

A NOTE ON THE ORIGINS OF THE STRIFE BETWEEN SIR GEORGE SIMPSON AND DR. JOHN McLOUGHLIN

The murder of John McLoughlin, Jr., at Fort Stikine in April, 1842, brought to a head long-standing differences between Dr. John McLoughlin and Sir George Simpson. These two strong men of the Hudson's Bay Company disagreed on matters of policy. Although they were quite friendly during the years which immediately succeeded the union of the companies in 1821, differences of opinion occurred during the late 1830's and early 1840's. Until the archives of the Hudson's Bay Company are fully placed at the disposal of research students it will be impossible to trace in detail the origins of this strife, but enough information exists to indicate why misunderstanding arose between Simpson and McLoughlin.

Professor Merk has recently published Sir George Simpson's journal for 1824-25. From Dr. Merk's introduction it is evident that at the time of the union the trade of the Columbia had not been profitable and the Hudson's Bay Company was considering a withdrawal from the Columbia to New Caledonia.¹ Simpson did not agree on this withdrawal and undertook to reorganize the Columbia Department. McLoughlin was appointed chief factor in charge of the Columbia and arrived with Simpson at Fort George (Astoria) on November 8, 1824. McLoughlin succeeded Chief Factor Alexander Kennedy.² Simpson was of the opinion that "everything on the Columbia was on too extended a scale except the trade" and that "no economy has been observed."³ He proposed an immediate reduction in personnel in the five posts of the Columbia Department from 151 to 83, and determined to link up New Caledonia and the coast shipping with the Columbia. The depot was to be established at the mouth of Fraser River and a subsidiary post on the Columbia about seventy miles inland from Astoria.⁴ Fort Langley was built on Fraser River in 1827, but was found unsuitable as a depot. Simpson's journey of 1828 down the Fraser Canyon convinced him that the depot should be on the Columbia. As a result Fort Vancouver became the headquarters for the Hudson's Bay Company's trade west of the Rocky Mountains.

McLoughlin seems to have supported Simpson loyally in these undertakings. He was most anxious to secure good, clean furs

¹ Merk, *Fur Trade and Empire*, Harvard Historical Studies XXI, Cambridge, 1931. Introduction, xxiv-xxv.

² *Ibid.*, 3, 64.

³ *Ibid.*, 65.

⁴ *Ibid.*, 66-88.

which had been properly prepared and equal in value to the furs east of the mountains.⁵ He was willing to allow the American maritime traders to exhaust themselves and to sell for what they could get. The Hudson's Bay Company had at this time the lucrative fur trade of the interior completely in their hands. In 1826, McLoughlin reckoned that the Columbia furs would clear a hundred per cent on their cost price.⁶ It is not surprising that Simpson commended McLoughlin for the success of his administration of the Columbia. In a despatch dated Fort Vancouver, March 15, 1829, Simpson thus expresses his satisfaction:

"Your whole administration is marked by its close adherence to the spirit of the Gov^r and Committees [sic] wishes and intentions, and is conspicuous for a talent in planning and for an activity & perseverance in execution which reflects the highest credit on your judgment and habits of business, I do no more than my duty to you to the concern at large and to myself."⁷

McLoughlin was doubtless pleased at this commendation by his chief, and relations between these two leaders of the fur trade remained for the time being, on the surface at least, quite cordial. But the "Big Doctor" was nursing a grievance which dated back to the union of the companies in 1821. Before the union, John McLoughlin and Angus Bethune had been sent over to England to support the claims of the wintering partners. The terms of union were evidently not satisfactory to McLoughlin, for over twenty years later he thus writes to Edward Ermatinger from Fort Vancouver on February 1, 1843:

"My compliments to Mrs. Ermatinger and tell her that I hope to give you a call some of these days after I retire. I dare say some day it would be time—if I and the other N. W. had not been so outrageously wronged at the Coalition and for which I blame Both parties—and my N. W. Stock Accounted to me as a sale when it was an investment I would have been able to retire long ago."⁸

Both the Governor and Committee in London and the Governor-in-Chief and the Council of the Northern Department of Rupert's Land seem to have had confidence in Dr. McLoughlin's administration of the Columbia during the 1830's. The "Big Doctor" was given large discretionary powers not only over the Columbia proper but also over the shipping of the Pacific Coast and, to a

⁵ *Ibid.* 252. The furs from the Snake River were badly cured and the muskrats from the Okanogan and the beaver from the Nez Percés were full of moths.

⁶ *Ibid.* 280.

⁷ *Ibid.* 308.

⁸ John McLoughlin to Edward Ermatinger, Feb. 1, 1843, *Ermatinger Papers*, Public Archives of Canada.

more limited extent, over New Caledonia. In 1838, McLoughlin journeyed to England and succeeded in securing the approval of the Governor and Committee for the proposed organization of the Puget Sound Agricultural Company. John Tod thus reports to his friend Edward Ermatinger:

"The Big Doctor has again returned to this quarter with new powers & fresh honors—their Honors at home having placed in him the most unbounded confidence in all affairs connected with the Columbia."⁹

This confidence in McLoughlin does not, of course, mean that the Governor and Committee were losing faith in Simpson or that there was necessarily any open strife between these two leaders of the fur trade. But McLoughlin as early as 1835 was critical of the company's administration. In a letter written on February 1, 1835, to Edward Ermatinger the doctor unburdened himself as follows:

"Your account of your situation is certainly gratifying and I have no Doubt that your situation is more Respectable—more comfortable and perhaps more profitable than that of any Chief factor in the Country however Gros Bourgeois [sic] as you style him he may consider himself—you have one great satisfaction—you Act for yourself—and have no one to controul you—While you know that in this Country you would be working for others and people who know Nothing of the Business—have the power of diciding [sic] on the Merits of your conduct—and who would place a Runt—a fellow that knows Nothing—can do Nothing—as your Colleague—Merely because they want to reward—a Creature."

This passage needs explanation. The "people who know Nothing of the Business" may be the Governor and Committee in London, or they may be the Council of the Northern Department of Rupert's Land. The Council, as is evident from their minutes, made the appointments to the different districts of the fur trade including the Columbia. The identity of the "runt" is hard to establish. Certainly Simpson was a small man physically, but no one could claim that he could do nothing and knew nothing. Peter Skene Ogden, who since 1823 had been prominent in the fur trade west of the mountains, was in 1835 appointed to take command in New Caledonia.¹⁰ But Ogden's skill as a fur trade was too well known for McLoughlin to cast aspersions on it. James Douglas, who became

⁹ Tod to Ermatinger, Feb. 1840.

¹⁰ According to E. H. Oliver, *The Canadian North-West*, (Ottawa, 1914-15) I, 625, Ogden was promoted to a chief factorship in 1834. The Minutes of Council for 1835 assign him to New Caledonia, *ibid*, II, 736. T. C. Elliott, *Peter Skene Ogden, Fur Trader*, (Portland, 1910) 27, states that his commission was dated from the Hudson's Bay House, London, January 1, 1835, and that he was assigned to New Caledonia at once.

a chief trader in 1835, was McLoughlin's right hand man at Fort Vancouver and certainly could not be described as a "runt." Possibly the reference is to Duncan Finlayson, a prime favorite with Governor Simpson, and a connection by marriage of the Governor-in-Chief. Finlayson was sent to Fort Vancouver in 1831, on the occasion of his promotion to a chief factorship and was selected as substitute for McLoughlin if the doctor availed himself of his furlough for the Outfit 1833/34. McLoughlin did not go on furlough until 1838, and Finlayson left the Columbia the previous year. It is just possible that Finlayson had been sent to the Columbia by Simpson as a check on McLoughlin. But this is only a conjecture which is, as yet, incapable of proof.

That some of McLoughlin's subordinates in the Columbia Department were extremely critical of the "Big Doctor" is shown from references in John Tod's letter to Edward Ermatinger. Tod distrusted "that anomalous Mammoth," as he terms McLoughlin, and voices his adverse opinion as follows:

"That is a character for which I entertain the most deadly hatred—God forgive me—not from any unkindness I have received at his hands—far from it, but from a knowledge of his treatment of others—he of all men I know in the country is the very last I should put any dependence in."¹¹ Tod also claimed that the service was "swarming with Finlaysons, Simpsons & McKenzies" and that few others, no matter what their qualifications might be, stood any chance for advancement.

During the late 1830's and early 1840's the Hudson's Bay Company's trade returns fell off sharply. There was need for retrenchment and, in his journey across the continent in 1841, Simpson made a careful study as to where economies could be made. In a letter, preserved among the Donald Ross Papers in the Archives of British Columbia, written by Simpson to the Governor and Committee from Fort Vancouver on November 6, 1841, Sir George threatened to reduce the outfits from the east side of the mountains and suggested that the rotation of ships to Hudson Bay should be changed and that the extra ship be sent to the Pacific coast.

This aroused the men on the east side. Donald Ross prepared an analysis of trade returns, from figures supplied by George Gladman of York Factory, to prove that the Columbia furs were overvalued while those from Hudson Bay were undervalued. Since Simpson later claimed that the Columbia returns were overvalued

11 Tod to Ermatinger, March 19, 1842.

and that in 1842 and 1843 the trade west of the mountains actually showed a loss, it is well to quote Ross's figures.¹²

"The Furs shipped from Columbia belonging to Outfits 1841 and 1842 were valued in the Country account.....	82,796
"The Net Sum realized for these Furs was.....	62,107
"Being an <i>over</i> -valuation in the Country of about 33½ P cent or.....	20,689
"The Furs shipped from York factory belonging to Out- fits 1841 and 1842 were valued in the Country ac- counts at	93,691
"The Net Sum realized for these Furs was.....	111,560
"Being an <i>under</i> -valuation in the Country of about 16 P cent or.....	17,867"

In a private letter to Donald Ross, Dated Honolulu, March 12, 1842, Sir George Simpson wrote his mind rather freely regarding McLoughlin's management of the Columbia Department:

"On business I need say nothing further than refer you to the public correspondence which will be shown to you by Mr. Hopkins. From that correspondence you will see that some branches of the business promise well, while others which afforded great expectation, would if preserved in [have] been productive of more harm than good—and notwithstanding all my good feelings toward the Doctor, you will notice that I have not overloaded him or his management with praise. The fact is, I am not quite clear that the business is managed in the best possible way, owing more to a want of system than to a want of energy, and perhaps our engagements are rather too complicated and multifarious for the habits of business of our manager."

By this time, as Miss Judson has pointed out, there was a sharp difference of opinion between McLoughlin and Simpson regarding the trading policy to be employed on the northwest coast. McLoughlin had favored the establishment of trading posts and Simpson had at first concurred with him. As a result Forts Simpson, McLoughlin and Taku (or Durham) were founded and Fort Stikine was taken over from the Russians as a result of the agreement with the Russian American Company in 1839. But when Simpson came to the coast in 1841 he decided to abandon all the posts except Fort Simpson and to use the steamer *Beaver* in the coasting trade.¹³ Mc-

¹² Simpson's claim is rebutted by McLoughlin in his letter to Simpson, March 20, 1844 (edited by Miss Katharine Judson, *Oregon Historical Quarterly*, xvii, 216-239) and in his letter to the Governor and Committee, November 20, 1845 (edited by Miss Judson, *American Historical Review*, xxi, 104-134).

¹³ Simpson's reasons for this policy are set forth in paragraphs 21 to 25 of his dispatch to the Governor and Committee, dated Fort Vancouver, November 25, 1841, printed in Howay and Scholefield, *British Columbia*, (Vancouver, 1914) I, 416-419.

Loughlin did not like this proposal but was forced to bow to the superior authority of his chief.

When Simpson reached Fort Stikine in April, 1842, he found that John McLoughlin, Jr., had been murdered. The Governor-in-Chief made a rather perfunctory investigation into the fatal affray but did not clear the memory of the murdered man nor bring his slayers to justice. Dr. McLoughlin's heart was broken and all the pent-up vials of his wrath were poured in a bitter and uncontrolled attack upon Sir George Simpson. The storm which had been gathering on the Columbia for years had burst.

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