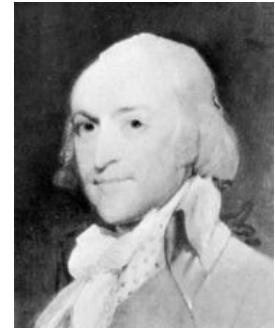


## John Jacob Astor: Wealthy Merchant and Fur Trader

By James L. Stokesbury

John Jacob Astor, the man most closely associated with the American fur trade and whose name is a synonym for wealth surpassing imagination, became involved in the business without ever setting a trap. The German-born immigrant to the United States, who rose from obscurity to build a financial empire, typifies the great American success story.



Fur became an item of great economic importance to the development of America, but it was politically important as well. The existence of French Canada depended upon the profits of the fur trade. France was not going to spend money on an unproductive outpost, and it was fur that kept Canada solvent. The beaver became a factor of empire, and battles were fought and treaties delayed over who was to control access to prime trapping areas. The future of North America depended on the flashing paddle and the beaver trap as much as it did on muskets and bayonets.

By 1756, the fur trade was so well established that it survived the upheaval of the French and Indian War with little alteration. The routes to the west continued to run from Hudson's Bay, where an English company was dominant; from New York City up to Albany and out past the Great Lakes to the Illinois country; and the greatest route of all, from Montreal up the Ottawa River, out across Georgian Bay and the Great Lakes, and past the settlement of Grand Portage to the river systems in the heart of the continent.

After their victory in the French and Indian War, the British ran the fur trade largely as their predecessors had done. From the eastern depots came the annual fleet of canoes holding 12 men and four tons of goods. At the western end of the Great Lakes they were replaced by the northern canoes; in these the traders penetrated as far as the foothills of the Rockies where they wintered and traded with the Indians. As the ice broke up in the spring, the trappers from the west would head for Grand Portage with their furs. There they met their eastern partners with European goods and drank, fought, feasted, and settled accounts for the year.

Because the pelts were better farther to the north, the southern trade to the Illinois country was the weakest of the three areas. But the drawing of an artificial boundary line right across the heart of the trade and the later quarrel between the Hudson's Bay Company and the Montreal-based Northwest Company served as an advantage to the American traders. Together they helped make John Jacob Astor one of the richest men in North America.

The third son of a butcher, John Jacob was born in Walldorf in the Duchy of Baden, Germany, in 1763. His father was a ne'er-do-well, but his mother was industrious and frugal to the point of parsimony, though the family often went in rags. The eldest son, George, left home for England, where he set up in the musical instrument business. The next son, Henry, soon departed for New York City where he became a butcher like his father. John Jacob remained at the small family holding until 1780; by then his mother had died and his father had remarried. When relations

between John Jacob and his stepmother became strained, he left his father's house with what money he had to seek his fortune. He headed out on foot for the Rhine Valley.

Young Astor worked his way down the Rhine River on a timber barge, and by the time he reached salt water he had enough money to pay for passage to London. There he went to work with his brother George, learning to make musical instruments. He mastered the English language and gathered all the information he could about the then-rebellious American colonies. By the end of the American Revolution in 1783, John Jacob Astor had saved enough money for passage to the new United States. He took ship in November with about \$25, seven flutes as stock-in-trade, and a ticket giving him a berth in the crew's quarters.

It was the typical eighteenth-century passage across the Atlantic Ocean, about eight weeks of cold and misery before the ship entered Chesapeake Bay late in January--just in time to be frozen in the ice for two months. Astor was not one to pass up opportunities, even in mid-ocean; on the passage he met another German emigrant who had been to North America before, and who had dealt successfully in the fur trade. He questioned the man extensively, and by the time the ice had melted from the bay, Astor was sure the fur trade was for him.

He reached New York in March 1784, and perhaps no 21-year-old approaching the metropolis has ever been more determined to make his fortune than John Jacob Astor; certainly few have more completely fulfilled their ambition.

Around 1785 he married Sarah Todd, who was connected to one of the old Dutch families. To the marriage she brought a dowry of \$300.00, a keen business sense, and an expert eye for furs. It may have been the dowry that enabled Astor to set up a shop of his own, for in 1786 he opened a store on Water Street where he sold musical instruments and bought furs. The Astors tended strictly to business, living frugally, and devoting themselves almost exclusively to making money. Astor himself often left the shop in his wife's care while he went off to the frontier.

Within a few years he knew the fur trade well and had established connections, not only throughout the American Northwest territories, but also in Montreal, which was the heart of the trade. He gained a great advantage over his competitors in 1796 when Jay's Treaty, between the United States and Great Britain, was put into force. Prior to that it had been agreed that neither British nor American traders were to be hindered by the international boundary. Jay's Treaty did away with that; the British were already beginning their time-honored practice of seeking American friendship at Canada's expense, and the Canadian fur traders were left in the lurch.

Their misfortune was Astor's gain. He and the United States would expand together. Astor not only took over territory that had been closed to the Canadians, he was then clever enough to make a deal with the Northwest Company so that he could import goods through them. Thanks to the treaty makers, he was able to insert himself into the American end of the Canadian trade. By 1800, Astor was recognized as the leading American merchant in the fur trade and was thought to be worth a quarter of a million dollars. He was still only beginning.

By now Astor was starting to act and look like a comfortable capitalist. He moved into a new house in New York City and established worldwide connections, becoming the very picture of

early nineteenth-century American merchant enterprise. His horizons were always expanding, at least as far as profits were concerned.

Soon after the turn of the century, he became interested in the Orient. American ships were just starting their China trade, and Astor, on a visit to London, obtained from a friend a license to trade in any East India Company port. Armed with this mandate, Astor persuaded another friend in New York to join in his venture, and they sent a trade ship to Canton, China. When it returned successfully, Astor's share of the profit was \$50,000. New vistas were opening up before him, though fur was still his primary interest. Part of his profit from the venture into China went into the purchase of real estate in New York City, property that later proved to be the real basis of the Astor fortune.

Some thought the Louisiana Purchase of 1803 was an act of folly for the young republic, but Astor was not one of them. With that immense territory under United States control, it became possible to see the fur trade extending all the way to the Pacific coast. The return of the Lewis and Clark Expedition in 1806 added fuel to his ambition, and by the next year he and his agents were fighting to drive the Canadian fur traders out of the upper Mississippi Valley.

These were the years of Astor's peak activity. In 1808 he incorporated as the American Fur Company, a move that consolidated his holdings and prepared for an all-out assault on the Far West. He was not, of course, without competition, and it was actually the antagonism of the fur traders of St. Louis that led him into his most grandiose scheme.

By this time, the best fur lands were being found farther to the west. In the United States traders were in the Rockies already, and in Canada they were working to the north and toward the mountains. The increasing length of the journey from the Great Lakes area to the West cut into the profits of the trade, shortened the time that could be spent among the Indian tribes, and generally narrowed the margin on which the traders operated.

A western entrance to the trading areas had long been desired, but to this point, none had been found. Canadians had already searched; a Scottish Canadian named Alexander MacKenzie had set out for the Pacific from the Athabasca country in 1780, but he did not reach it. Instead he found the Arctic by what he called the River of Disappointment--today's MacKenzie River.

In 1793-94, he tried again, and this time he almost reached his goal. He wanted to find the Columbia River, and American and Canadian history might have been different had he done so. But he was a couple of hundred miles north of his aim when he crossed the Continental Divide, and instead of the easy Columbia, he found the turbulent and unnavigable Fraser River. The Canadians kept trying; an employee of the Northwest Company, David Thompson, was deep in the Rockies, surveying, exploring, and preparing a final drive to the Columbia River.

Montreal was itself almost in the heart of the continent, and to the Canadians it was logical to find a western terminal as an extension of their already existing trade network. To Astor, it was less sensible to trek all the way across the continent than to sail south around South America and land at the back door. He would do it the easy way.

It took more than a year to formulate his plans. This was not to be a one-shot stab in the dark; it was to be a large enterprise, and Astor foresaw the depot he hoped to establish on the Columbia River as the focus of the whole western trade. Even Astor did not have the money for the venture alone, and he approached the Northwest Company with his project, offering the organization a one-third interest in his proposed Pacific Fur Company.

Officially the Northwest Company was uninterested; it was feeling its way to the coast, and was confident that in any struggle it could control the area. However, three former members of the company agreed to join Astor. Internal dissension was a part of the history of the Northwest Company, and there were always Montreal men around who, for one reason or another, had been squeezed out. The articles of incorporation of the Pacific Fur Company were signed in June of 1810, and the venture was ready to be launched.

In the spring of 1811 the ship Tonquin arrived on the Pacific coast, and a fort was built at the mouth of the Columbia River. The traders named it after their employer, and thus Astoria was born. Six weeks after the American flag had been hoisted over the little stockade, a party of white men came down the river from the interior--David Thompson and his fellows of the Northwest Company. He had lost time in surveying one river too many, and so the Oregon coast became American instead of Canadian.

Astor's plan for his fur empire was really world-wide. He proposed to send out one or two ships a year from New York around Cape Horn to Oregon. These ships would carry American manufactured goods for trading with the Indians. The furs obtained in this exchange would not return to New York, however, other ships would carry them to the best market for fur, the Orient. At Canton they would be traded for Oriental goods. These in turn would be carried through the Indian Ocean to Europe. There they would be traded--always at a profit--for European goods that would then be brought across the Atlantic Ocean to the United States. The scheme had a great deal to recommend it and deserved to succeed.

Unfortunately for Astor, however, it was a failure. One of the ships was lost to an explosion, with all hands. There were difficulties with the Indians, and the outbreak of the War of 1812 and the disruption of normal trading patterns were altogether too much for the enterprise. In 1813 an expedition of the Northwest Company, commissioned by the British government in Canada, arrived and demanded the cession of the fort. Astor's agent sold it to them for \$58,000, succumbing to a combination of military and business pressure.

Aside from the premature demise of the Pacific Fur Company, Astor had little cause to regret the War of 1812. His own interest in it, as always, was economic profit. Because of connections in Washington, D.C., he was able to secure concessions allowing him, in effect, to continue the fur trade in Canada throughout the war.

During the conflict, Astor bought up Canadian furs at a better price and less risk than London merchants and made enormous profits from them in New York. Ostensibly these furs were from American property owned in the Northwest at the time of the outbreak of war. In 1812, Astor amassed \$50,000 worth of raw furs. That was his poorest year of the war.

The fur trade continued to be basic to his interests, but he never let his profits lie idle. By the end of the war, the United States government was on the brink of bankruptcy. Astor's response, together with a consortium of associates from Philadelphia, was to buy high-interest bonds with debased currency, and he emerged from the war in far better shape than the Federal Government. At the same time, he enlarged his New York City holdings so that by the time peace was made, Astor was immensely wealthy and ready to take over virtually the whole of the American fur trade.

Now, Astor again looked beyond the Mississippi River to the West. He helped persuade Congress in 1816 to pass an act excluding Canadians from the American fur trade unless employed by an American company. Astor then bought out the holdings of the Northwest Company inside American territory for a fraction of its worth. The company was at that point engaged in a struggle with the Hudson's Bay Company and was in no condition to defend itself.

Five years later, trading competition in the Missouri River country was all but nonexistent, leaving the area practically free for Astor. The St. Louis interests tried to fight him for a while, but they lacked the strength for a long contest and were finally absorbed. Astor pushed farther west yet and challenged Jim Bridger's Rocky Mountain Fur Company for its territory. This was a hard-fought and vigorous contest; Bridger and his people knew their country, were effective traders, and were nearly as unscrupulous as Astor's men.

By the late 1820s, the fur trade was beginning to die. Geography and economics were working against it. The distances and costs were becoming too great for the returns, and in Europe styles were changing and the price of furs was in decline. Perhaps because his business acumen never left him, or because he was getting tired, Astor determined to leave the trade, and in June 1834, he sold all of his commercial interests. He spent the last 14 years of his life administering his estate, until his death in 1848.

If his astuteness never left him, neither did his love of money. He died the richest man in America by far, leaving an estate estimated at more than \$20,000,000. Washington Irving thought him a great man; Astor's official biographer, James Parton, considered him ruthless and selfish, but added, he was "one of the ablest, boldest, and most successful operators that ever lived." His obituary printed in the New York Herald stated that he "exhibited at best but the ingenious powers of a self-invented money-making machine."

In his later years, Astor tried to pass himself off as a liberal humanitarian, but the pose was too unnatural, and it never became credible. To the end, money was his passion, and to make it his men evicted widows and debauched Indians. Though some writers, notably in the late nineteenth century, have regarded him as a great American hero, history has not accepted the verdict. Today, in a more complex era, Americans ask more of their heroes than the ability to make money.

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