

FOR TEACHERS

HBC and the Fur Trade

Using HBC historic images and accompanying text, teachers and students can explore the fur trade as a business in Canada. The fur trade began in the 1530s and continues to this day. HBC was founded in 1670 and remained involved in the fur trade until 1989, over 300 years of involvement in the industry that had a large role in the development of Canada.

The demand for both furs and fish in Europe stimulated the growth of trade and exploration of Canada. The French were the first to establish fur trade routes into and beyond the Great Lakes. In 1670, the Hudson's Bay Company was formed to exploit the fur trade in the Hudson Bay watershed - a region it would call Rupert's Land. The Company's name reflects both the location of the original trading posts and the trading route through Hudson Bay.

The North West Company, formed in 1779, took over the French routes and became HBC's biggest competitor. In 1821, the two companies merged as the Hudson's Bay Company. HBC expanded its fur trade to the west coast and into the Canadian Arctic. While other furs such as arctic fox, mink, muskrat and marten were traded, beaver pelts were the most common fur traded.

For many years, fur pelts were baled and sent to England for sale. In 1949, HBC opened the Fur Sales Department on Dorchester Street in Montreal where for the first time in 279 years HBC held a fur auction in Canada. At around the same time, HBC opened a Fur Training School in Montreal where students learned aspects of the fur business such as grading and pricing.

In the second half of the 20th century, although HBC remained involved in the fur trade, retail became its core business. In 1987, HBC exited the fur business in Canada, and disposed of its last asset, the New York City fur sales operation, in 1989. The business of fur continues to be an important industry in North America.



Introduction

The fur trade is woven into the fabric of Canadian history. It was the country's second major industry, after fishing. The great explorers Radisson and des Groseilliers set out from New France to discover new sources of fur north and west of the Great Lakes and charted a northern trade route through Hudson Bay. Their travels led to the founding of the Hudson's Bay Company, and through it, to the development of the Canada we know today.



The Founding of HBC

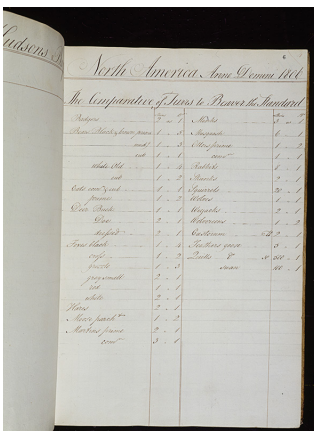
The trade for fur was the reason HBC was established. From the outset, this trade was based on the need to satisfy two very different sets of customers: the First Nations, who traded prime pelts in exchange for a number of trade goods, and the European merchants who bought the pelts at auction in order to manufacture them into hats. The business of the Company could not succeed, let alone flourish, without both groups.

Each customer had different requirements and HBC's success depended on how well it met their needs. Considerations of assortment, quality and price - still the fundamentals of retail today - were of paramount importance. Today, HBC is no longer in the fur business.



Early Trading at the Post

Every year trappers journeyed to a post. After the ritual exchange of gifts and passing of the ceremonial pipe, the business of trading began. Trading took several days and was conducted by a single representative on behalf of all the aboriginals. This "Captain" as he was called, was given a suit of clothes by the Chief Trader or Factor, and treated with great deference and ceremony.



"Made Beaver": A Standard of Trade

The beaver pelt became the means of exchange, or "standard of trade." This ensured consistent fair pricing and facilitated the economic transactions of the fur trade. A top quality beaver pelt was called a "made beaver." The value of all trade goods, as well as other furs, was determined in terms of "made beaver."

At Fort Albany in 1733, one "made beaver" could be traded for a brass kettle, two pounds of Brazilian tobacco, or twenty steel fishhooks. As trading evolved, trade tokens that were equivalent to various denominations of "made beaver" were issued as a form of currency.



Acquiring Fur

HBC traded for furs with First Nations at a number of posts situated at key locations on the shores of Hudson Bay. Company men such as Anthony Henday were periodically sent inland to encourage native peoples to travel “down to the Bay” to trade.

After 1774, in the face of serious competition, HBC began to expand into the interior of the continent, building a network of posts that brought the trade closer to its primary supply.

With the shift to a cash economy in the late 19th century, fur was increasingly acquired through purchase. Trappers were paid partly in goods and partly in tokens issued by HBC. These tokens were accepted as cash at any of the Company posts.

Today, both trappers and ranchers supply raw furs to Canadian auction houses. Fur is bought for cash and is handled on a consignment basis.



Pressing Fur

The post manager was responsible for “baling the furs”. Furs were divided into their respective species and pressed into bales using machines like this one and a lot of muscle power.

This process was done to protect the pelts and the bales were easier to handle and stack for shipping.



Labeling a Bale

Each bale was stencilled with the type of fur and its origin before being shipped to York Factory or other depots en route to the auction house.



Grading Fur

The main goal of grading is to group pelts of similar characteristics for sale. Within each species, pelts are graded by origin, size, colour, and condition. Graders use measuring tools as well as their trained senses of touch, sight, hearing, and smell.

At the height of the fur trade, a preliminary assessment of a pelt's value took place at the trading post so that the post manager and trapper could make a fair trade. The fur was then sent to the auction house where it was more carefully graded and valued.



Measuring a Pelt

The grader depicted here is measuring a pelt as part of the grading process. An experienced grader uses all his senses in his work. This allows him to determine the origin and sex of the skin, what time of the year it was harvested, and its overall quality which will determine its value and subsequent sale price at auction. The grader's ability is the result of years of experience.



The Auction

Fur has always been sold at auction, from the 17th century when buyers congregated in a London coffeehouse to today's sales at purpose built facilities.

In 1949, HBC opened the Fur Sales Department on Dorchester Street in Montreal where, for the first time in 279 years, HBC held a fur auction in Canada. In February 1987, HBC sold the Canadian fur auction business to the Canadian Fur Division Management group. The new company was called Hudson's Bay Fur Sales Canada Inc. The company merged with various American breeding associations in 1992 and currently conducts business under the name North American Fur Auctions (NAFA).



Modern Auctions

Today, North American Fur Auctions (NAFA), HBC's successor in the business, holds sales four or five times a year that attract buyers from all over the world. In the auction room, there is nothing to suggest a fur market: no pelts or odours, just an open room with rows of desks facing the auctioneer. The auctioneer swiftly takes the crowd of buyers through a catalogue of available furs, lot by lot. While bidding used to be a quiet exercise filled with eyebrow movements and other small gestures, today it is a noisy affair with buyers waving and yelling their bids while spotters help the auctioneer track all bids coming from the floor. Today's auctions are held in the Toronto area.



Montreal: Headquarters of the Fur Business

In the 20th Century, retail became the Hudson's Bay Company's primary business. Fur continued to be a significant part of its operations and began to be acquired directly from the trappers by the Raw Fur Department, headquartered in Montreal. Some fur was still acquired at the northern posts. Originally organized as the Fur Trade Division, this was renamed the Northern Stores Department in 1959 in recognition of the fact that 90% of business in the north was now based on retail instead of the fur trade.

The headquarters of the fur trade was easily identified as "100 McGill Street." It was here that most new HBC staff arriving from overseas were introduced to the fur trade. Both the Fur Trade School and the Raw Fur Department were housed at 100 McGill before being moved to different locations in the late 1940s.



Fur Training School

After a few years spent apprenticing in the North, fur trade employees were sent to the Fur Training School. The School opened in the late 1940s to provide instruction in all aspects of fur buying such as grading, pricing, and more. Originally six months long, the course was later shortened to three. Beaver was always the primary focus of the curriculum but all species were covered. Graduates went on to store management in the North or to work in the Raw Fur Department or Fur Sales Division.



The Canadian Fur Trade Today

HBC is no longer involved in the fur trade and while fur is still trapped – this is known as wild fur - the majority of fur is now ranched.

The fur trade directly employs over 70,000 Canadians as well as adding over \$750 million to the Canadian economy. There are more pelts sold today than in the early days of the HBC. Government revenue from taxes is substantial with 42% used for wildlife and habitat conservation programs.

IMPLEMENTATION PLAN

Big Idea

The Canadian fur trade is an example of a long standing resource based industry.

Critical Questions

- How were the founding of HBC and its business practices influenced by resources?
- Why was Canada a good location to establish and maintain a fur trade?

Curriculum Connections

Business/Social Studies courses

Tasks

Students use HBC's involvement in the business of fur as a model to investigate a resource-based industry in Canada. They identify specific questions for the inquiry.

Part A

Examine HBC's involvement in the business of fur.

Questions to Guide Students' Thinking

- Why was the Hudson's Bay Company established?
- Who were the customers that HBC served?
- Who were involved in the fur trade process and what were their roles?
- Describe the business of fur in Canada today.

Part B

Investigate a resource-based industry in Canada and share the findings of your inquiry.

Questions to Guide Students' Thinking

- Why did the industry begin?
- How did the industry change over time?
- How does the industry contribute to Canada's economy?

For More Information

HBC Links

[HBC Heritage: Timeline](#)
[Our History: Beaver Hat](#)
[Our History: Radisson and des Groseilliers](#)
[Our History: Fur Trade](#)
[Learning Centre: Fur Trade Nation](#)
[Our History: Trading Ceremony at York Factory](#)
[Our History: Standard of Trade](#)
[Our History: Explorers](#)

External Links

[Canadiana: Exploration, the Fur Trade and Hudson's Bay Company](#)
[Canadian Encyclopedia: Fur Trade](#)
[McGill Digital Library: The Trade Goods](#)
[Canadian Encyclopedia: Fur Trapping](#)
[Canadian Encyclopedia: Fur Farming](#)
[Canadian Encyclopedia: Fur Industry](#)
[North America Fur Auctions](#)
[Fur Council of Canada](#)