full confidence in Beaubien's ability, he sent Beaubien less than a full complement of goods so that the Company would not lose money. Beaubien refused to trade at the less prosperous Milwaukee location and, by 1825, was imposing on the Chicago territory. Stuart considered this action in direct opposition to the policies of the Company. Thus he showed little sympathy with Beaubien's complaints of his economic problems.

Despite these several problems, the Chicago trade steadily advanced under John Crafts's leadership. By 1825, just a few months before his death, Crafts felt safe in abandoning his previous wage agreement with the Company for $1000 per year. Knowing that the Chicago trade faced bright prospects, Crafts chose to work under a profit-sharing scheme. Crafts's ideas on the fortunes of the Chicago trade were well calculated.

With the death of John Crafts in September, 1825, a delicate problem arose as to who would succeed as head of the Chicago territory. Beaubien's belligerent conduct while Crafts was head eliminated him from the post. Gurdon Hubbard, who was head of the Illinois Outfit in the interior, was available but not completely familiar with the personnel in the Chicago area. John Kinzie finally emerged as the first choice of Robert Stuart. John Kinzie possessed two qualities which made him especially valuable to the American Fur Company. First, Kinzie was an ex-
experienced fur trader, a life-long resident within the area, and on friendly terms with the Indians. Secondly, Kinzie, was then the sub-Indian agent for the Chicago area under Dr. Alexander Wolcott. This position not only gave Kinzie a strong connection with the Indian population, but placed him close to Dr. Wolcott who had been definitely unfriendly to the Company in enforcing the trade law of 1824. John Kinzie was appointed head of the Chicago trade with Jean Beaubien as his assistant. Beaubien's assignment as assistant rather than head of the Chicago area was occasioned by Stuart's distrust of his ability:

It is probably that Mr. Beaubien might have conducted the whole tolerably well, but as I have not full confidence in his capacity for so extensive a concern I thought it best to associate Mr. Kinzie with him . . . .

Stuart made it perfectly clear that Kinzie's decisions would take precedence over those of Jean Beaubien. Late in 1825, Stuart found it necessary to caution Beaubien that his continual feuding with John Kinzie had disrupted the conduct of the trade.

The forgotten man in the plans of the American Fur Company for Chicago was Gurdon Hubbard. Although the Chicago outfit experienced several prosperous years between 1824-27, Hubbard was a good example of how the Company prospered while the traders floundered. In 1825, Hubbard received $400 per year, but he expected a raise when Crafts died. With the assignment of Kinzie to the Chicago post, Hubbard was prepared to leave the Indian
trade and take the post of sub-Indian agent which paid $500 per year. 56

Despite these problems, the Chicago outfit realized a considerable profit in the 1824-25 season. 57 There are several plausible reasons for Chicago's success. First, the American Fur Company held a more effective monopoly over the Chicago trade. There was not an important British influence nor were there American competitors such as at Shanty Town in Green Bay. Furthermore, the population of Chicago was considerably less. In fact, Chicago by the best available estimate had less than thirty-five inhabitants in 1829. Chicago never had more than 500 inhabitants until 1834. 58 The lower population of Chicago also was reflected in the number of people engaged in the trade. While the Green Bay outfit had as many as twenty-two people utilizing goods worth $9,000, Chicago never employed more than nine traders with the same amount of goods. 59 Such figures, of course, do not mean that individual traders were more successful. The figures do, nevertheless, represent a considerable profit for the Chicago outfit and the American Fur Company.

The economic and social effect of the American Fur Company on the early life of Chicago was staggering. While the community of Green Bay was composed of several different elements, including fur traders, merchants of Shanty Town, and the military; Chicago until 1828 was really nothing more than an outpost of the fur trade and the American Fur Company. In 1825, Chicago had
thirty-five eligible voters and fourteen tax payers. The total property of Chicago was valued at $9,047. The largest segment of this property, $5000, was owned by the American Fur Company under the name of John Crafts. Thus, the people of Chicago held only $4,047 on their own. Further examining the figures, one can connect several names as associated with the American Fur Company as either clerks or boatmen. Adding their property to the power of the American Fur Company, one finds that only $975 of the total property was in no way, or none that can be traced, connected with the American Fur Company.60

The prosperous trade of the Chicago area did not last long. Stuart, rather pleased over the successful trading year in 1825, sent John Kinzie an even greater supply of goods for the 1826-27 season confident that Kinzie could manage the whole affair.61 Stuart's optimism was not justified. In August, 1827, Stuart had to report to John Astor that the Chicago outfit had suffered a considerable loss. This failure was blamed on the large number of credits which Kinzie had not collected.62 Another possible explanation was that the Indian annuity payments upon which the Chicago outfit had so heavily depended had been moved a considerable distance from Chicago.63 Added to these reasons, there was the natural depletion of game from the territory. As early as 1825, a government officer passing through Chicago had commented that "... the quantity of game in this part of the
country is diminishing very rapidly, and . . . it is barely sufficient for the support of the Indians. . . "

In 1827, John Kinzie sent his resignation to the American Fur Company. This was also the last year the American Fur Company sent a large supply of goods to the Chicago area. When Kinzie resigned, Gurdon Hubbard also changed the character of his trade. Hubbard, in 1825, was one of the few traders who realized the changing character of the frontier. He noticed that soon the trade with the white population would be of primary importance. Knowing that Chicago was still a sparsely populated area with a diminishing amount of game and Indians, Hubbard in 1827 moved to Danville, Illinois. Here he could conduct a brisk trade with the greater white population. In 1828, Hubbard sent a special request to John Astor in New York to supply goods suitable for trade with white settlers. Hubbard could not obtain such goods at Mackinac since their stock was still geared to the Indian hunter. In addition Robert Stuart objected to the forsaking of the fur trade for a retail business.

Finally, in 1828, Hubbard became a partner in the Company for the trade of the Illinois River district. The American Fur Company reluctantly agreed to furnish him with the necessary goods both for trade with the whites and Indians. Hubbard no longer wished to trade in the Chicago area. Instead, he bought out the Company's rights at Danville and along the Illinois River
where there was a greater concentration of population. The Company agreed not to supply any other traders in that area if Hubbard would assume their outstanding debts amounting to $500. With the resignation of John Kinzie and the departure of Gurdon Hubbard, Jean Beaubien finally became the chief Chicago trader. The American Fur Company now merely supplied traders on an individual basis. For all intents and purposes, 1828 marked the end of a fur trade society in Chicago. The next decade brought the Yankee immigration, the Indian's removal, and land speculation which would gradually transform Chicago into an urban center.
CHAPTER VII
WITHDRAWAL OF THE AMERICAN FUR COMPANY; RISE
OF URBAN COMMUNITIES IN MILWAUKEE, GREEN BAY, AND CHICAGO

Before 1828, the fur trade had been an important economic ingredient of the United States. As the frontier moved westward, the abundant trading grounds of the Northwest Territory declined. In 1829, a Senate committee investigated the condition of the fur trade. Emphasis had been placed on such action because John Astor had objected to the government allowing importation of furs duty-free from foreign countries. Writing to the committee, Astor claimed that his Company was financially destitute:

I believe I am safe when I say that all our Indian traders for these twenty years, with very few exceptions, have been losing time and property in that trade... The American Fur Company have for the years past, and do not employ a capital of a million dollars. They have not yet been able to declare a dividend.

Although Astor exaggerated the financial condition of the Company which was really doing quite well, he certainly spoke the truth concerning the private traders. I doubt very much, however, if their losses were due to foreign competition. Thomas Hart Benton, who headed the Senate committee, merely followed Astor's viewpoint when he presented the conclusions of the investigation. The American fur trade was indeed in a depression, he reported, and the principal reason was the inadequate tariff on foreign furs.
Although the fur trade was declining, it still provided the principal occupation for the frontier inhabitants. The Chicago residents had little else to support their community. In 1821, thirteen people within the neighborhood of Chicago were actively engaged in the trade. The only significant change in the method of the trade was due to the foresight of several American merchants. Oliver Newberry, Brewster, Hayden, and Company, and Peck, Walker and Company, although participating in the fur trade, relied more heavily on the exchange of goods for money. Most of these firms operated from Detroit with a small warehouse in Chicago. 4

The former employees of the American Fur Company still operated on essentially the same basis. J. Beaubien received small shipments of goods to exchange for furs. Bernadus and David Laughton located a small post on the Desplaines River for trade with the Potawatomies. 5 Since Laughton was expected to collect only three to four hundred dollars worth of furs, his trade was quite small. 6 The Laughtons supplemented their meager harvest from the trade by operating a tavern. In 1832, the traders were informed that a final large profit could possibly be garnered when the Indian Treaty of 1833 was held in Chicago. 7 The Laughtons and the American Fur Company realized that with the departure of the Indians, the fur trade would be little more than a sport.
The Indians, although the most essential element in the fur trade, were in many respects a deterrent to the settlement of this land. Tales of their savagery were spread far and wide. In 1832, however, the Blackhawk War ended the menace of any Indian opposition to the tide of civilization in the Northwest. The War not only brought easterners news of the end of the Indian treachery, but also the military reports informed them of the fertile lands in the West. The Indian Treaty of 1833 was the final step in opening the gates of the fur trade village of Chicago to a new era. Now the settlers journeying over the Erie Canal, opened since 1825, could take advantage of the Indian lands ceded in 1833.

The Treaty of 1833 was the last major accomplishment of the American Fur Company and individual traders in the Chicago area. The Treaty purchased land from the Indians and agreed to pay white settlers for property lost due to the Indian outrages. These claims went as far back as the War of 1812. Many who came to Chicago in 1833 wished to advance claims for property supposedly stolen by the Indians, others were land speculators, while the majority saw the opportunity to make a fast dollar before their Indian brother departed for lands west of the Mississippi. The American Fur Company was no exception. W. G. Brewster, agent at Detroit, wrote to David Laughton requesting him to consult all local traders who wished to present claims at
the Treaty. This was done in order that they might give Brewster the power of attorney to handle their claims.Robert Stuart was also at the Treaty to push through the enormous claim of the American Fur Company. Individual traders, such as Jacques Vieau and Solomon Juneau, arrived to present small claims; but, even more importantly, they brought a large supply of goods to trade. Interesting, too, was the fact that Governor Cass, Jean Beaubien, and Gurdon Hubbard were witnesses to the Treaty. The spokesmen for the Indian tribes were Alexander Robinson and Billy Caldwell, both of whom had been closely connected with the fur trade and traders since the early 1820's. Governor Porter, the chief government commissioner, was a personal friend of the Kinzie family. The Kinzie family eventually drew large grants from the Treaty. Many of the goods distributed to the Indians by the government were purchased from another Kinzie relation, Joseph Kercheval.

Despite the predominance of fur trade personnel at the Treaty, the most flagrant violation against government laws and the Indian's welfare was the wholesale introduction of liquor. In 1832, the government held hearings on the shocking use of liquor in trading with the Indians. Eventually these hearings resulted in the law of 1832 which introduced a strict regulation against any use of liquor in the Indian trade. Yet at the Chicago Treaty under the eyes of Governor Porter, Indian agent
Owen of Chicago, and numerous local officials the traders plied the Indians with whiskey to obtain their money. Several observers of the Treaty described how the Indians were paid in fifty-cent pieces. Every item sold by a trader, whether it be a glass of whiskey or a loaf of bread, cost fifty-cents. The manner of conducting the Treaty of 1833 was hardly a credit to the government or the traders.

The Indians agreed to cede all lands west of Lake Michigan amounting to five million acres. The government agreed to take care of any debts levied against the tribes in addition to providing lands west of the Mississippi. The second part of the treaty enumerated outstanding debts which the Indians owed to the white settlers. The American Fur Company drew $17,000, the John Kinzie family received $8,000, while Gurdon Hubbard obtained nearly $6,000. Furthermore, the John Kinzie family received $25,000 for property lost during the War of 1812.

The Treaty of 1833 met a hostile reaction in Washington. According to records, Governor Porter was charged with granting large sums to individual traders, such as Kinzie and Hubbard, when these sums were actually owed in debts to the American Fur Company. Finally, the government decided to send an agent to Chicago to investigate the justice of these claims.

The most cursory consideration of the Treaty of 1833 indicated that the American Fur Company received a large payment
considerably out of proportion to the damages suffered. Hardly a year before this Treaty, Indian agent Owen of Chicago had sent a note to Governor Porter claiming that losses in the trade due to Indian ravages had never amounted to more than a few dollars in the Chicago area. Then, just a year later, the American Fur Company received nearly $17,000 for damages supposedly deriving from Indian depredations in the Chicago trade.

The treaty brought forward another interesting aspect of the trade. None of the leading traders who drew payments from the Treaty could claim the money as their own. The Kinzie family, which had drawn such a large sum, was faced with the debts that John Kinzie, Senior had compiled during his early years in the fur trade. Gurdon Hubbard, who had for many years traded in the Chicago area, was in debt to the American Fur Company for $6,000. Stuart even attempted to stop Hubbard's claim from being paid on the grounds that the money rightfully belonged to the Company. Jean Beaubien, who received nearly $3,000 from the Treaty of 1833, was eventually forced to pay $2,000 of this sum to Ramsay Crooks for debts due to the Company. The American Fur Company not only received a large claim from the Treaty but was also able to collect the debts of many former employees. The payments were especially significant in a judgment of the fur trader's success. The American Fur Company had exploited the Chicago area for nearly twenty years, and many times derived
large profits. The traders, however, never realized profits. Partly through their own careless financial habits and partly through the exploitative policies of the American Fur Company, the Chicago traders, in 1833, had little investment capital as Chicago was about to enter a period of commercial and industrial growth.

Immediately after the Treaty of 1833, Chicago experienced a population boom. The lands ceded to the United States were now opened for settlement, and new industries and occupations followed the population growth. In 1830, there had been a public land sale at Chicago at which 126 lots were sold at an average of $35 per lot.\textsuperscript{24} Five years later, a government land office was opened in Chicago, which, from then until 1837, sold approximately 588,104 acres.\textsuperscript{25} The population grew from barely a hundred inhabitants in 1830 to nearly 3500 in 1835.\textsuperscript{26} Almost as quickly the fur trade passed into obscurity. Land sales were controlled by eastern speculators and town promoters.\textsuperscript{27} The fur trader knew little about the urban complex springing up about him. John Kinzie, Jr., when he went to file preemption claims for the land his father had settled, failed to claim all the land that was rightfully his. In his own words, Kinzie was happy with just enough land to live on.\textsuperscript{28} Gurdon Hubbard proved to be one of the few traders who actually benefited from or contributed to the urban growth of Chicago. In 1835, Hubbard invested in land specu-
lation. He sold land for $80,000, which earlier had cost him only $5,000. The new city now under the influence of speculators began new industries, agitated for harbor improvement to increase lake commerce, and drove to complete the Illinois-Michigan Canal. All such moves were designed to increase the rate of commercial growth. Chicago, indeed, had bridged the gap between fur trade village and urban center. The people who initiated such changes were not even residents of the city two years before. The capital employed was derived from land sales, eastern banks, and government internal improvement schemes. The fur trader passed out of Chicago history. A few, such as the descendants of John Kinzie and Jean Beaubien, bridged the transition by opening hotels and taverns. These were the exceptions, nevertheless. The fur traders rarely emerged as leaders of the community. The actual course which the traders followed was not clear because their names were not involved with the business of the new city. Many remained in Chicago while others moved westward where their skills were still required.

During the land boom in Chicago, the American Fur Company also experienced a period of transition. John J. Astor sold his interest in 1834. The Company was immediately reorganized under Ramsay Crooks. The Company had little part in the emerging city of Chicago. Because the traders liquidated their debts to the Company through the Treaty of 1833, the American Fur Company did not own or have claim to any land in the Chicago area. Since
Crooks pursued a policy against selling goods to the white settlers, he concluded all arrangements with Chicago in 1835 by selling the Company's buildings and property to Jean Beaubien.

Milwaukee's rise as an urban community also began after the Treaty of 1833 when its lands were made available for sale to the public. Milwaukee had not been an integral part of the fur trade because it had merely been an occasional fur trading area. As late as 1833, Milwaukee had no permanent residents. Both Solomon Juneau and Jacques Vieau merely traded there during the winter. There were no lands under cultivation or even claimed. Apparently, Juneau was totally oblivious to the area's potential.

Through the reports of Major S. C. Stambaugh, the government's commissioner to deal with the Menominees, the Milwaukee region was extolled as fertile farming country and a possible lake harbor. The old traders of the Milwaukee region, however, knew little of farming or lake commerce. The more speculative eastern immigrants were aware of the possibilities of the Milwaukee site. As early as 1833, Morgan L. Martin, an enterprising frontier lawyer, thought that Milwaukee would make an excellent lake port.

Martin forced Solomon Juneau to be a town builder and speculator. He formed a partnership with Juneau, buying half his lake frontage and agreeing to push through the pre-emption claims to the land. Juneau would not have exploited Milwaukee's possibilities without the skillful prodding of Morgan L. Martin.
Even if Juneau had refused to cooperate with Martin, the Milwaukee area was sought by other promoters. Byron Kilbourn, who conducted the government's survey of the land, was so impressed that he bought tracts of land in Milwaukee. 37

While men such as Kilbourn and Morgan L. Martin were promoting town development in Milwaukee, the men who had traded there for nearly twenty years remained unaware of the changes. Juneau persisted in conducting a faltering Indian trade until 1835. Crooks had reluctantly consented to his supplying white settlers, but clearly indicated that it was only a temporary condition. By 1836, Crooks had withdrawn from the trade as he had done in Chicago; and Solomon Juneau, through the goodness of Morgan L. Martin, became an important figure in the later growth of Milwaukee. By 1836, Juneau was building a tavern, improving the streets, and erecting a court house. 38 Finally, in 1837, Solomon Juneau became the mayor of Milwaukee. Without the prodding and investment capital of Morgan L. Martin, however, Juneau would have remained a frontier trader.

The success of the speculative and enterprising schemes of Martin and Kilbourn was assured in 1837. The first public meeting in Milwaukee (now a city of 700 residents) discussed the improvements needed to assure it the status of a commercial center; suitable roads, canal connections with the Mississippi, and harbor improvements. 39 Once again the pattern was clear. Milwaukee was
raised from a fur trade village to a commercial depot not by fur traders, but by two enterprising speculators. The fur trader had little relation to the city of Milwaukee.

Green Bay followed a different line of development. The fur trade had proved unprofitable as early as 1826, and the American element already had begun its town-building. Yet Crooks and the American Fur Company still chose to supply the Green Bay traders with a small stock of goods. The traders continued to sink into debt, and the American Fur Company again wished to lay claim to their private land holdings to liquidate the debt.

In 1831, a treaty with the Menominee Indians was signed which opened large tracts of land around Green Bay to settlement. John Lawe filled large pre-emption claims, but most other Green Bay residents only claimed the land on which they resided. As was true in Chicago, the speculators developed the land and determined the character of the new city. By 1832, Daniel Whitney had laid out the town of Navarino about two miles south of the old Shanty Town. Gradually, Navarino attracted the new settlers. The fur traders opposed these developments. They had not realized the value of their lands or the character of an urban society, and "... it was not until the arrival of more enterprising and grasping settlers, the keen and speculating Americans (a class feared and hated by the former class (the fur traders)), that these claims were considered of any value, or worth the
The American Fur Company played a major role in the later settlement of Green Bay. Never was the power of the Company so manifest and the poverty of the traders so terribly apparent than in the final accounting of the Green Bay fur trade. In 1834, when John Astor decided to retire from the Company, the Green Bay traders were again faced with the task of liquidating their debts. Since the traders did not possess any capital, the American Fur Company asked for their lands. James D. Doty was appointed attorney for the Company to settle accounts with the traders. To clear the debts, lands belonging to the Grignons, Lawe, and Porlier were transferred to the Company. Doty, however, argued that John Lawe should be allowed to retain much of his land. There were two reasons for this suggestion. John Lawe had been the first trader to acknowledge his debt, thus influencing the other traders to do the same. Secondly, Lawe's long service to the Company necessitated a lenient policy especially since public opinion could turn against the Company. Astor agreed to this plan allowing Lawe to retain certain plots of land; but, in the legal agreement, Lawe was reminded that he still owed the Company more than $8000 in cash.

There was good reason for Astor and Crooks to worry about public opinion toward the American Fur Company in Green Bay. Rather than withdraw entirely from Green Bay, the Company decided
to keep the lands obtained and indulge in town-building. In 1835, the town of Astor was plotted upon the lands formerly owned by Lawe and the Grignons. A contemporary resident described the conditions that led to the plotting of Astor:

... The land was originally owned by John Lawe and the Grignon family. Together with other real estate, it was taken in payment of balance due the old Green Bay Company to the former Company; the debt having accrued by loss in the Indian trade for in this business, it generally happened that the small traders who purchased their goods at high prices after years of toil and privation spent in the trade, came out with nothing ... leaving to the great monopoly, the lion's share of the profits. The consideration received by the former owners was trifling compared with the present value of the property.

Astor's city was built in direct opposition to Navarino owned by Daniel Whitney. The rivalry between these two areas slowed the economic development of the region. Finally, in 1838, the two villages were joined in the city of Green Bay. By 1835, though, the transition was complete. One historian of Green Bay accurately described the change:

By 1835, many of the old colonial customs had passed away; the village had lost something of its primitive social character ... The French inhabitants, never aggressive, retired more and more within their own circle and nationality while a more prime and sober class of Americans were filling the vacant places, and stamping their influence on the manners and customs of the settlement.

Unable to adapt to the new civilization, Lawe and a few other traders continued to exploit the Indian trade. Lawe was
still losing money, however, by depending on the Indian trade. Yet Crooks absolutely forbade his trading with white settlers unless the sale was for cash. Lawe disregarded Crooks's instructions; and, in 1835, he presented a list of $1000 in debts owed by the white residents. Crooks admonished Lawe for this practice saying "... you certainly lose more by bad debts, and you have always done so, than you can possibly gain by the good ones, and if you did not sell a dollar's worth at all to the whites, you would be better off." Furthermore, Crooks instructed Lawe to stop all sales to white settlers. Lawe's many friends had pressured him into selling goods on credit. Rather than disappoint these people, Lawe sold goods with the risk of never obtaining the money. To forestall any further sales, Crooks relieved Lawe of the public pressure by informing the people that he did not trust their credit.

In 1836, Crooks again agreed to supply Lawe with goods for the trade, yet it was clearly indicated that this was the final year. As in Chicago, Crooks awaited the payments designated by the Treaty of 1836 with the Menominee. He even made a special journey to Green Bay since he was the more anxious to go because my presence must be valuable to our interests at Green Bay when the payments are made under the Menominee Treaty, when Mr. Lawe and his associates will receive a pretty large sum, and if left to themselves, they may prefer buying goods for the coming season's trade to paying what they owe the Company.
Because John Lawe had criticized the American Fur Company's business practices, Ramsay Crooks feared Lawe might use these complaints as a pretext for not paying his debts. Lawe was particularly belligerent, for he felt that the Company was closing his outfit merely to arrange a contract with some other trader. Crooks, however, explained to him that the Green Bay area was being closed entirely. The five per-cent commission charged on the goods, Crooks claimed, hardly reimbursed the Company for the effort. The only reason the American Fur Company had continued to send goods to Green Bay, Crooks pointed out, was the friendship they held for John Lawe.

In 1837, the total debts of the Green Bay traders still amounted to the staggering sum of $27,000. To be assured that he would receive a considerable sum from the Indian Treaty, Lawe journeyed to Washington where the final payments were arranged. From the Menominee Treaty of 1836, John Lawe received $12,000, Augustin Grignon gained $10,000, and Porlier received $7,000. Furthermore, the American Fur Company collected nearly $7,000 in Lawe's name from the Treaty with the Winnebagoes and the Sioux.

As late as 1839, John Lawe received small shipments of goods from the American Fur Company. He could not abandon the only occupation that he knew. Crooks continued to supply his needs, but he stated that

We would prefer to close all our affairs in your quarter, and shall be pleased to hear that you
have made better arrangements for your own interest, than those that have recently existed between us, for we have only continued under the impression that it was for the advantage and convenience of an old and much esteemed friend, not for the sake of the profit the business gave us.

Green Bay had entered a period of urban growth. The fur traders, like John Lawe and the Grignons, remained in Green Bay; but they were not an integral force in the life of the city.

The fur trade society had now come full circle. In the initial stages, the American Fur Company had been the economic basis of the Northwest Territory. In the formation of its monopoly, the Company harassed local government officials, contributed to the downfall of the factory system, and made the previously independent trader a tool of a business enterprise. Through the licensing problem of the Green Bay traders from 1816 to 1819, the competition with the factory system from 1816 to 1822, the price wars with independent traders, and the financing of the Green Bay and Chicago outfits from 1816 to 1835 the business operations and policies of the Company were most clearly evident.

What was the total effect of the changing frontier society? What were the contributions of the traders? In terms of tangible realities, the fur trade society contributed little to the urban community. The romantic description of the fur traders as the original architects of roads and water connections certainly holds some truth, but their contribution in terms of investment
capital for commercial enterprises or leadership for political and social life was indeed slight. This was not alone the fault of the fur trader. The traders, like the Indians, were never really considered during the process of change. Antipathy was created between the fur trader and the government at the very outset of the transitional period. The factory system, the presence of the military, and the changing laws in regards to citizenship made the trader seriously question his place in the new society.

Then again, the American Fur Company was both the harbinger of American individualism and the ruin of the fur trade society. Turner's concept of democracy and the necessity of individualism on the frontier was really not operative between 1815-1834. The traders were part of a great monopoly. They were forced, as in the Green Bay Company, to buy and sell the goods of the American Fur Company. After 1815, there was hardly a successful independent trader in the territory. As the years progressed and the Chicago and Green Bay outfits fell deeper into debt, their property came under the control of the Company. When the sudden change, occasioned by the sale of public lands, began in the 1830's, the traders in Green Bay and Chicago lacked both the land and the capital to invest in urban development. Ramsay Crooks's refusal to allow John Lawe or any of the traders to convert their trade to a merchandise business with the white settlers prevented
the possibility that the traders might adapt to the new economic conditions of the frontier. Without land or capital, the fur trader passed into obscurity. The fur traders did, however, sustain the frontier communities until immigrants from the East arrived with the necessary professional knowledge, technical skill, and investment capital to complete the transition to an urban society. The fur trade and traders were indeed a stage in the westward movement.
FOOTNOTES

CHAPTER I


7 Wesley, p. 31.

8 Prucha, American Indian Policy in the Formative Years, p. 87.


10 Ella H. Neville, Sarah G. Martin, and Deborah Beaumont Martin, Historic Green Bay, 1634-1840 (Green Bay: Published by the authors, 1893) p. 138.

Chapter II

Jacob Varnum originally came from New England. He did have some experience in the maintenance of a factory. Before the War of 1812, Varnum's family connections had obtained for him the post of government factor at Sandusky, Ohio.

3 Ibid., pp. 230-240.


5 Augustin Grignon, "Seventy-Two Years' Recollection of Wisconsin," Wisconsin Historical Collections, ed. by Reuben Gold Thwaites (Madison: Published by the Society, 1904), III, p. 242. Hereafter, documents or articles from the Collections will be referred to as WHC.


9 Neville, S. G. Martin, and Deborah Martin, p. 139.


16. Account Book, American Fur Company Papers, Chicago Historical Society. The collection of American Fur Company papers at the Chicago Historical Society consists mainly of Account Books and letters to the Chicago traders. Hereafter material from this collection will be referred to as AFC, CHS.

17. American Fur Company Papers, CHS, passim.

18. Account Ledger, AFC, CHS.


20. Ibid.


Chapter III


order within the volume. Hereafter, this collection will be cited as AFC Papers, Vol., WHS.


5 Quaife, pp. 278-279.

6 Pierce, I, pp. 28-29.

7 Quaife, p. 277.

8 Ramsay Crooks to Jean Chandonnais, September 19, 1818, AFC Papers, I, WHS.

9 Ramsay Crooks to John Kinzie, August 11, 1819, ibid.

10 Porter, I, p. 693.

11 Still, p. 5.

12 "American Fur Company Employees," WHC, XII, p. 154. This document is a reproduction from an account ledger of the traders hired for 1818-1819.

13 Narrative of Peter J. Vieau," WHC, XV, p. 460.

14 Ramsay Crooks to Jean Beaubien, July 27, 1821, AFC Papers, II, WHS.

15 Lewis Cass to the Secretary of War, June 20, 1815, in "The Fur Trade in Wisconsin," WHC, XIX, p. 378.

16 Beers, p. 35.

17 Ninian Edwards to James Monroe, Secretary of State, March 3, 1816, in "The Fur Trade in Wisconsin," WHC, XIX, pp. 401-403. Governor Edwards of the Illinois Territory had authority over the Green Bay area until 1818. Wisconsin was part of the Illinois Territory from 1809-1818; and from 1818 to 1836, it was part of the Michigan Territory.

18 Jacob Franks to John Lawe, April 23 and May 1, 1818, Morgan L. Martin Papers, Box I, Wisconsin State Historical Society, Madison.

19 U. S. Statutes at Large, III, pp. 331-333.


23 Ibid.

24 Porter, II, pp. 706, 723-725. Porter is rather critical of the influence which the American Fur Company held over national and local officials. He is especially critical of the relation between Astor and Governor Cass. Porter, however, has no substantial proof that Cass ever received favors from Astor or monetary rewards for his seemingly friendly attitude to the wishes of the American Fur Company.


26 Major Puthuff to Governor Cass, June 20, 1816, ibid., p. 420.

27 Matthew Irwin to Colonel John Bowyer, July 24, 1817, ibid., pp. 468-469. In this letter Irwin, upon order of the Superintendent of the Indian Trade, related the names of those residents of Green Bay who had served with the British in the War.


30 Governor Cass to Major Puthuff, July 20, 1816, ibid., XIX, p. 412.

31 George Graham, Acting Secretary of War, to Governor Cass May 4, 1817, ibid., pp. 457-458.

32 Porter, II, pp. 723-725.

There are, however, occasional letters of government officials which have been placed within the collection. Hereafter, the collection will be cited as Lawe Papers, Folder, CHS.

34 Major Puthuff to Indian agent Bowyer at Green Bay, September 1, 1817, Lawe Papers, Folder II, CHS.


36 Lewis Cass to Colonel John Bowyer, Indian agent at Green Bay, January 22, 1818, ibid., XX, p. 16.

37 Ramsay Crooks and Robert Stuart to John Astor, January 24, 1818, ibid., p. 18.

38 Lewis Cass to the Indian agents at Green Bay and Chicago, April 23, 1818, ibid., pp. 43-46.

39 Jacob Franks to John Lawe, March 11, 1818, ibid., p. 36.

40 Jacob Franks to John Lawe, August 31, 1818, ibid., p. 80.

41 John Lawe to Thomas G. Anderson at Drummond Island, November 13, 1818, ibid., p. 93.

42 Robert Dickson to John Lawe, April 23, 1819, ibid., p. 105.


44 Lewis Cass to Colonel John Bowyer, July 17, 1819, ibid., p. 117.

45 Adam D. Stewart, Collector at Mackinac to Colonel John Bowyer, September 2, 1819, ibid., pp. 120-121.

46 William Wirt, Office of the Attorney General of the United States, to John C. Calhoun, Department of War, September 3, 1819, ibid., pp. 121-122.

47 Lewis Cass to Indian agents at Green Bay, Mackinac, and Chicago, October 11, 1819, ibid., p. 127.

Chapter IV

1 Thomas L. McKenney to the President, January 6, 1816, United States Superintendent of Indian Trade, Letters Sent, Vol. C, p. 457.


3 Thomas L. McKenney to Matthew Irwin, January 6, 1817, ibid., p. 448.

4 Ibid.


6 Major Irwin to Colonel McKenney, September 29, 1817, ibid., pp. 274-275.


Ibid.

Ibid.


Ramsay Crooks to John Astor, January 24, 1818, ibid., p. 28.


Matthew Irwin to Thomas McKenney, August 10, 1818, ibid., p. 277.

Matthew Irwin to Thomas McKenney, March 2, 1819, ibid., p. 277.


U. S. Statutes at Large, 1800-1813, II.

Judge Charles Reaume to all traders, February 8, 1816, in "The Fur Trade in Wisconsin," WHC, XIX, p. 399.

Ibid.
115

26 John Lawe, Louis Grignon, and Jacques Porlier to Judge Reaume, 1816, ibid., p. 400.

27 Prucha, American Indian Policy in the Formative Years, p. 115.


30 Prucha, American Indian Policy in the Formative Years, p. 119, and Porter, II, p. 795.

31 Account Book, AFC Papers, CHS.

32 Ramsay Crooks to James Kinzie, October 2, 1821, AFC Papers, II, WHS.

33 Ibid.


37 Robert Stuart to Louis Rouse, November 1, 1821, AFC Papers, II, WHS.

38 Ramsay Crooks to Robert Stuart, January 4, 1822, ibid.

39 Ramsay Crooks to Robert Stuart, April 8, 1822, ibid.

40 Robert Stuart to Governor Cass, July 10, 1822, ibid.


42 Alexander Wolcott to George Boyd at Mackinac, August 14, 1822, ibid., pp. 275-276.

43 Thomas L. McKenney to John C. Calhoun, Secretary of War, August 19, 1818, ibid., p. 72.
Lewis Cass to John Calhoun, September 14, 1818, ibid., p. 86.


Thomas McKenney to Matthew Irwin and Jacob Varnum, June 19, 1818, United States Superintendent of Indian Trade, Letters Sent, Vol. X, p. 66.

Thomas McKenney to Matthew Irwin and Jacob Varnum, December 5, 1818, ibid., p. 169.


Ibid., p. 287.


U. S. Congress, Senate, Committee on Indian Affairs, Documents Relative to the Indian Trade, 17th Cong., 1st Sess., 1821, Senate Document 60, p. 52.

Ibid., p. 11.

Ibid., p. 6.


60 Ibid.
61 Ibid., p. 286.


63 There have been several authors who have attempted to explain the failure of the factory system. The most reliable authors are: Ora Brooks Peake, A History of the United States Indian Factory System; Turner, "The Character and Influence of the Indian Trade in Wisconsin,"; Quaife, "An Experiment of the Fathers in State Socialism,"; and Prucha, American Indian Policy in the Formative Years.

64 Peake, p. 223.
65 Albert G. Ellis, "Fifty-Four Years' Recollections of Men and Events in Wisconsin," WHC, VII, p. 222.
66 Peake, p. 232.
70 "Jacob Varnum's Journal," Jacob Varnum Collection, CHS.
71 Ibid.

Chapter V


3 Ramsay Crooks to Jacques Portier, June 21, 1820, AFC Papers, II, WHS, and John Lawe to John Kinzie, March 9, 1820, Lawe Papers, CHS.

5 Ramsay Crooks to Jacques Porlier, August 24, 1821, ibid., pp. 211-212.
6 Ramsay Crooks to Louis Rouse, September 30, 1821, AFC Papers, II, WHS.
7 Ramsay Crooks to Jacques Porlier, September 3, 1821, ibid.
8 Ramsay Crooks to Joseph Rolette, September 4, 1821, ibid.
9 Ramsay Crooks to Robert Stuart, January 4, 1822, ibid.
11 Ramsay Crooks to Robert Stuart, April 8, 1822, AFC Papers, II, WHS.
13 Lewis Cass to John Calhoun, Secretary of War, July 9, 1822, ibid., p. 265.
14 James G. Soulard to Augustin Grignon, July 29, 1822, ibid., p. 274.
15 Robert Stuart to Joseph Rolette, August 29, 1822, AFC Papers, II, WHS.
16 Ramsay Crooks to Joseph Rolette, September 23, 1823, Ibid.,
18 Robert Stuart to Jacques Porlier, October 25, 1821, AFC Papers, II, WHS.
19 Robert Stuart to Joseph Rolette, August 29, 1822, ibid.
21 Ibid., p. 278.
22 Robert Stuart to Jacques Porlier, May 16, 1822, ibid., p. 255.
23 Ramsay Crooks to Pierre Grignon, October 2, 1821, AFC Papers, II, WHS.

24 Ramsay Crooks to Joseph Rolette, September 15, 1823, and I. Mason (AFC agent at Mackinac) to Joseph Rolette, August 22, 1822, ibid.

25 Ramsay Crooks to Robert Stuart, November 10, 1822, ibid.


30 Robert Stuart to David Stone, July 2, 1823, AFC Papers, III, Burton Collection, Detroit. There are microfilm copies of the Burton Collection of American Fur Company Papers at Cudahy Library, Chicago. The designation of the volume number refers to the specific reel of microfilm on which the letter is found.

31 Ibid.

32 Robert Stuart to David Stone, July 23, 1823, AFC Papers, III, WHS.

33 Letter from Gurdon Hubbard to his mother in Connecticut, May 19, 1823, Folder I, Gurdon Hubbard Collection, Chicago Historical Society. The majority of Hubbard's letters are written to his mother and hereafter will be referred to as Letters of Gurdon Hubbard, Folder, Hubbard Papers, CHS.

34 Robert Stuart to John Crafts and Jean Beaubien, August 14, 1825, AFC Papers, CHS.

35 Robert Stuart to John Hamlin, July 17, 1824, AFC Papers, CHS.
36 Ibid.
37 Robert Stuart to David Laughton, August 7, 1823, AFC Papers, III, WHS.
38 U. S. Statutes at Large, III, 682-683. There is an excellent discussion of this law in Prucha, American Indian Policy in the Formative Years, p. 110.
40 Lavender, p. 356.
41 Robert Stuart to William Astor, April 25, 1825, AFC Papers, III, WHS, as cited in Prucha, American Indian Policy in the Formative Years, pp. 112-113.
42 Ibid.
44 Robert Stuart to John Kinzie, November 22, 1826, AFC Papers, III, Burton Collection.
45 Prucha, American Indian Policy in the Formative Years, pp. 114-115.
47 Ebenezer Childs, "Recollections of Wisconsin Since 1820" WHC, IX, p. 156.
48 Henry B. Brevoort to Colonel George Boyd, March 30, 1825, Lawe Papers, Folder V, CHS.
49 Robert Stuart to Governor Cass, August 26, 1824, AFC Papers, CHS.
50 Robert Stuart to George Boyd, August 26, 1824, AFC Papers, III, WHS.
51 Robert Stuart to John Crafts, August 26, 1824, AFC Papers, CHS.
Chapter VI


4. Ibid., p. 202. Robert Irwin was no relation to Matthew Irwin, the earlier government factor at Green Bay. Robert Irwin came from Pennsylvania in the early 1820's. He was eventually the first postmaster at Green Bay and later a delegate to the Territorial Legislature.


7. Robert Stuart to John Lawe, October 10, 1821, APC Papers, III, WHS.


10. John Lawe to Jacques Porlier, November 14, 1832, ibid., p. 322.


12. Prucha, Broadax and Bayonet, p. 150.

13. Ibid., p. 162.

15 John Lawe to Jacob Franks, September 5, 1823, WHC, XX, pp. 309-310.

16 John Lawe to Mr. Hamilton, September 12, 1824, ibid., p. 352.

17 Robert Stuart to Louis Rouse, May 10, 1823, AFC Papers, II, WHS.

18 Robert Stuart to Ramsay Crooks, November, 1823, ibid.

19 U. S., Congress, Senate, Resolutions Concerning the Decline of the Fur Trade, 22nd Cong., 1st Sess., 1832, Senate Document No. 90. In this document, the American Fur Company presented a detailed list of all their outfits for the past fifteen years, the goods sent, the number of people employed, and the profits derived.


21 John Lawe to James Porlier, February 2, 1824, ibid., p. 333.


23 James Porlier to Augustin Grignon, January 1, 1827, Lawe Papers, V, CHS.


25 Jean Jacobs to John Lawe, November 12, 1824, ibid., pp. 360-361.


27 Robert Stuart to Ramsay Crooks, July 26, 1826, AFC Papers, III, WHS.

28 Robert Stuart to John Lawe, October 4, 1826, ibid.
29 Robert Stuart to J. Porlier, November 10, 1826, ibid.
30 Robert Stuart to John Lawe, November 7, 1824, ibid.
31 Robert Stuart to John Lawe, September 10, 1826, ibid.
32 Robert Stuart to Ramsay Crooks, November 23, 1826, ibid.
33 Robert Stuart to Ramsay Crooks, August 18, 1827, ibid.
34 Senate Document No. 90, 1832.
35 Robert Stuart to Ramsay Crooks, August 18, 1827, AFC Papers, III, WHS.
36 Senate Document No. 90, 1832.
40 Ebenezer Childs, "Recollections of Wisconsin Since 1820", WHC, IV, p. 169.
41 Robert Stuart to John Crafts, June 12, 1824, AFC Papers, III, WHS. Captain Whiting originally came from New York. While in Chicago in 1821 he resigned from the army and became sutler of the fort. He remained in Chicago for several years, and then he moved to Green Bay. A. T. Andreas, History of Chicago (Chicago: A. T. Andreas Co., 1889), I, p. 89.
42 Robert Stuart to John Crafts, August 20, 1824, AFC Papers, CHS.
43 Robert Stuart to John Crafts, March 2, 1825, ibid.
44 Robert Stuart to William B. Astor, May 31, 1825, AFC Papers, III, WHS.
45 Robert Stuart to John Kinzie, October 22, 1825, AFC Papers, CHS.
46 Robert Stuart to John Kinzie, October 23, 1825, ibid.
47 Robert Stuart to Jean Beaubien, August, 1824, ibid.
48  Robert Stuart to William Astor, April 25, 1825, AFC Papers, III, WHS.
49  David Stone to Robert Stuart, July 19, 1825, ibid.
50  Robert Stuart to Alexander Wolcott, September 11, 1825, ibid.
51  Robert Stuart to Jean Beaubien, September 11, 1825, APC Papers, CHS.
52  Robert Stuart to William Astor, September 12, 1825, ibid.
53  Robert Stuart to John Kinzie, September 11, 1825, ibid.
54  Robert Stuart to Jean Beaubien, December 24, 1825, APC Papers, III, WHS.
55  Letter of Gurdon Hubbard, August 12, 1825, Hubbard Papers, I, CHS.
56  Letter of Gurdon Hubbard, June, 1826, Hubbard Papers, I, CHS.
57  Robert Stuart to John J. Astor, July 15, 1826, AFC Papers, III, WHS.
59  Senate Document No. 90, p. 78.
60  Andreas, I, p. 101.
61  Robert Stuart to John Kinzie, September 27, 1826, AFC Papers, III, WHS.
62  Robert Stuart to John Astor, August 10, 1827, ibid.
63  Letter of Gurdon Hubbard, July 3, 1828, Hubbard Papers, I, CHS.
64  William H. Keating, "Narrative of an Expedition to the Source of St. Peter's River . . . ", as cited in Pierce, As Others See Chicago, p. 37.
65  Letter of Gurdon Hubbard, April 5, 1827, Hubbard Papers, I, CHS.
Chapter VII


5. G. Johnson, The Laughton Trading Post (Unpublished manuscript compiled for the National Park Service), CHS, p. 18.

6. William G. Brewster to David Laughton, October 21, 1832, AFC Papers, CHS.

7. William G. Brewster to David Laughton, September 1, 1832, ibid.


10. William Brewster to David Laughton, November 2, 1832, AFC Papers, CHS.

13 Gerwing, p. 128.
14 Ibid.
16 Henry Van der Bogart to David Demarest, October 7, 1833, Henry Van der Bogart Collection, Chicago Historical Society. Van der Bogart was a visitor in Chicago at the time of the Treaty.
20 Thomas J. Owen to Governor Porter, October 10, 1832, Senate Executive Document, No. 90, p. 58.
21 James Ryan Hayden, Chicago's True Founder - Thomas J. Owen (Chicago: Printed by the author, 1934), pp. 8-9. Hayden prints a photostatic copy of a letter from William Smith to Lewis Cass. Smith discussed the arrangements which he and John Kinzie had made earlier. The letter is dated September, 1834, for Smith was attempting to gain a share of the money which the Kinzie family had received from the Indian Treaty of 1833. Smith claimed that John Kinzie had owed him a large sum of money. The original letter is in the files of the Indian Bureau in Washington.
22 Hayden, Chicago's True Founder, p. 277. Hayden prints a photostatic copy of a letter from Robert Stuart to Lewis Cass, Secretary of War. In this letter, Stuart asked that Hubbard's money from the Treaty of 1833 be withheld until Hubbard paid his debt to the American Fur Company.
23 Ramsay Crooks to Jean Beaubien, January 23, 1835, AFC Papers, III, WHS.


32 Ramsay Crooks to Jean Beaubien, April 17, 1835, AFC Papers, III, WRS.

33 "Narrative of Morgan L. Martin," WHC, XI, p. 405.

34 Samuel C. Stambaugh, "Report on the Quality and Condition of the Wisconsin Territory in 1831," WHC, XV, pp. 399-438. Major Samuel C. Stambaugh was Indian agent at Green Bay in 1830, and in this capacity he concluded the Treaty with the Menominee.

35 Bayrd Still, Milwaukee: The History of a City (Madison: The State Historical Society of Wisconsin, 1948), p. 16. Martin was typical of many frontier speculators. He was born in New York, studied law, and then moved West. Under the advice of his cousin, James D. Doty, he came to Green Bay. From 1831 to 1835, he was a member of the legislative council of the Michigan Territory.


37 Still, p. 13. Kilbourn was another typical frontier promoter. Born in the East, he came to Wisconsin to survey public lands. From capital gained in his early years, he invested in the favorable lands he surveyed.

38 Buck, p. 89, and Still, p. 53.

40. Ramsay Crooks to former members of the Green Bay Company, January 30, 1830, AFC Papers, II, WHS.

41. Robert Stuart to Augustus Grignon, November 2, 1833, Lawe Papers, X, CHS.

42. John Lawe in Washington to Rachel Lawe, October 12, 1832, ibid.


45. Smith, p. 159.

46. Legal deed signed by J. D. Doty, Attorney of the American Fur Company transferring the lands of Lawe and the Grignons to the Company, 1834, Lawe Papers, XI, CHS.

47. Smith, p. 171.


49. Legal deed transferring lands of the Green Bay traders to the American Fur Company with a list of the traders who still owed the Company, March 3, 1835, Lawe Papers, XII, CHS.


52. Ramsay Crooks to John Lawe, November 3, 1835, Lawe Papers, XII, CHS.


54. Ramsay Crooks to Samuel Abbot, May 27, 1837, ibid.

55. Ramsay Crooks to Samuel Abbot, June 27, 1837, ibid.

56. Ramsay Crooks to John Lawe, July 14, 1837, ibid.

57. Samuel Abbot to Ramsay Crooks, July 14, 1837, Calendar

58 Ramsay Crooks to John Lawe in Washington, October 7, 1837, AFC Papers, II, Burton Collection.

59 Kappler, p. 466.

60 Ramsay Crooks to John Lawe, April 4, 1839, Lawe Papers, XIX, CHS.

61 Ibid.
Unpublished Primary Sources:

American Fur Company Papers. The papers consist of the letterbooks of Robert Stuart and Ramsay Crooks, account books, and ledgers. There are several different collections of the Company's papers. The following are the principal collections used for this thesis.

American Fur Company Papers, Chicago Historical Society. This collection consists almost entirely of letters from Robert Stuart and Ramsay Crooks to the Chicago traders. The letters are photostatic copies from the originals at the New York State Historical Library.

American Fur Company Papers, Wisconsin State Historical Society Library, Madison, Wisconsin. This collection has the complete copies of the letterbooks of Ramsay Crooks and Robert Stuart for the traders of the Northwest Territory. The letterbooks are photostatic copies from the originals at the Astor House on Mackinac Island.

American Fur Company Papers, Cudahy Library, Chicago. This collection is on microfilm from the originals at the Burton Library in Detroit, Michigan. These microfilms include account books and the letters of various business agents of the Company.

American Fur Company Papers, Harper Library, University of Chicago. This collection consists mostly of the letterbooks of Ramsay Crooks after Astor had retired as head of the Company in 1834. The collection is on microfilm from the originals at the New York State Historical Library.

Jean B. Beaubien Collection, 1787-1863, Chicago Historical Society. The Beaubien Collection is very small. There are no letters of Jean Beaubien, but there are various letters of his son discussing his father's participation in the fur trade.

Henry van der Bogart Papers, 1832-1834, Chicago Historical Society. Van der Bogart was an early Chicago resident and land speculator. Arriving in Chicago in 1831, several of his letters describe the changing frontier community.

Gurdon S. Hubbard Papers, Chicago Historical Society. The Hubbard Collection is the most valuable single source for
the study of early Chicago traders.

John Kinzie Collection, Chicago Historical Society. The majority of the material in this collection relates to the later history of the Kinzie family in Chicago. There are only a few letters and accounts of John Kinzie.

Bernadus and David Laughton Papers, Chicago Historical Society. This collection is very small. Most of the letters concern business matters between the American Fur Company and David Laughton.

John Lawe Papers, Chicago Historical Society. The Lawe Papers consist of over one-hundred letter folders. Many of these folders deal with the period after 1840, many of the letters being written by Lawe's son. The Papers are extremely valuable for gaining a clear insight into the conditions of the trade and the opinions of the traders toward the American Fur Company.

Solomon Juneau Papers, Milwaukee Court House, Public Museum Division. The papers consist primarily of accounts. There are a few letters, but none were written before 1840 when Juneau learned to write.

Grignon, Lawe, and Porlier Papers, Wisconsin State Historical Library at Madison, Wisconsin. The number of papers is astounding, but the more important letters are published in the WHQ, vols. XIX and XX.

Jacob Butler Varnum Collection, Chicago Historical Society. The most important item in this collection is the Journal of Jacob Varnum in which he describes his years as a government factor at Chicago.

U. S. Superintendent of Indian Trade. Letters Sent from October 31, 1807, to April 26, 1824. Microfilm copies at Cudahy Library from the originals in the National Archives, Washington.
Printed Primary Sources:


U. S. American State Papers, Indian Affairs, II.


U. S. Senate, Committee on Indian Affairs. Documents Relative to the Indian Trade. Senate Document No. 60. 17th Cong., 1st Sess., 1821.


U. S. Statutes at Large.

Thwaites, Reuben G. (ed.). Collections of the State Historical Society of Wisconsin. 30 vols. Madison: Published by the Society, 1855-1929. The volumes consist mainly of documents, letters, diaries, and narratives of early Wisconsin history. The original ten volumes were compiled in the late nineteenth century by Lyman Draper to whom the credit must go for the original collection of documents relating to Wisconsin history.


Secondary Sources:
Books:


Neville, Ella H., Martin, S. G., and Martin, Deborah. *Historic Green Bay, 1634–1840*. Green Bay: Published by the authors, 1911.


Articles in Journals and Periodicals:


Goodrich, Grant. "Address on Gurdon S. Hubbard," Chicago Historical Society Collections, IV (1886), 9-26. (Address read before the Chicago Historical Society on November 16, 1886.)


APPROVAL SHEET

The thesis submitted by John Haeger has been read and approved by three members of the Department of History.

The final copies have been examined by the director of the thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated, and that the thesis is now given final approval with reference to content, form, and mechanical accuracy.

The thesis is therefore accepted in partial fulfillment of the requirements for the Degree of Master of Arts.

[Signature]

Date: 1/25/66

Signature of Adviser: [Signature]