BARON WRANGEL AND THE RUSSIAN-AMERICAN COMPANY
1829-1849; Russian-British Conflict and Cooperation on the Northwest Coast

by

Stephen Marshall Johnson

A thesis submitted in partial fulfillment of the requirements of a Doctor of Philosophy Degree

University of Manitoba
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STEPHEN MARSHALL JOHNSON

A dissertation submitted to the Faculty of Graduate Studies of the University of Manitoba in partial fulfillment of the requirements of the degree of

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PREFACE

The lure of profit from the fur trade enticed Russian commercial interests in Siberia across the North Pacific in the eighteenth century. Russians became actively engaged in commercial rivalry and settlement of the Northwest coast of North America in the nineteenth century. Imperial Russia challenged Spain, the United States, and Great Britain in one of the last uncharted frontiers of the New World. The Russian phase of the history of this continent is to a large extent the chronicle of the Russian-American Company (1799-1867). The focus and interest of this paper concerns this commercial enterprise. In particular, this study will inquire into the activities of the versatile Baron Ferdinand Wrangel (1796-1870) as they pertain to the business of this company. Wrangel served as a colonial governor on the Northwest coast as well as company director in St. Petersburg in the 1830's and 1840's. In his diligent defense of company interests, he confronted American sea-captains, the Mexican Republic, and the Hudson's Bay Company. Interestingly, Wrangel developed a close relationship with Sir George Simpson, the Hudson's Bay Company Governor in North America. An examination of Wrangel's career serves a two-fold purpose by illustrating: how the Russian-American Company managed its affairs on the Northwest coast in three particular instances, and the
relationship between the company and the Russian Government in formulating a colonial policy.

Most of the evidence drawn upon in this study was derived from the existing letters of correspondence between the Russian colonial authorities and the Head Office (Glavnoe Pravlenie) in St. Petersburg, between these colonial authorities and Hudson's Bay Company officials in North America, and between the head offices of both companies in St. Petersburg and London respectively. These were located primarily in three funds: The Records of the Russian-American Company 1802, 1817-1867; the Hudson's Bay Company Archives and those portions published; and in the Alaska Boundary Tribunal appendices. Significant correspondence between Baron Wrangel and George Simpson and Sir John Pelly was found in the Hudson's Bay Company Archives. Other information on Baron Wrangel was taken from published biographical monographs and articles.

The secondary sources consulted reflect a wide range of analysis of Russian activity on the Pacific coast of North America. Histories of naval exploration and shipping, Russian travel notes and journals, regional histories, and studies in anthropology, demography, and historical geography suggest the scope of material available. In particular, the work of H. Bancroft, S. Fedorova, and J. Gibson was very informative. Concerning the Russian-American Company, Peter Tikhmenev's
encyclopedic two-volume historical review written in the 1860's remains the most comprehensive work on the company. This has been supplemented by Soviet historian S. Okun's history of the company and the two have served scholars as the basic guides to company affairs.

With few exceptions, all secondary material on the company was available in English. The correspondence of the Russian-American Company and Wrangel's biographical information were in Russian. The letters of the Hudson's Bay Company and those of both companies published in the Alaska Boundary Tribunal were predominantly in English. French frequently appears in the colonial exchanges between the Russian and British authorities, because it was often the only language common between them.

In the nineteenth century, Imperial Russia used the Julian Calendar, the Old Style (OS), which was twelve days behind the Gregorian Calendar, the New Style (NS), used by the rest of the Western world. All dates in the text of this study will be in the New Style unless otherwise signified. Exceptions will generally include both dates indicated like this: OS/NS, or OS (NS). Footnotes will record the dates as they appear in the original documents.

The spelling of Russian names will follow the Library of Congress system of transliteration with the following
exceptions. No terminal soft sign, as in pravitel, will be indicated. Where Russian names have a common anglicized usage, this spelling will be used. For example, Wrangel will be used throughout the text rather than Wrangell, von Wrangell, v. Wrangell, von Wrangel, or Wrangel'. This also applies to the name Etolin rather than Etholen or Etholine. Spelling of names in the footnotes will be as they were found in the documents.

The variety of monetary units and units of weights and measures found on the Northwest coast in the nineteenth century can be confusing sometimes. The Russian-American Company valued their cargoes and expenses in silver rubles, rather than the paper units. A silver ruble was equivalent to approximately fifty cents U.S. of the time. A kopek was valued at one one-hundreth of a ruble. The Spanish or Mexican piaster appeared in silver units. This Spanish dollar or peso was worth about one dollar U.S. of the time. Hudson's Bay Company figures as well as the Russian-American Company bills of exchange (letters of credit) to that company were stated in £ (pounds) Sterling. The silver ruble and £ Sterling will be used in this study unless otherwise mentioned. Four units of weight were common: the bushel, the fanega, the arroba, and the pood (or pud). The Spanish fanega in 1839 was equivalent to about one hundred and twenty-six pounds of wheat, barley, peas, or beans. The fanega was used
throughout Spain's American possessions and in the Columbia River Valley. The Spanish arroba was equivalent to about twenty-five pounds of flour, meat, tallow, or lard. The American and British bushels held an average of about sixty pounds of wheat, barley, peas or beans. The Russian pood was equal to about thirty-six pounds of English weight.

I am grateful to a number of institutions and individuals for their assistance in my research. Depositories include the Public Archives of Canada (Ottawa), Bancroft Library (University of California at Berkeley), Provincial Archives of the Province of Manitoba, Provincial Archives of the Province of British Columbia, and the University of Manitoba's Dafoe Library, in particular the staff of the Slavic Collection and the Inter-Library Loans Department. I would also like to thank those individuals of the Harvard Law School Library (Langdell Hall) and the Slavic and Central European Division of the Library of Congress for their co-operation in my search for materials. A host of individuals took time to offer me their advice and encouragement from which I profited greatly. They are Raymond H. Fisher (University of California at Los Angeles), Anatole Mazour, Mary E. Wheeler (North Carolina State University), Winston L. Sarafian (Oxnard College, California), E. E. Rich (St. Catharine's College), Victor Petrov (University of Virginia), and especially James
R. Gibson (York University) and Richard Pierce (Queen's University). To Oleh Gerus, who first introduced me to this fascinating subject, and Paul Call (University of Manitoba), I owe a debt, perhaps immeasurable, for their time, effort, criticism and editing which extends beyond this thesis to my entire graduate career. I am also indebted to Joan Johnson for her encouragement, patience, and editing.

Lastly, I am grateful to the History Department of the University of Manitoba for their financial assistance in funding my research and travel. In particular, I would like to mention the J. S. Ewart Memorial Fund for allowing me to travel to Ottawa.
INTRODUCTION

Imperial Russia's dramatic eastward expansion in the seventeenth century has been characterized by George Vernadsky as, historically, a repetition of the movement of the Mongols, "but in reverse - from west to east." The Cossacks moved rapidly, conquering and exploring Siberia from the Ob River to the Pacific Ocean in the space of a few decades. The profits of the fur trade in sable, ermine, and beaver provided the impetus for this movement. The Russian Government became the principal dealer in furs, and this trade remained of considerable significance from the seventeenth to the mid-nineteenth centuries. The fur trade was a highly profitable and indispensable export item in Muscovite finance and foreign trade, providing up to ten percent of the state's income in the seventeenth century and for a part of the eighteenth century.

From the beginning the fur trade was under state supervision and was assured of its continual official protection. Government policy was to maintain a tight control over this trade by means of a fur tribute (iásak) imposed on non-Russians in Siberia and through the strict limitation of private trade. In addition to this, the state levied a tax of one-tenth on all furs procured by Russian hunters or traders, as well as exer-
cising the right of pre-emption, that is, the option to pur-
chase additional furs before any public sale was made. These
regulations were designed to secure for the state the best
furs, especially sable. The fur revenue from Siberia pro-
vided a large profit over and above administrative costs.
Four-fifths of the Siberian furs were exported (largely to
Holland and German lands) and this directed a significant
flow of foreign exchange towards Russia. By the early eigh-
teenth century the absolute and relative value of the Siberian
fur trade had declined and the state had shifted its interest
in the fur trade to the Chinese market. By 1700 there were
an estimated 330,000 Russians in Siberia, and peasant settle-
ment and mining activities there became governmental concerns²
(see Map 1). Siberia was also a penal colony for the Tsarist
Government and many Russians arrived to do forced labor or,
if they were educated and fortunate, serve in minor administra-
tive positions.

The discovery of the valuable sea otter and fur seal in
the North Pacific fostered energetic explorations across the
Aleutian Islands in the eighteenth century and aroused the
ambitious for a revival of this source of profit. Private
Siberian merchant trading companies organized the Russian
promyshlenniki, or adventurers (the Russian equivalent of
the Canadian coureurs des bois), and established permanent
settlements on these islands and on the coast of Alaska
(Russian America) in the mid-1780's. These companies were eventually united and the monopolistic Russian-American Company (Rossiisko-Amerikanskaia Kompania) was formed in 1799 as Russia's first joint-stock company. ³ By means of a thrice-renewed charter and supplementary rules and regulations, this company was granted exclusively two basic privileges by the tsar: the trading rights for Russian America and the responsibility for the administration of the Russian settlements. The company also had to avoid conflicts with foreigners and provide religious instruction for the island natives who had to work for them.

Other than their interest in the profits of the fur trade, the Imperial Russian Government had no long-range policy or clear plan of action in the Far East. ⁴ Nevertheless, Siberia was governed as a whole. After 1711, Siberia had eastern and western administrative centers. Because of the great distance from the capital, the governors and minor officials exercised great power and were sometimes difficult to control. The Siberian natives were exploited and sometimes cruelly treated by these officials; however, native Siberians and immigrant Russian peasants escaped the tightening bonds of serfdom which were extended to all forms of peasants in European Russia by the Ulozhenie of 1649. This was largely because the poor agricultural conditions and
absence of any substantial Russian gentry class provided no base for serfdom to flourish. After the Siberian Reforms of 1822, initiated by Count Michael Speransky, Siberians were classified under a native administration as settled natives (state peasants), nomads, and vagrants (which included the natives of Okhotsk, Kamchatka, and the Aleutian Islands). The Russian Orthodox Church sent out missionaries and established churches, which aided in the assimilation and inter-marriage of the natives.  

Eastern Siberia was administered from Irkutsk by a governor-general. The easternmost administrative district was the Maritime Region which consisted of two autonomous subdivisions: Kamchatka and Okhotsk. In the Okhotsk district, the chief was a naval officer who also commanded the vital port of Okhotsk on the North Pacific coast. By the nineteenth century, his additional duties included making sure that the Russian-American Company did not misuse government property for private advantage as well as seeing that they stayed within the limits of their charter.  

Thus, although Russian America may have been a part of Russia's far eastern fur trade repository, governmentally it remained outside the empire's administrative districts. By the early nineteenth century Russian settlements existed along the Aleutian Islands and the southeastern and southwestern coasts of Alaska, as well as in California (see Map 2).
MAP NO. 2 *

* Taken from James R. Gibson, Imperial Russia in Frontier America; The Changing Geography of Supply of Russian America, 1784-1867 (New York: Oxford University Press, 1976), p. 4.
These Russian possessions were governed by the Russian-American Company. This company was under the protection of the tsar and throughout the first two decades of the nineteenth century came under increasingly tighter government control. By 1820 the company became officially responsible to the Ministry of Finance; however, it also operated closely with the Naval Ministry, through shipping, and with the Holy Synod, which sent out missionaries and eventually established churches there. With the frequency of foreign contacts in the North Pacific, the Ministry of Foreign Affairs periodically became directly involved with company activities.

It is important to remember that the Russian-American Company saw itself as a "mercantile firm" and that its reason for existence was the fur trade. Thus, the planting of a Russian colony in North America was not the work of tsars or ministers, nor was it supported according to any carefully developed plan of conquest or desire for the acquisition of territory. In fact both Catherine II and Alexander I made it quite clear that they were concerned primarily with trade in this area, not settlements. Nevertheless, the de facto existence of the Russian settlements made this colony one of the company's two basic charges.

Barbara Jelavich has said that the Russian Government at no time showed much interest in the Russian American
The government certainly began with no fixed policy towards a North American colony, nor did it have a clear idea of exactly what its subjects were doing other than trading. This attitude was remarkably similar to that of the British Government toward its American colonies in the seventeenth century. The lack of a well-defined colonial policy by the Russian Government may have been due to the absence of any particular foreign policy objective in this region. The acquisition of Russian America answered no security problem for the Russian Empire, nor was it ever a diplomatic consideration in the "Europeanist" circles of St. Petersburg. Nevertheless, a recognizable official attitude or policy emerged out of the necessity of the Ministry of Foreign Affairs to deal with conflicting international interests on the Northwest coast of North America. The extension of the search for furs to North America brought this commercial concern into the realm of foreign relations and governmental action. According to Cyril Black, as long as the Russian-American Company remained a source of profits, through the fur trade, for the state treasury, government support was assured in foreign affairs. However, once that economic asset became unprofitable, support was withdrawn.

That withdrawal of support came in the 1860's, while enormous advances were being made in the Caucasus, Central
Asia, and the Far East. Central Asia, resembling colonial advances elsewhere in the empire, was attractive for commercial reasons. It had raw materials available, particularly cotton. Its population was a market for Russian manufactured goods. Military forces were necessary to protect Russian settlements on the shifting border which indirectly promoted expansion itself. In Russian America, by contrast, the major raw material in demand -- the maritime furs -- had been seriously depleted since the 1820's. Russian manufactured goods found a very limited and restrictive market there. Furs exported by Russian merchants from the Aleutian Islands and the Northwest coast between 1743 and 1823 (including the iasak which was abolished in Russian America by Catherine II) were valued at forty-six million rubles. More than half of these were sold to the Chinese at Kiakhta, a northern border post. Over ten million of this went to the government in taxes, not including the iasak and other profits. One-tenth of the cargoes of the private companies (the one-tenth tax), which was worth between eight to nine million rubles, was given directly to the treasury.10 By 1866, the Ministry of Finance informed the Naval Ministry that the Russian-American Company's administration of the colony cost the treasury 200,000 rubles annually, and that the company was already 725,000 rubles in debt. The sale of the over-staffed, inefficient
and unprofitable concern was seen as one way to replenish the state treasury. 11

The role of Count Nicholas Muraviev was also significant. When he became the Governor-General of Eastern Siberia in 1847, he embarked upon a program of political and economic domination of the Far East. The Russian advance into the Amur River Valley was aided by the Russian-American Company through numerous voyages of supposed exploration by a private company. Russia's power in that area was secured by the Russo-Chinese Treaties of Aigun (1858) and Peking (1860), which replaced the Treaty of Nerchinsk (1689). There was no place for Russian America in Muraviev's plans for the growth of Siberia and he found some sympathy in government circles for this point of view.

Grand Duke Constantine held the position of Grand Admiral of the Navy and he became a strong opponent of the company and of retaining Russia's possessions in North America after the Crimean War (1854-1856). Although the Russian-American Company and the Hudson's Bay Company had been able to neutralize Russian and British territory along the Northwest coast during the war, the Imperial Fleet had all it could handle on Siberia's Pacific coast and the empire's inability to protect this colony seemed clear. It seems ironic that the Naval Ministry, which worked so closely with the
Russian-American Company in the early nineteenth century on the Russian voyages around the world and in building up the Okhotsk flotilla and company fleet, should become one of the company's most ardent critics. Nevertheless, Constantine led the move in 1857, supported by Muraviev, to get rid of the financially troubled colony which, it was considered, would eventually be annexed by the United States. Not only was Russia's future seen to lay in Asia, but the sale to the United States was viewed as a means of checking British threats in the Pacific. At the expiration of the company's third charter in 1862, a governmental committee reviewed the company's history and current status. The debate for and against the maintenance of Russia's North American possessions continued for five years when, in 1867, the territory was sold to the United States for $7,200,000. The Russian-American Company itself was liquidated in 1881.

The 1830's and 1840's were crucial to the Russian-American Company for two reasons. First, the maritime fur trade was clearly in decline while colonial expenditures were soaring. A new source of fur-bearing animals was being sought through expansion into the interior of the continent. In addition, a wide range of diversification in colonial products was under way. The successful and ruthless American sea-captains were leaving the coastal waters for the
more lucrative whale hunts, but they were being replaced by the more aggressive Hudson's Bay Company which threatened to capture the entire interior fur supply along the Northwest coast. A regular supply of provisions for the colonists and manufactured goods for the fur trade had still not been secured after all these years. Shipping goods and provisions from European Russia either overland across Siberia (an extension of the "Siberian deliveries") or on round-the-world voyages was too expensive, took too long, and often resulted in damaged, spoiled, and even lost cargoes. Overland routes lasted up to a year while ocean voyages took at least two and often three years to complete. Attempts at agriculture in Alaska and California (Ft. Ross) were unsuccessful. The company had relied primarily upon American suppliers (the "Bostonians") and the Spanish missions and farms of Upper California. These too were not always reliable and neither one was sufficient alone to provide for the needs of the Russian colony. If the Russian-American Company hoped to continue to make a profit, the supply problem had to be solved.

By 1819 the era of bold adventurers that had brought Gregory Shelikhov, the "Russian Columbus", and the energetic Alexander Baranov to Russian America was over. Naval officers were now sent for five year terms as colonial governors.
Baron Ferdinand Wrangel, Naval Captain of the First Rank, arrived in Russian America in 1829. His resourceful and determined efforts as a colonial governor in the 1830's, and later as company advisor and then director in the 1830's and 1840's, to pull the company out of this difficult situation rank him next to Shelekhov and Baranov, his illustrious predecessors. The focus of this study will be on his attempts to solve the two crucial problems facing the colony. Three specific instances will be analyzed: (1) Wrangel's confrontation with the Hudson's Bay Company in 1834; (2) his attempts to expand the company's agricultural potential in California; and (3) his broad commercial agreement with the Hudson's Bay Company in 1839 which he hoped would solve both the fur trade and the supply problem.

Each one of these areas was of significance to the Russian-American Company's survival on the Northwest coast. Each one of these three company affairs aroused the attention and guidance of the Imperial Russian Government. It will be the subject of this thesis to determine the Russian Government's actual "colonial" policy or attitude in North America that may be found implicit in its actions. Baron Wrangel's involvement provides a clue to this problem.

This story takes place both in St. Petersburg and along the Northwest coast of North America. All the while the
focus will remain on the Russian-American Company and Baron Wrangel, in particular. The ministries of the Russian Government will be dealt with only as they affect Wrangel's specific problems and proposals. The Hudson's Bay Company and George Simpson have a considerable role to play in Wrangel's plans for the Russian American colony; however, they will only be mentioned in this regard and the wider arena of Hudson's Bay Company activities will not be considered.

The approach of this study will be to focus on the specific with the hope of illuminating the general. By observing the actions of Baron Wrangel in a number of seemingly critical areas, a clearer picture will be sought of the Russian-American Company's relationship with the Russian Government. To a large extent this inductive method is guided by the availability and content of the sources.
CHAPTER I: BARON WRANDEL AND THE RUSSIAN-AMERICAN COMPANY

Ferdinand Petrovich Wrangel was born on December 29, 1796 (OS) in Pskov into a family of Baltic-German and Swedish merchants which traced their lineage back to the fourteenth century. The personal archives of Wrangel are kept in the Central State Historical Archive of the Estonian S.S.R. in Tartu. His individual acts of exploration and scholarship have recently received attention from members of the Academy of Science of the U.S.S.R. concerned with the history and geography of the Pacific Ocean. A detailed account of his company career is yet to be compiled.

At the age of thirteen, Wrangel joined the cadet corps in Moscow in 1810 and two years later was promoted to a naval cadet. He was posted at the Naval Depot at Revel (Tallin) where he was conferred the rank of Warrant Officer (michman) in 1815 and sailed on his first frigate, the Avtroil, in the Baltic Sea in 1816. He made his first journey to the North American coast on the sloop Kamchatka, which was on a round-the-world expedition sponsored by the government to inspect the Russian-American colony in 1817-1819.

Upon his return, Wrangel was promoted to the rank of Lieutenant and given the command of a polar expedition, the
Kolyma Expedition, to the northeastern shores of Siberia (1820-1824). According to Marc Raeff, Count Michael Speransky, an influential advisor to Tsar Alexander I, gave his assistance to Wrangel's voyage partially for its scientific interest, but also to promote round-the-world supply voyages. While in Siberia, Speransky had noticed the heavy loss of pack horses engaged largely in bringing supplies to the Pacific coast for local inhabitants and for Russian America, which he hoped could be annexed and brought into the economic domain of Siberia.  

Wrangel's successful completion of this expedition earned him the rank of Captain-Lieutenant (Captain of the Second Rank) in 1824 as well as the command of the Navy transport Krotkii. In 1825-1827, Wrangel sailed from Kronstadt on his third round-the-world voyage, jointly sponsored by the Admiralty and the Russian-American Company, to Petropavlovsk and New Archangel (also called Sitka) in North America. In 1828, just prior to his appointment to the Russian-American Company, he received the command of the frigate Elizaveta.  

By 1825, Wrangel had published two short articles in the Admiralty's journal concerning his expedition to the Arctic Ocean or Icy Sea. A year later a work was published in Berlin, in German, on the same subject, and in 1828 his "Daily Notes" of the Krotkii journey were made public in
Severnyi Arkhiv (Northern Archive). For Wrangel, this was just the beginning of a long list of scholarly articles and books he would write, narrating his experiences and detailing his observations.

In late 1828, with the approval of Tsar Nicholas I, Wrangel was appointed Governor (Glavnyi Pravitel) of the colony in Russian America and promoted to Captain of the First Rank and Knight of the Orders of St. Anne and St. Vladimir. He was married in 1829 to Elizaveta Vasil'evna Rossil' on. With his leave of absence secured from the navy, Wrangel and his wife underwent the difficult overland journey across Siberia that took their first born child's life. They crossed the North Pacific and arrived in Sitka in October, 1829. Wrangel spent the next six years of his life dealing with the Russian-American Company's problems of the fur trade and food supply on the Northwest coast.

With the tsar's permission, Wrangel returned to St. Petersburg via the Mexican Republic on a diplomatic mission for the company. Upon his arrival back in Kronstadt in June, 1836, he was promoted to the rank of Rear-Admiral and shortly thereafter was appointed to the post of Director of the Department of Ship's Timber within the Naval Ministry [see Plate No. 1]). Along with this position, Wrangel became a member of the Society for the Encouragement of Forestry. According
Plate No. 1 * - Rear Admiral Wrangel c. 1836.

* Taken from F. P. Vrangel', Puteshestvie po severnym besegam Sibiri i po Ledovitomu moriu... [Journey to the Northern Shores of Siberia and the Icy Sea...]
(Moscow, 1948), p. 9.
to his biographer, B. G. Ostrovskii, all of Wrangel's energy was required to control the "utter confusion" that reigned in this branch of naval economy. His criticism of this department evoked strong displeasure from his superiors. This negative reaction encouraged Wrangel to seek out employment with the Russian-American Company in which he was now a shareholder. During 1838-1842 he served as an advisor to the Head Office on the subject of the colony (especially concerning the Hudson's Bay Company), and was appointed to the company's Council, which dealt with company matters that might be politically sensitive to the government. In this capacity, Wrangel signed an agreement with George Simpson in 1839, ending their competition on the coast and ushering in an era of extensive co-operation between the two companies. In January, 1842, Wrangel was elected a member of the Board of Directors and served as its President or Chairman until 1849.

Wrangel served as governor between 1830-1835 during which time the colonial management continued to suffer from its chronic problems of supply, foreign competition, native resistance, and insufficient labor, as well as the more recent increase in expenses and decline in maritime fur returns. Before attempting to deal with Wrangel's role as a governor, a brief account must be given about the nature of the Russian-American Company and the Russian colony, particularly concerning the population, government control, the fur trade, and the supply problem.
The population statistics for Russian America (1799-1867) include three categories. The first is Russians whose place of origin will be discussed below. The second is Creoles who were the offspring of Russian colonists and native women. The third category includes natives employed by or considered in some way dependent on the company. It did not include the hostile Tlingit (or Kolosh) Indians who lived all around the colonial capital of Sitka.

### TABLE 1

#### THE POPULATION OF RUSSIAN AMERICA

<table>
<thead>
<tr>
<th></th>
<th>RUSSIANS (males-females)</th>
<th>CREOLES (males-females)</th>
<th>NATIVES (males-females)</th>
<th>TOTAL (approx.)</th>
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<td>1799</td>
<td>225</td>
<td>-</td>
<td>Over 8,000</td>
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<td>1819</td>
<td>378 - 13</td>
<td>133 - 111</td>
<td>4063 - 4322</td>
<td>9,020</td>
</tr>
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<td>1833</td>
<td>563 - 64</td>
<td>511 - 480</td>
<td>4462 - 4658</td>
<td>10,738</td>
</tr>
<tr>
<td>1862</td>
<td>577</td>
<td>1892</td>
<td>7681</td>
<td>10,156</td>
</tr>
</tbody>
</table>

(plus 6 foreigners)

The Russian population remained small and scattered among the settlements in Russian America. This was due largely to the restrictions of serfdom and the limited number of people available for colonization. Up to the early 1780's the majority of Russian promyshlenniki were state peasants predominantly from northern European Russia and Siberia. Most of the peasants came from Vologda guberniia; however, by the early nineteenth century, the majority of workers and Russian employees of the Russian-American Company were not
peasants, but _meshchane_, lower to middle-class townsmen from the Siberian towns of Tomsk, Eniseisk, Tobol'sk, Irkutsk, and others. Nevertheless, the Creoles became the company's most important source of labor and a few of them earned distinguished careers with the company. The natives, the Aleuts in particular, were released from the _iasak_, the fur tribute, but this was replaced by compulsory labour which was not officially recognized until the company's third charter in 1841. The company tried on numerous occasions to turn the Creoles into permanent agricultural settlers and even established a category of colonial citizens in the early 1840's to settle aged and incapacitated employees rather than shipping them back to Russia. These efforts at settlement were largely unsuccessful and a high cost of living, insufficient employee income (in company shares or in kind), inadequate manufactured goods and supplies remained continual problems for the colonists who also frequently went into debt.

The Russian-American Company was concerned with more than its profits and the economic plight of its colonists. A moral obligation to the population of Russian America was set down in the charter by which the company had to provide for a sufficient number of clergy and churches (where needed) to perform religious duties in the colony. The company was forced to assume a civilizing role. It was to fulfill this
obligation that the company supported the work of the Orthodox Church in Alaska. The company built and maintained all churches and schools, provided missionaries and clergy with salaries and living quarters, and transported them to and from the colony free of charge. In 1840, a Russian priest counted four churches in Russian America, but by 1859 Peter Tikhmenev recorded nine churches and thirty-five chapels as well as noting that the clergy received an annual subsidy of about 12,000 rubles a year from the company. The missionaries, as in Siberia, did not forcibly baptize the natives, although there was the same conference of Russian citizenship if the natives were baptized. Governor Wrangel supported the activity of one of the most famous of Russian missionaries, I. E. Veniaminov. He served as a priest in Unalaska (1824-1834), then as an archpriest at Sitka (1834-1838), as the bishop of Kamchatka, the Kuriles and Alevtians after 1840, and finally, from 1868, as the Metropolitan of Moscow and Kolomna, adopting the name Innokentii. In his many scientific writings on Russian America he noted with pride the material and spiritual progress of the aborigines under Russian influence.

The largest Russian colonial settlement was the Port of New Archangel, or Sitka, the colonial capital since the early 1800's. This was also the company's main colonial kontora or "office". During Wrangel's period as governor the other
six subdivisions were Kodiak (the island as well as the adjacent continent), Unalaska, Northern (Pribilof Islands), Atka, Ross (California possessions), and Kurile. By 1817, the company had branch offices within the Russian Empire in Moscow, Irkutsk, Kiakhta, Yakutsk and Okhotsk, and agencies in Kazan, Tiumen, Tomsk, Gighiga, and Petropavlovsk.

An important factor in the company's colonial administration was the distance between the colonial and head offices. Literally twelve thousand miles by way of Okhotsk separated the two capitals. The oceanic route from Kronstadt around either Cape Horn or the Cape of Good Hope was twice the distance. Sitka was half way around the world from St. Petersburg. In fact, it was 6,600 miles from Irkutsk, the capital of Eastern Siberia and former company capital until 1800, to St. Paul's Harbor on Kodiak Island.

The staggering logistics of the St. Petersburg-Sitka operation had caused basic difficulties in communications since the company's inception. The Head Office sent out anywhere from between one thousand to fifteen hundred letters of correspondence yearly and the significant portion of that volume bound for North America took from six to eight months to get there. A special courier could make the trip one-way in four months.

The Russian-American Company's charter granted it special
privileges in the fur trade, which was the source of its profits, as well as colonial administration. This colonial administration was centered in the Head Office in St. Petersburg, although many important decisions had to be made by the colonial governor on the coast. Initially given a free hand in both areas, the company's administration of the colony came under increasing government control in the early nineteenth century.

As the company's commercial activity spread to California (1812-1841) and Hawaii (1815-1817) during its first twenty year charter, relations between the company and the government were marked by a dramatic increase in bureaucratic control over the company's affairs. The company was initially under the supervision of a personal inspector, Count Nicholas Rezanov, assigned by the tsar. The imperial family themselves (Tsar Alexander, the Empress Elizabeth, and his brother, the Grand Duke Constantine) were shareholders in the company, although Alaskan historian Hubert Bancroft estimated their holdings in 1821 to be nominal, their twenty shares worth only about one thousand paper rubles, or two thousand dollars. After the death of Rezanov, governmental supervision was given in 1807 to a three-man special council, in 1811 to the Department of Industry and Commerce within the Ministry of the Interior, and in 1819 to the Department of Manufactures
and Foreign Trade within the Ministry of Finance. The Russian-American Company remained under this ministry until 1867.

After a government inspection tour of the colony in 1818-1819, the company was reorganized and systematic control of company activities in commercial and colonial affairs was assured. These changes were incorporated into the company's second twenty-year charter and rules and regulations issued by the Ruling Senate at the instruction of Tsar Alexander I in September, 1821. The company had retained all of its special privileges from the tsar because it had expanded navigation and commerce throughout the Russian Empire and brought profits to its shareholders.

All aspects of the company's activities, managed by the Directors of the Head Office in St. Petersburg, were under the supervision of the finance minister, to whom it began submitting annual reports in 1843 [see Table II]. The company's General Assembly of Shareholders elected four of its members, chosen for their "experience in commerce and known for their honesty", as directors for life. Anatole Mazour states that by the mid-1840's the company's Head Office was completely in the hands of state officials, mostly military men, and included only one merchant. Company historian, Peter Tikhmenev notes the members of the Head Office in 1845 as including a
Rear-Admiral, a Colonel, a Privy Councillor (tainyi sovetnik), a General-Lieutenant, and one Commercial Councillor (kommercheskii sovetnik). The directors were instructed to maintain the colonies, avoid jeopardizing relations with neighbouring foreign powers, plan its business with "the good of the state in view", and observe the limitations of the charter.

TABLE II

GENERAL RUN OF INCOME AND EXPENDITURE
OF THE COMPANY FROM 1842 TO 1859
(in silver rubles)

<table>
<thead>
<tr>
<th>RECEIVED</th>
<th>Rubles</th>
<th>Kopeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the sale of tea</td>
<td>7,231,225</td>
<td>02</td>
</tr>
<tr>
<td>From the sale of furs</td>
<td>3,556,731</td>
<td>74</td>
</tr>
<tr>
<td>From other business operations</td>
<td>432,279</td>
<td>33</td>
</tr>
<tr>
<td>From the sale of goods in the Colony</td>
<td>4,092,894</td>
<td>58</td>
</tr>
<tr>
<td>and from Colonial products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>15,304,130</td>
<td>68</td>
</tr>
<tr>
<td>($11,485,583.01)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| DISBURSED                                      |         |        |
| For maintenance of the Colony                 | 4,419,651| 29     |
| For maintenance of Colonial Churches and Clergy| 132,708 | 81     |
| For support of benevolent institutions         | 270,400 | 36     |
| For maintenance of Head Office, officers and Commissioners of the Company, for assistance and rewards to employees and former servants, etc | 2,579,784| 44     |
TABLE II
(cont'd)

<table>
<thead>
<tr>
<th>DISBURSED</th>
<th>Rubles</th>
<th>Kopeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>For payment of duty on tea</td>
<td>3,385,777.</td>
<td>34</td>
</tr>
<tr>
<td>For carriage and purchase of tea</td>
<td>1,446,799.</td>
<td>20</td>
</tr>
<tr>
<td>For carriage and purchase of furs</td>
<td>357,086.</td>
<td>23</td>
</tr>
<tr>
<td>For insurance of teas and goods</td>
<td>176,868.</td>
<td>76</td>
</tr>
<tr>
<td>For various losses suffered by the company in times of war</td>
<td>132,820.</td>
<td>20</td>
</tr>
<tr>
<td>For building a house for the Company at St. Petersburg</td>
<td>76,976.</td>
<td>00</td>
</tr>
<tr>
<td>For the fund for the benefit of the poor</td>
<td>10,523.</td>
<td>23</td>
</tr>
<tr>
<td>Set aside for the Safety or Sinking Fund</td>
<td>2,211,730.</td>
<td>22</td>
</tr>
<tr>
<td>Paid out in dividends to shareholders</td>
<td>2,103,004.</td>
<td>00</td>
</tr>
<tr>
<td>Total:</td>
<td>15,304,130.</td>
<td>68</td>
</tr>
</tbody>
</table>

The company's General Assembly of Shareholders also elected three of its members to yearly (renewable) appointments on the Company's Council. The confidential meetings of this body were called by the directors to discuss "all affairs of the utmost importance or requiring secrecy because of political implications, unavoidable with the expansion of commerce and navigation and various Company instructions in
these matters which exceed the authority of the directors." This council was apparently abolished in the 1840's and all power rested in the Head Office.

Authority in the colony was placed, as before, in the hands of the governor. He was specifically entrusted with the supervision of all laws relating to Russian subjects and observing the limits of the charter and rules and regulations. Because of this responsibility, states the charter, he was to be carefully chosen from among naval officers to serve a minimum five-year term and receive the approval of the tsar. The colonial governor was entrusted with managing all aspects of colonial affairs and was "fully responsible to the government and the Company" for his decisions. In the company's third charter it was stated that in relation to other government officials the colonial governor was equivalent to a civil governor [see Diagram 1].

In addition to the administrative structure of the company delineated in its charter and rules and regulations, the Russian-American Company was indirectly involved with two other ministries as well: the Naval or Marine Ministry and the Ministry of Foreign Affairs. The Naval Ministry's connection was obvious, if not clearly defined. In addition to supplying the colonial governors, it could count many of its higher ranking officers within the Head Office. In a sense
Diagram 1
ADMINISTRATIVE STRUCTURE OF THE RUSSIAN-AMERICAN COMPANY (RAC)
UNDER THE SECOND CHARTER*

Tsar

Minister of Foreign Affairs

Minister of Finance

Department of Manufactures and Foreign Trade

Holy Synod

Head Office

Minister of the Marine

4 Directors

Ruling Senate

General Assembly of Shareholders of RAC

Council

3 Members

Business ventures Company credit Public confidence Welfare of the colonies Branch offices

Governor or Chief Manager of the Russian-American Colonies

Clergy, churches

Company establishments and offices

Company employees

Relations with natives

Supplies, provisions, medicines

Company fleet


Prepared by the author for his article "Russia on the Pacific Northwest Coast in the 1830's", The Musk-Ox, No. 17 (1975), p. 17.
the company was a training ground for sailors. The ministry also provided vessels for carrying colonial supplies to North America.

The first three decades of the nineteenth century witnessed an outburst of Russian maritime activity in both the North and South Pacific. This was partly because of the Russian-American Company and partly due to the Imperial Government's wish to expand Russian trade in that area, particularly with Japan. In 1803, Capt.-Lt. I. F. Krusenstern on the Nadezhda and Capt.-Lt. Iu. F. Lysiansky on the Neva guided their company ships past the Tropic of Cancer and became the first Russian ships to cross the equator. The former ship went to Petropavlovsk and the latter to the then colonial capital on Kodiak Island, before returning to Kronstadt in 1806. Prior to this time, Russian naval officers, stationed primarily at the Baltic Sea, had little or no experience with maritime travel other than that gained on foreign vessels. On the 1803 voyage, all the nautical instruments came from England. This lack of competence on the high seas was partly due to the fact that Russia lacked any overseas bases unlike the English, Dutch, Portuguese, Spanish, or French. Soviet naval historian M. A. Sergeiev has noted that one of the Russian-American Company's most noteworthy achievements was the large growth of the Far Eastern fleet
and the increase in the tonnage of its ships. He compared
the Okhotsk flotilla in 1799, consisting of four galliots and
one frigate (built by Governor Baranov on the Northwest coast),
with the company fleet in 1820, which consisted of thirty-
two ships of various types and tonnage. In the early nine-
teenth century, all the Russian round-the-world voyages were
closely linked with the business of the Russian-American
Company.

Supplying the colony by means of round-the-world voyages
was seen by the company as an alternative to the costly,
time-consuming, and not always reliable overland route
across Siberia. Between 1803 and 1864 at least sixty-five
voyages of Russian circumnavigation were undertaken [see Map 3].
The Russian Government, through the navy, sponsored thirty-
three, the Russian-American Company nineteen, and other
Russian owners thirteen. The voyages were generally multi-
purpose. Five were primarily for scientific research and
exploration. The majority (forty-six) were sent out to supply
Russian America and support the company's commercial interests.
A few exceptions were naval voyages to supply Russian warships
in the Far East. Largely due to the cost, the Russian-American
Company sponsored only a third of the supply voyages on com-
pany vessels, although they chartered at least eighteen for-
eign vessels for voyages after 1842. 18
MAP NO. 3.*

Generalized Routes of Russian Circumnavigation

*Taken from Gibson, p. 82.
The Imperial navy as well as the colonial flotilla were essential to the Russian-American colony's existence. During the governorship of Alexander Baranov (1799-1818) there was a shortage of ships and he had to rely on individual deals with American ships for supplies and the export of furs. Also during this time, the quality of the company ships plying the North Pacific was poor and the incompetency of the seamen (not professional sailors) high. It was not unheard of for a ship from Okhotsk to take over a month to reach the colonial capital. In the meantime, furs for export accumulated and foodstuffs had to be secured elsewhere. These problems, plus the difficulty of land transport across Siberia, prompted the government to issue a decree allowing Russian naval officers to enter company service. The increased frequency of naval personnel on the Northwest coast after 1819 improved the colonial flotilla, which was serviced by the construction of a shipyard at Sitka. The number of company vessels lost crossing the North Pacific, which was high prior to 1819, declined after that date. The company also provided the government with scientific and geographical information. All surveys and explorations of the Northwest coast, and later Asia, undertaken by the company went to the Naval Ministry for naval and scientific examination. Of particular interest to the government was a secret survey of the mouth of the
Amur River done by the company in 1846. 19

The company's relationship with the Ministry of Foreign Affairs arose out of necessity. To a certain extent, the Russian Government seemed concerned about the Russian-American colony only in its relation to foreign affairs. Frank Golder has stated that Russian America was more of a political problem than an economic one. 20 This was made clear in the government's reaction to the international uproar over the September, 1821 ukaz issued by Tsar Alexander I and apparently prompted by the demands of the Russian-American Company Directors. This decree proclaims all islands and waters north of Latitude 51° North on the North American coast as belonging to Russia. It warned all foreign vessels not to come within one hundred Italian miles (approximately thirty marine leagues) of the Russian coast, which included the often frequented port of Sitka. Promulgated at the same time the Russian-American Company's Second Charter (1821-1841) was approved (it was in fact its preface), the decree was meant to defend and protect the company's interest particularly against American competitors, although some historians (Temperely, Perkins, Bemis, Thomas, and Laserson) have suggested that Alexander had aggressive designs in North America. The Hudson's Bay Company, although not yet involved in the maritime fur trade, said the ukaz impinged upon their interests and complained to their government. Thus, at a time when the
Russian foreign ministry was concentrating on the Greek uprising against the Turkish sultan, the revolution of former Spanish colonies in Central and South America against Spain, the Monroe Doctrine, and possible British intervention in the Near East, the governments of the United States and Great Britain were calling for the withdrawal of Alexander's Northwest coast decree. In the end, the Russian Government backed off its 1821 position and signed separate treaties in 1824 and 1825 with the United States and Great Britain at the expense of the Russian-American Company, and effectively ended any Russian dreams for a Pacific-American empire.

By the Conventions of 1824-1825 between Russia, the United States, and Great Britain, the boundaries of Russian territory in North America (now Alaska) had been defined. As far as Minister of Foreign Affairs K. V. Nesselrode was concerned, this boundary settlement was the crux of the convention. He felt that it ensured the political existence and safety of the colony. 21 Nesselrode had been concerned only with the political aspect of Russia's North American territory and had no long-range plan for far eastern expansion. Diplomatically, these overseas possessions were insignificant to the Russian Government and thus subordinate to her European and Near Eastern interests.
Nevertheless, in addition to the boundary settlement, the company obtained international recognition of Russian sovereignty over the Alexander Archipelago and the adjacent coastal strip, known as the "panhandle", southwards to fifty-four degrees, forty minutes North Latitude. The treaties also prohibited the sale of fire-arms, ammunition, and liquor to the natives for furs, and provided for the settlement of any coastal disagreements through the respective governments. The Americans and British were granted free navigation, fishing, and trading rights along the panhandle up to Lynn Canal for a period of ten years. The port of Sitka had been re-opened at the company's request in 1823. British subjects additionally were granted permanent free access to the interior of British North America by means of any river or waterway passing through Russian territory on its way to the ocean. This supplementary provision would later serve as a point of conflict between Baron Wrangel and the Hudson's Bay Company.  

The second charter of the Russian-American Company specified as "imperative" that the company should avoid disturbing friendly relations with foreign powers. In practice, all such disturbances were passed by the Minister of Finance directly to Nesselrode for his mediation. The unsettled nature of the North Pacific in the first half of the nineteenth century made international contacts frequent. The necessity of
receiving the sanction of the Minister of Foreign Affairs for any such commercial or competitive intercourse resulted in more governmental involvement in company operations than otherwise (in a less politically sensitive area of the empire) might have been the case. Although no specific policy was formulated, this intervention allows us to note consistencies in "actual" colonial policy. Baron Wrangel's confrontation with the Hudson's Bay Company, visit to the Mexican Republic, and a commercial agreement with that company illustrate this point.

All of Governor Wrangel's decisions on the coast must be seen in light of the difficult situation he encountered upon his arrival. Two vital areas of company and colonial activity -- the fur trade and provisioning the colonists -- required his immediate and constant attention. Unquestionably, the maritime fur trade was the colony's raison d'être and by the 1830's it was visibly shrinking [see Table III]. The table below represents the total figures on basic types of furs (not including, for example, sealions, harbor seals, walruses) under the first and third charters of the Russian-American Company. Wrangel, serving on the coast in between these two periods, witnessed the decline of sea otters and the northern fur seals, the two most valuable objects of the trade. The fur trade had steadily declined since the early
TABLE III
THE DEVELOPMENT OF THE FUR TRADE IN THE
RUSSIAN-AMERICAN COMPANY COLONIES

<table>
<thead>
<tr>
<th></th>
<th>1797-1821</th>
<th>1842-1862</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fur Seal</td>
<td>72,894</td>
<td>25,899</td>
</tr>
<tr>
<td>Sea Otter</td>
<td>1,232,374</td>
<td>372,894</td>
</tr>
<tr>
<td>River Beaver</td>
<td>34,546</td>
<td>157,484</td>
</tr>
<tr>
<td>Otter</td>
<td>14,969</td>
<td>70,473</td>
</tr>
<tr>
<td>Fox (blue and white)</td>
<td>40,596</td>
<td>54,134</td>
</tr>
<tr>
<td>Sable</td>
<td>17,298</td>
<td>12,782</td>
</tr>
</tbody>
</table>

1800's, largely due to overhunting. During Wrangel's period of company activity, conservation measures limiting hunting, reduction in native hunters, foreign competition, and poor curing techniques added to the company's difficulties.

The primary market for Russian American furs was China, but by the Treaty of Nerchinsk (1689), Russians were allowed to trade only at the northern border (the Argun and Gorbitsa rivers and the Stanovoi mountain range). Under a special edict of 1720, the Celestial Empire granted certain foreign merchants limited trading privileges. Those merchants were primarily representatives of the British East India Company and, later, American shipping companies. Russians were not even allowed in the foreign settlement at Macao.
Americans gained more advantageous trading privileges after 1788 whereby they exchanged incense and sandalwood (from the Sandwich Islands) and furs (from the Northwest coast) in Canton for silks and tea, which they took back to New England.²⁵

Not allowed into Chinese ports, the Russian-American Company transported its fur cargo across the North Pacific every summer to Okhotsk from whence it was sent over an arduous route to Kiakhta where the furs were exchanged largely for tea. This tea and other Chinese products (e.g., cloth and porcelain) ended up in the fairs of European Russia as well as in the big cities. Kiakhta was a source of large customs revenues for the government and colonial products shipped to St. Petersburg landed duty free. Furs could not be transported by this oceanic route, however, because the heat damaged certain furs and others dried out and changed colors in the tropic zone.

The Russians themselves never really learned how to hunt, but relied instead on the Aleuts to do the hunting for them or engaged in bartering with the island and coastal natives. This bartering trade grew during Wrangel's time as did the volume of trade in river beavers and otters as the company turned its attention to the interior of the continent. In 1825, former Governor Semen Ianovskii (1818-1820) told the Head Office that the interior was the company's "only salvation"
from the declining maritime trade. In 1828, the Head Office
seemed well aware of the abundance of beavers and otters
along the rivers in Russian America. 26 Ten expeditions
were undertaken by the company between 1819 and 1844 largely
to explore what seemed to be the only reserve left to them.
Four expeditions resulted in the establishment of trading
posts: P. Korsakov to the Nushagak River (New Alexander
Redoubt, 1819); I. Vasiliev to the Kuskokwim River on the
Northern Land Expedition (1829-1830, Camp Holitna established
in 1832, Kolmakov Redoubt in 1841); A. Etolin and M. Tebenkov
to Norton Sound (1831, St. Michael's Redoubt in 1833); and
D. Zarembo to the "straits" of the Alexander Archipelago
(1832-1833, Redoubt St. Dionysius in 1834). Six expeditions
were solely exploratory ventures: A. Etolin and B. Khrom-
chenko on a northern expedition to Bristol Bay (1820-1822);
Governor F. P. Wrangel to Stuart Island in Norton Sound (1833);
A. Glazunov to the Kvikpak (Yukon) River (1835); P. Malakhov
on two expeditions to the Kvikpak River (1838-1840); A.
Kashevarov on a naval expedition starting from Kotzebue
Sound and sailing northwards between the Icy Cape and Cape
Barrow (1838); and finally L. Zagoskin, who wrote personally
to Director Wrangel about the matter, on a land expedition
to the Alaskan interior (1842-1844) (see Map No. 4). In
addition to these, the company also sponsored expeditions to
MAP NO. 4.

*Taken from Gibson, p. 5.
the Kuriles (mid-1820's), Kamchatka (late 1830's), and the Commander Islands (early 1840's).

The Russian-American Company's position by the 1820's has been much criticized by Soviet economist V. F. Shirokii who felt the "predatory exploitation" of furs and colonial mismanagement halted growth and left little room for progress.

The report of the 1817-1819 government inspection tour was equally critical of the company's fur trade management as well as its attempts to grow food locally. Agricultural failure was attributed as much to the ignorance of company officials as to the severe climate of Alaska. The problems of providing the colony with a regular supply of provisions faced incoming Governor Wrangel as it had all previous governors. The Russians did not actually take part in farming activities and were generally unskilled in any form of agriculture. They relied on attempts at agriculture by the local populations (Creoles and natives) of Alaska and Ft. Ross, purchases from American sea-captains and the Spanish missions and later Mexican farms of Upper California, and on food supplies sent either overland or round-the-world from Russia.

None of these was entirely successful or reliable. Despite widespread and persistent efforts at farming, gardening, and stockbreeding, agriculture in Russian America failed and was the company's least reliable source.
first third of the nineteenth century were garnered almost entirely from the Yankee sea-captains, bringing supplies and food from Boston and South American ports, and the California farms under the Spanish and Mexican rule. Unfortunately for the company, the Americans proved to be ruthless and extremely successful opponents in the coastal fur trade until they were eliminated by the equally resourceful Hudson's Bay Company. Supplies were sent from Siberia and European Russia throughout the colony's existence, although, by themselves they remained an inadequate source of provisions and manufactured goods. 29

Soviet demographer and ethnologist, S. Fedorova, has stated that, "The remoteness of Russian America from the life of the important centers of European Russia, and also from the eastern outposts of the Russian Empire... and the unfavorable natural conditions of Alaska for agriculture and the fur trade hindered the Company in mastering the American Northwest." 30 With the evident decline of the fur trade and yearly problems of an ample food supply, Governor Wrangel might well have wondered what good it was doing for Russia to occupy the Northwest coast of North America. It was also a time of increasing expenditures and continued hostility and disobedience from certain native groups. In 1835, after thirty-one years of service, Kiril Khlebnikov, a company employee both in Siberia and on the coast, wrote some remarks on the
colony that may reflect the attitude of the Head Office he was soon to join. Having recognized the company's serious situation, he stated that there were and must be advantages to such possessions on the condition "that we know how to exploit them". Baranov had lacked the strength to occupy anything more than the easily accessible coastal strip and the opportunity to establish posts in the interior passed to the British. A patient pursuance of trade, social custom, education, intermarriage, and religion would gradually soften the attitudes of the native population and their culture slowly "raised" to level of Russian society. A more efficient method of exploitation was what Khelbnikov was calling for. The setbacks in the fur trade were seen as only temporary and the expansion of the interior held forth the lure of profits to a commercial and colonial enterprise whose existence may have been guaranteed by the fact that it was now at least partially a governmental institution.
CHAPTER II: THE DRYAD AFFAIR

During the late 1820's and early 1830's, the Emperor of Russia, Nicholas I (1825-1855) was confronted with a series of diplomatic problems arising from conflict in the Near East and from the European revolutions of 1830. In the former, Russia, Britain and France had combined to destroy the Turko-Egyptian fleet at the battle of Navarino in 1827. In the ensuing Russo-Turkish War, 1828-1829, Russia defeated Turkey and signed the Peace of Adrianople pledging renewed co-operation between the two countries. This was extended by the Treaty of Unkiair-Skelessi (1833), which granted Russia certain rights in the Dardanelles, the object of Russia's traditional strategic considerations. Nicholas' Near Eastern policy, which would eventually lead Russia into the Crimean War, was viewed by Great Britain with some apprehension, bordering on Russophobia. Thus, while the St. Petersburg and London diplomatic circles were focused on the Near East and Europe, Baron Wrangel provoked an incident with the Hudson's Bay Company on the Pacific Northwest coast.

Before 1828, Wrangel had spent his entire career with the navy. That autumn he was appointed Governor of the
Russian-American colony for a five year period. He had been
to Sitka on two occasions previously and now saw this command
with much displeasure. He had received a promotion to Captain
of the First Rank as an enticement and, perhaps more import-
antly, had been personally approved by the tsar for the posi-
tion. Wrangel petitioned successfully for a five-year leave
of absence from active naval service and set out from St.
Petersburg on the overland journey across Siberia that took
six months. He and his wife wintered in Irkutsk and were
blessed early that spring with a daughter, who, however, was
not destined to survive the rigours of the trip. From there,
they pushed onto Yakutsk by way of the Lena River (about
eight hundred miles). From there, the family travelled on
horseback over seven hundred miles to the port of Okhotsk on
the Pacific Ocean. The Wrangels arrived in Sitka late in the
fall of 1829 after a one month's voyage on the company sloop
Urup. Wrangel found Russian America a long way off, in his
own words, "a joyless picture". As he later described it,
"our American possessions offered at that time a barbarous
country and moral desolation". He found the company's trade
unorganized in all respects and gave himself up completely
to his new employment. ¹ That he was successful may be seen
from a German biographer, emphasizing Wrangel's Baltic-German
heritage, who rather effusively stated that:
He put the affairs of the colony in order with German thoroughness, organized the administration and earned the gratitude of the colony and Directorate. He hindered the troublemaking of subordinates and ended the orgies and drinking bouts for which the Russians at Sitka were notorious. German order ruled.

As governor, Baron Wrangel confronted a highly successful fur trade monopoly in the Hudson's Bay Company. In March, 1821, after almost ten years of competitive warfare with the rival North West Company, the Hudson's Bay Company emerged the victor and absorbed that company. The fur trade in North America was to be supervised in London by the Hudson's Bay Company's Governor and Committee and advised by four members, two selected from each company. The administration of that trade in North America was to be carried out by two governors: one for the Northern Department (based at York Factory) and one for the Southern Department (based at Moose Factory). George Simpson was the governor for the former, which included trading privileges in the territory west of Rupert's Land (i.e., roughly, west of the Rocky Mountains). In 1826, the supervision of all departments in British North America was placed under one governor, George Simpson.

The Hudson's Bay Company's policy was to push rivals as far as possible from the profitable fur trade areas by paying the Indians prices high enough to ruin the
opposition. This policy was well organized after 1821 and was a factor in the territorial expansion of the English company. John Galbraith, a Hudson's Bay Company historian, has described the frontier line of this company's activity as the "line where the area of monopoly touched the area of competition". Territorial expansion was motivated by the value of potential fur trading areas as well as the destruction of competition that might jeopardize already profitable districts. The surest way to protect their monopoly of the fur trade profits in the interior of British North America was to remove all competition on the frontier by outbidding rivals for the valuable furs in border areas.

West of the Rocky Mountains, in New Caledonia, the Hudson's Bay Company followed the river valleys, which flowed predominantly north and south, rather than toward the Pacific Ocean. The fierce coastal Indians provided no encouragement for expanding in that direction. In 1821, the North West Company had no posts west of the Continental Divide, north of 54 degrees 30 minutes North Latitude, or west of 125 degrees West Longitude. The Russians had confined their operations to the coastal region north of Sitka, except for Russian California. Russian and British traders had not yet met in competition.

However, by the mid-1820's the Hudson's Bay Company was
preparing to move into the maritime trade of the Pacific Northwest coast. London wished to eliminate the Americans first, hopefully with the aid of the Russian-American Company, and then outbid the Russians for total mastery of the coastal trade. The Hudson's Bay Company's objectives in the 1825 treaty negotiations indicated their intentions to move into the maritime arena. They wished to secure the trade with the Fraser River area and drive back the Russian boundary claims as far northward as possible. Secondly, they wanted to guarantee open water passage from the interior out to the ocean. Thirdly, they sought a boundary settlement which would protect one of the richest fur provinces in the Northwest, the Mackenzie River District. The London office achieved these, while the Russian-American Company achieved sovereignty over the Alexander (Prince of Wales) Archipelago and the adjacent coast territory [see Map No. 5].

The Hudson's Bay Company administered a large area in British North America for the British Government. Until Canada became interested in it in the 1860's, there was no practical alternative to company rule in Rupert's Land. The Company represented the British Empire west of Canada and assumed the responsibility and expense of governing that territory in return for political privileges. The Hudson's Bay Company, by its actions, often forced British Government
MAP NO. 5 - HUDSON'S BAY COMPANY FUR TRADE DISTRICTS IN THE MID-1830's.*

* Taken from The Beaver, Outfit 300 (Autumn, 1970), pp. 14-15.
involvement in western North America. The decisions of the Governor and Committee and actions of company employees invariably influenced British foreign policy. The Russian-American Company was, too, an arm of its government and effectively represented the Russian Empire east of Kamchatka. The policies of the Head Office and conduct of its employees on the coast also more than once came to the attention of the Russian foreign minister; however, the Russian company never had the political privileges of their British counterpart, and has been more often compared with the East India Company in its relationship to its government.  

Since the late 1820's, the Russian-American Company had attempted to explore the interior of southwestern Alaska in order to expand the company fur trade. There, hopefully, land otters and beavers could be collected to offset the decline in sea otter returns. This included expanding its trade with the fearsome Tlingit or, as they were known to the Russians, Kolosh tribes of the Alexander Archipelago [see Map No. 6 and No. 7]. The Americans and British were guaranteed trading and navigation rights for ten years by the 1824-1825 Conventions in this strip of Russian territory. Land furs, such as otter, beaver, marten, fisher, and lynx, from the British interior east of this "panhandle" flowed down to a coastal trading market. The natives of the interior traded
MAP NO. 6 - DISTRIBUTION OF ABORIGINAL TRIBES IN ALASKA IN THE 19th CENTURY *

1. Boundaries of Eskimo tribes.
2. Boundaries of Indian tribes.
4. Boundary between Athabascan and Tlingit Indians.
5. Region inhabited by Eskimo-Ugalakmiuts (according to Russian maps of the end of the 18th century).

* Taken from Fedorova, The Russian Population in Alaska and California, p. 162.
MAP NO. 7 - DISTRIBUTION OF INDIAN TRIBES OF THE NORTHWEST COAST, 19th CENTURY *

1. Boundaries between Indian tribes of the Northwest Coast and the Athabaskans.
2. Boundaries between Indian tribes of the Northwest Coast.

* Taken from Fedorova, The Russian Population in Alaska and California, p. 163.
with the coastal Indians, who in turn bargained (for the highest price) with the Americans, British, and Russians. This trade was lucrative enough to bring many foreign ships into the so-called Kolosh Straits. Many of the American ships traded in Russian territory immediately after delivering a cargo to Sitka. It was in this area that Simpson hoped to gain the assistance of the Russian-American Company in driving out the Americans. It was into this arena that Governor Wrangel wished to assert Russian trading strength. In trying to secure this fur trade, Wrangel ran into someone of a similar mind.

At the time of Wrangel's arrival on the Northwest coast, Hudson's Bay Company Governor Simpson already had a plan for acquiring control of the coastal fur trade and had contacted the Russian-American Company at Sitka. It is not surprising that these two energetic managers should confront each other at cross purposes. The Hudson's Bay Company was experienced at exploiting the fur trade and eliminating its competitors. During his first visit to the Northwest coast in 1824-1825, Simpson decided that the fur trade of the Pacific coast and adjacent interior was valuable enough to make this area the frontier line of company activity. Russian manufactured goods had already appeared at Hudson's Bay Company posts in the New Caledonia and Mackenzie River Districts and led
Simpson to believe that the interior natives either traded their land furs directly with the Russians or through an intermediary coastal tribe. The latter, of course, was correct.

However, Simpson expected no problems in outbidding the Russians in the fur trade. He knew that the Russian-American Company dealt principally in fur seals and sea otters, which went to market mainly in northern China (Kiakhta) via Siberia and that this involved heavy expenses. The competition on the coast as far as he was concerned came from the Americans. Simpson felt that it was a profitable bartering trade with the Russians that kept the "American adventurers" on the coast. Yankee ships supplied the Russian settlements with provisions from New England, the West Indies and Brazil, and American manufactured goods payable by furs or by bills of exchange on the Russian-American Company in St. Petersburg. It was these American ships that operated in the coastal fur trade [see Table IV]. Simpson wanted to eliminate the Americans by offering to supply the same goods and provisions to the Russians at cheaper prices. Without a profitable trade, the Americans would leave the coast. With this purpose in mind, Simpson proposed a visit to the Russian Governor at Russian-American Company headquarters at Sitka (New Archangel) in Norfolk, or Sitka Sound. The Hudson's Bay
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<th>CAPTAIN</th>
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*This mark indicates that this vessel went to trade for furs in the Kolosh Straits in Russian territory after depositing its cargo at Sitka. Other vessels, mostly American, traded in the straits without visiting Sitka at all.

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4. Vessels from Kronstadt travelled around the Cape of Good Hope to Petropavlovsk (Krotkii) and then to Sitka.
6. RAC, Head Office to Governor Wrangel. March 31, 1833, No. 268. RACR, CR, 8:335-7.
Company's London headquarters in 1824 supported Simpson's move and suggested a vessel make the visit "in order to open a communication and make further inquiries". 8

The Hudson's Bay Company ship William and Ann was on the coast in 1825, but journeyed only as far as Portland Canal. 9 Nothing further was done until Simpson's second visit to the coast in 1828 when he organized a trip to Sitka in 1829. There were still five American vessels on the coast making a small profit on Russian deals and return cargoes from Canton to the United States. 10 To take over this trade, Simpson and the Chief Factor at Fort Vancouver on the Columbia River, John McLoughlin, had agreed upon setting up trading posts wherever profitable along the Northwest coast and in the interior from Fort Vancouver up to the Russian boundary.

As there appeared to be no access to the Hudson's Bay Company's New Caledonia District by way of interior rivers, it was decided to push in from the coast via rivers near the British boundary with the Russians. The biggest market for land furs on the coast was at Nass Harbor adjacent to the southernmost part of the boundary line. There, land furs from the interior were collected by the coastal tribes for barter to foreigners. Simpson believed that the furs came from the unexplored area north of the Hudson's Bay Company's Babine post. To reach this gold mine, Simpson considered using the
1825 Convention article which allowed them to enter rivers emptying into Russian territory that probably originated in British territory further inland, but he felt the best plan was to set up a strong post at Nass Harbor to outbid the Americans for this fur trade and explore the interior by means of Simpson's (Nass) River, the only known water passage between the Fraser River and the Russian boundary at 54° 40' North Latitude.

From Nass Harbor, Simpson also planned to replace the American supply trade with the Russians by offering to furnish them with British manufactured goods as well as provisions, such as grain, beef and pork from an agricultural development in the Oregon territory. Simpson wrote a letter to the Russian governor in March, 1829 and instructed Lt. Amelius Simpson to deliver it to him personally in the Hudson's Bay Company schooner Cadboro. George Simpson urged his superiors in London to send a letter to the Russian-American Company's Head Office in St. Petersburg stating the benefits that would accrue to both companies with the removal of the "injurious American trade". The Americans, he said, were expensive to outbid as they traded rifles and muskets, ammunition, clothes, blankets, liquor, ornaments, and slaves for furs, and thus clearly violated the 1824-1825 Convention articles governing the conduct of the fur trade in the straits.
Lt. Amelius Simpson and the Cadboro arrived at Sitka on September 10, 1829 and remained there for one week. In his interview with Governor Peter A. Chistiakov (1825-1830), Lt. Simpson described the Russian-American Company's main colonial establishment as more like a "military post, than that of a civil body", primarily due to the formidable tribes (Kolosh) in the vicinity. He was impressed by the "excellent management" that undoubtedly yielded "great profits". As a navy man himself, Amelius Simpson may have been pleased with the role of the Russian navy in the administration of the colony at Sitka, but his praise of local management sounds like a place quite different from Wrangel's German biographer. Lt. Simpson was certainly incorrect about the Russians profit situation. It was a time of declining maritime fur returns. When George Simpson visited Sitka in 1841 and 1842, he roundly criticized the Russian-American Company for its military rather than commercial character. 12

Governor George Simpson's letter to Chistiakov informed him of the Hudson's Bay Company's designs on the coastal trade and plans for the exploration of the British interior territory as well as Lt. Simpson's survey of Nass Harbour, where they planned to establish a trading post the following year. (This post was not erected until the summer of 1831.) Because of the proximity to Russian territory, Governor
Simpson desired to court Russian friendship rather than rivalry, which he said could only hurt both companies. He argued that close co-operation and strict adherence to the 1825 Convention concerning the sale of arms, ammunition, and liquor to the natives would result in a less hazardous and less expensive dealings with the fierce coastal Indians.

The second part of Governor Simpson's letter was aimed at the American supply trade. He offered to deliver fifty to one hundred tons of British manufactures to the Russian colony in yearly Hudson's Bay Company ships at favorable terms. The British company would take only a reasonable profit with a moderate advance on prime cost to cover charges. They would accept in payment either furs, bills of exchange, or specie, pending further discussions. If required, Simpson also offered to provide up to four or five thousand bushels of grain, and ten thousand pounds of salted pork and beef, over a period of years. Chistiakov was asked to comment on a list of suggested prices enclosed and submit his own list of prices and articles as a basis for reaching an agreement by next year. Chistiakov was asked to direct his reply to Chief Factor McLoughlin and welcomed to visit Ft. Vancouver. Governor Simpson noted that both McLoughlin and Lt. Simpson were empowered to reach an agreement with him. Simpson was trying to gain control of the fur trade by a method seemingly mutually
advantageous to both companies. Actually, this was one part of a plan to establish British control over the maritime fur trade.

In comparison to Simpson's bold overture, one cannot help but note the cautiousness of Chistiakov's reply. Responding in French, he wrote to McLoughlin that the Russian colony had an ample supply of manufactured goods at the present time. However, concerning future supplies, he said that he was not authorized to make an agreement with foreigners. The Hudson's Bay Company would have to contact the Head Office in St. Petersburg. Chistiakov told McLoughlin that he had only the power to "maintain order and military discipline" in the colony and was responsible for guarding the commercial interests of the Russian Government and the Russian-American Company. 14

Nevertheless, the general tenor of the letter was one of encouragement and good feelings. Governor Chistiakov noted that the Russian-American Company had lost some of the coastal trade by refusing to supply articles to the natives prohibited by the 1824-1825 Conventions (i.e., liquor, arms, and ammunition), and he was eager to have British co-operation in this matter. He said that he was "most anxious to meet their wishes" concerning the supply of provisions and would forward Simpson's letter with his support to the Head Office in St. Petersburg. He suggested to McLoughlin that for the quickest
results, the Hudson's Bay Company should contact the Russian-American Company in St. Petersburg directly. 15

Lt. Simpson's and Governor Chistiakov's letters to McLoughlin did not reach London until November, 1830; however, the Hudson's Bay Company Governor and Committee in London had received a copy of Governor Simpson's letter by the fall of 1829. They responded by instructing McLoughlin to sell the Russians any spare goods or provisions at prices to cover costs and charges until the results of their communication with the Russian-American Company were known. 16 William Smith, the Hudson's Bay Company Secretary in London, sent a letter to the Russian-American Company Directors in St. Petersburg on December 16, 1829 and enclosed a copy of Governor Simpson's March, 1829 letter to Chistiakov. Smith reiterated the danger and expense of American trading habits on the coast to both commercial companies. Co-operation between them was for their mutual benefit. Stating the Hudson's Bay Company's awareness of the Russians' large purchases from the Americans, he offered a steady, annual supply of the same goods at cost price, regardless of profit, so to help relieve the Head Office of this great expense. He assured them that they held a common desire to replace the current drain of coastal furs into Yankee hands with a "peaceful prosecution" of the trade. Certain of the obvious advantage of the offer
to the Russian-American Company, Secretary Smith confidently expected it would receive their immediate attention. The Head Office was not so easily swayed. At that time, the Head Office consisted of Andrew Severin and Ivan Prokofiev, whom Tikhmenev called "counsellors of commerce", and Nicholas Kusov, a merchant.

The Russian-American Company's Board of Directors or Head Office, received Smith's correspondence not later than February, 1830. Director Severin wrote Count Igor F. Kankrin, the Minister of Finance, on February 27 [March 11], 1830 and separated the British company's proposal into two categories. The first category concerned the Hudson's Bay Company post in British territory near the Russian possessions and London's invitation to suppress the current sale of fire-arms to the fierce coastal natives. The second, admitting the difficulties the Russian-American Company had encountered in securing the necessary supplies for the colony, stated the Hudson's Bay Company's offer to supply these items at reduced prices. Severin further informed Kankrin that the Company's Council had weighed the matter two days before and had determined that both their company and the British company should be guided by the Convention of 1825, which officially forbade the sale of fire-arms and liquor, and strictly enforce it. No additional agreement was needed. Furthermore, the Council
recommended that the Directors return their appreciation for the offer of supplies and indicate that a decisive answer will be given later when they have had more time to think about it. The Council had also resolved to send this information to Kankrin because of its political importance and because the first item refers particularly to the management of the colony, which was, according to the company's Charter, expressly under his supervision.19

Severin's letter passed through the Ministry of Finance's Department of Manufacture and Foreign Trade in early March prior to reaching Kankrin. Attached to the company's correspondence and enclosures, the department manager dutifully pointed out the relevant paragraphs of the Russian-American Company's Charter and Rules and Regulations as well as the 1824-1825 Conventions.20

Although the Head Office's formal reply of April 5/17, 183021 to the Hudson's Bay Company has not been traced, it is clear from a letter to Governor Wrangel that the Council's proposals were accepted. Wrangel was notified of the Hudson's Bay Company's proposals to supply the colony with English manufactured goods and provisions. The Head Office was certain the British could deliver the various purchases more cheaply than the Americans. Nevertheless, they were sceptical about the reasons for the Hudson's Bay Company's "flattery".
The Directors stated that although their trade with the Americans reached fifty to one hundred tons (three to six thousand poods) and more yearly, the colonial demand for manufactured products, such as woolens, cotton, and silk, did not amount to more than five tons (three hundred poods) a year. Should the Hudson's Bay Company wish to deal with such a small amount, which would also have to be sent on short notice, the Head Office stated that even though cotton and silk were cheaper in London, the added expenses of insurance and transport on Hudson's Bay Company ships amounted to an insignificant financial advantage over the current method of sending Russian manufactured goods overland via Siberia to warrant a commercial agreement. 22 The Head Office confidently told Wrangel that delivery of these goods presented no burden or difficulty to the Russian-American Company and the English proposal offered no real advantage.

Although the overland route was used throughout the colonial period, it remained in fact a difficult and costly means of transport. This method of supplying Russian America had originated as an extension of the supply system set up to feed Eastern Siberia with grain and other foodstuffs. Goods and provisions were now taken from Irkutsk and Yakutsk to the Port Okhotsk. This last leg of the journey was approximately seven hundred miles, was on pack horses and accounted for much
loss, spoilage, and damage [see Map No. 8]. The trans-shipment of colonial provisions and goods to Sitka itself was hampered until the 1820's by poor quality vessels and unskilled seamen.

The Head Office carefully pointed out to Wrangel that this decision did not in any way eliminate future arrangements with the British company. Such a possibility would depend upon subsequent colonial needs as well as their final assessment of this first encounter with them. The Directors made no reference to removing the Americans from the coast, which had been London's main reason for the proposal. On the other hand, the Head Office did not doubt that the Hudson's Bay Company could deliver grain or wheat to the colony at prices lower than those received in Mexican California or via Siberia. They advised the new governor, however, that it would be unwise to depend on one source for the delivery of the primary article of colonial provisions. The Directors wanted to utilize the Hudson's Bay Company's offer to further guarantee a steady stream of provisions to the colony. They saw the English offer as an alternate means of securing deliveries. This was a foreign source in addition to the Americans and Mexicans. The Directors informed Wrangel that they had asked the Hudson's Bay Company's Governor and Committee to specifically arrange for the delivery of ten thousand poods of wheat.
* Taken from James R. Gibson, *Feeding the Russian Fur Trade: Provisionment of the Okhotsk Seaboard and the Kamchatka Peninsula, 1639-1856*, map 4.
at the price offered. 25

In February, 1831, London informed Simpson that as a result of their correspondence with the Russian-American Company's Head Office, there was no chance at the present of any substantial supply arrangement with the Russian colony. The Governor and Committee wanted an agreement whereby the Hudson's Bay Company could barter supplies for furs, and would not deal with the Russians at Sitka on any other terms. Nevertheless, British traders were told to maintain "friendly terms" with the Russians so as to court their assistance in driving out the Americans. 26

In early 1831, Governor Wrangel was informed by the Head Office of their communications with London during 1830. The British had altered their initial proposal whereby they would accept only Russian colonial furs, at local prices, in payment for goods delivered. Since the 1820's, the Russian-American Company had made it a practice of paying for all purchases on the coast in bills of exchange. This method was more convenient for the Head Office as it delayed payment for almost one year, which was the time needed to realize the income from the fur trade and barter at Kiakhta. The Directors did accept a subsequent British proposal to receive a portion of English manufactured goods sent from London for the Northwest coast on the Ganymede in November, 1830. Payment was to be made by a
bill of exchange with an additional charge of five percent yearly for handling costs. No official response was made by London to the Directors' request for wheat, even though Simpson had ear-marked a surplus at Fort Vancouver for "our Russian neighbours". The Directors told Wrangel to use his own discretion in making purchases of necessary items from the Hudson's Bay Company if its agents refused to take a bill of exchange payable in St. Petersburg. In all other cases, bills of exchange were to be issued for purchases from foreigners. The Head Office heard no further from London in 1831 and left it up to Wrangel to develop a commercial relationship with the Hudson's Bay Company if necessary. Wrangel now had the authority Chistiakov did not or thought he did not have.

The Russian-American Company's Head Office had made no reference to eliminating the Americans in its comments concerning the Hudson's Bay Company's offer. It had no intention of relying solely upon the English for the delivery of such necessary colonial items as manufactured goods and provisions. They preferred to keep all channels open in case one failed, a possibility which was all too common. Governor Simpson was convinced from Lt. Simpson's interview with Chistiakov that the Russians not only complained about the conduct of the American traders, but that they would offer no further encouragement to them
by purchasing their supplies or selling them furs. If this was indeed Chistiakov's view, it was not that of the Head Office which saw both the English and the Americans as one and the same - foreigners. As for Governor Simpson, his intent was quite clear: "the only reason of our desire to undertake it [supplying the Russian-American Company] at all is to facilitate the grand object of gaining possession of the trade." 30

At the time of the Hudson's Bay Company offer, the Head Office had notified Wrangel of an alternate source of provisions. They had placed an order through the London based House of John H. Freese and Company for the purchase in Rio de Janeiro of five thousand poods of white granulated sugar, one hundred fifty pints of rum, four thousand poods of wheat or rice, three hundred poods of Brazilian coffee, and one hundred poods of tobacco (one of the chief trade items in bartering with the natives). Freese, Muter and Company would act as the Russian-American Company's agent and place the goods on a chartered ship. 31 John Freese and Robert King chartered the two hundred and twenty ton Carnarvon for the voyage. This vessel arrived in Sitka in the fall of 1832 with provisions and an additional order of British manufactured goods for the fur trade. 32 The Directors placed an order with Freese and Company again in 1834 for some British manufactured
goods, including three silver pocket chronometers, to be placed on the Russian military transport Amerika en route from Kronstadt to Sitka by way of Rio de Janeiro. 33

Wrangel's first exposure to the Hudson's Bay Company had been largely through reading Chistiakov's correspondence with the Head Office. Wrangel could not have helped but notice the emphasis the Directors placed upon the Hudson's Bay Company as a possible alternate source of provisions and supplies for the colony. He had also been alerted, however, to the British company's expansion up to the Russian boundary. He was determined to extend the Russian-American Company's fur trade into the adjacent Russian territory and meet the Hudson's Bay Company competition. Russo-British relations on the North-west coast were becoming as tense as they were in the official diplomatic circles of St. Petersburg and London.

Both Wrangel and the Head Office knew from Lt. Simpson's 1829 visit that the Hudson's Bay Company intended to establish a post near the Russian-British boundary on the Nass River in the summer of 1830. Governor Simpson also hoped to expand the fur trade of the Mackenzie River District from the West Branch of the Liard River to the Pacific Ocean that summer, but neither were accomplished until 1831. Lt. Simpson had surveyed the mouth of the Nass River in 1830, and in the spring of 1831, accompanied by Chief Trader Peter S.
Ogden, on the brig Dryad and schooner Vancouver, erected Fort Simpson, but Lt. Simpson died suddenly that September and Ogden took over responsibility for the Maritime Department of the Hudson's Bay Company's coastal trade. 34

Further explorations would show that the Nass River had Fraser's Lake as its inland source and was not in fact the Pacific outlet for the Babine River. The latter turned out to be connected to the Skeena River system. Control of this northern fur trade required some form of water communication from the Pacific directly into northern New Caledonia. Governor Simpson was convinced by July, 1831 that this could be best achieved by a waterway passing through Russian Territory. 35 Lt. Simpson and Ogden had reported that the Americans collected between three and four thousand beavers annually at the Stikine River harbor and about the same number at Port Stephens. In 1832, Governor Simpson authorized a "permanent establishment" be constructed near the Stikine River and one at Port Stephens if possible. By the 1825 Convention, Russia had no trading rights in the interior beyond the "panhandle". The English had permanent navigation rights on streams passing from the British interior, through Russian land, into the Pacific. The English also had ten-year trading rights, which did not expire until February, 1835 in the straits. Governor Simpson saw a trading post on or near the
Stikine as a way to intercept the lucrative fur trade that was falling into American hands. Needless to say, such a move would also damage the fur returns of the Russians.

The Directors had written to the Minister of Finance in February, 1830, and mentioned the future Hudson's Bay Company trading post only in relation to the use of forbidden articles of trade. The Directors' concern about the post was evident nevertheless. The possibility of a British post near the boundary was enough of a threat to suspend the removal of the company's main factory on Sitka Island to Kodiak Island (the original site). The Russian-American Company, like the Hudson's Bay Company, was worried about the illicit articles traded by the Americans to the natives, particularly to the Kolosh in the Stikine River area. The Head Office hoped the British would join them in refraining from the use of firearms, gun powder, and liquor in bargaining for furs. By 1832, this view of the Hudson's Bay Company as partners on the Northwest coast was changing and Wrangiel began to look upon them as the successors to the Yankee sea-captains as the major threat to the Russian fur trade.

On April 26/May 8, 1932, the Hudson's Bay Company schooner Cadboro arrived in Sitka. Peter Ogden was on board and sought an interview with Governor Wrangiel. In Wrangiel's report to St. Petersburg, Ogden was described as the person who set up
the Hudson's Bay Company's Nass settlement at Observatory Inlet. Wrangel stated that Ogden wished to reopen their 1829 offer to supply the Russian colony with manufactured goods as well as persuade him that there was no truth to the rumors that the English were trading in liquor, firearms, and powder, or that they intended to build a post within Russian territory near the Stikine. In fact, Ogden had told Wrangel that he had had to use liquor recently, despite the Convention, in the straits if he hoped to compete against the Americans. Ogden also informed Wrangel that, for the second year in a row, he had paid the Kolosh Indians two and three times as much as the Americans (i.e., two and three blankets per beaver skin). Indignant, Wrangel asked his Head Office "if it is possible for us alone to keep to the strict fulfillment of the Convention when the British and Americans break it without any limitations and thus reap benefits of which we are deprived?"

During the Hudson's Bay Company's first year at Fort Simpson, Wrangel had noted their competitive skill and was clearly impressed. With an estimated eight thousand blankets on hand, Wrangel reported to the Directors that three British company vessels followed eleven American ships around the straits offering the natives two and three times the price for the same goods. Although the Yankee ships carried off
twelve thousand beavers by selling liquor and firearms, Wrangel thought Ogden had deeply hurt the American trade.

The high quality of the English merchandise had also impressed Wrangel. For example, he pointed out to the Head Office the multi-coloured blankets, large quantities of old men's and women's clothing, old officer's uniforms, trousers, and costumes purchased cheaply in London. Wrangel felt that with this quality of goods and competitive persistence, the Hudson's Bay Company would surely crowd the Americans out of this trade. For want of similar merchandise, the Russian-American Company was unable to assist them in driving out the Yankees. More importantly, the Russians would not be able to compete with the British for the Kolosh trade unless the Head Office supplied him with equal, if not superior, manufactured goods rather than with "beads and trinkets". Otherwise, in Wrangel's view, the Hudson's Bay Company "will be in possession of the whole fur trade in northwestern America from Cross Sound or even from a more northern point to the south as far as the coast of California." 42 Wrangel had correctly perceived the intention of the Hudson's Bay Company's Governor and Committee in London.

With this apprehension, Wrangel refused Ogden's request to allow the British to establish a post within Russian territory in Clarence Strait [see Map No. 9]. Ogden also had
informed Wrangel about the possibility of the Hudson's Bay Company establishing a trading post up the Stikine River within British Territory approximately thirty miles inland, which was allowed by the Convention regulations. Wrangel was also notified of possible posts nearby in British Territory at Port Stephens and on the Queen Charlotte Islands. Wrangel accurately observed that Lt. Simpson's death had postponed the British move to the Stikine for only a year or two. He felt that such a post would definitely prejudice the Russian-American Company's commercial relations with the Kolosh. Simply, the Russians could not compete with the Hudson's Bay Company. Wrangel urged the Directors to weigh his information and pleaded with them in evident frustration:

Must we and can we enter into competition with the Hudson's Bay Company? If I may be allowed to express my opinion, I declare that the Russian-American Company ought not to remain a suffering witness of the operations of the English, but should take measures to withstand them, a thing that can be attained only by supplying the colonies abundantly with the necessary merchandise; then it will be possible for us to visit the straits ourselves, for we must not come to the Kolosh empty handed if we do not wish to be a laughing stock to them by showing our poverty.

To gain some measure of control over the colony's supply of provisions and manufactured goods, and to be able to compete with the Americans and British in the fur trade, Wrangel
needed a major offensive. From the Head Office, he wanted a commitment that they would send high quality manufactured goods. In the meantime, he stated, he could not sit idly by and watch the English take over the trade in the straits. In the spring of 1833 and following autumn and winter, he moved to block further British advancement.

Ogden had also approached Wrangel in the spring of 1832 with another Hudson's Bay Company offer to supply the Russian colony with British manufactured goods payable in beavers. Wrangel answered a firm "No!" He explained to Ogden that if the British wanted the Russian-American Company's co-operation in driving out the Americans, they should supply the Russians with merchandise at advantageous prices so that they (the Russians) would be in a better position to compete. Governor Wrangel notified the Head Office that it should expect a renewal of the Hudson's Bay Company supply offer from London.

When Ogden reported back to Ft. Vancouver, Chief Factor John McLoughlin was astonished at Wrangel's suggestion that the Hudson's Bay Company supply him with goods at prime cost and accept payment in bills of exchange. The Hudson's Bay Company would lose the shipping expense from London as well as any interest with such an agreement. Wrangel had also asked to purchase some grain from the British. Fort Vancouver, afflicted with a fever over the past three years, had no
surplus and if it did, McLoughlin argued that it would
command a higher price in "Woahoo" (Oahu), in the Sandwich
Islands, than in Sitka. Nevertheless, he told Ogden that
they should have a sufficient grain surplus next year to meet
Wrangel's demand. 46

McLoughlin suspected that Wrangel misunderstood some
part of the British offer and proposed to London that the
Russians be visited again. He felt Wrangel wished to "cultiv-
ate a good understanding" with the Hudson's Bay Company and
noted that it might be a troublesome and expensive operation
to extend the fur trade into the interior without Russian
friendship. 47

In Wrangel's correspondence with St. Petersburg, he had
enclosed a letter from Ogden to the Governor and Committee
in London. In March, 1833, the Head Office informed Wrangel
that they forwarded this communication and were anticipating
a reply. At this point in time, however, they had not yet
received any response from London and assumed that the
Hudson's Bay Company held firm to its earlier demands of
not supplying goods without a direct (barter or cash) payment
upon arrival in Sitka. The Head Office repeated to Wrangel
that only if the British consented to accept bills of ex-
change, would a commercial relationship benefit the Russian-
American Company. The Directors no longer saw the Hudson's
Bay Company as a partner in eliminating the Americans from the coast, but, after Wrangel's reports, viewed them instead as a threat to the Russian-American Company's fur trade with the Kolosh tribes inhabiting the coast and islands of the "panhandle". They saw the English now as "affectatiously" offering to assist them when, in fact, the Hudson's Bay Company represented a commercial power sufficient to damage Russian-American Company profits. Wrangel was told that he could purchase any foodstuffs necessary for the colony from the British company under a bill of exchange. By no means, however, must he enter into any agreement with them for the purchase of manufactured goods for the Kolosh trade. The result of such a move would be total dependence upon the Hudson's Bay Company for the supply of a branch of trade in which the Russians were rivals. 48 The Directors were determined to furnish the Russian-American colony with every necessity except wheat and barley, for which the company had become dependent on foreign sources. The Head Office would send all the manufactured goods (such as linens, cotton, gunpowder, clocks, and chronometers) from Russia by sea or overland. Although Sitka would soon become a shipbuilding port, and the company engaged in some mining activity in the 1840's, the colony never developed any local manufacturing industry and had to import the required manufactured goods. Company employees
spent the spare time with vegetable gardening and raising poultry and cattle. Above all, the Head Office did not want to become completely dependent on either the Americans or the Hudson's Bay Company. 49

Despite their resolution, the Directors knew the Russian-American Company was not a match for the British in the Kolosh trade and wished to avoid a rivalry. They agreed with Wrangel that the company should not remain a "passive witness", but stated that it would be difficult to compete with the Hudson's Bay Company for two reasons. First, the manufactured goods required were much more expensive for the Head Office to transport than for the English company. Second, the Russian-American Company would not trade or sell firearms, ammunition, or liquor in breach of the Convention as the English had done. Manufactured goods for the Kolosh trade were being sent around-the-world on the Russian transport Amerika and overland through Siberia at certainly double the price the Hudson's Bay Company paid to supply the Kolosh with English goods. 50 The Head Office did not intend to engage in all out competition for the Kolosh trade until the expiry of the terms of free trade granted to the Americans and British in the 1824-1825 Convention. At that time, the Russian-American Company would compete with the British using English manufactured goods as well as liquor and firearms.
Until that time, they advised Wrangel to be patient. For now (March, 1833), to meet the "English rivalry" in this trade, Wrangel was instructed to use the less expensive goods from Russia and the English products to arrive on the Carnarvon, chartered by Freese and Company. If he needed any more articles for the Kolosh trade, he was to purchase them from the Americans. Wrangel was ordered to continue to pay the Kolosh in blankets for their beaver skins. The Directors suggested that rather than worrying about acquiring better goods for the Kolosh trade, he should devote his energies to securing a safe settlement among them first. They replied further that, rather than bartering the same goods as the Americans, the Russian-American Company would appear more competitive with the English in the eyes of the Kolosh natives if the Russians could establish a permanent post among the coastal Indians. While the Directors' letter was in transit to Sitka, Wrangel sent a ship to the straits for just that purpose. If Wrangel was unable to compete with the Hudson's Bay Company on their level, a strategically located post might make up the difference.

According to the Russian-American Company's Second Charter, the governor of the colony was instructed not to subjugate the natives of the interior or the coast (in this case, the Kolosh). The company's main occupation was
defined as hunting and trapping furs, and no further territory in the interior was considered necessary. Should more trading posts in these two areas be required to prosecute the fur trade, the consent or permission must be obtained first from the local Indians. These natives were allowed to settle within the colony. If they did so, they would receive "Islander" status, which would mean that they, like the Aleuts, Kenais, and others, must serve the company. They would also become, like the Creoles, Russian subjects. The Stikine Kolosh, however, were not interested in such service.  

As early as 1831, Governor Simpson had considered establishing a Hudson's Bay Company post up the Stikine River in British Territory as the best way to capture the interior fur trade and eliminate all competitors. Chief Factor McLoughlin told Simpson that he had intended to establish that post in the summer of 1833, but chose to erect one at Milbank Sound (Ft. McLoughlin) instead. Duncan Finlayson accompanied Captain Kipling on the Hudson's Bay Company Dryad to build that fort after which they went to "visit the Russians".

Finlayson, after visiting Sitka, reported to McLoughlin on the coastal trade in August, 1833. Finlayson suggested abandoning the idea of erecting a post at the Stikine River. The Americans had not visited the straits in 1833, and so McLoughlin advised London that if the Americans did not re-
turn in 1834, the Hudson’s Bay Company should reduce expenditures by not taking on the convenient, but costly, steam vessel, reducing the number of coastal ships from three to two, and removing Ft. Simpson from Nass to Dundas Island, or Stikine, if practical. 56

Governor Simpson’s intentions for 1834 were quite clear. A Stikine post was to be established that year contrary to Finlayson’s suggestion and Ft. Simpson was either to be removed to Dundas Island or abandoned, depending upon further American visits to the straits. Simpson wanted to overpower all opposition on the coast. For that purpose, he planned on the Stikine post (to be called Ft. Drew), Ft. Simpson (if considered necessary), Ft. Langley (est. 1827) and Ft. McLoughlin, two sailing vessels, and a steamship to be sent out in 1836. 57 Indian reports to employees at Ft. Simpson told of an interior abounding in furs. Simpson urged McLoughlin to expand their trade into the interior east of the Russians gradually, so as not to arouse the jealousy of the neighbouring Indians, who had for so long acted as the middlemen between the Americans and Russians and the interior natives. 58

Fort Drew was to be built ten marine leagues (about thirty miles) from the coast so as to be within British territory, as the 1825 Treaty stipulated. Governor Simpson informed London that: —
The object of this Establishment is to cut off from the Russians the valuable trade they have hither to enjoyed without interruption, drawn from the British Territory in the interior, and from this Establishment it is intended to push outposts gradually in the direction of Mount St. Elias, which we learn is a rich country.

We have no apprehension of annoyance on the coast from the Americans, as they now admit that we are masters of the trade, but from the Russians, who it appears look upon our exertions and encroachments with much jealousy and dissatisfaction, it is thought we are likely to meet with opposition as we are now striking at the very root of their trade. 59

Simpson was incorrect in assuming that the Russians had tapped furs from the interior for a long time. They had not and were just venturing into that area. He was, however, right in his perception of their attitude to a British interior post. For Simpson, the co-operation of the Russian-American Company was no longer considered vital because the Americans appeared to have left the coastal trading business. The Russians were the only competitors left and Simpson was closing in.

During May, 1833, Assistant Governor of the Russian-American colony, Captain Adolf Karlovich Etoin, one of several Finns who joined the Russian-American Company, 60 navigated the company brig Chichagov through the Kolosh Straits, something which the Head Office had urged Wrangel to do.
Etolin's main purpose was to meet the Stikine natives and secure permission to build an establishment among them. He was also to do some trading, using part of the large supply of merchandise that had arrived via the Carnarvon and Amerika, to determine where the hunting was best. Etolin was also told that he might meet near Cape Muzon, an English vessel with which he would join in trading to the exclusion of any American ships in the straits. This was part of the bargain made between Wrangel and Ogden in 1832. Wrangel hoped to gain geographical information about the straits by following a Hudson's Bay Company ship as well as determining the extent of their trade. It is not known whether or not Etolin ever met this ship. He did meet with the local natives and, despite a local war raging between the Stikine Kolosh and the Sitka and Chilkat Kolosh, he bartered a profitable beaver trade in the Stikine River area and succeeded in gaining the confidence of the Stikine Kolosh and approval for a settlement.

Governor Wrangel informed the Head Office the following spring that since the Hudson's Bay Company also intended to establish a post among the Kolosh, and by Convention rights they could freely navigate on the Stikine River, he had lost no time and ordered a counter-move. Lt. Zarembo, commanding the Chichagov, left Sitka in August, 1833 with instructions to
winter on the Stikine River (1833-1834) and construct a redoubt (trading post). He was also to hinder the English in their plans to travel up the Stikine River and barter for furs using rum as well as manufactured goods. Lt. Zarembo returned to Sitka in early March, 1834 having supervised the construction of the Redoubt St. Dionysius {or Dionisievskii Redoubt, named in honour of Lt. Dionisii Zarembo}, established friendly relations with the Indians, traded for over one thousand beavers, otters, and other furs, and discovered a shorter route back to Sitka. Lt. Zarembo returned to the Stikine River in May, 1834 to complete the buildings and trade with the natives until he was relieved later that summer by Second Lt. Mikhail Kuznetsov in the company's newly constructed schooner Chilkat. 63

The American traders returned to the Kolosh Straits in 1834 and traded with the natives there in violation of the 1824 Convention. Their ten-year trading rights clause had expired in April, 1834. Nevertheless, at this point in time Wrangel viewed the Hudson's Bay Company rather than the Americans, as his "greatest trouble". Treaty rights allowed the Hudson's Bay Company to navigate freely the Stikine River in Russian territory and pass into neighboring regions which, as it turned out, fed the fur trade in the Kolosh Straits. Wrangel expected the Americans and the British to request
the renewal of their trading and navigation rights. Wrangel strongly urged the Directors to do all they could to limit such rights, if they could not eliminate them altogether. In fact, Wrangel was planning on taking the issue into his own hands. He told the Head Office that "until further instructions I will hinder the British by force from sailing up the Stikine River." By 1834, Wrangel's position, like Simpson's, was quite clear. The former intended to stand up to the Hudson's Bay Company and prevent the extension of their trade through Russian territory into the interior despite the Convention. In Wrangel's mind, this was his only alternative.

During August, 1833, the Hudson's Bay Company schooner Vancouver and brig Lama under the command of Captain Duncan and Peter Ogden, respectively, had sailed up the Stikine River, met with the natives, and apparently located a trading post site. A British post would be built there the following spring. In February, 1834, Duncan, while at Tongass, was informed by the natives that the Russians already had eighty men established at Point Highfield by the mouth of the Stikine River. Duncan passed this information on to McLoughlin.

In early May, 1834, Chief Factor John McLoughlin instructed Peter Ogden to take men from Forts Simpson and McLoughlin on board the Dryad for the purpose of erecting a post as far up the Stikine River as possible. Aware of a Russian
establishment at the river's mouth, McLoughlin told Ogden to trade with the natives according to the Russian tariff. He was to barter rum only if the Russians did. Ogden sighted the Russian fort on June 18th and was promptly boarded by a Russian-American Company employee and handed Governor Wrangel's May 15/27, 1834 proclamation (in three languages — Russian, English, and French) to "all Commanders of foreign ships" stating that the company brig Chichagov (Captain Zarembo) and schooner Chilkat (Captain Kuznetsov) have orders to take their stations in the straits within the territories of Russia, that is to say northward of 54°40' latitude, where no foreign ship or vessel has now a right to trade with Indians, by virtue of a sanctioned Convention, concluded between His Majesty the Emperor of Russia and the President of the United States, as well as with His Majesty the King of Great Britain, which convention the Governor of the Colonies hopes will not be violated by any English or American vessel.

The American's right to trade in Russia's straits had expired on April 5/17, 1834. In less than two weeks after that date Wrangel reported that two American captains, Snow and Allen, had refused to cease their trading there unless otherwise instructed by their own government. Perhaps this open disavowal of Russian authority and the Conventions, encouraged Wrangel to give no quarter to the English, who had
trading rights until February, 1835. Wrangel would violate
the treaty in the interests of the Russian-American Company.
The following sequence of events is based on Ogden's report
to McLoughlin and Assistant Governor Etolin's report to
Wrangel.

The Hudson's Bay Company brig Dryad was visited three
times during June 18. The first Russian visitor spoke both
English and French and presented Ogden with the proclamation
and then departed. Two hours later Ogden invited the second
visitor, a Russian officer, into his cabin. With the assist-
ance of an Indian interpreter, Ogden was informed that he
should not cast anchor, but must depart immediately, otherwise
force would be used against him. Asked to reply in writing,
Ogden stated that the "right of remaining here granted us by
the Treaty of Commerce between Great Britain and Russia, we
are determined to avail ourselves of and intend proceeding
ten marine leagues inland to erect an establishment." Later
that day, the third Russian visitor was accompanied by a
"Spanish linguist", who conveyed a repetition of the earlier
messages through the Hudson's Bay Company surgeon William
Tolmie. 69

On the morning of June 19, the third mentioned officer
and interpreter again visited Ogden. He was told that the
English must not trade with the natives, to which Ogden again
recited the British treaty rights. Ogden was invited to the Russian redoubt and later that morning sent Tolmie and Captain Duncan there. They spoke with Zarembo in clear view of the Chichagov, which was mounted with fourteen guns and had a crew of eighty-four. Ogden had the clear understanding that force would be used against them if they tried to proceed up the river. Zarembo did not deny their right to erect an establishment in the interior, only that they had no right to navigate in the straits. Zarembo told Ogden that Governor Wrangel's orders were "to prevent the Hudson's Bay Company with the force he had under him" unless otherwise instructed by him. 70

Shortly after Tolmie and Duncan returned to their ship, a Russian boat arrived with the interpreter who stated that they were on their way to Sitka and would Ogden like to send a letter there? Ogden willingly obliged. He acknowledged Wrangel's proclamation, but told the governor his own instructions to establish a trading post were in perfect accordance with Articles IV and VII of the 1825 Convention. He bluntly told Wrangel that he "must hereafter be responsible for the consequences" of any impediments placed in the way of the Hudson's Bay Company to the contrary of these Convention rights. 71

In the afternoon of June 19, Ogden was visited by two
principal chiefs of the Stikine Kolosh tribe, Seiks and Ana-
cago. They told him that they had no objection to a British post on one of the islands, but that they would prevent an expedition up the river. It was obvious to the chiefs that such a post would injure their profitable trade with the interior natives. Notwithstanding a present of liquor the next morning, June 20, the natives reiterated their position.

Ogden met with Zarembo at Redoubt St. Dionysius on June 21 and stated that he understood from him, that if the British attempted to proceed up the Stikine River, force would be used against them. When Ogden reminded Zarembo of the 1825 treaty provisions, Zarembo openly said that he was guided by Wrangel's instructions, not the treaty! Ogden left the Russian post and visited the Kolosh at Point Highfield, about three miles above the Russian-American Company site. The natives said they knew the English meant to trade with the interior Indians and thus deprive them of this trade. The Kolosh offered to trade their furs to Ogden, since Zarembo refused to trade in arms and ammunition. Ogden gathered from this that the Russians either traded or gave liquor to them. Because of the treaty prohibitions and the delicate situation at hand, Ogden refused to oblige them. He later reported that, based on the threats of the Russian commander, the opposition of the Kolosh chiefs, and the nervousness of his crew,
he decided to wait until Governor Wrangel replied before he attempted to sail up the Stikine River. If Wrangel granted permission, he hoped the natives could be won over by conciliatory measures. 72

Zarembo boarded the Dryad again on June 22 and, after re-stating the Russian position, informed Ogden that he expected new instructions from Sitka shortly. At Ogden's request, Zarembo left Ogden a written document, in Russian, outlining what the British were prohibited from doing. 73 In this note, Zarembo stated briefly that the Hudson's Bay Company was prohibited to trade with the Stikine natives, that permission had not been given to them to trade in the Russian-American possessions, and that they were not allowed to enter the Stikine River. He also wrote that these prohibitions were "in consequence of the instructions received from the Governor Baron Wrangel." 74

While Wrangel was on the annual inspection tour of the colony usually taken every summer, Assistant Governor Etolin was in charge of the New Archangel Subdivision. Etolin replied to Zarembo's correspondence on June 23 and June 25, 1834 praising him for his successful trading in the straits, but he suspected that the arrival of the British would hamper further activity. He told Zarembo to comply strictly with Wrangel's orders "to impede with all your might the penetra-
tion of the British into the place already occupied by us," according to Article II of the Convention. This article prohibited foreigners from landing on any Russian-occupied place within the straits without express permission. Etolin cautioned Zarembo, however, that he should not infringe upon Article XI, which stated that any and all conflicts should not be settled by force, but be reported to higher government authorities by both parties. 75

Wrangel had told Zarembo to use force if necessary, something which Etolin forbade him to exert if the Hudson's Bay Company insisted on penetrating the river. Zarembo was instructed only to announce that such a move would violate Article II, that the Russian-American Company was forbidden by Article XI to use force to prevent them, and that the incident would be reported to the Russian Government. Etolin felt that this disagreement must be settled by the two governments, or at the very least by the governor of the colony. Russian-American Company boatswain Dalstrem, supposedly fluent in English, was sent back with Zarembo so the latter could make himself perfectly clear to Ogden. Etolin was pleased with resistance of the Stikine Kolosh to the British and urged Kuznetsov, commander of the Chilkat, to extend the fur trade among them. 76

Before he left Sitka, Zarembo was instructed to use
Article II to the fullest advantage. It forbade the British to anchor at points already occupied by the Russian-American Company without express permission from the Russian commander. Zarembo was to act according to Wrangel's instructions without infringing upon Article XI. Presumably Zarembo had only one choice. He had to bluff and block their entry as best possible. Zarembo left Sitka on June 26 in a six-oared boat with Dalstrem and six additional men to reinforce the redoubt. A crewmember of the Dryad later recalled that the "Russians bluffed us off." On June 29, Ogden received a letter sent by Etolin and written in French. In it, Etolin reviewed Zarembo's basic points concerning the Hudson's Bay Company and stated that he could not give a definite answer to the problem in Wrangel's absence. However, Etolin argued that although Article IV allowed the British the right to enter the river, Article II prevented them from landing at any Russian settlement without permission. (The fact that the British did not intend to land in Russian territory, but pass into British land, was carefully avoided.) He told Ogden that the proposed British settlement in the interior "would be quite contrary to the interests of the Russian-American Company and would entail its evident loss." Etolin inferred that Article II provided sufficient grounds for preventing the Dryad access
to the river. It was also clear that the Russian-American Company would not grant permission to a venture so harmful to their own interests. Etolein informed Ogden that Zarembo had been ordered to act "exactly in the sense of Article II" and suggested that Ogden have a private conference with Governor Wrangel upon his return to Sitka at the end of August. 79 A semantic skirmish with treaty articles as weapons was under way.

Ogden met with Zarembo on the same day and reported that the Russian had received contrary instructions from Sitka and would "oppose" him up the river. Ogden noted that Zarembo regretted Wrangel's orders, but he would enforce them. Zarembo gave a copy of his orders to Ogden. 80 The Dryad's captain, Charles Kipling, received a letter from Zarembo on June 30 which stated, in Russian, that Redoubt St. Dionysius and the Stikine area was populated by Russian subjects and that the Dryad was prohibited by Article II from entering the Stikine River and trading with its inhabitants. 81 (As mentioned previously, the Kolosh were always considered independent by the Russian-American Company and never counted in their census. This too, then, was a bluff.) Ogden felt that he had no alternative but to leave the Stikine River without attempting its entry, which he expected would cost lives and probably not succeed. 82 Ogden returned to Ft. Simpson and
came back in late September and met with Governor Wrangel in Sitka.

In this meeting Wrangel did not back down from his position of the previous spring. He set forth his views in a formal reply, in French, to Ogden's letter of June 19. After recounting Article II, he stated that the British right to navigate rivers which empty into the Pacific from the British interior (Article IV), "cannot relate to such rivers as Stakine [Stikine, also Stakhin] upon which you have not any establishment in the interior of the Continent," nor would it aid any interior communication with posts already in the vicinity. Wrangel told Ogden that Hudson's Bay Company's real intent "cannot be otherwise than injurious to our commerce." Such a move by the British violated the meaning of Article XI as well. Interpreting the Convention in this light, Wrangel stood firm and would not allow the British entry up the Stikine River. Wrangel had successfully achieved his immediate aim.

Peter Ogden did not pursue the matter any further and returned to the coastal trade. In his full account of the incident to Chief Factor McLoughlin in December, Ogden marked the encounter as an enormous expense, a loss of time, and serious liability to coastal affairs. With a statement of expenses and losses, McLoughlin sent Ogden's report to the
Governor and Committee in London the following March, 1835. McLoughlin added that the Hudson's Bay Company had been excluded from what appeared to be the source of all the land furs traded at the Stikine River, the "Grand Mart of the coast", which the Americans in past years had monopolized. The company had also lost "face" in the eyes of the coastal Indians. 84

Governor Simpson perused McLoughlin's dispatch of March, 1835 to London and expressed his concern over "the unjustifiable conduct" of Wrangel and other Russian-American Company officers. He assured McLoughlin that the Governor and Committee would seek out the aid of the British Government for redress of these losses, but in the meantime he was to do nothing further with the Stikine post. Simpson intended to divert the flow of this fur trade to the coast by establishing two posts within the Mackenzie River District off a branch of the Liard River. Simpson thought [incorrectly, as it turned out] that the recently discovered Pelly's River, which ran westward, might be the upper Stikine. Ft. Simpson at its new location became the Hudson's Bay Company's coastal depot. 85

Governor Simpson wrote to the Governor and Committee in London that Ogden had to abandon his mission because he did not have "sufficient force to accomplish it by strong measures". Simpson felt that Ogden would have forced his way up the
Stikine River had the Russians not been so strong. Simpson ranked the pecuniary loss of the expedition below the loss of respect in the natives' estimation, which he considered essential to British success on the coast.

The first news of the incident received in London was by a letter from Simpson in August, 1835 which stated only that Ogden had been prevented from entering the Stikine River by a Russian vessel. The London office immediately sent out instructions to McLoughlin that though this appeared to be a violation of Article IV, he was not to make any further attempts to establish a post there. Moreover, he was to inform the Russians that the Hudson's Bay Company did not desire to encroach upon their trade. McLoughlin was urged to maintain a cordial relationship with the Russian-American Company and assist them in excluding "interlopers" (i.e., the Americans) from the coast. McLoughlin was also to renew efforts to supply the Russian colony with European manufactured goods and Columbia produce.

John Henry Pelly, Governor of the Hudson's Bay Company in London, met with Simpson in the fall of 1835 and discussed McLoughlin's dispatch and Ogden's Report. Pelly notified the British Foreign Office in October of the infraction of the 1825 Convention. Pelly argued that the Russians had opposed Ogden's expedition by force, violating Article VI, and to a
lesser extent Article VII. Wrangel had, according to Pelly, "forcibly" prevented the Hudson's Bay Company from entering the Stikine before the ten-year term had expired. From that incident, the Hudson's Bay Company suffered both a monetary loss and a loss of status with the natives. Pelly requested that the British Government seek an indemnity from the Russian-American Company in St. Petersburg for the injury sustained. The Hudson's Bay Company calculated the monetary loss to be £22,150. 10. 11 Sterling. The British Government responded favorably and Pelly's letter, Ogden's Report, and the letters exchanged at the Russian redoubt were sent to the British Ambassador in St. Petersburg in November, 1835.

Wrangel's report of the affair was sent to the Head Office in late April, 1835. He defended his actions by means of the Convention. Wrangel stated that Ogden told him verbally in September, 1834 that he did not see anything in Article II which forbade the establishment of the British post up the Stikine River. Ogden had mentioned in particular that in the Convention's English translation of Article II, the French word 'aborder' 89 was given to mean 'to land', thus inferring that the Hudson's Bay Company could travel by water without touching land, into the British interior. Wrangel maintained that Article II was intended to prevent illicit trade and thus the word 'aborder' ("pristavat", in Russian) 90 must
mean, generally, 'to approach and not to go on shore', because there was no need for foreigners to land their vessels in order to carry on trade with the natives. The interpretation of the 1825 treaty articles differed on the emphasis and translation of certain key words.

Wrangel stressed to the Directors that if the English were allowed to form such a trading centre at the Russian border with free navigation to and from, the "purpose and meaning" of Article II would disappear. That post would become a source of "illicit trade" and continual friction between Russia and Great Britain, something the Russian Government already had in the Near East. If the Convention indeed permitted this, Wrangel boldly questioned that, "Would not such an interpretation of the convention mean the desire of inventing possible causes for breaking the mutual agreement?"

This last statement perhaps shows that Wrangel knew the weakness of his arguments all along. He was concerned with the economic viability of the Russian-American Company on the coast, and if the Convention got in the way, it should be removed. Treaties were made by politicians in St. Petersburg but he had to face the reality that the Convention was working against the interests of his company on the coast. Wrangel felt he had no choice but to block the English. It was his duty under the company's charter to protect and
maintain the colony.

Mary Sadouski, in her work on the "Stikine Incident", found Wrangel "solely responsible" for all that happened in June, 1834. She quotes Wrangel (at a later date) as stating that he gave Zarembo strict orders to use no violence against any English ship. However, Zarembo was to act as if he had orders for aggression. He was to inform any English ship of the Russian redoubt at the Stikine River and that he had orders from Wrangel that no foreign vessel was to be allowed to stay in the adjacent waters. To illustrate his point, Wrangel told Zarembo to place the Chichagov across the mouth of the river. 93 Clearly, what Governor Wrangel wanted from Lt. Zarembo was a convincing bluff, and that is what he received.

Wrangel reported to the Head Office that Ogden had argued that a Stikine post was necessary in order to facilitate communication with their supposed interior post on a lake [Dease Lake] at the Stikine's source. Wrangel said that the Hudson's Bay Company was really interested in that region because this was where the Kolosh traded for their furs for the coastal trade. Wrangel further defended himself by stating that the British intended to gain control of the trade in beavers which had hitherto gone to the Kolosh on the coast. The Hudson's Bay Company would thus deprive the coastal natives
of their livelihood and reduce them to misery. The Kolosh were well supplied with guns and could provide a real threat in the straits in opposition to this development. Wrangel called out in the name of "humanity" that the Russian-American Company defend the interests of Russia's "aborigines", even though the Kolosh technically did not belong to this category. A moral obligation to the natives of the colony was part of the company's charter and was executed primarily through the support of religious instruction. It is difficult to determine to what extent Wrangel meant this argument solely as a rationalization for his instructions to Lt. Zarembo. The fact that Wrangel had a more than profit motivated interest in the Indians can be seen by his later ethnographic studies of them. He had, however, accurately interpreted the intentions of the Hudson's Bay Company.

Continuing his defense, Wrangel referred to Article VI of the Convention. Its reference to permanent free navigation on rivers crossing the Russian-British boundary line, Wrangel argued, could only refer to navigable rivers which facilitated communication within the North American interior. There were no such rivers flowing through the Kolosh Straits. With a sense of frustration, Wrangel asked that since the Russian-American Company did not hinder the extensive operations of the British in the south, why could not they leave them in
peace? Wrangel concluded his case by asking that these arguments be put before the Russian Government and that the Head Office support his position of not allowing Ogden to sail up the Stikine. 96

Wrangel frankly viewed the Convention as a hindrance to the company's fur trade in the straits. Wrangel stated that both the Americans and English openly violated its provisions by selling liquor and firearms to the natives. 97 The 1824-1825 Conventions had no moral commitment on the coast. Why should the Russian-American Company abide by the treaties when the other signatories did so only as it suited their needs?

Wrangel's report on the Dryad Affair, as it came to be called, had reached the Head Office in St. Petersburg by October, 1835. The Directors agreed with him in full and submitted his report to the politically sensitive Company Council on October 19 [31]. The Council studied Articles II and VI of the 1825 Convention and interpreted the wording of Article II to mean that an English ship clearly could not land without the Russian commandant's permission, nor could it navigate the waters adjacent to the shore of the redoubt. The Council labeled the British expedition as a violation of that article and a breach of the treaty. By supporting Wrangel's liberal interpretation of these articles, they
implicitly defended his actions. On November 9/21, 1835, they recommended to the Directors that they "furnish all the facts" to the Minister of Finance, Count Kankrin, so as to avert "unfavorable consequences" for the company, and to ask him to forbid the "forcible navigation" of the rivers and streams of "our dominions" protected by Articles II and VI. 

According to the company's Second Charter, the confidential meetings of the Council (which included Admiral Nicholas Sergeevich Mordvinov and former colonial governor [1820-1825] Matvei [Matthew] Ivanovich Murav'ev) were called by the Head Office to discuss sensitive political matters arising from company decisions that exceeded the authority of the Directors. In this case, Governor Wrangel's entanglement with the Hudson's Bay Company had disturbed "friendly relations with foreign powers" (i.e., Great Britain), something which the Second Charter considered "imperative" to avoid. As colonial governor in charge of all aspects of the colony's affairs, Wrangel was ultimately responsible to both the government and the company for his actions.

In submitting their report to the Finance Minister, the Directors added an important point suggesting that there was no evidence that the Stikine River crossed the line of demarcation between Russian and British territory. It would have to do so in order for Article VI's provisions for permanent
free navigation to apply. The Directors also felt that the proposed British post would contradict the "spirit" of the 1825 agreement. By this they meant (interpreting the treaty to suit their needs) that the English had no right to navigate the Stikine if it would cause injury to the Russian fur trade and the local natives. Stressing the Council's point, they urged Count Kankrin to take further measures to forbid foreigners the right to navigate in Russian rivers and streams.

The Russian Minister of Foreign Affairs, Nesselrode, heard from the British Ambassador, Lord Durham, in St. Petersburg in early December, 1835 concerning the Dryad Affair. Durham submitted copies of Ogden's letter and enclosures to Nesselrode and on behalf of the British Government complained that Russian authorities on the Northwest coast of North American "interfered with an expedition" and "sustained a loss" of slightly over £22,000 Sterling. The English right of free navigation (Article VI) had been violated along with the ten year right to trade and fish (Article VII), which had not yet expired (February, 1835) at the time of the incident. Durham would not accept the argument that the proposed Hudson's Bay Company post would injure Russian commerce. More importantly, the treaty recognized no such principle and clearly provided for establishments within one's own territory.
Russian authorities had the definite right to prevent a British vessel from landing at a Russian post (Article II), but not one passing up the Stikine River. Durham challenged Wrangel's interpretation of Article VI that since this river did not facilitate communication within the British interior, it was exempt from treaty provisions. In fact, the treaty granted British subjects navigation rights on those rivers and streams forever. It had been incredible for Zarembo to quote Article XI advocating no violence, when the Hudson's Bay Company expedition was "driven from the coasts by threats of actual violence." It was entirely "unbecoming" of him to be guided by Wrangel's instructions rather than the treaty. 101

On January 2, 1836, the Russian Ministry of Finance, informed the Directors, who had supported Wrangel's actions, that it had communicated with Vice-Chancellor Karl Nesselrode, Minister of Foreign Affairs. Nesselrode stated that the English could freely pass along all rivers intersecting the line of demarcation and that this was the "essence" of the 1825 treaty. As far as can be determined, Finance Minister Kandrin did no more than pass on the Russian-American Company's account of the affair and left it entirely in Nesselrode's hands. It was certainly clear that the diplomat Nesselrode was adhering to the Convention and was not going to support Wrangel's interpretation. Perhaps the Foreign
Affairs Minister wanted to avoid such minor disagreements as this with Britain when the Near East was so explosive. The Head Office was also informed that the Hudson's Bay Company was demanding £22,150 Sterling for their losses. The settlement of this matter was now out of the Directors' hands. Wrangel's tour of colonial duty was over and he was on his way home via Mexico on a special mission for the company. The Head Office instructed his successor as governor, Ivan Kupreianov, not to block the entrance to the Stikine River and treat any English expedition with civility, while observing it closely.

On that same January 2, 1836, Nesselrode acknowledged to the British Ambassador the guilt of the Russian authorities, but refused to pay an indemnity. He admitted that the Russian-American Company's actions did not represent the "intentions" of the Imperial Russian Government, which desired to maintain friendly relations. The Russian coastal authorities had misinterpreted and misapplied the treaty provisions, Article VI in particular, and Nesselrode indicated that they would be informed of the government's disapproval immediately to prevent further misunderstandings.

Nesselrode resisted the indemnity claim on the grounds that Ogden's charge of a clear threat of violence was difficult to sustain because of the numerous interpreters present.
Wrangel's report had revealed no such threat, but only the order to refuse permission to enter the river, clearly abstaining from "forcible measures". Ogden had retreated not because of threats of violence, but due to his "excess of prudence", for which the Russian-American Company was not responsible.

That Nesselrode considered the Russian-American Company to be the first to break the Convention was a bitter disappointment to the Directors. They heatedly replied to the Department of Manufacture and Foreign Trade that such an interpretation would cause them inevitable ruin and would force them off the American continent. The Head Office pointed out that if the Russian Government entertained the British claim for losses, it should request a similar indemnity from the English for losses sustained by the Russian-American Company due to English violations of the treaty. The English had been the first to violate the Convention. The Hudson's Bay Company had used liquor and gun-powder to divert the fur trade of the Stikine away from the Russian-American Company. They argued that Redoubt St. Dionysius was purely a defensive move to prevent further foreign encroachments on this trade, which was not entirely true as the Russians too hoped to capture the Kolosh trade. To the Head Office, an English post up the Stikine River would have
ruinous consequences for colonial prosperity. 106

The Directors also added that the Chichagov should not be considered a war ship and was in fact on equal footing with the Dryad. Thus, the Hudson's Bay Company's fear of violence was "improbable". The British alleged that the Russian-American Company had stirred up native resistance against the Hudson's Bay Company. The Directors countered this accusation by correctly observing that the coastal Indians required no encouragement to oppose a settlement which would seriously affect their own livelihood. The Head Office hoped these arguments would be passed on to the British ambassador. 107

Count Nesselrode and Lord Durham held firm in their respective positions on the indemnity claim. Their negotiations would continue for a full three years before a settlement was reached, with the assistance of Baron Wrangel in 1839. Nesselrode's opinion had not supported Wrangel's interpretation of the treaty articles, and had forced the company to retreat from its defensive posture towards the Hudson's Bay Company in the straits. From Wrangel's point of view, the Russian Government had taken little cognizance of the company's economic position, especially with regard to the fur trade in the straits, and which had been the motive of his actions. The Foreign Affairs Minister would not support
what seemed to be an act of hostility on the Northwest coast. Similar to the 1824-1825 negotiations, Nesselrode received his information concerning the Russian colony in this affair from the Head Office of the Russian-American Company and he did defend its interests by refusing the indemnity claim. Nevertheless, his concern for Russian America and its problems was secondary to the Near East and the Directors had little recourse to his opinions. Russian foreign policy would not support a private commercial enterprise if it meant risking political problems with Great Britain.

At the same time, the London office of the Hudson's Bay Company instructed Chief Factor McLoughlin at Fort Vancouver that the settlement of the Stikine incident was going to take time and that "collisions" with the Russians were to be avoided as much as possible. They considered any further attempts at forming the post as unadvisable during negotiations, even if the Russians withdrew their obstruction (which they did). The alternate plan was to capture the coastal fur trade by expanding westward from the Mackenzie River District along the newly discovered "Pelly's River", thought to be the Upper Stikine. A small post was to be established to trade with the timid interior hunters at a small tariff and thereby avoid the expense of a high coastal tariff as well as the anger of the Stikine Kolosh by a post in the straits.
For the remainder of his term (1834-1835) on the coast, Governor Wrangel and his successor, Ivan Kupreianov (1835-1840), continued to expand the Russian fur trade into the interior to the exclusion of foreigners. Despite the Hudson's Bay Company's maneuvers in the Mackenzie River District, Fort Simpson near the Russian boundary made an extended effort to attract the furs from the southern part of the Alaskan panhandle. The Americans remained the chief suppliers of provisions as well as some manufactured goods for the colony. With the negotiation of the Dryad Affair far away, coastal affairs had stabilized. Having successfully blocked the British threat to the Russian fur trade for the time being at least, Governor Wrangel concerned himself with a problem as vital to the colony as the fur trade, which was securing a steady supply of foodstuffs. Alaska could not yield the agricultural produce to feed the Russian colonists and the company had had to rely on importation from foreign sources available to them. The Russian-American Company's Ross Settlement near Bodega Bay in California was founded in 1812 primarily as a base from which to launch operations for the sea otter trade and had seldom been able to provide a food surplus for Russian America. Wrangel had visited the settlement in 1833 and saw possibilities for expanding its agricultural production by moving into a more fertile river
valley near by. Through the Head Office, Wrangel had been granted permission by Tsar Nicholas to approach the Mexican Republic on the company's behalf concerning territorial expansion of the Russian settlement. Wrangel's attempt to solve the company's food supply problem serves as a second example of company-government interaction.
CHAPTER III: BARON WRANGEL AND RUSSIAN CALIFORNIA

As Professor J. R. Gibson has pointed out, the task of supplying the Russian-American Colony was the pre-eminent one for most of its governors. The harsh physical environment of Russian America did not lend itself to agriculture and the native inhabitants had no experience with cultivating or stockbreeding. Local efforts were always in jeopardy for want of laborers as well. Importing provisions was hampered by great distances, uncertain and time-consuming voyages, and great expense. The population of Russians, which peaked at 823 in 1839, required food products from cultivated crops and herded livestock such as grain, beef, butter, garden vegetables, tree fruits, sugar, tea, etc. The local population, which in the 1830's averaged eight to nine thousand natives (mostly Aleuts) and one thousand Creoles, relied on fish as a basic staple. To obtain these important supplies the colonial governors had to rely on many different sources.

The transport by sea and overland across Siberia has already been noted as lengthy and costly. Attempts at local agriculture in Russian America, Russian California, and briefly in Hawaii were persistent, but on the whole the least successful. The most successful and reliable means of obtaining supplies was through direct trade with coastal sources. This
included the American sea-captains, the Hudson's Bay Company (to be dealt with more fully later), and purchases and exchanges in foreign ports or colonies, especially Alta (Upper) California. Alta California was an important source of grain and beef for the Russian-American Company, but the Russians were unable to improve the conditions of their Ross settlements to a similar extent. It was Governor Wrangel's intention, after visiting and touring Russian California in 1833, to approach the Mexican authorities on his return voyage home in 1835 to negotiate for the expansion of Pt. Ross to include more arable land. Wrangel had his government's sanction for such an agreement. ¹

The Russian-American Company's dealings with California had two dimensions. One concerned the Russian settlement there itself, and the other related to the Spanish and later Mexican authorities. Russian America during the first third of the nineteenth century received practically all of its foodstuffs from the Yankees from Boston and the "Espagnols" or "Californios" of Alta California. In this portion of New Spain, cattle ranching and grain farming flourished largely through a chain of Franciscan missions between San Francisco and San Diego. Although foreign trade in these Californian ports was prohibited until 1816, a very successful contraband trade (usually bartering manufactured goods for provisions)
was carried on by well-equipped American vessels many of which brought these food supplies to Sitka.

The Russian-American Company had been interested in California as an alternative to Siberian sources and Alaskan agriculture as early as 1805-1806 and had sent the company's personal inspector and representative of the tsar, Actual Chamberlain, Count N. P. Rezanov (who also happened to be the son-in-law of Shelikhov, the company's founder) to visit Spanish authorities at San Francisco Bay with hopes of arranging an agreement for buying or bartering foodstuffs. Rezanov successfully negotiated trade rights and an arrangement for supplying the colony, but with his sudden death on the return trip to Russia this effort failed as did an attempt, which had been arranged by the Head Office through normal diplomatic channels, by the Russian ambassador in Madrid on the company's behalf two years later. The company visited Spanish colonial authorities again in 1810 and was unsuccessful. While engaging in joint hunting expeditions with the Americans off the California coast between 1809-1813, which included contraband bartering, the Russian-American Company arbitrarily established the Ross settlement (also known as Slaviansk or Ft. Ross) in 1812 just north of San Francisco. The local authorities were not pleased and demanded the settlement's removal two years later.
This post was set up initially to aid and supply company ships hunting the valuable sea otter off the California coast. An illegal trade was carried on with the local Californios who were often desperate for manufactured goods. The founders of this settlement in Russian California, or New Albion, had intended that it be enlarged at some future time; however, the dominant aim initially was the fur trade and agriculture on an expanded level did not get underway until the 1820's. Even then the company found their location to be poor. The coastal climate was unsuitable, especially due to fogs, and the amount of arable farmland limited, not to mention a constant shortage of labor.

In 1816 the official ban on foreign trade in Californian ports was lifted (out of necessity it seems) and replaced by high tariffs and duties. The Spanish missionaries now had a legitimate market for their surplus grain. Interim-Governor of the Russian-American colony, Captain-Lieutenant L. A. Hagemeister, arranged for annual trading rights for two to three company ships in 1818 at the San Francisco and Monterey ports. However, with Mexican independence and the establishment of a republic in 1821, all ports were opened to unrestricted trade. Kiril Khlebnikov arrived in Monterey shortly thereafter to act on the company's behalf and in 1826 became one of the company's many official agents to reside there until the 1860's.
Russian America became California's chief grain market. The company imported provisions nearly every year between 1814 and 1848 and generally exchanged manufactured goods for whole grain (flour was too expensive). Ft. Ross also bartered for provisions, often exchanging their share of a joint fur hunt for first-class wheat. Governor Wrangel reported in 1834 that the company was the sole purchaser of California wheat.  

California grain production was not entirely reliable. There were failures of the harvest periodically and the secularization of the missions in 1834-1836 decreased crop output. After two years of shortage, provisions for the colony were sent from Siberia in 1828 and a company ship sent to Chile in 1829. Chilean wheat was found to be much cheaper and free of sand, something common in Californian wheat. In fact, Governor Wrangel used the Chilean grain market as a threat to force the Mexicans to lower the price of their provisions of 1832. More grain was also being made available by newly settled independent ranches, thus effectively lowering the price.  

With wide open trade under the Mexican Republic, Governor M. I. Muraviev (1820-1825) had hoped to purchase enough California provisions to supply Kamchatka and Okhotsk as well as Russian America, but he was fortunate if he ever received enough for Russian America alone. In addition to crop
failures, an element of competition entered the California market. By the mid-1820's, American and British manufactured goods were arriving in large quantities and outselling the Russian-American Company. One result of the flooded market was that instead of barter, the company was forced to pay for their purchases of provisions with Spanish piasters (not always readily available) or bills of exchange payable in St. Petersburg (not always accepted). Governor Wrangel complained to the Head Office about the shortage of Spanish dollars on the coast and had some sent out. He had calculated that the company needed eighty thousand piasters (forty thousand rubles) annually to pay for the imported foodstuffs from California. 4

The settlements in and around Russian California were even less reliable than the Alta California market and completely failed to meet the required needs of Russian America and never fulfilled the dream of supplying Kamchatka or Okhotsk. 5 As early as 1825, the Head Office had considered expanding Ft. Ross as a means of securing a regular supply of colonial provisions, but by 1828, Governor Chistiakov felt that grain cultivation there was useless and the place should be abandoned. Ft. Ross did not begin to export grain to Russian America until 1826 and for the next seven years sent only thirteen tons of wheat and barley annually, where-
as one hundred and eighty were required. The high point was in 1833, during the year of Wrangel's first visit, when a small expansion of grain production in the Ross settlement helped to yield ninety tons. This expansion included three large farms or ranchos established by Vasili Khlebnikov, Peter Kostromitinov, and Egor Chernykh [see Map No. 10]. The worst year was 1836 when no wheat was exported at all due to a crop failure. In its twenty-nine year history, states Fedorova, the Ross settlement "never became the supply base of Alaska for grain, meat and diary products..."

Neither the Spanish nor the Mexican governments seem to have wanted the Russian settlements there anyway. Ever cautious of the Russian presence, they lacked the force to evict them. As early as 1814 a Spanish governor had claimed that Ft. Ross was on Spanish territory and demanded its removal. In 1817, the Russian ambassador to Madrid wrote to Minister of Foreign Affairs Nesselrode about Spain's concern over the company's occupation of land in Upper California. In reply, Spain received an assertion from the Head Office that the legality of occupying the land was based on "popular right" and on an "agreement with the native population...the Indians of both Bodegas" [Large and Small Bodega Bays]. In 1822 the Mexican Government demanded that the Russian-American Company demolish their settlements within six months. However,
MAP NO. 10 - RUSSIAN CALIFORNIA

* Taken from Fedorova, The Russian Population in Alaska and California, p. 137.
when Khlebnikov visited Monterey later that year in the company ship Apollon, the Mexicans denied the threat and stated that they chose to deal with Russia diplomatically concerning the legitimacy of the settlements. Imperial Russia would not intervene directly on the company's behalf. Alexander I had refrained from bold action in this area because it might be used as a pretext for war with Spain, the United States or Great Britain. He also upheld his legitimacy doctrine and had signed a treaty of friendship with Spain. His successor, Nicholas I was not endeared to the revolutionary new Mexican Republic right from the start. In 1824, Minister of Foreign Affairs Nesselrode had stated that "concerning the revolutionary government of Mexico, we shall not enter into relations with it and, therefore, we cannot negotiate problems concerning our rights to the colony of Ross."

The company gained little sympathy from Nicholas I when it turned out that strong advocates of Russian expansion in California were linked to the anti-tsarist Decembrist Revolt in 1825. Rather than provoke a confrontation, the Mexican Government extended the land of the Spanish missions north of San Francisco Bay and established a new one in 1823, as well as encouraging settlers to ranch nearby in an effort to physically block the Russians from moving further south.  

By 1827, the Russian-American Company's Head Office
had found attempts to secure official ownership rights fruitless and, concurring with Governor Chistiakov's remarks, noted that "[It] is obvious that agriculture at Ross cannot supply the colonies with food, which as before has to be imported from California." Two years later, the Head Office abandoned hopes of making Ft. Ross successful agriculturally and considered it useless to expand it. Despite all of this, Governor Wrangel renewed the company's bid to acquire new land as well as confirm their territorial rights to the land already occupied. 8

The late 1820's had shown the Russian-American Company that they could not always rely on the grain supply in Alta California. Governor Wrangel visited the unsuccessful Ft. Ross settlement in September, 1833, to assess its prospects. In particular, he looked into expanding its farming operations, which he regarded as the "only sensible aim of this establishment", and three new ranchos were established. Wrangel concluded that local conditions and a lack of agricultural management skills had reduced farming there to such a "mediocre condition" that even in the "best harvest years the Company will always suffer losses if the settlement remains on the sites now occupied." 9

A new location for the company's farming program seemed to be the only logical answer to Governor Wrangel. He argued
for the necessity of occupying the valley of the Slavianka (Russian) River to the Head Office in 1834. This river ran between the Ross settlement and Little Bodega Bay into the sea. The company could build port facilities at the river's mouth and utilize the extensive plains along its fifty-three miles for supplying the Alaskan colony, as well as Okhotsk and Kamchatka, with grain, salted beef, and butter. Later, the company could settle the burdensome *promyshlenniki*, too old or too weak for work, and their families here where their children could grow up healthy and enter company service. The new settlement could house the main colonial school and serve as a center for the modernization and perfection of agriculture. The local production of useful manufactures, such as thick broadcloth, blankets, rope, and "soap plants", could also be revived and trade opened with neighbours. Wrangel felt that "fear of losing that which we own, and... the hope of substantially useful acquisitions, especially arouse the desire to occupy the plains of the Slavianka River for the Company." ¹⁰ Wrangel knew, however, that even the ownership of lands now occupied by the Russian-American Company depended on official confirmation by the Mexican Government, which was still unsettled. Thus, the acquisition of new territory seemed very problematical. ¹¹ Wrangel had a plan of action and prodded the Head Office to accept his idea.
The means were available in the colony to accomplish the move, but Wrangel stated that some members of the Head Office feared that envious foreigners might set the Mexican Government against a larger and more successful Russian community in California. The Directors also doubted that the Russian Government would approve of a new settlement so far from the borders of Russian America (thirty-eight degrees thirty-one minutes North Latitude). Governor Wrangel countered these claims by suggesting that the Russian Government enter into direct negotiations with the Mexican Government on the subject. The Mexican Government, he said, would see no threat in a "handful of Russian muzhiks", but, on the contrary, could be persuaded to view the Russian settlement as a deterrent to the "much more dangerous encroachment" of English and American settlers. The Russian-American Company would not have to purchase the land, but could lease it for fifty years and achieve the same purpose. Wrangel cautioned the Head Office that -

it is necessary to hasten the start of negotiations with the Government of Mexico about the aforementioned subject; slowness may damage success, permit the English or citizens of the United States not only to impede us but also to occupy the places themselves and deprive the Russian-American Company of one of the best acquisitions in this territory.
Unfortunately for Wrangel, the Mexicans were worried more about the long-standing Russian settlement than the foreign settlers and even encouraged the latter to settle near the Russians.

In 1833, Wrangel had written the Head Office about his proposal to return to Russia by way of Mexico. By April, 1834, he had received permission from the Russian Government to make the journey and was sent a passport. Nesselrode had backed off of his 1824 position, but the reason is not clear. Wrangel was given "complete power" to negotiate with the Mexican Government in relation to the Russian-American Company's Ross Settlement. In other words, if he could convince the Mexicans to grant additional land to the company, the Russian Government would not nullify or interfere with this acquisition. This was half-hearted support at best, but it was support.

Wrangel saw a hopeful sign in 1834 when General Jose Figueroa, Governor of California, asked him to be the intermediary in negotiations between the Mexican and Russian Governments. He wanted Wrangel to find out if Russia would officially recognize the Mexican Republic. The Head Office received this information in the fall of 1834 and passed it on to the Minister of Finance. In Kankrin's reply, he informed the company that the tsar was not yet able to grant
recognition, but hoped that it would not be an "obstacle" to trade relations between the colony and Mexico. This minister also noted General Figueroa's "friendly feelings" toward Governor Wrangel and hoped they might be used to the company's benefit. Tsar Nicholas was nevertheless curious to know to what extent official recognition would influence Mexico's official cessation of land to Russia. Such a leading question might well have seemed like a hopeful sign to the Head Office and Wrangel.

Wrangel's instructions from the government indicated that he was to discuss the necessity of expanding the colony at Ross as well as the expansion of Russian trade with Mexico. He was to seek uniform rules for trading in California, access to all ports for purchasing grain, reduced import duties on Russian goods, freedom from anchorage duty on Russian ships, and a more expedient method of exporting California salt.

Baron Ferdinand Wrangel had been in Sitka for six years and was anxious to return home. Ivan Kupreianov, his replacement, had arrived on the Russian transport Amerika just when Wrangel had given up hope that he would come at all in 1835. Wrangel left Russian America with his family on November 24, 1835 (OS) on the company sloop Sitkha and headed for Monterey where he hoped to get a Mexican passport from General Figueroa and letters of recommendation to the
President of the Republic, General Santa Anna. While resolving the question of trade and territorial expansion was uppermost in Wrangel's mind, he was also a keen ethnographic observer and kept detailed notes. He had been in Monterey in 1818, enroute to Sitka on board the Kamchatka, and had noted upon his arrival there in 1835 a great deal of deterioration among the missions and people. He also noted the increased penetration of American settlers and made thorough observations of the local Indians. 19

Unfortunately for Wrangel, when he arrived in Monterey, his friend General Figueroa had died. Wrangel left for the port of San Blas and, arriving on January 1, 1836, travelled inland for two days to Tepic [see Map No. 11]. There he met the British Consul, Barron, 20 who assisted him in getting permission to go to Mexico City. Wrangel's passport from the Russian Minister of Foreign Affairs had not been validated by any Mexican agent and was, therefore, of no legal value.21

Wrangel travelled through Guadalajara 22 and Leon on his way to Mexico City arriving there in early February. Much to his chagrin, General Santa Anna, whom Wrangel called the "Napoleon of Mexico", was absent and the vice-president, to whom he had letters of reference, had died. Nevertheless, with the assistance of the Prussian General Consul in Mexico City, Gerard, Wrangel was able to arrange a private talk with
MAP NO. 11 - THE JOURNEY OF F. P. WRANGEL THROUGH MEXICO IN 1835-1836 *

* Taken from L. Shur, K beregam Novogo Sveta, p. 7
acting-president General Barrogan. He was told that the Russian-American Company documents were from private persons, not the Russian Government, and that this was not enough for "official" discussions. (Nesselrode later stated that Wrangel was authorized only to represent the Russian-American Company and not the government.) However, a "verbal" debate of his proposals was offered.

Wrangel had consecutive meetings with General Barrogan's successor, Minister Carro and the Mexican Minister of Foreign Affairs, Monasterio, in late February and early March. He succeeded in gaining their acceptance to his proposal to consolidate Russian rights to the Ross Settlement and the additional new land in the Slavianka River valley. The Mexican Government was willing to grant these concessions as well as trading rights to the Russian-American Company, but official negotiations had to take place in London with representatives from both governments. 23 The Russian-American Company and Governor Wrangel may have seemed to the Mexicans as a lever for gaining European recognition. In this light, the company's trade and territorial claims may have been a small price to pay for international status.

Before leaving Mexico City, Wrangel met with United States Special Agent William Slacum and they discussed the Hudson's Bay Company in the Columbia River area and Russia's California
settlements. Wrangel left Slacum with the feeling that the Russians would be expanding their possessions in Mexico. Wrangel departed the capital city with his proposal accepted and the future of the company in California looking bright. He continued his arduous journey through Mexico to Vera Cruz on the Gulf coast and travelled by sea to New York, La Harve, and Hamburg, arriving in Kronstadt on June 4, 1836 (OS).

In St. Petersburg, Wrangel presented a full report of these conversations and his successful arrangements to the Directors, who readily approved them and passed them on to their governing Minister of Finance. After presenting the matter to the emperor, Kankrin reported back that Nicholas had decided not to recognize the "republic" of Mexico and ordered that no further action be taken. Tsar Nicholas was to have said to Wrangel upon his return that, "I cannot enter into relations with rebels." The failure of this agreement sealed the fate of Fort Ross. The company's California possessions had remained an unprofitable and heavy burden almost since its inception. The Head Office had considered liquidation in the late 1820's and now decided upon it. The Directors, with the support of the Company's Council, sent this decision to the Minister of Finance for approval. Nicholas I was in favour of this report and issued an order on April 15, 1839 (OS) to transfer
company employees back to Russian America (where they were much needed), abolish the Ross office, and sell all the remaining goods in the settlement. A deal was finally concluded in 1841 with a Swiss entrepreneur, General John Sutter of New Helvetia for thirty thousand piasters (equivalent to $30,000, or 150,000 rubles), which the Mexican Government guaranteed would be paid within four years. Payment was made in kind, primarily California grain, but Sutter did not pay it all until 1852. The Company was perhaps finally able to come to a decision to sell because Wrangel had just signed a commercial agreement with the Hudson's Bay Company providing for supplies in February, 1839. However, at the time, this government action not only insured the loss of Russia's California territory, which the Mexicans seemed ready to acknowledge formally, but also prevented Wrangel from securing a supply of provisions within Russia's North American possessions and a market for Russian manufactured goods on the coast. Had such a bargain been struck, the subsequent Hudson's Bay Company agreement might never have been made.

Nicholas' decision was clearly consistent with his "legitimist" stance in European affairs and dislike of republics in general. It also reflected little sympathy or understanding for the economic position of the Russian-American Company. The company's fur trade that had once brought in
high returns and represented a small part of the state's income, was now becoming a losing proposition. Once an economic asset, the company was now being seen as a liability. One time Decembrist and long time company servant, Dmitrii Zavalishin, perhaps best summed up the problem with the Ross settlement which:

was established with the knowledge and the permission of the Government, in the supposition, that with the development of agriculture and manufactures she would serve to keep up and sustain our industrious Colonies, and in the future also Kamschatka [sic] and the Countries of Ochotsk. But this aim was not reached, principally in consequence of the non support of the Government, which was promised to the Russian American Co., and this Colony representing no advantages, having lost even the hope for the improvement of the disadvantageous conditions, in which she existed, was also vacated by order of the Government, . . .

Our principal error concerning the Colony of Ross, as also in many other affairs, consisted in this, that we sought the consent and permission to do what we had the full right to do without any consent or permission from others, meanwhile as other nations constantly acted, asking nobody, even in matters to which they had no right whatever. 29

After Nicholas had so firmly rejected his carefully prepared plans, it must have been with some bitterness that Baron Wrangel left the Russian-American Company in 1836 to return to the navy. Whatever his feelings, his interest in the Russian colony was not shaken. Prior to his departure he
had strongly suggested to the Head Office that they equip an expedition in the colony for a survey of the Arctic coast of North America. Wrangel was aiming for the as yet uncharted area between Capes Barrow and Beechey. He had hoped to survey this area himself while governor, but his trip to Mexico City prevented him. The Head Office responded favorably to the suggestion and received the authority of the tsar and the Main Naval Staff to undertake this task. Two company employees, Kashevarov (a Creole) and Chernov, made the expedition in 1838 and were very successful, although two English explorers were found to have made the journey only a year before. 30

Baron Wrangel's continued interest in the North was more than matched by the most prolific period in his scholarly career. His writings between 1833 and 1839 reflect a wide range of observations on the life of the Northwest coast and made him somewhat of an authority on the area. His first major book and perhaps the one most widely read was published in St. Petersburg in German in 1839. It was the narrative of his own polar expedition to Siberia and the Arctic Ocean during the years 1820-1824. He had written articles for a military training institution's journal and Syn otechestva [Son of the Fatherland] in 1838 on his travels in the Arctic Ocean between the Kara Sea and Bering Strait during 1820. But this book, translated
within a few years into English, Russian, and French, made him famous as an explorer. To this day he has been remembered in every edition of the Bolshaia Entsiklopedia [The Large Encyclopedia] and Entsiklopedicheskii Slovar' [The Encyclopedic Dictionary] as well as in biographies by Yu. Davydov (1959) and M. B. Chernenko (1963) on this part of his life. 31

Arctic exploration was not the only area of Wrangel's interests. Between 1833 and 1835, Wrangel had published his "Letters" on Siberia and Russian establishments in North America both in German and Russian. In 1835, he wrote three separate articles for the journal Teleskop concerning the local inhabitants of Upper California, the fur trade in Russian America, and short notes about the colony. That same year he was also instrumental in persuading Khlebnikov to write his book of the Russian-American Company's first governor, the legendary Alexander Baranov. The detailed notes of his travels through Mexico and other countries en route from Sitka to St. Petersburg were published as a book in 1836.

The Central State Historical Archives of Soviet Estonia contain a number of undated works by Wrangel that appear to be from this period. One concerns the Russian-American Company's commercial dealings with the Chukchi natives, while another contains general information on the Russian possessions in America. A third item includes remarks on the
inhabitants of the Northwestern shores of North America, which is probably the notes or rough draft for a similarly entitled article for Syn otechestva in 1839. This was also the year that Wrangel published his second major work, again in German.

Wrangel's "Statistical and Ethnographic Information on the Russian Possessions on the Northwest coast of America" was a major contribution to the knowledge of Russian America. Wrangel hoped to show through this scholarly work the benefits of Russia's presence on the native population of North America. (In the 1860's, the company would draw much criticism for its harsh treatment of the natives.) Wrangel's book, in particular, contains statistical and historical information on most of the aboriginal tribes in Russian America in the 1830's, linguistic studies by Wrangel and Ross company employee Peter Kostromitinov, travel accounts of explorers of the interior, and a note on the Aleuts by the famous missionary Veniaminov.32
CHAPTER IV: MAKING A COMMERCIAL CONTRACT WITH
THE HUDSON'S BAY COMPANY

The determined Baron Wrangel met the aggressive designs of the Hudson's Bay Company head on in 1834. The English in North America were represented by an equally determined George Simpson. This friction might be seen as typical of Russian - British relations in the 1830's, but the subsequent rapprochement in 1838 was not. Wrangel and Simpson were largely responsible for the amicable resolution of the Dryad Affair as well as the construction of a commercial contract. The following account of the establishment of cordial relations between Russia and Britain on the Northwest coast is based on the extant correspondence of George Simpson and Sir John Pelly, Governor of the Hudson's Bay Company in London. As a primary source, it necessarily reflects their perception of the events. It also offers a colorful portrayal of the members of the Russian-American Company Head Office as well as a first-hand report of Wrangel's proposals and reactions.

Formal diplomatic channels had provided no solution to the Dryad Affair by the summer of 1838. On the initiative of Simpson and Pelly, who arrived in St. Petersburg in August, the two companies settled their differences unofficially and received government sanction afterwards. Wrangel was the
chief negotiator for the Head Office in this matter. The ensuing contract correspondence was solely between Wrangel and Simpson. The resultant commercial agreement ended a political dispute and dramatically affected the Russian-American Company's affairs on the Northwest coast. Caution and suspicion were exchanged for mutual trust and cooperation. As a trading company, the Head Office was still interested primarily in making a profit, and Wrangel's deal looked profitable.

The role of Wrangel, now a Rear-Admiral, here illustrates his growing predominance in the company's St. Petersburg affairs. The Russian-American Company fur trade had not found an alternative for its declining maritime returns and the contract provided a means of acquiring English furs on a profitable basis. The agreement provided for a regular supply of provisions for the colony, one of the most vital concerns of the Head Office. In both cases, Wrangel was the chief negotiator with the Hudson's Bay Company. Apparently, the Russian Government knew nothing of these unofficial discussions with the English, and if it did, there was no sign of its interference.

By 1838, Wrangel's view of the Northwest coast seems to have changed. In 1834, he had been determined to resist the advances of the British and extend the Russian fur trade into the Kolosh Straits. Four years later, he was willing to
turnabout and cooperate with them to the extent of leasing the coastal strip of territory and its trade to them. The Russian-American Company would shift its activities northwards and concentrate on the interior trade along the Copper River. There is no satisfactory explanation for this reversal in Wrangel's stance. Perhaps the unwillingness of the Russian Government to support his stand at the Stikine River as well as his carefully nurtured trade and territory agreement with the Mexican Republic had made him more pragmatic in company affairs. Whatever the reason, Wrangel was guiding the way.

Baron Wrangel completed his tour of duty with the Russian-American Company as colonial governor in 1835, but after being unable to settle into naval administration he eventually returned to the company. His leave of absence having expired, Wrangel rejoined the Imperial Russian Navy in 1836, two months after his arrival in St. Petersburg. He was then promoted to the rank of Rear Admiral. He had been warmly received by the "higher naval circle" and in August, 1836 was appointed Director of the Department of Ships' Timber. All of his resources were required to straighten out the chaos reigning in that important branch of naval economy. He traveled over the course of two years to forest woodlands from Poland to the Urals, and from Archangelsk to the Crimea.
He was convinced of the urgent necessity to train experienced personnel in forestry as well as to completely reorganize his department. This "resolute activity" and "energetic criticism", however, were not well taken by his superiors. \(^1\) His disappointment at this bureaucratic roadblock might be the reason for his return to the Russian-American Company. In 1838, now a shareholder, Wrangel was appointed an advisor to the Head Office on the subject of the colony, especially in matters relating to the Hudson's Bay Company. That same year he was elected to the politically oriented Company Council. \(^2\) In this capacity, Wrangel played a fundamental role in resolving the still pending Dryad Affair negotiations, and eventually concluded an agreement with the Hudson's Bay Company in early 1839 which not only settled this international issue, but arranged for some radical changes in the Russian colonial fur trade and supply system.

The formal discussions over the 1834 incident had dragged on slowly since 1836. Count Nesselrode, Minister of Foreign Affairs, corresponded with Britain's Ambassador Lord Durham and Minister Plenipotentiary J. Milbanke, in St. Petersburg during this period. At the same time, the executives of both companies offered additional insights and information and countered new charges. Nesselrode continued to deny any menacing language or threat by the colonial authorities and
claimed an excess of caution on the part of Hudson's Bay Company servants. The Governor and Committee gathered depositions from all participants and even brought Chief Factor McLoughlin to London with the account books to verify their claim. Governor Sir John Pelly stated that no new facts were needed because the evidence clearly showed an act of aggression and that a loss had been sustained. Nesselrode felt the evidence illustrated that the Hudson's Bay Company could not decide whether the principal obstacle to their expedition came from the Russian-American Company or the coastal natives. London claimed that the threat came from one source since the Russian-American Company encouraged native hostility against them. Nesselrode produced a Russian-American Company report claiming the sale of arms, ammunition, and liquor by the Hudson's Bay Company to the Indians in violation of the treaty. This was probably based on Ogden's admissions to Governor Wrangel in 1832. Nesselrode told Milbanke in the spring of 1838 that unless the British Government dropped its claim for the Stikine incident, he (Milbanke) should not be surprised if the Russian Government submits a claim on behalf of the Russian-American Company for the Hudson's Bay Company's violation of the Convention.

Milbanke did not reply until October. He stated that it was irrelevant to the British claim to determine possible
hostile feelings by the natives, whether or not such feelings were spontaneous or encouraged, or even if the Hudson's Bay Company agents engaged in prohibited sales. The claim, when argued upon its intrinsic merit and not tangential accusations, stood undisputed. The real question at issue concerned the interference of Russian authorities in the Hudson's Bay Company's Stikine expedition. Zarembo's written instructions were clearly to prevent the entrance of the expedition up the Stikine River. The Russian Government was responsible for the Russian-American Company and its actions. The Hudson's Bay Company properly abstained from any conflict and the British Government could not abandon their claim for indemnification. He hoped the Russian Government would no longer delay in redressing this indisputable grievance. 6

Minister of Finance, Egor Kankrin, had urged Nesselrode to put the Russian-American Company's case in the most favorable light possible. Nesselrode complied but stated that it had not altered the British Government's conviction. After three years of "fruitless correspondence", he bluntly told Kankrin that -

This is in reality the fact, that our Colonial authorities, - contrary to the treaty, - issued the order prohibiting Mr. Ogden from sailing up the Stikine River to the English dominions, where he wished to establish a trading post, this being entirely within his rights. We cannot deny this fact. 7
Nesselrode stated that his personal interview with Lord
Clanricard had convinced him that the British would never
withdraw the indemnity demand and that the British Government
would like a satisfactory settlement soon to answer opposition
questions on the affair when Parliament reopened. 8

Nesselrode reminded Kankrin of their correspondence last
March in which he mentioned Tsar Nicholas' opinion -

that it would be more in accord with the rules
of strict justice to admit the principles on
which the claim is based and to enter into nego-
tiations with the Hudson's Bay Company in regard
to the amount of the indemnification claimed by
the Company, rather than to continue a dispute. 9

Nesselrode now agreed and stated that the Russian-American
Company would ultimately have to submit. The treaty provi-
sions did not support their position. He could not see "any
more plausible pretexts for further evading the claim". Con-
sidering the urgency of the British Government's request for
a quick settlement, Nesselrode asked Kankrin to consider the
advisability of the Russian-American Company entering into
"friendly negotiations" with the Hudson's Bay Company towards
such a settlement. 10 With the current state of Russo-British
tension in the Near East, Nesselrode may have been anxious
to avoid any unnecessary rift with England at this time.

Minister of Finance Kankrin followed his advice and
ordered the Russian-American Company's Head Office to begin talks with the Hudson's Bay Company on December 15/27, 1838. The Head Office would not retract their support of Governor Wrangel's actions, but to prove their desire to end the Hudson's Bay Company's claim, they were ready to enter into a "friendly agreement". They pleaded with Kankrin, nevertheless, to protect them from unjust and burdensome claims. Kankrin was undoubtedly surprised by their revelation that Baron Wrangel had already entered into correspondence with the Hudson's Bay Company in order to come to some agreement and establish friendly relations. Wrangel's inquiries were "quite unofficial", they assured Kankrin, and solely for the purpose of facilitating official negotiations through preliminary explanations and discussions. They informed Kankrin, apparently for the first time, that the Hudson's Bay Company had indicated that they would consent to lease a portion of Russian territory adjacent to the Stikine River for a yearly rent in furs for twenty years in lieu of a monetary claim settlement. The Hudson's Bay Company had also proposed supplying the Russian-American Colony with yearly provisions and manufactured goods at moderate prices. The Head Office felt the Dryad question could now be satisfactorily settled for both companies. The Directors may have taken a hint from Nesselrode's March, 1838 review of the tsar's opinion
that the claim be admitted and a settlement with the Hudson's Bay Company proceed. Hudson's Bay Company historian John Galbraith has stated, however, that "Neither the Russian nor the British foreign office seems to have been privy to the discussions until they were well advanced". 12

The Hudson's Bay Company had initiated this out of court settlement in the summer of 1838. Sir John Pelly and George Simpson arrived in St. Petersburg on August 27 hoping to negotiate with the Head Office "with the view of effecting an adjustment or compromise of this claim". Milbanke informed them that only Nesselrode, who was visiting in Germany, could settle the issue. Any overture to the Head Office could add difficulties rather than improve chances of an agreement. Pelly and Simpson met with the Directors anyway and confined their discussions to "arrangements" for the establishment of commercial intercourse between the two companies. Neither Milbanke nor any English residents of St. Petersburg could give them any information about the Russian-American Company's "constitution or mode of management". Baron Steaglitz, a principal stockholder, who Simpson said was of Steaglitz and Company, General Bankers and Merchants, "the Rothschilds of St. Petersburg", informed them of the company's capital stock situation and that the Minister of Finance was in charge of their affairs. 13 He also noted that -
the power of the Board of Management Head Office, altho styled Directors, was very limited, and that Baron Wrangel, one of the Vice-Admirals in the Imperial Navy, was the principal Councillor in its affairs, and the organ of communication between the Government and the Company. 14

Steaglitz spoke quite candidly and told them that the Russian Government took a —

lively interest in the prosperity of their American Colony and that, the Russian-American Company, altho nominally a private Joint Stock Mercantile Association, was virtually a public institution, its interests being closely allied to or identified with those of the Government, from whom it held certain privileges, and under whose fostering care it enjoyed special favour and protection. 15

Shortly after their arrival, Pelly and Simpson had met with the Directors and agreed to establish a mutually beneficial arrangement between the two companies. While they awaited the return of Baron Wrangel, the Directors asked Pelly to commit his suggestions to paper. On September 1, 1838 Pelly proposed to the Russian-American Company that they leave the discussion of the "obstruction" of the *Dryad* to their respective governments and concentrate instead on an agreement that would "guard against the recurrence of further difficulties and prove advantageous to both parties". Pelly stated that competitiveness in the fur trade of the Pacific
Northwest coast demoralized the natives and was wasteful and expensive to investors. He reminded the Head Office that Russian dealings with Americans and Sandwich Islanders made the trading of these "adventurers" profitable. If necessity or convenience had forced the Russian-American Company to deal with these suppliers (which was in fact the case), the Hudson's Bay Company was now prepared to furnish the provisions usually required by the Russian colony at a little over cost price. Pelly then listed his three propositions. 16

Pelly's first proposal was similar to the one raised by the Hudson's Bay Company in 1829, 1832, and 1836. 17 The British company offered to supply the Russian establishments on the coast for an unspecified term of years with British manufactured goods, grain, flour, and other commodities, deliverable at Fort Simpson, adjacent to the southernmost boundary of Russian America. This was meant to replace and exclude trade with foreigners in Sitka. A price satisfactory to both companies would be agreed upon. Secondly, during the proposed term of years, both companies would trade or deal with the Indians only within their respective territories. Thirdly, the sale of arms, ammunition, and liquor to the natives was to be "strictly and in good faith discontinued" all along the coast. Such a move, Pelly argued, would stabilize trade with the Indians and reduce expenditures necessary
for protecting this trade. The Hudson's Bay Company, however, was most interested in regularizing the coastal business. 18

When Wrangel returned to St. Petersburg, Pelly and Simpson met with him, the three Directors (Severin, Kusov, and Prokofiev), Captain Etolin, Admiral Ricord, and one other unnamed stockholder. Wrangel had read Pelly's propositions and began the meeting, stating that the Russian-American Company had the "most anxious desire to meet the views of the Hudson's Bay Company", although there were some difficulties preventing their immediate acceptance. One problem, Wrangel said, concerned the termination of the Company's charter of privileges in two years and the uncertainty surrounding its renewal. Secondly, the Head Office had a "more certain mode" of acquiring British manufactured goods and Chilean grain at lower prices than the Hudson's Bay Company offered, through an existing contract. 19 Thirdly, he recalled that in 1832 Ogden had been unable to provide the goods needed when he was governor of the colony, due to a scarcity on the coast, so how could the British guarantee a regular supply now. 20 Despite these points, Wrangel offered to consider the subject as favorably as possible so as to show the British the Russian-American Company's desire to "establish a friendly understanding and intercourse" with them. Wrangel said that his company would respond officially in writing. 21
From Simpson's private diary one can glimpse his first reactions to the Russian-American Company and some of its members. He found the company "... secretly managed by old fashioned Russians who have a crafty illiberal system of management" that made them difficult to deal with. He had some unkind words for Director Severin, who was the only member who spoke English, but an "old German" and "a stupid old thief who professes to know everything about the country and Trade but really knows nothing". His first impression of Baron Wrangel was somewhat condescending but animated and comparatively more praiseworthy:

an extraordinary looking ferret Eyed, Red Whiskered and mustachioed little creature in full Regimentals ..., very thin, weak and delicate but evidently a sharp clever little creature.

Simpson found all three Directors of the Head Office "Stupid to a Degree", but Baron Wrangel "seems to have a controlling [sic] power in short he seems to have the principal management and I imagine represents the Government in their councils".22

As a member of the Company Council, Wrangel was indeed concerned with the company's political affairs that could involve the government. The Council's function, however, was advisory and the Directors made the final decisions. Should the Head Office and Council members disagree on a course of action,
the matter was put to a vote of the shareholders. There was no such disagreement here. Wrangel's influence and opinions had the full support of the Directors.

By the time of Pelly and Simpson's second interview with the Directors, nearly two weeks later, they had learned that the Russian Government, at the request of the Russian-American Company, had denied the United States' overtures to renew the trading provision of the 1824 treaty. To Pelly, this "was the main object of my proposition to the Russian American Company, so that whatsoever the result of the proposition may be, the principal end in view is already attained." Pelly and Simpson, nevertheless, met again with Wrangel, the Directors, Baron Steaglitz, several stockholders, and the "principal English residents" in St. Petersburg on September 13, 1838. The affairs of the Russian-American Company were the prime topic of conversation. Pelly recorded that the Directors and their management "were anything but courteously dealt with by the Stockholders, who condemned both men and measures with little delicacy". Pelly received the Russian-American Company's response to his proposals at this time.

In general, the Head Office concurred with Pelly's desire for a "reciprocal amicable intercourse" between the two companies as well as the regulation of the native fur trade within the established boundaries of the 1825 treaty. In particular,
the Russian-American Company had been able lately to satisfactorily supply themselves with provisions on moderate terms and on their own ships. The Directors, nevertheless, were interested in Pelly's proposals and asked what were the financial conditions under which the Russian-American Company could receive British goods and provisions at Fort Simpson. Although any final decision on their part depended upon the renewal of their charter, the Directors stated that they would raise the matter at the annual general meeting of shareholders held in the fall. 25

To give Pelly and Simpson some idea of what they expected, the Directors handed them a statement of manufactured goods and other articles regularly required and the prices they were accustomed to paying. They also stated their desire for wheat (in grain) deliverable at Sitka at two and one-quarter piasters (Spanish dollars) per fanega, on the condition that they receive two thousand fanegas in 1840 and four thousand in subsequent years. These provisions and a quantity of peas, grease, and salted beef were requested at prices equivalent to those demanded in California. 26

Baron Wrangel called on Pelly and Simpson alone at their hotel to discuss the subject further on the following morning, September 14, 1838. Wrangel tried to argue down the price of grain, but Pelly stood firm stating that the Hudson's
Bay Company would make no alteration in price and that if the Russian-American Company wanted a deal with them, they must accept their proposition as a whole. With the Americans denied trading rights in the straits by the Russian Government, there was no need to make a bargain with the Russians for supplying the colony in order to exclude the Yankee captains. Pelly still wanted a commercial agreement and impressed upon Wrangel the advantages deriving from a joint company operation. The one that attracted Wrangel's attention was the duty-free importation to Russia of all Hudson's Bay Company furs purchased by the company at Sitka. The resale value of these furs appeared to Wrangel as a new source of profits from the declining colonial fur trade. According to Pelly, this potential benefit "affected a total and immediate change in the views of Baron Wrangel: he instantly perceived the advantages that might grow out of such an arrangement as was proposed." 27

Most of what is known about Simpson's and Pelly's visit to Russia comes from Pelly's "Report" or written account of what transpired in St. Petersburg. Simpson's private diary, however, provides a clearer picture of his own role as well as his opinions. By September 13, the day before the above-mentioned meeting, Simpson stated that "Wrangel and I are very thick, a nice intelligent clever little man, regret much we have not seen much of each other." This is the first hint
of the close business and personal relationship that would develop between the two men in the years to come. Concerning the September 14 meeting, Simpson stated that it was he who threw out the "bait" concerning the sale of Fort Simpson furs to the Russian-American Company at Sitka, which the company could then import as their own produce. Simpson noted the effect this had on Baron Wrangel: "little Baron opened his Eyes as if wakened from a Dream caught at the thing instantly."

Simpson noted in his diary that he wanted the Russian-American Company to accept their entire proposal. No partial arrangement would be accepted. Simpson threatened Wrangel that without an agreement, the high cost of coastal competition would cause a reduction of dividend returns to the Russian-American Company shareholders. Simpson wanted to sell these furs to the Russians because he was certain the Hudson's Bay Company could receive a better price for their Northwest coast furs "on the spot" than in England. Wrangel was definitely interested. His only request was that these furs be dressed.

Wrangel had tried to discover how the Hudson's Bay Company dressed their furs so well, as the Russians had had great difficulty dressing them on the coast, largely due to the wet climate. Although Simpson did not enjoy his first visit to Russia, he had made close friends with Wrangel and, interestingly, he had made an agreement with the famous Russian
furriers, the Chaplains, to send furs worth £5000 Sterling
to England by way of Pelly, Simpson and Company. 28

Wrangel said that he would discuss the matter with the
Directors and relate the outcome to Pelly and Simpson before
they left Russia the next day. As an indication of Wrangel’s
influence, he told the Hudson’s Bay Company delegates that
"he considered an acceptance of our the Hudson's Bay Company
proposition as a whole would be the result". Pelly sent a
letter to the Directors that day rejecting their propositions
of the previous day, but stated that on the basis of his
interview with Wrangel, they would probably reconsider the
subject. If so, he would favorably consider a new proposi-
tion from them. 29

Later that same day after the Directors had met with
Wrangel, Director Severin called on Pelly and Simpson and
expressed regret at their rejection of the Head Office's
earlier proposition. He told them that the Russian-American
Company now "would be most happy to afford the Hudson's Bay
Company a preference in the way of business on equal terms"
and handed them a list of prices for colonial goods recently
purchased by the Head Office. Severin begged to be told
what transpired between Wrangel and them earlier that morn-
ing. Pelly gave an evasive reply because it was "evident he
[Severin] had little to say in the Councils of the Company
and was not admitted into its secrets". Based on his discussions with Baron Wrangel, Pelly reported to the Hudson's Bay Company's London office that the Russian-American Company would accept their offer and that "very important advantages to our interests . . . may arise from the negotiation now in progress." 30 Baron Wrangel was clearly the central Russian figure in these discussions. Baron Steaglitz had noted Wrangel's influence as well as his role as a liaison between the company and government, which probably referred to his position on the Company Council. Whatever the source of his authority, Wrangel was doing a lot more than just advising the Head Office.

Even though Pelly was able to lay a firm foundation for future negotiations between the two companies, to be arrived at by Wrangel and Simpson, he advised London in his "Report" to establish a post up the Stikine River as soon as possible. Pelly was certain now that the greater part of the coastal fur trade was drawn from British Territory. A chain of posts along the boundary northward towards Mt. St. Elias at the top of the "panhandle" could possess the entire trade in British lands, "which now forms the principal part of that enjoyed by our Russian neighbours". 31

While McLoughlin had been in London to discuss the Dryad Affair, James Douglas was temporarily in charge of Fort
Vancouver. After Pelly and Simpson's return to England, the Governor and Committee informed Douglas of the probable contract with the Russian-American Company for about £5000 worth of manufactured goods yearly plus all the grain required for the Russian colony. They urged Douglas to improve the farming operations at Fort Vancouver in preparation for a possible Russian order of wheat in 1840. The Hudson's Bay Company's annual ship from England would do all the transport work between the Columbia River and Fort Simpson should the contract go through. 32

In a "private and confidential" letter to Douglas, the Governor and Committee instructed him to begin making preparations for the establishment of a post on the Stikine River in the summer of 1840. This mission was to include three Hudson's Bay Company vessels and one hundred men. The expedition was to be kept a "profound secret" from all but a few Hudson's Bay Company officers to avoid any advance preparation by the Russians or Indians "under their influence", as well as apprehension among Hudson's Bay Company servants. Douglas was to take along a full twelve month's stock of provisions and goods for the fur trade as well as all the tools needed for constructing a large post. 33

They expected no obstruction from the Russians, but Douglas was cautioned not to "touch, land, or cast anchor
at or opposite" the Russian Redoubt St. Dionysius. "Courtesy and respect" were to be accorded to the Russian-American Company in all encounters, but any possible interference or proclamations were to be "disregarded". While the Governor and Committee did not contemplate any Russian aggression, Douglas was to have "defensive preparations" on board so that "any insult amounting to an overt act of hostility by the actual infliction of violence, is to be resented by any and every means in their power". 34

Once the proposed "Fort Durham" was erected, Douglas was ordered to sell British goods at prices lower than the Russian tariff in order to draw the furs from the interior natives to them rather than to the coast. Prohibited articles were not to be used unless it was found that the Russian-American Company was disposing of them. 35

London approached their coastal intercourse with a purely business-like attitude. To "cultivate a good and friendly understanding with our neighbours the Russian-American Company", meant a more regularized and stable trade. 36 This in turn meant less expense for the coastal business. But with the Americans no longer a threat, the Hudson's Bay Company was not pressed to work out a supply contract with the Russians. Chief Factor McLoughlin thought they could make a higher return on Columbia produce and products in the Sandwich
Islands. Either way, London was determined to capture the interior fur trade adjacent to the Russian boundary. In light of the above, the Hudson's Bay Company was probably bargaining from a stronger position. The conclusion of such an agreement would give them control over the supply of provisions and manufactured goods to their only competitor, something the Head Office had wanted to avoid in the early 1830's. In St. Petersburg and London, Wrangel and Simpson negotiated by mail for over three months to reach an agreement.

Only Simpson's side of their 1838 communications has been preserved, but his restatement of Wrangel's arguments give us a fairly clear idea of his particular points. The correspondence began with Wrangel sending the first letter on September 18/30, 1838 and from Simpson's response it is clear that Wrangel resumed his earlier haggling about the prices to be paid for provisions, manufactured goods, and furs. Simpson told Wrangel in October that the Governor and Committee stood by Pelly and Simpson's original prices for British manufactured goods and grain from the Columbia River area to be delivered at Fort Simpson with seventy-five percent advance on the prime cost of bulky articles of small value and fifty percent for all other goods. Considering the freight,
insurance, two year's interest on the funds used to purchase Russian-American Company goods, and other charges, this was as low as the Hudson's Bay Company could go. 37

If the Head Office agreed to this proposition, Simpson indicated that the Hudson's Bay Company would stand by Pelly's earlier offer to supply the required beef and pork at the prices the Russians paid in California, plus a fair advance to cover freight costs to Fort Simpson. Should they refuse, the Hudson's Bay Company would carry up to fifty tons of manufactured goods per year from England to Fort Simpson at a freight cost of £20 Sterling per ton. This freight charge could be computed by "weight or measurement" at the Russian-American Company's option. Payment to the Hudson's Bay Company for these goods could be made either by bills of exchange drawn on the Head Office in St. Petersburg payable within thirty days, or by a draft handed to the Hudson's Bay Company agent at Fort Simpson upon delivery of the supplies there every August. 38

Wrangel also inquired about the amount of furs the Russian-American Company could purchase and the price demanded. Simpson informed Wrangel that there would be no problem in supplying the Russian-American Company with any amount of furs they wanted to purchase. To facilitate an agreement on price, he presented Wrangel with a list of prices received
for both Columbia and Hudson's Bay seasoned land otters on the London market between 1832 and 1837. Wrangel's suggested price (not mentioned) had been too low and had not taken into account the additional charges of freight, insurance, interest, and the duty levied on exporting dressed skins (one shilling per skin). Simpson assured Wrangel of the important advantages to his company arising from Pelly's proposals and hoped he would "find the present proposal so favorable as to induce your Company to fall in with it". 39

Baron Wrangel replied on November 10/22, 1838. Simpson found Wrangel's remarks so favorable that he thought enough common ground existed for an agreement to be reached that would be "highly advantageous" to both concerns. Wrangel had spoken with the Directors and stated that they were now willing to accept Pelly's grain price of two and a half Spanish dollars per fanega. London responded to this gesture by offering to furnish the Russian-American Company with all its required supplies and goods at a decreased advance of fifty percent on prime cost. To provide these goods, however, Simpson said that the Hudson's Bay Company would need distinct specifications every March in order to have them at Fort Simpson by July or August of the following year. 40

Simpson told Wrangel that the Hudson's Bay Company collected about four thousand land otters yearly from the coastal
area and that he would be willing to sell all of these to
the Russians in a "dressed state" at Fort Simpson for twenty
shillings per skin. If the cub, damaged, and staged skins
were excluded, the price per seasoned skin would be twenty-
three shillings. Simpson sent Wrangel three seasoned Columbia
skins from the London market as specimens. They sold for
twenty-three shillings six pence on the London market and the
Hudson's Bay Company was offering them to the Russian-American
Company at twenty-three shillings at Fort Simpson. Simpson
also offered to furnish three to five thousand seasoned and
dressed otter skins from Hudson's Bay at thirty-two shillings
six pence per skin. In an undressed state, these furs brought
twenty-eight shillings six pence on the London market. If the
Directors favored such an agreement, Simpson suggested that
it be a contract for five or ten years. 41

Then, for the first time in their correspondence, Simpson
mentioned the sentiments of the Governor and Committee con-
cerning the settlement of the Dryad dispute. The Russian-
American Company was to "evacuate" and "cede" their coastal
territory and islands south of Mt. St. Elias (i.e., the
"panhandle") to the Hudson's Bay Company for twenty years.
This would include the abandonment of the main colonial office
at Sitka. It was to mean that the Russian-American Company
could not send any vessels to this area nor engage in any
trade with the natives "directly or indirectly". The Russian Government would be obligated to "protect" the Hudson's Bay Company in the "undisturbed possession of the trade in like manner as the Russian-American Company are now protected". 42

For the cession of this territory and trade, the British company would pay to the Head Office an annual rent of £4000 Sterling. In addition, the Hudson's Bay Company would sell to the Russian-American Company three thousand land otter skins at prices previously mentioned. Simpson stated that the Russians would have the option to purchase any additional land otter or beaver skins on terms to be agreed upon later. This arrangement would also include the delivery of manufactured goods and provisions to the Russian colony on the Northwest coast as discussed earlier. In lieu of the indemnity claim, the Dryad Affair would be considered settled by allowing the Hudson's Bay Company to pay no rent for the first three years. The Governor and Committee felt that "unless this condition be complied with, all negotiation in regard to the renting of the Russian Territory was to be broken off". 43 Apparently, the idea of renting Russian territory to settle the claim was Wrangel's.

Simpson confided in Wrangel that he felt the coastal and island trade was not worth £4000 Sterling per annum, because he knew that nearly all the skins collected there by
the Russians came from British Territory. A chain of posts along the Russian-British boundary could easily draw off a large number of the skins that make their way to the Russian coast and islands, which, he said -

we have both the right and the means of doing, and perhaps you are not aware of the fact that the Interior country is likewise accessible to us from the East side of the Rocky mountains, and that at this moment we are in the act of establishing posts in that country by descending from the sources instead of ascending from the outlets of the Stikine and other rivers falling into the Northern Pacific.  

Simpson stated that the Russian-American Company's "tenure of the trade of that country is very uncertain and promises to be but short lived". Moreover, he considered that the abandonment of their main office in Sitka or Norfolk Sound represented "no sacrifice", because he had reason to believe that the Russian-American Company had thought of doing so anyway before the Stikine incident. It was the proximity of the Hudson's Bay Company alone that induced them to remain there longer. Simpson was indeed correct in this assumption.

The Governor and Committee was determined to redress its claims in the Dryad Affair, but Simpson said that they were "unwilling to press their claim to the uttermost". If the Russian-American Company could end this "painful and
irritating subject", he was sure Wrangel would agree that it was in his company's best interests to do so on the Hudson's Bay Company's terms. Simpson argued that between 1834 and 1839 the Russians had had full possession of the trade from which the British had been "forcibly excluded", and thereby gained more than twice over what they were asked to pay in damages to the Hudson's Bay Company. 46 This was not entirely correct, because Chief Trader John Work had been successfully drawing the fur trade of the southern panhandle to Fort Simpson.

Simpson had been alternating a show of strength and mutual conciliation with Wrangel. From all points of perspective, Simpson felt the present arrangement was the most beneficial to both companies that could be agreed upon. It involved economic activity that would bring important gains to both commercial organizations. The source of rivalry and jealous competition would be replaced by a "lasting feeling of good will and friendship".

If there was possibility that Wrangel could agree to these propositions, Simpson asked him to conclude the matter as soon as possible. Simpson had to leave for North America in February (1839). Since correspondence took such a long time, he advised Wrangel to come to London duly authorized to negotiate a settlement. If this was inconvenient, he
could meet him half way, perhaps Berlin, in January. If no agreement could be made before his departure, he feared that all negotiations would fail. Simpson would have to make "several important arrangements" in North America based on the decision of the Directors and these could not be reversed. Presumably, this included preparations for the 1840 Stikine expedition.

Wrangel was invited not to reply until he had received the fur specimens sent to the Russian-American Company care of the "Principal Minister of Finance, St. Petersburg". Six dressed otter skins were sent by means of a Foreign Office courier on December 4, 1838. These were only fair examples from the Columbia (marked "C") and Hudson's Bay (marked "HB") because the best ones had already been sold. Simpson had forgotten to include the currier's charge (one shilling per skin) in his estimated prices, thus making unseasoned Columbia skins available at twenty-one shillings each (all varieties), twenty-four shillings for seasoned Columbia skins, and thirty-two shillings six pence for Hudson's Bay seasoned skins. 47

If Wrangel agreed to the terms of the fur pelts, provisions, and goods, the transactions would be settled yearly at Fort Simpson upon delivery of supplies, sometime between July and September. A current account would be prepared there and adjusted with each delivery. The balance owing to the
British company was to be paid by bills of exchange at sixty days sight on the St. Petersburg Head Office. If the Russian-American Company was able to provide enough tonnage for the Hudson's Bay Company ships, Simpson suggested that they might be able to carry all their goods round-the-world at a cheaper rate than on Russian-American Company ships and relieve the company of that expense. Russian goods could be transhipped in bond in London to a Hudson's Bay Company vessel every September to arrive on the Northwest coast the following summer. 49

Wrangel responded to these propositions on December 3/15, 1838. Simpson replied to this letter on January 1, 1839, inferring from Wrangel's original suggestion that the cession of Russian territory northward to Cross Sound would include the trade of the islands. This formed an important part of the land to be rented. Wrangel had meant for the Russian-American Company to retain Sitka and the trade of the islands and straits, as well as along the coast north of Cross Sound. Simpson would not argue this point and conceded it to Wrangel. He wanted, however, a "detailed and minute discussion and arrangement" of the amount of rent to be paid, or any other compensation for the cession, and of the security required to protect the Hudson's Bay Company from interference in the ceded land. 50 From Wrangel's point of view, the fur trade
was insufficient for the support of the colony and he was working for the best bargain available. The China tea trade at Kiakhta (and later Shanghai) became the company's principal source of profits by the mid-1840's. As a direct participant in the Dryad Affair, Wrangel could not help but call the Hudson's Bay Company's claim "vindictive damages". Simpson stated that they only wanted fair compensation for a heavy loss. Wrangel again challenged the charge of obstruction, which Simpson retorted as having been proven already "beyond all manner of question" by documents and in the estimation of their respective governments. It was needless to discuss it further. Because they seemed approximately in agreement in all other areas, Simpson hoped this issue would not arrest the progress of friendly and harmonious relations between them. They represented "two very powerful and important merchantile associations", who could otherwise "give much annoyance to each other". Simpson felt that a few hours of discussion would settle all the matters correspondence could not. Simpson planned to be in Berlin (presumably Wrangel's choice over London) by the end of January. He would be staying at the British Ambassador's residence and they tentatively scheduled their first meeting for Thursday, January 31, 1839.

George Simpson received his power of attorney to
negotiate an agreement from the Governor and Committee on January 16, 1839. Baron Wrangel was duly authorized on January 8/20, 1839. They were both empowered to settle the Stikine incident, conclude an agreement on the cession of Russian territory and the annual rent, and to resolve the amount of goods and provisions and prices for the Hudson's Bay Company's supply of the Russian American colony.

When the Head Office informed the Minister of Finance of Baron Wrangel's productive discussions on December 20, 1838/ January 1, 1839, Kankrin passed their report on to the Minister of Foreign Affairs, Count Nesselrode. Nesselrode took the matter to the Tsar Nicholas. Nesselrode reported back to Kankrin that from a "political point of view", the Russian-American Company's desire to establish "friendly relations" with the Hudson's Bay Company by means of a lease of Russian territory was, in his opinion,

worthy of the fullest consideration. In attaining this end we should gain this advantage of doing away with all rivalry in the fur trade and of putting an end to the frequent occasions of friction with the English and with the citizens of the United States of America which have already often led to unpleasant correspondence with those Governments.

This agreement would especially be desirable because it would enable us to avoid all further explanations with the Government of the United States as to its ceaseless demands, disadvantageous to our interests, for the renewal of
Article IV of the Treaty of 1824, which granted to the American ships the right of free navigation for ten years in all the seas and straits, adjacent to our dominions on the northwest coast of America.

Nesselrode had received permission from the tsar to send Wrangel to Berlin to negotiate a settlement with the Hudson's Bay Company delegate. Also, Nesselrode told Kankrin that he had received "no objection" from the Naval Ministry's Prince Menshikov to Read-Admiral Wrangel's short absence. From Nesselrode's perspective, Wrangel had settled a diplomatic problem that he had created and provided the pretext on which to solve another one. The Minister of Foreign Affairs must have been quite content.

On February 6, 1839, an agreement of nine articles was signed by Wrangel and Simpson in Hamburg and attested to by the Russian Vice-Consul there, Thomas Malis [See Appendix B]. A contract for ten years arranged for the lease of a coastal strip of Russian territory for an annual rent of two thousand Columbia land otter skins. It also provided for the sale of up to an additional five thousand Hudson's Bay Company land otter skins. The supply of British goods and provisions was settled and monetary and freight conditions agreed upon. Articles VII and VIII dealt with the outbreak of war between Russia and Great Britain and provided a mechanism to neutral-
ize both companies' activity during the time of war. These clauses perhaps reflected the diplomatic tension between the two countries during 1838 and 1839. They additionally indicate how co-operative commercial interests could supersede the current St. Petersburg-London climate of opinion. The contract officially adjusted all claims of the Hudson's Bay Company arising out of the Dryad Affair. Although the contract was to begin on June 1, 1840, the Hudson's Bay Company would not begin to pay rent until the following year (June 1, 1841). Simpson had originally sought three years' free rent. He received only one, the value of which amounted to about one-tenth of their initial claim of £ 22,150. Both Wrangel and Simpson expected the agreement to bring profits to their companies.

On the day of their agreement, Simpson told Wrangel that he would send an official notice to Lord Palmerston through the Hudson's Bay Company stating that the 1834 claim had been "compromised and satisfactorily adjusted by us". Wrangel committed to writing the assurance that the Russian-American Company would not encourage foreigners at its port unless the colony urgently needed supplies or unless they needed to purchase a sailing vessel. Wrangel wanted to make sure that if a foreign vessel sought shelter from bad weather or engaged in illicit trade, the English company would not use this as a
pretext for withholding rent. Simpson assured Wrangel that he had no cause to worry on either account.

This settlement has already generated two different opinions among Russian historians. One emphasized the political significance of Nesselrode's opinions, the other the commercial importance behind the agreement between the companies. Soviet historian Semen Okun argued that the "sudden change" in Russian-American Company - Hudson's Bay Company relations from hostility to friendship through the lease of Russian territory "was not the result of a commercial deal for the benefit of the Russian-American Company" but rather an attempt by the government to eliminate a source of friction between Russia and Great Britain. This was an important objective, since hostilities were brewing between Turkey and Egypt in the Near East during 1838-1839. In particular, Okun pointed to the period of Russian-British negotiations between August, 1839, and July, 1840, when the Russian Government could not afford any deterioration of Russian-British relations as a result of a remote conflict on the Pacific Northwest coast. Okun considers the 1839 agreement as evidence that the company had declined from its former importance to the Tsarist Government and was being exchanged for diplomatic gains in the Near East.

A crisis had been approaching in the Near East during
the summer of 1838 and there was a possibility that France and England would enter any open war there against Russia. There is no proof, however, that the deteriorating condition in the Near East was on Nesselrode's mind when he told Finance Minister Kankrin on December 9/21, 1838, to instruct the Russian-American Company to come to a settlement with the Hudson's Bay Company. Certainly Nesselrode would not have allowed so distant a problem to cause a diplomatic rupture in the Near East. Nesselrode had emphasized to Kankrin the British ambassador's urgent desire to reach a rapid settlement for reasons of internal politics at home. The companies had settled their differences long before the August, 1839 negotiations began. Okun correctly pointed out the reversal in the Head Office's perception of the Hudson's Bay Company on the Northwest coast since 1834. He is certainly correct in subordinating Russian foreign policy aims on the Northwest coast to those in the Near East, but his explanation of the 1839 agreement is one-sided and lacks reference to the important correspondence mentioned above.

Okun focused on Nesselrode's political view of the company's position. Peter Tikhmenev, a company historian of the 1860's, clearly pointed out the commercial value, if not necessity, of the agreement to the Russian-American Company and suggested that the company had sufficient commercial
reasons for seeking out its own arrangement with the Hudson's Bay Company. He states that Wrangel saw the agreement as a means to remedy the "unfavorable state" of the company's affairs. Owing to an increase in the number of forts, the expansion of the fur trade into the interior, a decrease in the number of fur-bearing animals near Russian settlements, the increases in employees' salaries, and an increase in the number of clergy, schools, and hospitals, the upkeep of the colony increased from approximately 170,000 rubles in 1821 to 270,000 rubles in 1839. This increase was prohibitive. The agreement provided a way to stabilize the colony's rising costs by insuring a cheaper and more regular flow of manufactured goods and foodstuffs from the Hudson's Bay Company. 62

The mere existence of a difference of opinion in explaining the reason(s) for the Russian-American Company - Hudson's Bay Company compact is significant. Both the political and economic perspectives taken by Okun and Tikhmenev represent the totally different outlooks of Nesselrode and Wrangel, as well as a key to understanding the basic problem in establishing a consistent colonial policy. There is no evidence to suggest that the agreement was dictated by political considerations in the Near East. In fact, it is not certain whether or not Nesselrode even knew about Wrangel's discussions with the Hudson's Bay Company prior to December, 1838. As Hudson's
Bay Company historian E. E. Rich has pointed out, however, Wrangel may have lacked bargaining strength as an indirect result of actions taken by the Russian Government. By refusing the American Government's request to renew their ten-year clause allowing them to trade in Russia's Kolosh Straits, Pelly and Simpson had achieved their primary objective before they had even met Russian-American Company officials. With Lord Palmerston's full support behind the Hudson's Bay Company and Count Nesselrodé's flat refusal to accept Wrangel's interpretation of the Dryad incident, this rebuff to the Americans, which had been requested by the Head Office, deprived Wrangel of "all power to manoevre", according to Rich. Nevertheless, in his negotiations with Simpson, Wrangel had been able to reduce the number of rent-free years from three to one and restrict Hudson's Bay Company trading within the ceded territory to the coast, two main objectives of the Governor and Committee. No mention was made of the profits from the resale of Hudson's Bay Company produce at Kiakhta, which had so enamored Wrangel in the first place.

Soviet demographer of Russian America S. Fedorova sees the 1839 agreement as merely "formalizing" the "forced transfer" of the mainland to the Hudson's Bay Company. The 1834 affair only temporarily delayed British dominance of the fur trade. In her opinion, the Russian-American Company,
disadvantaged by the lack of men as well as by native opposition from the Tlingit (Kolosh), was unable either to settle or assimilate the territory near Sitka. B. Thomas, historian of Russian-American relations, stated that the lease of this territory marked the beginning of the end of Russian domination in North America. To historical geographer J. Gibson, the agreement allowed the Head Office not only to sell Russian California, but in so doing put an end to the labour shortage in the colony. Employees returning to Sitka from Fort Ross and Redoubt St. Dionysius would now be available. 64

In a more critical report on colonial affairs by Captain-Lieutenant Golovin in 1862, the economic perspective receives additional support. He stated that because maintenance of the Redoubt St. Dionysius was so expensive, the Head Office gladly accepted the opportunity to lease this territory. Agriculture, cattle breeding, and interior explorations around the redoubt required "expenditure and perseverance, while no guarantee of success existed, and the Company found it easier and more profitable to supply the inhabitants with imported bread and meat and never made any serious explorations". In fact, serious attempts to explore the interior had been made, but Golovin asked his readers to understand the situation by remembering that the company was a trading company interested only in profits, which were not always easy to find. 65 [See Map No. 12].
MAP NO. 12* The Diffusion of Russian Influence in Alaska, showing the areas of contact between Russians and aborigines.

* Taken from Fedorova, The Russian Population in Alaska and California, p. 141.
If Nesselrode refused to risk a diplomatic rupture with Great Britain because of Wrangel's actions, he gave him a relatively free hand in settling the affair, even to the extent of bargaining a piece of Russian territory. It was assumed that if the Hudson's Bay Company was satisfied, so would be the British Government. If there was one politically motivated article in the entire contract, it was the VIII. This provided for a neutrality between the two companies for a period of three months should a declaration of war be proclaimed between their two countries. This would give the Hudson's Bay Company time to evacuate all men and goods from Russian territory. If Wrangel and Simpson sensed impending danger between their mother countries in the Near East, it was expressed in this article. Whatever temporary political differences their homelands might experience, they themselves were more concerned with the commercial success of the business enterprises they represented. Russia and England settled the critical issues in the Near East without warfare in 1839, and so this article was not put to use; however, it did play an important part in neutralizing the Northwest coast of North America during the Crimean War.

The Head Office was able to settle the Dryad Affair independently of Nesselrode's office and receive his sanction for the results. The Russian Government had been quick to
interfere in the Dryad incident in 1834 and nullify Wrangel's Mexican project in 1836. The government, however, supported the company's efforts to settle the diplomatic rupture on the Northwest coast and had endorsed the commercial contract of 1839. All three instances involved the Russian-American Company with a foreign power. In the first case, hostilities with Britain on the Northwest coast violated an established treaty. In the second, the ideology behind Nicholas I's foreign policy turned into a stumbling block. In neither of these two cases was the government's response guided by the demands or welfare of the company or colony. In the third instance, although the Head Office dealt directly with British subjects at a time of uneasy Russian-British relations, the resultant agreement brought peace to the North Pacific. That is, it resolved a diplomatic thorn in Nesselrode's side and in no way affected Russian foreign policy in Europe or the Near East. It seems clear that the Russian Government was content to allow the Head Office complete control in colonial affairs as long as foreign relations were not upset.

With the signing of this agreement the period of conflict between the two companies on the Northwest coast ended. A commercial contract had been hammered out by two astute businessmen, who came to be close friends as well as economic partners. Their co-operation resulted in a wide range of
activities between the two companies that involved a great deal of correspondence between St. Petersburg and London as well as between Sitka and Ft. Vancouver (later Ft. Victoria). Baron Wrangel's participation in this business will be dealt with in the subsequent chapters. At this stage, the Russian-American Company and Wrangel had to make the initial arrangements for the contract's first year, agents had to be found in London and orders drawn up. The Hudson's Bay Company had to secure its deliveries of foodstuffs and furs. While these negotiations were taking place, the company's colonial governor, Ivan Kupreianov, had been trying to maintain stable relations with the Hudson's Bay Company on the Northwest coast.

Kupreianov had to pursue the fur trade of the straits as well as secure provisions for the colony at least a year in advance either through the Head Office or the Americans. Kupreianov had inquired in 1838 about the results of the Dryad Affair and wanted to know what he should do about English vessels in the straits. As before, the Head Office instructed him not to impede any English vessel passing through to a river, but he was to make sure they did not trade with the natives while within Russian boundaries. He was to fend off "all kinds of complaints and pretensions" from them, but was not to use force or in any way break the peace.
The Head Office forwarded to Kupreianov copies of the contract in Russian and English, as well as copies of the Wrangel-Simpson correspondence that day in April, 1839. The Directors effusively told him that -

Rear-Admiral Baron Wrangel executed with decided success the august will, having induced the plenipotentiary of the Hudson's Bay Company, Mr. Simpson, to drop entirely the claim against the Russian-American Company, with regard to the Stickine [sic] affair, and in general concluding with Mr. Simpson, an agreement promising useful results for the Russian-American Company...

The Head Office instructed Kupreianov to lay particular stress upon certain aspects of the contract.

Kupreianov was to remove all arms, materials, and merchandise from the rented territory prior to June 1, 1840. He was to inform the British agents of the strength necessary to keep "the savages in awe". The Kolosh were to be informed that the English were now friends of the Russian company and should attempt no "evil designs" against them. The Russian-American Company was not allowed to trade for fur-bearing animals caught on the ceded territory. He was to maintain, however, the trade rightfully theirs in the straits and islands.

All rental furs and those sold to the Russian-American Company would arrive on or before June 1, 1841, and every
June 1st thereafter. Kupreianov was to make sure he put them on the company vessel to Okhotsk along with the other Russian-American Company furs, so they could arrive in Russia duty-free en route to Kiakhta. If the Hudson's Bay Company could not supply the colony with provisions for some unforeseen reason, he was to send a company vessel southwards to California or Chile and purchase the necessary items through an agent of the Hudson's Bay Company, with all extra costs being charged to them. The only exception to this concerned butter, for which he would soon receive special instructions. Payment for all furs and provisions received from the Hudson's Bay Company was to be made in bills of exchange in triplicate. They were to be made by the colonial authorities in the name of the Directors of the Russian-American Company in St. Petersburg in favor of the Governor, Deputy-Governor, and Committee of the Hudson's Bay Company. Remuneration would be made sixty days after the Head Office received it. In the unlikely event that the agreement was broken through ignorance, misunderstanding, or even intentionally, Kupreianov was to try and settle the issue through personal interviews without using violence. 69

The Directors and perhaps Wrangel could not regard the English entirely without caution. Having granted the right to trade within Russian territory to the English, the Head
Office warned Kupreianov that they might in due course attempt to spread their trading activity outside the leased area. To prevent this, Kupreianov was to keep a careful watch over the border area and establish friendly contact with the neighboring tribes along the Medna or Copper River (the British called it the Comptroller River, see Map No. 13) and its tributaries. He was to send a company vessel yearly to the Kolosh villages in Yakutat, Lituya and along the straits at the proper trading times to collect their trade so that it would not pass over to the English. All trading articles prohibited by the 1824-25 treaties were forbidden in and around the leased territory, except as gifts. The Head Office wanted Kupreianov to find out what the Hudson's Bay Company paid the Kolosh for the various fur-bearing animals. He was not to be concerned about English activity along the "Pelly" River, because they had not yet seized the trade in that region, although they had used their presence there to negotiate a higher price for the lease payment.

By the 1839 contract, the Hudson's Bay Company was to become the major supplier of manufactured goods and provisions for the Russian-American colony for a ten-year period. The full quantity of specified items was to arrive in Sitka on or before June 1, 1841 through 1849. For the first contract date, June 1, 1840, only a small delivery was required.
MAP NO. 13.* J. Arrowsmith's Northwest Coast

* The Northwest portion of a map entitled "British North America" published February 15, 1834, in London by J. Arrowsmith. Some names added or enhanced.
because the Head Office and colonial governor had already arranged for supplies in case the Hudson's Bay Company agreement did not go through. Requests and complaints by the governors, including Baron Wrangel, concerning the necessity of more goods, materials, and provisions were not uncommon and Kupreianov had found the situation no less exasperating. In order to offset this constant hindrance, the Directors had opened several channels for supplying the colony in the late 1830's. Manufactured goods were sent on vessels out of Kronstadt, overland across Siberia, or purchased from Robert Muter and Company (not believed to be connected with the Hudson's Bay Company) in London or Yankee captains on the Northwest coast. Provisions were gathered by company vessels from California and South America as well as from the Americans. The Americans, however, had not always been reliable in their deliveries and the Russian-American Company's commercial intercourse with Chile had been inconvenient and difficult, despite its importance as a source of breadstuffs at critical times. With the added failure to develop the agricultural potential at Ft. Ross, the Directors were now "favorably committed" to bind the delivery of provisions to the Hudson's Bay Company. This commitment represented a considerable change in the attitude of the Head Office since the early 1830's. At that time they wished to keep all
sources of provisions wide open and not be committed to any one in particular, especially the Hudson's Bay Company. A cause for this turnabout may lay in the fact that the English were now business partners and no longer competitors.

The Head Office had sent Russian manufactured goods to the colony via Siberia in 1838, and told Kupreianov that forty-nine thousand rubles worth of goods were being sent that way in 1839. They had also sent the company ship Nikolai under Lieutenants Kadnikov and Voevodskii, around Cape Horn to Sitka with 560,000 rubles worth of cargo, part of which was to be picked up along the way at Rio de Janeiro and Valparaiso. 74 Wrangel informed Simpson in 1840 that, contrary to the "orders and wishes" of the Head Office, the governor at Sitka had purchased parts of the cargo from American vessels in 1839 and ordered two others to bring goods to Sitka in 1840, one of which was The Thomas Perkins. In fact, the colonial governor was still unaware that the commercial agreement had been finalized, and was simply following the normal procedure of trying to procure sufficient supplies. The Directors themselves had made an agreement in January, 1839 with an agent for Messrs. French and Company of New York for the delivery of supplies on this same American ship. That vessel was also to bring out the American steamship engineer, Moore, to work in the Russian colony's shipyard, service the
company steam vessel, and train apprentices \[ See Table V \].

The Russian-American Company's orders for English goods through the Hudson's Bay Company after their agreement, generally arrived in London between January and April, with additions and subtractions filtering in over the summer. Within six weeks of the agreement's official ratification, the Directors sent a list of goods to their new agents in London: Messrs. Pelly, Simpson, and Company. \[ These goods were to be sent out on the Hudson's Bay Company's regular November ship to the Northwest coast. These agents handled purchases, transhipments, forwarding and payment of bills, insurance and damage claims. In this case, the Directors ordered eighteen thousand pounds of tea, three thousand gallons of West Indian rum, and one thousand pairs of woolen blankets. \[ This order, typically, was modified in May 1839. The Head Office wished to replace the rum with four thousand pounds (one hundred poods) of gun powder. \[ Baron Wrangel had written to the company's agents shortly before the Directors had issued their revised order, concerning specimens of the above mentioned goods and prices sent to St. Petersburg for the Russian-American Company's examination. Based on Wrangel's observations, the Directors had favorably received the garments, teas, and otter skins, but the rum was considered too expensive and gunpowder requested instead. \[ 
<table>
<thead>
<tr>
<th>YEAR</th>
<th>REGISTRATION</th>
<th>SHIP</th>
<th>CAPTAIN</th>
<th>ORIGIN</th>
<th>VALUE OF CARGO (RUBLES)</th>
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<td>Thomson</td>
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<td>Harney</td>
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<td>?</td>
<td>?</td>
<td>San Francisco</td>
<td>?</td>
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</table>

*This mark indicates that this vessel went to trade for furs in the Kolosh Straits in Russian territory after depositing its cargo at Sitka.

1Unless otherwise indicated, information for this table was taken from Gibson, Imperial Russia in Frontier America, pp. 78-81, 170-171, 186-187.


<table>
<thead>
<tr>
<th>YEAR</th>
<th>REGISTRATION</th>
<th>SHIP</th>
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<td>American</td>
<td>Morea</td>
<td>McNeei</td>
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4Finlayson to McLoughlin. September 29, 1836, LJM, 1825-1838, p. 334; Governor and Committee to George Simpson. London, March 4, 1835. HBCA, D5/4, f. 104; RAC, Head Office to Governor Kupreianov. March 12, 1836, No. 249. RACR, CR, 10:69; RAC, Head Office to Governor Kupreianov. March 12, 1836, No. 288. RACR, CR, 10:152-154. The Head Office cancelled its contracts with French, Allen, and Dominis due to unreliability, and hired William Boardman of Boston. He was to deliver goods in 1836 or 1837. After 1841, he would trade actively in the North Pacific and brings supplies to Kamchatka until 1845.

5Finlayson to McLoughlin. September 29, 1836. LJM, 1825-1838, p. 334. 6Ibid.

7Also see V. S. Lupach, ed., Russkie moreplavateli [Russian Seafarers] (Moscow, 1953), p. 624.


10Douglas to Governor and Committee. October 18, 1838. LJM, 1825-1838, pp. 263-264.

11Lupach, p. 624.


13RAC, Head Office to Governor Etolein, April 19, 1840, No. 146. RACR, CR, 13: 110-111.

14RAC, Head Office to Governor Kupreianov. March 31, 1839, No. 117. RACR, CR, 12:98.


16See Appendix D.
Baron Wrangel, having constructed the contract, seemed to take a major role in its fulfillment as well.

The Russian-American Company's agents in London had more problems than just revisions to deal with. The specifications sent by the Head Office were often quite vague partly because of the difference in package sizes either requested or sent from Russia for transhipment. In one case, a load of Russian tobacco had to be entirely unpackaged and repacked to meet British customs demands. In another instance, an initial request in April had ordered approximately 450 tons of British goods to be shipped out on a Hudson's Bay Company vessel. By August, additions and alterations had swelled the order to 550 tons for which transport was required.

Wrangel wrote Simpson personally in March, 1839 concerning two minor adjustments in their agreement, but the latter could not reply until he returned from North America that autumn. Wrangel had mentioned previously to Simpson that it would be more convenient for the Russian-American Company to receive Hudson's Bay Company otter skins at Sitka prior to the contract date specified - June 1. By this time Wrangel concluded that it would not matter as long as they were received no later than that date. Pelly, Simpson and Company officially thanked Wrangel for his consideration but Simpson had already arranged for an early delivery of furs
for the next summer. Simpson had ordered that Hudson's Bay otters be shipped across the Rocky Mountains directly to Fort Vancouver, instead of sending them from Canada to England and then to Sitka on a Hudson's Bay Company vessel. If, in fact, the Head Office did not need the otters skins that early, it was more convenient for them to send the furs by sea to Sitka.

As it turned out, the land route prevailed. Hudson's Bay Company furs were transferred from the Southern Department (only Outfits 1841 and 1842), Severn and York Factory, and the Albany District and Ft. Alexander to Norway House. From there, under Donald Ross, who was responsible for collecting and forwarding three thousand east side otters, the furs were shipped via the Saskatchewan Brigade to Edmonton, and from there via the Columbia Brigade to Ft. Vancouver, arriving usually in November every year. Later, lynx, fox, martens, fishers (scarce on the west side) were sent from the east side as well. West side furs came from the adjacent interior and Fort Simpson (later Forts Stikine and Taku) and were collected either at Fort Vancouver or by a coastal vessel en route to Sitka.

Wrangel's second minor adjustment concerned the contract amount of butter: (160 cwt.) which Simpson said would be difficult to guarantee. In March, 1839, Wrangel wished to find
out what quantity of butter the company could expect the
Hudson's Bay Company to deliver. The remainder (or all of
it), Wrangel said, his company could supply the colony from
Okhotsk at no extra expense to the Hudson's Bay Company.
Pelly, Simpson, and Company again thanked Wrangel for his con-
sideration and stated that they could deliver thirty hundred-
weight (cwt.) of butter yearly to Sitka and requested the
Head Office's approval for the modification. The agents in
London also offered space on their ship leaving in December
for fifty to one hundred tons of Russian freight, as well as
to carry Russian-American Company mail to the Northwest coast.

Russian-American Company Director Severin replied in
early December, 1839, stating that Wrangel's comments were in
no way meant to alter the stipulation in the first article
of the agreement which guaranteed the delivery of Hudson's
Bay Company skins to Sitka by June 1 each year. Wrangel had
hoped to save the British unnecessary hardships that would
arise from an earlier delivery. It would be most convenient
for the Russian-American Company to have all the skins deliv-
ered a month earlier (May 1). Severin urged the Hudson's Bay
Company to delay their otter skin deliveries in no way.

The Directors agreed to receive this reduced quantity
of butter for the first contract year only. From Pelly,
Simpson and Company's letter of November 5, 1839, one can
infer that the British company was incapable of fulfilling this part of the contract. Governor Etolin at Sitka had not received word of this butter adjustment when the Hudson's Bay Company *Vancouver* arrived in July, 1840. In his ensuing correspondence with Chief Factor McLoughlin, he was informed of Wrangel's March, 1839 letter. McLoughlin, however, agreed to send him as much additional butter as he could spare on the Hudson's Bay Company steamer *Beaver* that November. 83

London received this information from the Russian-American Company's Head Office in late December, 1839. Shortly thereafter McLoughlin was sent word to prepare himself for full and regular deliveries of all the Russian contract supplies. The rental payment in otter skins was to be paid at the proper time and the Hudson's Bay otter skins (to arrive at Fort Vancouver every fall) should be delivered in sufficient time to forward the bills of exchange to London via the annual Spring Express Canoe. This would allow the Governor and Committee to convert these bills to cash as soon as possible. They informed McLoughlin of Wrangel's consent to receive a quantity of butter which was convenient for the Hudson's Bay Company, which "for the present is limited to 30 cwt. annually". McLoughlin was instructed to ship any extra butter he may have to the Sandwich Islands and sell it there for one-half dollar per pound. 84
The Head Office received word in Etolin's September, 1840 dispatches concerning McLoughlin's correspondence and the English company's inability to provide the colony with butter. In reply to Etolin's request for this product, the Directors asked John Pelly in August, 1841 for what period the Hudson's Bay Company had "postponed providing our colonies with the said article, and when it is to be expected that it can be furnished".

When Pelly received this letter, he had not yet read McLoughlin's dispatches and did not know what McLoughlin had said to Governor Etolin. The Hudson's Bay Company Archives contain a rough draft note of Pelly's response to the Directors' query:

> to be informed that the Co. do not think they can supply the butter until after 1842 and that due notice will be given to the R.A.Co. as soon as information is received from the Country, of the time at which the supply can be furnished. In the meantime they trust that the delay will not be attended with inconvenience to the R.A.F.Co. 86

Salted butter was one of seven articles specifically mentioned in the 1839 agreement. It was an important item in the colonial diet and the early modification of the Hudson's Bay Company's ability to supply the contract quantity was a serious matter for Governor Etolin. This butter dilemma also
illustrates the problems inherent in operating a commercial enterprise half way around the world. Correspondence flowed not only along company lines (St. Petersburg-Sitka, London-Fort Vancouver), but also between the two capitals and along the coast (St. Petersburg-London, Sitka-Fort Vancouver). The inevitable delays of mail bearing new modifications or arrangements often found one company not knowing what the other was doing.

These were the birth pains of the commercial agreement engineered by Baron Wrangel and a hint of the problems to come. Wrangel had obtained a stable supply source for the colony. Although the full contract was short lived, it was no mean feat and has no equal before or after in the colony's history.
CHAPTER V: BARON WRANDEL AND GEORGE SIMPSON PUT THE CONTRACT INTO OPERATION, 1839-1841

Explorer, scholar, colonial governor, Baron Wrangel was now a businessman. After 1838, he became progressively more and more involved in the affairs of the Russian-American Company and was eventually elected to the Head Office in 1842. The extent of Wrangel's association with the company was deepened by the amount of important details that had to be worked out concerning the Hudson's Bay Company contract. He handled all the correspondence on the Russian side from St. Petersburg, and Simpson replied for the English company from London and later North America. Wrangel attempted to utilize the Russian-American Company's agreement with the Hudson's Bay Company to improve the financial stability of the Head Office as well as gain whatever prestige might be derived from dealing with the well-known British commercial organization. The Russian-American Company apparently had given up trying to provide provisions for the colony locally and accepted the Hudson's Bay Company as a reliable source. The Russian fur trade was still expanding by way of interior explorations of Russian-America that continued until the mid-1840's, but Wrangel saw more profits in the resale of English furs on the company's China market.
From Simpson's point of view, the Hudson's Bay Company may have achieved its designs on the Northwest coast by 1839. The American fur traders had left the coast (for the more lucrative whale hunts in the North Pacific) and the Russian-American Company was now a business partner. One might say that the Russian opposition had been swallowed by the British company, as it had done to some of its other competition in North America. The English had confined Russian trade to the point of leasing Russian territory for English use. The fur trade arrangement of 1839 was to bring in small profits. The large increase in Russian-American Company freight carried on Hudson's Bay Company ships was to bring in big profits.

Wrangel and Simpson kept in close contact for about four years, executing the contract and making various adjustments and modifications. Both men seemed to take a lively interest in it and in each other. Between 1839 and 1841, they discussed no less than eleven different topics, including Simpson's proposed visit to Sitka and return journey to England through Siberia. At Wrangel's invitation, Simpson visited St. Petersburg for a second time in 1840 to discuss these subjects further and renew their friendship.

This amicable relationship resulted in the two companies working closely together. The Head Office gradually increased
their demands on their agents in London (Pelly, Simpson and Company) for supplies and Simpson received a fairly complete picture of what necessities of life the Russian colony and company required. Simpson also discovered the tenuous financial situation of the Head Office and offered assistance. Wrangel sought to expand the contract as much as possible and suggested a number of ways to do so. A closer association with the Hudson's Bay Company could mean more profits for the Head Office. Wrangel and Simpson also shared information on numerous Northwest coast subjects ranging from the Mexican Government to Kamchatka.

The primary fund for this relationship is the **Hudson's Bay Company Archives**, although copies of their communications and related information may be found in the **Russian-American Company Records**. During 1839-1841, Baron Wrangel's side of the correspondence was more evident. Simpson's views were established either through Wrangel's restatement or in other British communications. The Head Office's communiques with their London agents were also found in the above-mentioned source and illuminated the information in the St. Petersburg-Sitka letters.

The Head Office of the Russian-American Company had accepted the Hudson's Bay Company as the primary source of provisions for the Russian-American colony. This was an
important commitment. Here was not only a regular supply of necessary items from a very reliable source, but one much cheaper than had heretofore ever been available. Baron Wrangel remained the central figure within the Russian-American Company concerning this contract and laboured diligently to make it work. In the first two years after signing, issues were discussed concerning the interpretation of the trading boundaries in the straits, provisions to be delivered, the presence of American vessels, the sale of Ft. Ross, the sale of additional Hudson's Bay Company furs, English explorations near the Russian boundary, the establishment of Ft. Stikine in Russian territory leased to the British, and possibilities of supplying Kamchatka from the Columbia farms.

Having last written Simpson in March, 1839, Baron Wrangel wrote to him in early 1840. This letter described the kinds of goods the Russian-American Company transported from Russia to Sitka in order to give their agents some idea of what would be needed. According to Wrangel's expressed orders, the Head Office was sending Pelly, Simpson and Company in addition to the note the previous November (OS), a complete register of goods to be purchased in England and/or Copenhagen. Even though the Russian-American Company had declined the Hudson's Bay Company's offer for freight in 1840, Wrangel asked Simpson if he, or the Russian company's agents in
London, could obtain the necessary quantity of the first rate blankets listed in the register. If so, the goods would be picked up en route from Kronstadt to Sitka. 1 Wrangel asked for an answer as soon as possible so as, presumably, to make arrangements with the company ship Naslednik Aleksandr (Heir-apparent Alexander) about to leave on its round-the-world voyage for the colony.

Wrangel also mentioned to Simpson the recent Russian-American Company arctic expedition led by Kashevarov. He told him that the Russians had been farther than Captain Beechey, but that "the honor of having completed the survey of the Coast belongs to MM [Messrs.] Simpson and Dease". Wrangel stated that he would shortly publish an account of this company expedition and would send him a copy. 2

Communications are missing from Simpson in January, 1840 and the Head Office in April, in which the Hudson's Bay Company had offered to sell lynx skins to the Russian-American Company. 3 However, they had sent no specimen and Baron Wrangel informed Simpson in May that "without seeing them", no agreement could ever be reached. Neither he nor the Directors knew what sort of animal a lynx was! Wrangel had looked up the lynx in natural history books and was certain the Russian-American Company had sent no such animal to their fur trade market at Kiakhta. Thus, he was sure it must be some
other animal and requested that a sample of one of the finest skins and one of the average skins be sent to St. Petersburg with the approximate prices. 4

Wrangel knew that Simpson was visiting Norway in the summer of 1840 and asked him to continue on to St. Petersburg. They would have a chance to re-establish their acquaintance as well as discuss three points relating to their companies' commercial relations. Wrangel wanted to talk about a settlement concerning the lynx skins. He also wanted to discuss a proposition for the purchase of black fox skins from the Hudson's Bay Company at Sitka. Thirdly, he wished to set forth a plan to supply the Russian-American colony, through their agents in London, with articles not found first-hand on the English market. In particular, he mentioned rum, sugar, rice, leaf tobacco, Russian canvas, linens, iron, and copper. These items, if purchased in England, cost more than if bought in Russia or elsewhere. The Head Office could not afford such prices in England and therefore Wrangel hoped to work out some alternate method of purchasing these en route to the Northwest coast. The Directors had some propositions, but they wished to consult George Simpson first. Wrangel, as their spokesman, told Simpson that he would be in or near St. Petersburg in July. 5

Simpson's reply of May 19, 1840 has not been traced;
however, from Wrangel's subsequent letter it seems that Simpson had offered to sell the Russian-American Company eleven thousand lynx skins that were currently on the London market and he had arranged to withhold them from sale for that purpose. Wrangel had received the sample lynx skins and found their quality low and the prices far too high for the Russian-American Company to make a profitable resale on their northern China market. Wrangel told him that up until now the annual quantity of Russian-American Company skins brought to Kiakhta did not exceed six to seven thousand (in fact, this figure was one-half the actual number at best) and that such a large quantity of lynx would naturally result in lowering the prices currently received from the Chinese. Thus, Wrangel informed him that the Russian-American Company did not now wish to purchase any lynx, but, in the future and at lower prices, they would be interested in receiving at Sitka a portion of the Hudson's Bay Company lynx skins collected on the west side of the Rocky Mountains. Wrangel hoped they could settle this point and others when he arrived in St. Petersburg. In addition, it was cheaper for the company to ship the furs to Okhotsk, than send them overland across Siberia hoping to get them to that market at prime time.

Simpson had responded to Wrangel's other points in his May 19, 1840 letter and Wrangel further directed Simpson on
these issues. Wrangel stated that his company was willing to purchase Hudson's Bay Company silver or black fox skins at Sitka at London market prices if the quantity was not too small and the quality was high. Clarifying an earlier point, he told Simpson that the Head Office's idea for supplying the colony with Russian goods was to buy them in St. Petersburg and ship them to London for forwarding to the Northwest coast on Hudson's Bay Company ships. If this was possible, Wrangel wanted to know what the expenses would be for storing these goods in London prior to their "re-export" to the Northwest coast. Wrangel closed this missive with a personal note inviting Simpson to his residence outside the city that summer, because Madame Wrangel had not yet recovered from a recent illness. 7

George Simpson arrived in St. Petersburg in late July and spent approximately two days discussing Russian-American Company - Hudson's Bay Company affairs with Baron Wrangel and the Directors. Simpson put the substance of the conclusions in a formal letter to the Directors on July 30. The Hudson's Bay Company agreed to sell lynx or cat skins, silver, cross, and red fox skins to the Russian-American Company at Sitka in a quantity to be determined later. The furs were to be collected within Russian territory on the Northwest coast and sold to the Russian-American Company for the purpose of
forwarding them to their China market to see what price they would bring. It was a trial run. It was understood that the furs delivered were to be taken and accepted "as they may rise from the pile - or may be the entire collection of certain trading posts without selection assortment or reference to quality". Payment was to be either by cash in London, or by bill of exchange payable in London, as the Hudson's Bay Company may request, two years after the date of delivery of the skins to Sitka. This was to allow the Head Office in St. Petersburg time to receive whatever profit would come from the China market. In general, Pelly, Simpson and Company would honor the Russian-American Company's bills of exchange when they arrived in London. They would then send the bills to St. Petersburg requesting payment from the Head Office.

The Directors formally accepted Simpson's terms on July 19/31, 1840, due primarily to Wrangel's influence in the matter. They referred Simpson to a private communication from Wrangel concerning the quantity of various furs to be purchased. Wrangel had suggested that the number of lynx purchased annually not exceed five thousand and that of various fox skins, one thousand. Wrangel also mentioned a matter not raised in Simpson's letter to the Directors. The Russian-American Company would purchase as an experiment two to three thousand skins of marten, white fox and fishers collected
within the leased Russian territory at a price set by Simpson. The experiment involved seeing what price these furs would bring at Kiakhta. Wrangel noted, however, that they did not value the martens received from their northern parts at more than five shillings per pelt. Wrangel sent a brief note to Colonial Governor Etolin (1840-1845) accompanying this correspondence, stating the facts concerning the prices and quantities of furs to be received.

Back in London by early August, Simpson reported to the Governor and Committee that he had been received by Wrangel and the Directors with the "greatest kindness and attention" and that "they were evidently anxious to cultivate a friendly understanding with the Hudson's Bay Company, which they seemed to consider highly essential to the interests on the Northwest coast of both concerns". Simpson noted that after much discussion of the Russian-American Company's China trade at Kiakhta, the two companies agreed upon an experimental purchase of lynx and fox skins for that market. He added that the price fixed for the lynx skins was equal to their average (Hudson's Bay Company) price over the past ten years, while those set for the foxes exceeded the average sale prices in London. Simpson stated that Wrangel and the Directors considered these prices so high "as to preclude the hope of their making any material profit on a resale of those furs."
Should the trade "answer their purpose", Simpson said that his company would gladly extend it. If not, however, they would not pursue it any further. 12 It is clear that the Head Office now was going to make the 1839 agreement as profitable as possible through a multitude of entreprises available through the Hudson's Bay Company.

Simpson also mentioned three subjects discussed orally while he was in St. Petersburg (and while visiting Wrangel's country estate, no doubt). The first point concerned a possible misapprehension of the wording of the 1839 contract. From a superficial perusal of the document, one might infer that the Hudson's Bay Company furs sold to the colonial governor were to be products of Hudson's Bay Company hunts or trade within the leased Russian territory. Simpson stated that now "it is perfectly understood that the furs in question may be the hunts or productions of any other part of North America". 13

The second subject concerned the Hudson's Bay Company's nemesis, American opposition on the Northwest coast. Simpson had observed that although the Directors "seemed to view with great jealousy any encroachment of adventurers from the United States and Sandwich Islands" on their coastal trade, they were not willing to express formally these feelings through the Russian Government. This was not quite true. The Head
Office was not worried as much about American competition in the coastal fur trade as it was about Yankee ships whaling in the North Pacific, and it did appeal to the government for assistance in this matter. Simpson, nevertheless, seemed satisfied with the overall attitude of the Directors (and Wrangel) and told the Governor and Committee that he was assured of their co-operation in checking any further advances of the Americans in the Northwest coast fur trade.  

Simpson had had a formal interview with Baron Wrangel the day before he left and they discussed Fort Ross. On behalf of the Hudson's Bay Company, Simpson wanted permission from the Head Office to collect at Bodega (Fort Ross) for shipment to the Columbia River, sheep that might be purchased in California, and of depositing at the same place from time to time, goods to be made applicable for the purchase of those sheep, the object being to avoid the heavy, prohibitory duties and port dues exacted on goods and ships by the Mexican Government at its California ports.  

Wrangel, "in proof of his desire to accommodate the Hudson's Bay Company immediately assented to this arrangement", and told Simpson that official word would be sent by the Directors to the colonial authorities. To allay any fears they may have, Simpson stated that
he believed Wrangel was sincere in wanting to maintain friendly relations with the Hudson's Bay Company. 16

Hudson's Bay Company agents had visited the Russian settlement in California in 1838 and 1839 and, prior to the contract agreement, were planning to compete with the Russian American Company for the trade in that area. 17 The Russian-American Company, however, had successfully petitioned the Minister of Finance for permission to sell Fort Ross in 1839 and sent this message to Governor Etolin in August of that year. While in St. Petersburg in July, 1840, Simpson had learned from Wrangel and the Directors that the sea otter trade of California was "falling off greatly from year to year" due to overhunting or general scarcity, so that

sea otter hunting is by no means the valuable and important branch of business it was some years ago; and the cost of those skins to the Russian-American Company, is so high as to prevent their deriving any considerable profit from that source. 18

Simpson wrote Wrangel a note just prior to his departure from St. Petersburg, and another letter from Copenhagen concerning the topic of their last interview. Wrangel replied to both of these in late August stating that there was no objection to Hudson's Bay Company vessels picking up sheep at Ross as long as the Russian-American Company was still
there. Wrangel enclosed a special note addressed to the Ross authorities to give the Hudson's Bay Company any assistance required. Wrangel informed Simpson confidentially that there were

some projects to leave the place and it may happen that in a short time Ross will not exist for the R. Company. Pray do not mention this subject to anybody; I tell it to you in order that you may not pursue a plan founded on not existing facts. 19

Since Simpson had left Russia, the Russian-American Company ship Naslednik Aleksandr had taken in her cargo and was ready to sail for the Northwest coast. Wrangel's family had left their country estate for the city because Lady Wrangel was near childbirth. Interestingly, Wrangel told Simpson in closing that "Prokofieff's health is in as good a condition as ever, although he complains of great infirmity". Wrangel would certainly have never spoken about a Company Director in such intimate terms unless he regarded Simpson as a personal friend. 20 Their rendezvous in July had cemented their relationship.

Wrangel received two communications from Simpson - August 25 and September 4, 1840 - which are missing from the correspondence books. From Wrangel's response, one gathers that the first contained a public account of Simpson's safe return to London after a fire had broken out on board his ship while at sea. Simpson had also sent some more specimens to
the Head Office on board the English steamer *Sirius*, which Wrangel had not yet received. Apparently in Simpson's second communication he had again referred to utilizing Fort Ross, concerning which Wrangel referred him to his August 15/27, 1840 letter. Wrangel added that the Russian-American Company only hunted sea otters along the California coast with the permission of the California government which demanded a portion of the hunt in payment. The Yankees had always acted otherwise, Wrangel said, and inquired of Simpson as to how the Hudson's Bay Company planned to proceed. If they chose to follow the American's method, he warned him that the "California people will find occasion to kill your Indians when sleeping on Shore, or do you harm on other occasions". Even though as colonial governor Wrangel had had to depend on American ships to bring provisions and manufactured goods to the colony, he did not care for their commercial tactics. Perhaps unaware of the time when American and Russian-American Company efforts were combined to capture California sea otters in the early 1800's, Wrangel snubbed the aggressive Yankee traders for not working within the laws of the Mexican Republic, adding as a probable explanation that their "ideas of honor being different from what some European nations profess". 21

Wrangel willingly supplied Simpson with more information
about working with the California government. If the English company succeeded in obtaining a license to hunt and trade from the Mexicans, it might not always be a profitable arrangement because the fur returns off the California coast had declined in recent years. If the Russians hunted there, Wrangel added, as they had done many times in the past, they would do so alone, without partners and not in violation of the regulations of any government. If the Hudson's Bay Company acted in a similar fashion, the Russian-American Company "have no right to oppose you" or be otherwise dissatisfied with its conduct. However, Wrangel warned him that if they hunted without a license and used Indians from Russian territory, they would be acting "against our interests and rights." 22

In reply apparently to one of Simpson's queries, Wrangel assured him that those American vessels on the coast in 1839 had been contracted for supplies by the colonial governor without any knowledge of their own agreement. He said that it was "nobody's fault", and the "strongest orders" had been given to prevent any American vessel from disposing of their cargo at Sitka in the future. 23

Simpson had asked Wrangel what news he had heard about the fulfillment of the lease portion of the 1839 agreement. Wrangel stated that the company mail had just arrived overland from Okhotsk carrying dispatches of May 8/20, 1840
(four months travelling time from Sitka to St. Petersburg). Governor Etolin had arrived on May 1/13 and all arrangements had been made to hand over the Russian-American Company's redoubt near the Stikine River to the British, but he had heard no word as yet from the Hudson's Bay Company on the coast at the time these dispatches were sent. 24

With no explanation, Simpson had asked Wrangel about the existence of a river draining from the interior into Admiralty Inlet. Simpson's question alerted Wrangel to earlier fears that the Hudson's Bay Company would try to expand their trade. He doubted the existence of an estuary of a large river at Admiralty Inlet [Bay] and had never heard of one near the Russian boundary. Wrangel cautioned Simpson that -

for our mutual good feelings and understanding and therefore also for the benefit of both concerns, it is to be wished that your Company may have no intention to make any settlement in such parts of the interior British Territory, where to [sic] you may be induced to find your way from the Ocean by rivers flowing through Russian Territory. Happily there really exists only two rivers of consequence - the one is the Stachin, the other is Controller River, which lest can not be passed by boats being too much obstructed by falls. 25

Wrangel warned Simpson that if such a river did exist as discovered by Hudson's Bay Company traders, he should "make no use of it" to avoid any trace of competition for the fur trade
between the two companies. In conclusion, Wrangel frankly stated that "The consequences of such settlement would be diametrically opposite to the interests of both concerns, I am sure thereof." Despite the 1839 agreement, Wrangel was still wary of the Hudson's Bay Company's power. Wrangel closed this letter which echoed threats of 1834, with what was becoming a characteristic personal note. Madame Wrangel had given birth to a son on August 27th (OS) and was well. Regards were sent to Madame Simpson. 26

The Hudson's Bay Company had considered as one of their principal objects for entering into an agreement with the Russian-American Company "to facilitate the occupation as early as possible, of the British Territory, situated inland from the Russian Territory." London instructed Simpson to organize a party to explore this "valuable district" in the fall of 1840 after the Hudson's Bay Company took possession of the Russian post at Point Highfield near the Stikine River. This exploration party was to meet with Hudson's Bay Company trader Robert Campbell of the Mackenzie River District at the upper Stikine River as well as select a site for building an establishment in 1841. From Wrangel's information, the London office knew that the Indians at the entrance to the Stikine River were jealous and hostile, and those in the interior should represent "no danger". 27
Campbell had descended the "Pelly River" (found to be identical with the Sitkine) in the summer of 1838 to a junction with the Salmon and Stikine Rivers and "had met a party of Russians, on a trading excursion from the Post of Point Highfield" about one hundred miles inland. Because of his success, Simpson was confident in the summer of 1839 that Hudson's Bay Company occupation of the British interior along the Stikine River would be less difficult than contemplated. Within two years he envisioned six trading posts north and east of 54° North Latitude. 28

After the Russian redoubt was taken over by the Hudson's Bay Company in June, 1840, Simpson was instructed to have a company vessel sail northward to the "Taku River", recently discovered by the Russian-American Company, and select a site for another post in 1841. The Governor and Committee knew that this river was the only other large waterway besides the Stikine that drained from the British interior to the ocean. Wrangel had told the British to use "caution and conciliation" with about five hundred families of warlike natives who, equally jealous of their interior connections and trade, inhabited this river region. 29

With Simpson's reply to Wrangel's somewhat threatening letter missing, one cannot be sure exactly what Simpson said to reassure Wrangel about the Hudson's Bay Company's
activity the Russians suspected in the British territory adjacent to the Russian border. To be sure, Simpson was slightly taken aback and he ordered McLoughlin to make no move towards Admiralty Bay, north of Cross Sound, until he had finished communicating with the Baron. Wrangel found Simpson's "explanations and promises" concerning Hudson's Bay Company beaver hunts and forts north of Cross Sound to be sincere and evidence of their mutual desire for "harmonious relations". Perhaps Wrangel's actions in 1834 had made Simpson all the more desirous of having his approval of British interior expansion.

Farther south, Simpson gathered from Wrangel's explanations that political troubles in Mexico were forcing the Russian-American Company to leave California and he offered the assistance of the Hudson's Bay Company to him. After Wrangel informed him of the fate of Ft. Ross in August, 1840, Simpson told McLoughlin to refrain from further explorations into the California sea otter trade until he heard again from Wrangel. Simpson did not think that the Russians would "tamely submit to such an unceremonious ejectment" from Fort Ross unless there was also some uncertainty about the commerce in that quarter. Wrangel told him, however, that the political troubles in California had had nothing to do with their abandonment of Fort Ross, which was quite true. The Head
Office's "political trouble" concerning Russian California had come from their own government, which was unwilling to officially recognize the Mexican Republic.

In the fall of 1840, Wrangel had received samples of provisions, manufactured goods, and woolen patterns from Pelly, Simpson, and Company that the Head Office considered purchasing for delivery to the Northwest coast. Provisions included items of ham and cheese, which were of no value because the company had found that they perished in the heat of the tropical route to Sitka. The other samples were very satisfactory, but Wrangel hoped they could be provided with colored blankets. On these the colonial fur trade depended greatly and he asked that the highest quality be sent to Sitka in order to keep up with the Russian-American Company's expanding trade. It may be recalled that the company's period of active interior exploration continued until 1848.

During the period between Simpson's July, 1840 visit to Russia and his departure for North America in early 1841, he and Wrangel corresponded in some detail on three subjects: the possibility of the Hudson's Bay Company supplying Kamchatka, 1839 contract provisions, and Simpson's overland journey across Siberia. With respect to the first, Simpson previously had asked Wrangel about the supply of provisions and manufactured goods to the Kamchatka region. Simpson undoubtedly had heard
of this branch of trade while he was in St. Petersburg that summer. Just prior to his arrival in July one of William Boardman's vessels from Boston came to port seeking business with the Russian-American Company for the Northwest coast and Kamchatka trade. According to Simpson's information, an attractive bargain, but the Head Office declined all their overtures. 33 They wanted no more American ships in the North Pacific. Wrangel went to some length to explain the Kamchatka situation to Simpson.

The Russian Government sent the Navy transport Abo to Kamchatka in 1840 with several years' supply of provisions and manufactured goods, excluding wheat. This commodity and a few other provisions were received from Okhotsk along with some local merchants' goods. As an experiment, the Russian Government had permitted foreigners to trade at Petropavlovsk harbor for ten years, 1828-1838, and renewed this right for five more years until 1843. To encourage this trade, all kinds of merchant goods were free from duty, except liquors, teas and furs. These were prohibited and particularly the last two in order to protect the Russian-American Company's monopoly. 34

Wrangel informed Simpson that "a few American ships" had come to port in Eastern Siberia, but the demand for manufactured goods in Kamchatka was indifferent and Okhotsk was
excluded from this foreign commerce. He informed him, however, that a few months ago the Russian Government had proposed to the Russian-American Company that they supply Kamchatka with wheat, salt, and other articles. The two parties were currently deliberating the issue, but Wrangel felt confident his company would receive this trade. The government was "inclined to make an arrangement" with the Russian-American Company rather than with traders of "another nation", meaning the Bostonians. It was now early November, 1840, and Wrangel stated that the company had to wait for a definite answer from the government before any firm arrangements could be made. Should the Russian-American Company pick up this supply contract, Wrangel hoped they could enter into some arrangements with the Hudson's Bay Company and told Simpson that the Head Office "will certainly prefer you to any other merchant house". Wrangel inquired as to whether Simpson thought the Hudson's Bay Company could supply them with about thirteen thousand poods of wheat at two dollars per fanega deliverable at Sitka, Ft. Stikine, or Nass harbour. Wrangel told him that the Russian-American Company had bought two ship loads of California wheat in San Francisco for one and one-half dollars per fanega with the bills of exchange payable in St. Petersburg, which, Wrangel stated, was "very convenient and profitable to us". The Russians intended to ship this wheat
from the Northwest coast in Russian ships to the different 
ports on the east and west side of Kamchatka. 35

In the second area of concern, the 1839 contract, Simpson 
had asked Wrangel what amount of tonnage the British company 
should expect from the Russian-American Company for delivery 
via Hudson's Bay Company ships in 1841. Wrangel stated that 
the Head Office intended to forward about one hundred tons of 
various goods purchased in London annually, on Hudson's Bay 
Company ships. Due to the large amount of supplies ordered 
from the Americans by the Russian governor, "against our wishes 
and proposals and to our own loss", however, Wrangel told him 
that none would be needed in 1841. He pledged that thereafter, 
beginning in 1842, the Head Office would increase the quantity 
of goods to be sent on Hudson's Bay Company ships to its 
 colony. This method of transport would become one of the 
least expensive means of delivery for the Head Office. Should 
the Kamchatka deal come to them, Wrangel promised that the 
Hudson's Bay Company would gain even more employment for its 
men and ships on the coast. 36

Thirdly, Wrangel was greatly interested in Simpson's 
proposed visit to Sitka and possible overland journey to St. 
Petersburg across Siberia. Wrangel's letter contained logis-
tical information to give Simpson some idea of the distances 
involved. The route Wrangel suggested was the Russian-
American Company's mail route which usually took four months — one month to cross from Sitka to Okhotsk, and three months overland via Yakutsk and Irkutsk to St. Petersburg. Wrangel's figures come closer to five months, but he stated that if Simpson made the trip in four months, it would be a "speedy" one. Wrangel told him that if he left Sitka by the company ship in mid-May, he would arrive in St. Petersburg in mid-October assuming all went well. He warned Simpson that one could lose one to two months while crossing the Northern Pacific from Sitka to Okhotsk, and on the Okhotsk to Irkutsk leg due to bad weather. Nevertheless, Wrangel was not trying to discourage Simpson and told him that he would have to officially apply to the Russian Government for passports for himself and all travelling companions. Wrangel advised him to have the Hudson's Bay Company officially address the Russian-American Company on the subject supplying the relevant names. 37

Simpson was heading for North America in early 1841 and would not return to London until 1842 by way of Russia. Concerning the first part of this trip, Wrangel asked a personal favor. He asked Simpson to consider the Russian-American Company's request to send to Sitka, under Simpson's protection, a young man who was a relative of Wrangel's. He was to be the new Secretary to the Governor of the Russian colony. He had just finished his university studies and was fluent
in Russian, French, and German, and knew a little English. His name was Nicholas von Freiman, the son of the General of Engineers in the Russian Army. He was expected to return shortly from visiting relatives in Kiev, and after straightening out business in St. Petersburg, he would be ready to leave by February, 1841. 38

In Wrangel's closing notes to Simpson, he thanked him for the copy of the English Quarterly Review which contained a "flattering opinion" of Wrangel's Narrative...1820-1824 and gave him "the greatest pleasure". 39 Interestingly, George Simpson had also sent British arctic explorer Thomas Simpson a copy of Wrangel's Narrative. Wrangel wished Simpson success on his journey and said he looked forward to their third visit in St. Petersburg "after having traversed 160 degrees Longitude without having touched the Equator". 40

The Kamchatka supply question was not settled before Simpson's departure, and in fact would not be settled until 1843. The topic, however, occupied a center spot in their correspondence of 1840-1841. Simpson had been extremely appreciative of Wrangel's offer to let the Hudson's Bay Company profit from the Head Office's potential arrangement with the Russian Government. Simpson assured Wrangel that they would be able to supply the Russian-American Company with the thirteen thousand pooods of wheat at any of the ports listed,
but no sooner than 1843. There was also the question of price.

From November, 1840 until Simpson left for North America in February, 1841, they argued about the price of the wheat. Wrangel had based his figures on what the company could purchase in California and offered Simpson the slightly higher price of two dollars per fanega for wheat delivered to Sitka. Simpson remained adamant that the price was too low and that he could not accept anything lower than the contract price (ten shillings nine pence Sterling), which he also thought was too low since it barely covered costs. If he could get the contract price, Simpson would supply any quantity of wheat the Head Office desired, because it afforded employment for their coastal shipping. They also discussed the possibility of supplying high and low grade flour, but this price, as did the wheat price, remained unresolved. Wrangel informed Simpson that negotiations concerning the Kamchatka contract were moving very slowly and "as things ordinarily go here," it would be some months before the government reached any decision. Wrangel promised to write Simpson about this matter and others in August, 1841 and send the letter via a Hudson's Bay Company vessel. 41 The Russian-American Company had been unable to meet the Russian Government's requests to supply Kamchatka and Okhotsk since the 1820's but now with the aid
of the Hudson's Bay Company and a viable California supply they were capable. 42

Wrangel and Simpson were ready to add the Kamchatka supply contract to their long list of cooperative ventures if they could agree on a price. The Russian Government's decision, however, was delayed and the Wrangel-Simpson correspondence focused on the existing contract provisions. Simpson told Wrangel that he regretted the fact that the Russian-American Company had no freight for Hudson's Bay Company ships in 1841. London had been counting on about one hundred tons of annual transport for the Russian-American Company and had just arranged to send two regular ships from England to the coast beginning in 1841. From Wrangel's information, Simpson gathered that the colonial authorities were overstocked with British goods and manufactures, but he asked Wrangel if the Head Office wanted to send any Russian goods or manufactures, such as marine stores, cables, canvas, etc., to the coast. Simpson told him that they could be shipped in bond from Russia to England and trans-shipped there on board an Hudson's Bay Company vessel headed for the Columbia, without paying any duties in England. Simpson stated that it would be a "convenience for us to have them on Freight." 43

Simpson thanked Wrangel for the travelling information concerning his proposed Siberian journey. He found the des-
cried Okhotsk to St. Petersburg trip "very formidable"; nevertheless, he would undertake it. He hoped to reach Sitka in early May, 1842 in order to catch the annual Russian-American Company ship for Okhotsk. In conjunction with Wrangel's advice, the Hudson's Bay Company would formally apply for passports as soon as Simpson's party was decided upon. Simpson added that he would be "delighted to take under my charge to Sitka, your young friend, Mr. Von Freymann, and I hope to make his voyage agreeable and interesting to him". 44

The Russian-American Company Directors sent a personal letter of thanks to Simpson for his willingness to take "a well bred [sic] young Russian nobleman, desirous to be acquainted with those distant countries", with him on Simpson's survey of Hudson's Bay Company territory. They promised to have von Freiman in London by late January or early February. They asked Simpson to furnish him with £50 Sterling in London for the necessary purchases for his North American journey. Simpson was to debit the amount to the Russian-American Company account. 45

In response to Simpson's plea for freight, Wrangel arranged to send some British manufactured goods and marine stores on Hudson's Bay Company freight to Sitka next September, 1841. Wrangel asked Simpson for a list of the prices in London of those Russian naval stores (canvas, rope, and tar) he mentioned,
so he could compare the costs. Wrangel told Simpson that the Head Office would send a register of goods to Pelly, Simpson and Company early next summer (1841) noting those British goods requested for shipment to Sitka. In particular, Wrangel asked for "2-man hand-mills" to grind wheat. He wanted to know first how much meal or flour one could grind in 12 hours and, of course, the price. 46 These "hand-mills" were for the flour mill established in the colony at Redoubt Ozyorsk in 1832. A new flour mill was needed after floods damaged the original one in 1840. 47

Wrangel's mid-December letter to Simpson also brought the first news from Sitka on the Hudson's Bay Company's Stikine expedition of the previous summer. Wrangel had received the colonial mail, dated May 25 [June 6], on the last day of November, two months slower than usual. Wrangel recounted to Simpson Governor Etolin's report of the arrival of James Douglas on the Hudson's Bay Company Beaver on May 14/26, 1840. Douglas had established the Stikine post and assisted in bringing the Hudson's Bay Company Vancouver to port with more servants for the British Fort Stikine, provisions for them and for a settlement at the estuary of "Kto-koo" [Taku] River, and, Wrangel hoped, the goods sent from England for the Russian-American Company. Wrangel told Simpson that Etolin and Douglas had gotten along well and had had discussions in
"faith and friendship" concerning their mutual relations. In particular, the Russian-American Company's Ross Settlement was discussed. The Russians had intended to sell it to the Californians, but Douglas had considered purchasing it from Etofin "for the benefit of your [the Hudson's Bay] Company". Wrangel wanted to know if London was seriously considering this purchase.

If Douglas and Etofin met in "faith and friendship", their failure to resolve the boundary and tariff questions of the fur trade seriously jeopardized the "existing friendly intercourse" according to Douglas' report. The boundary question concerned the vagueness of the 1839 contract's first article on the fur trade within the leased territory and whether or not it included the islands and straits. This issue and the tariff to be used between the two companies would not be settled until Simpson himself visited Sitka in the fall of 1841.

Douglas made a number of interesting observations during his visit to the Russian headquarters on the coast. He reported that the "business of the Russio [sic] American Company does not appear to be conducted with system or degree of well judged economy, so necessary in extensive concerns". He visited two establishments which he reported to be "crowded with men and officers, living in idleness or in employments
equally unnecessary and profitless to the business". One feature which had impressed Lt. A. Simpson in 1829, and which Douglas considered "ill-advised", was the appointment of naval officers. Douglas considered them "ignorant" and "by their previous habits of life the most unqualified to manage commercial undertakings". Douglas had also noted carefully some basic facts. The annual outlay of goods at Sitka for their establishments was about six thousand dollars. Fifteen vessels were kept afloat in their harbors. The (Pribilov) seal islands were not as productive as they had been in the past, with only fifteen thousand fur seals killed annually. The Russian-American Company fur trade consisted of twenty-five thousand beaver and otter skins with profits on this business not exceeding twenty percent on "the capital employed". The furs sent to China in exchange for teas went at seventy-five rubles, or fifteen dollars, per otter and fifteen rubles per beaver skin. 50

Douglas' image of the company's main colonial office as overstaffed with idle employees contrasts sharply with numerous colonial governors who all complained to the Head Office about the acute labor shortage on the Northwest coast. The company's naval officers may have been unfamiliar with the fur trade, but they were a valuable addition to the colonial navy, which was an essential part of the company's operations.

Taken from Fedorova, The Russian Population in Alaska and California, between pages 356-357, 360 fn. 14.

Douglas' facts about the fur trade were quite accurate. The report of the colonial governor on Russian-American Company trade operations in 1844 listed slightly over thirty-five thousand furs, tails, and paws as being sent to Kiakhta. Twenty-five thousand of this number represented the furs of sea otters, beavers, fur seals, foxes, lynx, wolves, including fifty-six hundred Hudson's Bay Company land otters. The majority of these furs were exchanged for Chinese tea and the remainder (eleven thousand) were sold in St. Petersburg and Moscow. 51 Due to poor processing on the Northwest coast, Russian-American Company furs did not compete well on the Chinese market with English furs. The company furs were well protected within the Russian internal market until the introduction of lamb skin collars in place of beaver collars in the Russian army uniforms dealt them a serious blow. Even though the Head Office also enjoyed the privilege of importing tea from China (accounting annually for thirty percent of all Chinese tea imported into Russia), the company's financial condition deteriorated so much that by 1867 they owed over seven hundred thousand rubles in duties. 52

Simpson would not learn of Douglas' impressions until he himself reached the coast and meanwhile had to rely on Wrangel's report of the situation. Apparently Etolin did not feel the boundary and tariff issues were at the critical
stage Douglas did, otherwise his comments would have reached Wrangel, who would have certainly mentioned them to Simpson.

At the time of this letter in mid-December, Wrangel was pressed with a great deal of business. He asked Simpson to give his best to the British Major Sabine, who had written the favorable book review, and to tell him that a parcel was en route to London for him which included Wrangel's notes on the aurora borealis and charts to the second edition of his Siberian voyage narrative.  

Simpson wrote to the Head Office in January, 1841, acknowledging its note on von Freiman. He was not leaving for Halifax until March 4, 1841, so the Russian nobleman would not have to be in England before the end of February. Simpson assured them that the necessary monetary advance would be made to him.

Privately, Simpson also wrote to Wrangel. Wrangel's recent information on the Stikine expedition was the first news received in London about it and Simpson thanked him, noting that the Hudson's Bay Company "were apprehensive of some accident" until his letter. They were pleased with Etolin's and Douglas' satisfactory meeting, but Simpson felt that unless Ft. Ross could exist under Hudson's Bay Company jurisdiction with privileges similar to Mexican citizens, they would not be interested. He felt certain that Douglas
would not conclude any agreement with Etolin before Simpson reached the coast. By the time Simpson reached the coast Ft. Ross was already sold.

On behalf of the Hudson's Bay Company, Simpson thanked Wrangel for arranging the one hundred tons of freight for the Hudson's Bay Company ship to sail in August, 1841. If the Head Office wished to send Russian naval stores, Simpson advised Wrangel to consign them to Pelly, Simpson, and Company and ship them to London, where they would be held in bond until the Hudson's Bay Company vessel left. Simpson added that it would be equally advantageous to the Russian-American Company for their agents to purchase British naval stores at the lowest prices in London. Simpson claimed that British rope and canvas were superior to similar Russian manufactured products and if they cost a bit more, they would last longer on the coast and thus be cheaper in the long run. Concerning Wrangel's other query, two-man hand mills for flour could be purchased in England for about five Guineas (equivalent to £5. 11. 0 Sterling). One mill could grind about a fanega (one hundred and twenty six lbs.) of flour in a little more than three hours. Thus, two men could grind three fanegas of flour in twelve hours.

With regard to the linen, thread, double barrel gun and other personal items requested by Wrangel, Simpson asked him
to accept these articles "as a small testimonial of our regard, and as a specimen of our manufactures". Both the gun with a case and "all the apparatus", and the linen were sent in a waterproof case. Major Sabine could not be personally contacted, but Simpson sent him a copy of Wrangel's postscript along with a covering letter. Wrangel was informed that von Freiman would have to be in England prior to February 20. Simpson asked Wrangel for the dates the Russian-American Company would be sending its dispatches via Siberia to Sitka after April, 1841, so that his friends in London could address via the Russian-American Company and reach him in Sitka no later than the spring of 1842. Simpson said that he would personally attend to the Russian-American Company order for British goods should it come to town while he was still in London. Otherwise, Sir John H. Pelly would handle the order as well as pick up the private correspondence with Wrangel, "which has existed between us with so much advantage to our respective companies". 57

Ten days later Simpson sent a short note to Wrangel with the prices of English rope and canvas from "one of our most eminent manufacturers". Simpson hoped that Wrangel could determine from this the advantages of supplying the Russian colony with British, rather than Russian, manufactures. 58

In a later letter packet to St. Petersburg, Pelly enclosed
a note to the Russian-American Company Directors asking for passports from the Russian Government for Simpson and his party - Edward Martin Hopkins (secretary), Alexander Rowand (medical attendant), plus two or three servants to be determined by circumstances. If the documents could not be sent to London prior to Simpson's departure, Wrangel was asked to send them to Canada care of the Hudson's Bay Company so as to reach him before he left for the Pacific coast. 59

Wrangel finally replied to Simpson's letters in mid-February, 1841. He had intentionally delayed his response so that he would be able to forward the Russian-American Company's "Memorandum of Goods" to be purchased by Pelly, Simpson and Company in London for the August Hudson's Bay Company vessel. Part of the delay, however, reflects an interesting note on Wrangel's importance in company affairs. He had been ill for six weeks and that "without my personal influence on the lethargy of some old good men, we have lost a good deal of some precious time". Wrangel hoped the Russian-American Company would receive the same freight rate (£10 Sterling per ton) as in 1840 "in order to induce us to augment the quantity of goods next year". Only English goods were sent via Hudson's Bay Company ships in 1841, including cordage and canvas. Wrangel further indicated that he wanted the "strongest and best hand mills in London" for use in the
Russian colony so as "to give those people exercise to prevent them against Sour-but". 60

On the basis of Governor Etolin's most recent report which included the goods on hand in the Novo-Archangelsk (Sitka) and Okhotsk Offices, the Directors asked Pelly to cancel their February memorandum and fill a second, different order instead, which he did. 61 From later correspondence, it appears that at least canvas (for packing colonial furs) and guns were ordered from Pelly. He sent three specimens of firearms to St. Petersburg for the Directors to test. The approved guns would be manufactured in England and sent out in November, not in September. 62

The passport applications had been made without delay, but no answer had been received. Wrangel assured Simpson that he would have them in time. He hoped von Freiman had arrived safely in London and had pleased him. If Simpson wished to have mail sent to him via Okhotsk, Wrangel asked that his friends address their letters to him no later than April 5/17, 1841 so as to meet him in Sitka one full year later! Wrangel made a point of thanking Simpson for attending to his personal items. Wrangel also told him that his household had been quite a "hospital for some time" with his oldest son "severely sick" with scarlet fever. Madame Wrangel had also been feeling poorly as had Wrangel himself. He concluded, "Now we are all recovering". 63
While Wrangel wrote Simpson from the country, the Directors wrote Pelly on the same day with news on the passports. Having applied in late January to Count Nesselrode, permission had been granted for Simpson's party to "pass on their homeward journey from our colonies to Ochotsk [sic], and, from thence thro' the Russian Dominions to St. Petersburg". The passports were forwarded to Pelly, who was advised to tell Simpson that the necessary arrangements were being made with the governor of the Russian colony for his conveyance to Okhotsk and that orders would be given to "our factories in Siberia" to "render...all service and assistance" to Simpson's party on their journey. 64

The Russian-American Company Directors wrote Governor Etolin on March 28/April 9, 1841 concerning his new Secretary-Chancellor, Nicholas von Freiman and Simpson's journey. Etolin was informed that a replacement secretary had not been easy to find, but von Freiman was accompanying Simpson to the Northwest coast by way of Hudson's Bay Company territory and should arrive in Sitka by September, 1841. Etolin was sent a certified copy of von Freiman's contract for service as well as the Directors "Instructions" to him to make statistical and administrative observations of the Hudson's Bay Company establishments and collect all other relevant information. His report was to be delivered to Etolin upon his arrival and
forwarded to them. 65

The Directors, and presumably Wrangel, told von Freiman that it was necessary to make reliable notes on three important subjects. First, he was to carefully examine the agricultural establishment at the mouth of the Columbia River. He was to ascertain how much bread or wheat grains (corn), butter, skins (hides), tallow (fat, lard), sheep's wool, and other related items were produced there. He was also to inquire into where these products were sold and at what value.

Secondly, when he arrived at any Hudson's Bay Company post west of the Rocky Mountains, he was to observe the value and methods by which all kinds of furs were acquired from the natives. He was to note what quantities of the various furs were acquired and how far to the north and west the English trade extended. By this it can be seen that Wrangel was still suspicious of Hudson's Bay Company encroachments. In addition, he was to watch for the distribution of rum and guns, particularly if it was in considerable quantities, the erecting of any new English forts, especially if a fort had been destroyed by the Indians, and make special note of the places and quantities in which sea otters ("sea beaver") were acquired.

Thirdly, he was to count the number of British sea-going vessels and steamers on the Northwest Coast as well as record
the size and upkeep of the Hudson's Bay Company there. The Directors warned him to use "prudence and caution" so as not to make his observations known. He was to submit this report together with a detailed account of his journey to Governor Etolin upon reaching Sitka. Von Freiman's report has not been located, and the Directors' purpose was never clearly stated. Curiosity, however, may be motive enough. Every Hudson's Bay Company visitor to Sitka since 1829 had been making the same sorts of observations and submitting reports to eager Hudson's Bay Company officials. The fur trade was by its very nature a competitive enterprise on the Northwest coast and both companies' officials on the coast regarded the current agreement more like a truce.

In the same dispatch, the Directors spoke specifically about Simpson's journey. He would visit Sitka (in the fall of 1841 and spring of 1842) and return home via Siberia with Russian passports just recently granted by the Russian Government. The Directors told Governor Etolin to show Simpson "hospitality and cordiality" and to arrange for his passage to Okhotsk on a Russian-American Company vessel. It was the Directors' desire that upon his arrival in Sitka, Simpson would be "overwhelmed by the complete cordiality of the Russian Authorities". Etolin was not to overlook any issue concerning the operations of the Russian-American Company -
Hudson's Bay Company contract in his discussions with Simpson. 67

Governor Etolin was to "take advantage of a convenient opportunity" and draw up a detailed and accurate list of all the various provisions, clothes, and stores needed for the colony. He was instructed to go over this list with Simpson and clear up any misunderstandings relative to the prices or shortages in orders due to difficulties in Russian - English translation. If necessary, Etolin was to present Simpson with samples of instruments which were difficult to describe and would always be needed. This detailed list was to be in English and Russian with copies for Pelly, Simpson, and Company, the New Archangel (Sitka) Office, and the Russian-American Company Directors. He was to make sure that there was no misunderstanding as to the names or description of goods which were supplied yearly to the colony. Etolin was also to review the English invoices of Pelly, Simpson and Company of 1839 and 1840. If any of these items would be needed again, he was to enter them correctly on the detailed list to be presented to Simpson. 68

The more Baron Wrangel and George Simpson discussed the Russian-American Company - Hudson's Bay Company contract, the more varied and detailed their relationship as company representatives and individuals became. Both companies hoped
to gain profits from the various commercial possibilities that stemmed from the agreement and from additions they could agree on. The arrangements under the contract functioned fairly smoothly during the first few years and Wrangel was ever present in Head Office to help manage Russian-American Company affairs. Wrangel had almost no direct contact with Simpson until the latter arrived in St. Petersburg in the fall of 1842. By that time, Simpson had been knighted and Wrangel had been appointed the fourth Director within the Russian-American Company's Head Office along with Prokofiev, Severin, and Kusov, on January 20, 1842 (OS).
CHAPTER VI: BARON WRANDEL AND GEORGE SIMPSON EXTEND THE
SCOPE OF THE CONTRACT, 1842-1845

After visiting the Northwest coast of North America, Sir
George Simpson crossed Siberia and met with Baron Wrangel,
now a Director, in St. Petersburg in 1842. That Wrangel and
Simpson maintained their intimate business relationship can
be seen by the steady stream of correspondence up to 1843.
From that time on Sir John Pelly, Governor of the Hudson's
Bay Company in London, handled the less frequent communica-
tion with Baron Wrangel and the Head Office of the Russian-
American Company. During 1842-1843, Wrangel and Simpson con-
tinued to broaden the range of their companies' association.
New topics of discussion included an exchange of Russian-
American Company beavers for Hudson's Bay Company land otters,
the sale of Russian colonial products on the London market,
means of easing the financial burden of the Head Office,
insurance, and the abandonment of Fort Stikine. After 1843,
the comparative dearth of information exchanged between St.
Petersburg and London was an indication of the changes to
come after 1845. There were no more ideas for expanding
inter-company operations and the ones that existed were
curtailed or dropped altogether.

The year 1842 marked the election of Wrangel to the Head
Office, officially recognizing his strong influence on that body since 1838. One thing that concerned this new director and all the others was the renewal of the Russian-American Company's Charter, which had expired in 1841. An amended Third Charter and Rules and Regulations did not receive the tsar's signature until 1844. Under the new Charter no mention of the Company Council was made, but the Head Office was expanded to include five members. In 1844, Wrangel, Severin, Prokofiev, and Kusov were joined by Colonel Vladimir G. Politkovskii. With the death of Prokofiev in 1845 and the discharging of Severin in 1846, General-Lieutenant Vladislav F. Klupfel and Captain Adolf Etolin came into the company's main administrative organ. Including Rear-Admiral Wrangel, the Head Office counted four men of military or naval background out of its five members after 1846. The predominance of military men in governmental positions was one of the characteristics of the reign of Nicholas I (1825-1855).

Another new feature was that among the five members of the Head Office, one was to be selected as the executive or president. Baron Wrangel was chosen for this position and it represented the height of his career with the company. ¹

Under the new Charter, members of the Head Office were no longer elected for life, but in addition to demonstrating a thorough knowledge of trade and the colony, they had to
face the shareholders' vote of confidence on a yearly basis. During the contract period (1839-1849), only Severin seemed to have suffered this fate. The shareholders themselves had to meet certain requirements. They had to be either nobility, government employees, honorary citizens, or members of the merchant class of the first two guilds (excluding those that had any time been bankrupt). Shareholders from the last two categories, however, could not be elected to the Head Office. Another new feature of the Third Charter recognized employment in the Russian-American Company as equivalent to government service.²

Sir George Simpson arrived in St. Petersburg in early October, 1842 for his third and final personal meeting with Baron Wrangel. Prior to this visit, Simpson had twice visited Sitka for consultations with Governor Adolf Etolin concerning Russian-American Company - Hudson's Bay Company contract matters. Etolin and Simpson had first met in St. Petersburg in the fall of 1838. His first interview took place in the fall of 1841 and he was accompanied by James Douglas in conjunction with a tour of the Hudson's Bay Company's coastal establishments. Simpson and Etolin discussed a number of contract issues most important of which was the implementation of Article IV. This provision set out the division of the fur trade between the two companies within the leased
territory. The Hudson's Bay Company was to receive those furs from the mainland and the Russian-American Company those from the islands. The wording of the article, however, had not specified what should be done about those furs caught in one location and traded by the Indians in another. During Douglas' first sojourn to Sitka in May, 1840, he and Governor Ivan Kupreianov had drawn up a "deed" to deal with the trade boundaries and an equitable tariff for exchanging those furs which belonged to the other company. When Douglas and Governor Etolin had discussed the matter further in the spring of 1841, however, they had almost jeopardized their companies' "good feelings" with their arguments. Simpson and Etolin smoothed over this small breach of good will and agreed to settle it formally the following spring before Simpson left for Okhotsk. 3

Etolin complained to Simpson about the shortage of wheat, the need for butter, and late deliveries to Sitka. 4 They also discussed two topics Wrangel had mentioned to Simpson earlier - the sale of Ft. Ross or Bodega and the supply of Kamchatka. Simpson reported that the going price was thirty thousand dollars but the Russian-American Company was having difficulty making a sale. Etolin, prophetically, foresaw difficulties collecting payment from a Californian and offered the Hudson's Bay Company a lower price of between fifteen
and twenty thousand hoping they would make the purchase. Simpson, however, saw no value in trade or agriculture in the purchase and made no response to Etolin's offer. 5

Etolin further told Simpson that the Russian-American Company's negotiations with the Imperial Government on Kamchatka included the Russian-American Company's taking over the civil government of Kamchatka as well as their receipt of exclusive rights over importation, the sale of foreign produce and manufacture, and trading and hunting on the coast and in the interior. Etolin had "no doubts" about his company's success in this venture and told Simpson that they would need an additional ten thousand bushels of wheat plus two hundred tons of British manufactured goods from the Hudson's Bay Company for this trade. 6

Etolin and Simpson discussed two topics that Simpson would bring up with Wrangel in St. Petersburg the following fall. The first was an idea Etolin had had in 1840 concerning the barter of Hudson's Bay Company land otters for Russian-American Company beavers. The second was an offer by Etolin to sell one-half of the yearly colonial produce of "sea horse", or walrus tusks, to the Hudson's Bay Company for sale on the London market. Simpson agreed to forward one-half ton to London as specimens along with sample walrus hides to see if they would clear anything on the open market.
over the cost of transport costs. 7

From his observations during his coastal tour at Forts Simpson and Stikine, Simpson decided to abandon his earlier idea of occupying the adjacent British interior with posts. The land was not as rich with furs as he had formerly presumed. The present posts at the outlets of the Stikine and Taku Rivers were sufficient for the contract period. He had little doubt that the Russians would want to renew the contract arrangement, but if they did not, then the Hudson's Bay Company would move into the interior. 8

Wrangel wrote to Simpson in July, 1841 in response to his letter of April 12, 1841 [missing]. Wrangel forwarded his letter on the Hudson's Bay Company Columbia from London so that it would reach him in Sitka in the spring of 1842. Simpson's communication had apparently concerned Kamchatka and Wrangel informed him that this question had not been settled yet because "many concerns" were involved. As an example, he told Simpson that one contentious issue was the profits to be received by the native Yakuts who led the pack horse teams on the road between Okhotsk and Irkutsk. Because of this and other unresolved particulars, Wrangel said that the government had not yet taken "any determined step, but I have reason to hope however the affair will at length be given to us, to manage it as we can." 9
Wrangel also informed Simpson that when he arrived in Okhotsk in June or July, 1842, he would find letters for him at the Russian-American Company post there where a relative of Wrangel's, Naval Lieutenant "Saivoyaz" [Zavoiko], was in charge. So Simpson would travel under no misconception, Wrangel assured him that the Siberian journey would be "tedious and disagreeable". Nevertheless, Wrangel was looking forward to seeing his associate again and hearing his remarks on the Russian-American Company establishments. Wrangel told him that Etolin had been asked to find someone conversant in both languages to accompany him across Siberia. Wrangel hoped that this might make the journey slightly more bearable.

Simpson arrived in Okhotsk in July, 1842. En route, he had once again visited the Hudson's Bay Company coastal establishments and spent some time meeting with Governor Etolin in May. As they had agreed the previous fall, Simpson and Etolin drew up a formal tariff agreement for the settlement of accounts between the two companies on the exchange of furs due to either one in accord with the boundary provisions of Article IV of the 1839 contract. Thus rates were established so that, for example, should coastal Indians sell their furs to the Russian-American Company on the islands, the Russian agents would turn over these furs to the Hudson's Bay Company for a specified price or in exchange for furs
belonging to the Russian-American Company. In addition to this agreement, Simpson and Etolin also signed a resolution for the abolition of liquor from the trade in their respective areas. Although this was covered in the 1825 treaty, in practice it had not worked. This new effort proved more effective in eliminating alcohol from the more peaceful non-competitive fur trade along the Russian coast. 11 It was a symbol of Russian-British monopoly of this fur trade. Two years later, the Head Office recorded that the cessation of the sale of strong drinks to the natives arranged by "mutual consent" between the Russian-American Company and Hudson's Bay Company as well as limited rum sales to company employees, has had a positive influence on the health conditions at Sitka. 12 Governor Etolin was given credit for making the first attempt to curb drinking in the colony in 1841 when sales were limited to one glass of vodka or rum daily per company employee. 13

Simpson left Sitka on May 23 on board the Russian-American Company Naslednik Aleksandr bound for Okhotsk with a cargo of furs valued at £175,000 Sterling for the Russian and Chinese markets. His voyage took forty-two days during which time he noticed an American whaler. The American sea-captains had been leaving the coastal fur trade for the more lucrative whale hunting in the North Pacific. Simpson had
taken note of this new American activity while in Oahu in early 1842. He arrived on the Siberian coast on July 5 and left July 9 travelling on horseback to Yakutsk one thousand miles away. From there he travelled two thousand miles by boat on the Lena River to Irkutsk. In Irkutsk he purchased a carriage which carried him safely the four thousand miles to St. Petersburg, where he arrived October 7. 14

Wrangel had been anxious to hear Simpson's impressions of the Russian-American Company and although no such exchange can be found in their correspondence, one can imagine clearly what Simpson told him from the latter's private and public statements. Echoing Douglas, Simpson found in Sitka that, "For the amount of business done, the men, as well as the officers, appear to be unnecessarily numerous," amounting to almost five hundred. He divided the Russian-American Company officers into two distinct classes. The first class consisted of the Captain of the Port, secretaries (three public, two private), two masters in the Navy, the commercial agent, two doctors, and the Lutheran clergyman, all of whom dined by invitation with the colonial governor. The second class consisted of civilian masters of vessels, accountants, the head engineer, approximately twenty clerks and storekeepers, all of whom dined together in a club. 15 For a comparison of this to an itemized list of the company's salaried employees
a few years later, see Table VI.

In his private account to the Governor and Committee, Simpson recorded observations similar to what von Freiman undoubtedly made in his journey across North America. Simpson accurately noted the absence of Russian-American Company trading establishments on the Asiatic shore and within Siberia. Here the Russian-American Company neither hunted sable nor any fur-bearing animal native to the land but used its agencies along its "whole line of communication from the shores of the Pacific to those of the Gulf of Finland," excluding Kiakhta, solely for "depositing and forwarding their Furs, etc." Simpson reported that the Russian-American Company China market yielded approximately "6000 chests of tea per annum", which went directly to Moscow for resale. All furs not sold in China were sent to St. Petersburg and Moscow for sale there. Simpson's information on the China market matches well with a Russian source. The average number of chests of Chinese flower tea bartered at Kiakhta between 1844-1848 was 6,180.

The grueling Siberian journey had taken its toll on Simpson's health. He arrived in St. Petersburg with a "most severe and obstinate cold" that confined him to his room for the full eight days he spent there. He said he saw nothing of St. Petersburg nor any of his friends. To add to his
# TABLE VI: THE NUMBER OF THE SALARIED EMPLOYEES IN THE COLONY, 1845-1849

<table>
<thead>
<tr>
<th>Employees</th>
<th>1845</th>
<th>1846</th>
<th>1847</th>
<th>1848</th>
<th>1849</th>
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<tbody>
<tr>
<td>Staff Officers of the Imperial Navy</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Sub-altern Officers</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Officer of the Corps of Mining Engineers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Civil Officers (secretaries to the Governor)</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Clergymen</td>
<td>32</td>
<td>30</td>
<td>22</td>
<td>26</td>
<td>40</td>
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<td>Medical Officers</td>
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</tr>
<tr>
<td>Midwives</td>
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<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Free Navigators</td>
<td>25</td>
<td>23</td>
<td>21</td>
<td>21</td>
<td>23</td>
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<tr>
<td>Office Managers</td>
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<td>4</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Commanders of Redoubts and Separate Parties</td>
<td>14</td>
<td>16</td>
<td>12</td>
<td>15</td>
<td>15</td>
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<tr>
<td>Bookkeepers, Clerks, etc.</td>
<td>60</td>
<td>43</td>
<td>52</td>
<td>46</td>
<td>51</td>
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<tr>
<td>Masters: Shipbuilders, Gunsmiths</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Crown Sailors</td>
<td>31</td>
<td>41</td>
<td>26</td>
<td>20</td>
<td>18</td>
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<tr>
<td>Hired Workers: Russians</td>
<td>374</td>
<td>339</td>
<td>347</td>
<td>342</td>
<td>259</td>
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<tr>
<td>Aborigines</td>
<td>394</td>
<td>412</td>
<td>433</td>
<td>427</td>
<td>261</td>
</tr>
<tr>
<td>Women to help in Schools, Redoubts, Hospitals</td>
<td>62</td>
<td>59</td>
<td>62</td>
<td>58</td>
<td>21</td>
</tr>
<tr>
<td>Totals:</td>
<td>1,015</td>
<td>968</td>
<td>997</td>
<td>976</td>
<td>712</td>
</tr>
</tbody>
</table>
misfortune, Wrangel had intended on introducing his British counterpart to Emperor Nicholas I, whom Simpson described as an "object of mysterious awe", but the tsar's absence prevented the Baron from introducing him. 19

Simpson, however, could not have been too badly laid up, for he told the Governor and Committee that he "had much communication with Baron Wrangel, who is now the President of the Russian American Company, and the principal organ of that concern; . . ." 20 Perhaps at his bedside, Wrangel and Simpson discussed five major subjects during their third and final meeting. Wrangel raised three financial issues so as to lessen the current economic burden of the Russian-American Company. Simpson brought up the abandonment of the Hudson's Bay Company Stikine post and they both discussed the still unresolved Kamchatka supply question.

Wrangel's first financial proposition concerned a portion of the contract. The Russian colonial governor normally paid for the Hudson's Bay Company otter skins delivered to Sitka in bills of exchange due in St. Petersburg at sixty days sight, that is sixty days after the bills arrived in St. Petersburg. Wrangel asked Simpson for a year's credit on these particular bills for the next year (1843). Wrangel wanted the bills for Hudson's Bay otter skins to be payable fourteen months after sight with a five percent interest
charge on the additional eight month period. The usual method was "exceedingly inconvenient" for the Russian-American Company and was "attended with a heavy loss of interest," because the Hudson's Bay Company otter skins did not become cash for Russian-American Company until many months later. Simpson, however, was not receptive to this offer and gave Wrangel no firm assurance on his proposal. 21 Unfortunately for the Head Office, the letters of credit from Sitka came due before it received the profits from the China tea trade.

Wrangel's second proposition concerned the arrangement they had made in 1840 for the Russian-American Company's purchase of lynx, fox skins, and other peltries by bills of exchange. Wrangel wanted to purchase these furs from the Hudson's Bay Company at Sitka hereafter with a payment in kind. He was thinking of bartering Russian-American Company colonial products such as walrus tusks, castoreum, whalebone, seal skins, and bear skins at prices to be agreed upon. Simpson did not reject this offer, but was noncommittal. He promised to present this offer to the Hudson's Bay Company in London upon his return and inform Wrangel of its decision. 22

Wrangel's third proposition was the one that interested Simpson the most. Wrangel wanted to exchange beavers caught by the Russian-American Company from the shores of
"Behring's Straits and that vicinity" for Hudson's Bay Company otter skins taken from the east side of the Rocky Mountains. Such a request would call for a slight modification in the contract provisions, because the Russian-American Company had previously paid for these skins with bills of exchange. Wrangel told Simpson that these beaver were "of such superior quality" that he was sure the Hudson's Bay Company would gain some advantage from "the mode of payment proposed, while it would be a great accommodation and convenience to the Russian-American Company." 23

Simpson later explained to the Governor and Committee that he understood the quality of Bering Strait beaver to be equivalent to that of the Mackenzie River District product. Taking the average sale price of those beaver over the last five years, Simpson calculated that such an exchange for Russian-American Company beaver, with allowances for freight, insurance, and loss of interest, would result in a profit of "about £ 2890.18.11". 24 Simpson eagerly agreed to try an experimental exchange and actually expanded the number of otters to be bartered by including the west side otters. Wrangel and Simpson concurred that the Hudson's Bay Company would take at Sitka "5000 prime, seasoned, parchment Beaver Skins to average \[\text{in weight}\] not less than 1\frac{1}{2} pounds each, in exchange for the 5000 Land Otters Skins" contracted to
be delivered by the Hudson's Bay Company to the Russian-American Company under the 1839 agreement. Should there be a shortage of Hudson's Bay Company otter skins delivered, the British company would purchase the surplus at twenty shillings Sterling per English pound (weight), the amount to be deducted from the Russian-American Company's payment for Hudson's Bay Company produce delivered to Sitka that year. Any additional charge or higher than normal duty charged to the British upon importing these beavers to England, the Russian-American Company would bear the cost. Although the exchange was to be only for the year 1844, Simpson was certain the Russians would extend this arrangement should London so desire. Simpson told his superiors that this was a more convenient mode of payment for the otter skins for the Russian-American Company than the 1839 arrangement. 

The Head Office informed Colonial Governor Etoolin of this agreement shortly thereafter and mentioned the possible barter of colonial products for the Hudson's Bay Company lynx and foxes.

Concerning the Stikine post, Simpson requested the Russian-American Company Directors' permission to abandon the post whenever the Hudson's Bay Company was disposed to do so during the ten-year contract agreement without being liable to them for "damages or pecuniary charges whatsoever, as consequence on such abandonment". Wrangel formally replied
to Simpson on behalf of the Head Office with the authorization to do so and asked only that the British send as much of the ironwork located there to Sitka when they leave.27

Simpson told the Governor and Committee that he and Wrangel had also discussed the possible Hudson's Bay Company contract for supplying Kamchatka. Although the subject was still being considered by the Russian Government, Simpson was informed that strong opposition was being applied against the Russian-American Company offer to supply this region by the Kamchatka authorities acting in defense of their own interests. By this Wrangel may have meant that the officials of the Maritime Region in Kamchatka had appealed to their superior, the Governor-General of Eastern Siberia, to protect their economic interests from the monopolistic Russian-American Company, and he had filed their complaint. Nevertheless, Simpson related that Wrangel and the Directors remained hopeful that the Imperial Government would decide in their favor and that the Hudson's Bay Company would receive a contract from them.28

The Directors certainty can be seen in their letter to Governor Etoin shortly after Simpson's departure. In it they request Etoin to try and improve commercial relations with Kamchatka because he should expect to deliver California wheat and Hudson's Bay Company supplies there in 1843.
or 1844. He was also to try and sell some Russian-American Company furs to them at a profit, accepting either cash or bills of exchange on the Russian government as the American skippers currently did. 29

Simpson said that he had received "great attention and care" from Baron Wrangel during his stay in St. Petersburg. He was similarly treated all along his travels from Siberia westwards by Russian government authorities. This conference between Wrangel and Simpson in St. Petersburg was followed by a quick succession of letters to resolve the issues discussed there. The intimacy they shared in business relations is evident. Both companies retained a certain aloofness necessary in commercial matters. Wrangel and Simpson, however, dealt privately and speculated to each other about various options within their contract agreement. Wrangel was trying to use this agreement as a lever to ease an apparent financial crunch the Head Office was facing. This was particularly important to the Russian-American Company as their twenty-year Charter was in the process of being reviewed for renewal. The Charter and Rules and Regulations were issued in 1842, but the matter was not final until the tsar signed it. The Russian-American Company’s successful contract with the Hudson’s Bay Company as well as the pending Kamchatka contract may have been used as arguments for potential
prosperity for the struggling financial enterprise.

Wrangel and Simpson had discussed a wide range of topics in the fall of 1842, as indicated by their correspondence. One topic discussed but not referred to therein was insurance. The Head Office was interested in obtaining insurance from an English company to cover Russian-American Company furs shipped across the North Pacific from Sitka to Okhotsk. The Head Office had previously sent its colonial cargo across the ocean uninsured, largely because no Russian company would insure the ships or the furs. The distance was too great for company ships sailing round-the-world and the ships and crew too unreliable in the colony. Unlike stock companies such as the Russian-American Company, which had piecemeal developments prior to the 1860's, the insurance business witnessed a rapid growth under Nicholas I with the first Russian insurance company being established in 1827. Although company ships had been reasonably successful at avoiding disasters since the early 1820's, three vessels had been damaged in the Okhotsk Sea recently. The Head Office now considered it necessary to insure their colonial cargo recognized as the "source of the Company's welfare," and sought the Hudson's Bay Company's aid in doing so.

The initial inquiries on Wrangel's behalf gave an insurance premium figure far too high and he sought Simpson and
pelly's assistance in obtaining a lower rate for the Russian-American Company, hopefully not higher than ten percent of the cargo valued at approximately £2000 Sterling, or twenty shillings per hundred weight. Simpson and Pelly consulted various insurance agencies and underwriters in late 1842 concerning the Sitka - Okhotsk voyage, but found it difficult to convince them of the small risk involved. They were able to obtain as their lowest rate, twenty-five shillings per hundred weight, which could be reduced after a few successful voyages.

Wrangel was grateful for their efforts and said he hoped to persuade the other directors and company shareholders to accept this premium soon so as to cover the company ship Konstantine, which would carry colonial furs and other cargo to Okhotsk in May, 1843. Wrangel's acceptance of this premium meant essentially the same as the company's acceptance. The Head Office obtained a premium of £100,000 Sterling, paying twenty-five shillings per £100 Sterling and compiling at a rate of one and one-quarter percent interest. Both the Russian-American Company's cargo from Russia and London on Hudson's Bay Company vessels, and that on company ships from Sitka to Okhotsk were covered by English insurance companies.

Colonial Governor Etoolin was informed of these arrange-
ments and sent a copy of the agreement in the spring of 1843. 34 This insurance coverage continued throughout the contract period; however, with the opening of the Russkoe Obshchestvo [Russian Society] for "the insuring of sea and river vessels" in 1845, the Head Office relied on an additional firm. After 1846, both English and Russian insurance companies provided coverage for cargoes sent from Sitka to Okhotsk, as well as those sent in vessels chartered by the Head Office from Kronstadt with Russian and English supplies, and returning from Sitka round-the-world with colonial products 35 [see Appendix E].

In another financial matter, Wrangel was not as successful. He had asked Simpson to assist the Russian-American Company by accepting one year's delayed payment, at five percent interest, on the contract otter skins during their meetings in the fall of 1842. Hoping to persuade Simpson and the Governor and Committee to concede this point, he reminded them of the Head Office's willingness to modify the contract concerning the quantity of butter for their benefit as well as agreeing to relinquish English occupation of Ft. Stikine whenever convenient for them. Wrangel felt the acceptance of his proposal would represent a similar gesture from them especially when it would put the Russian-American Company in a better position to pay for English furs from here on in. 36
Secretary William Smith informed the Head Office that the Hudson's Bay Company could not grant Wrangel's desire for credit on the otter skins' payment due June 1, 1843. He said that it "would involve an irregularity at variance with the established usage of the trade". Sensing a financial pinch, Simpson wrote to Wrangel in December, 1842 and offered to arrange a loan for the Head Office of £ 5000 Sterling at the lowest available interest rate. Wrangel, respectively declined the offer stating that it would not be necessary as the Russian-American Company:

has a considerable fund laying in the Imperial Bank at 4%, so that we are in no way in need to have a Loan. Do you not perhaps find your calculation in applying your dormant funds in papers for the Railroad between St. Petersburg and Moscow?  

Wrangel's suggestion to Simpson for an alternative investment of Hudson's Bay Company funds reflected one of the former's new areas of interest. He had just been appointed a member of a government committee for the "Working Out of All Plans for Developing Ways of Communication in Russia" to begin sitting in 1843. A loan of £ 5000 to £ 10,000 Sterling was mentioned once again shortly thereafter, but Wrangel again stated that it was not needed.  

The exchange of Hudson's Bay Company land otters for
Russian-American Company beaver had been discussed by Wrangel and Simpson in St. Petersburg and Simpson was quite interested in this venture. Simpson convinced the Governor and Committee of its profitability and extended the exchange agreement for an additional year (1845). The Head Office was told that this extension was offered to them to assist its company in its "pecuniary arrangements", meaning financial difficulties. Simpson had used information from Wrangel and Etolin in assuring London that the Russian-American Company beaver from the shores of Bering Straits would be of "similar quality" to those of the Mackenzie River District. If they were inferior, an adjustment would be made in the price for the second year of the experiment. 40

Privately, Simpson told Wrangel that this exchange had been agreed to "entirely with a view to accommodate" the Head Office on "money matters". Simpson himself expected high returns, but he may have put himself out on a limb with the Governor and Committee. He strongly impressed upon Wrangel the need for high quality beavers from them and suggested he write Etolin on this matter. If the quality of beaver turned out to be below that expected, Simpson said that "it will render the [Hudson's Bay] Company exceedingly cautious in similar operations in future, and involve me individually in a little difficulty". 41
Wrangel gladly accepted the extension of the beaver–otter exchange from one to two years and assured Simpson that he would write Etolin so as to guarantee the selection of the "very best Beaver skins" averaging one and one-half pounds per skin and hoped Simpson would instruct his coastal agents likewise concerning the five thousand otter skins. Wrangel added that Simpson should rest assured as to the "faithfulness of our dealings in this operation" and offered his personal esteem and dignity as the best guarantee possible. 42

The Head Office officially consented to the exchange in December, 1842 stating the conditions clearly and emphasizing that the barter must take place at Sitka. 43 Simpson told McLoughlin to make sure he sent someone to Sitka who was well acquainted with the quality of beavers and to reject all those not meeting the agreed upon description. 44 The arrangement was set to begin in the spring of 1844. 45

The experiment planned for 1844 and 1845 was cancelled after the first year. The Hudson's Bay Company steamer Beaver and schooner Cadboro, towed behind, had brought the otters to be bartered to Sitka in February, 1844. Four thousand Russian-American Company beavers were exchanged, but the Hudson's Bay Company did not realize the profit Simpson had hoped for. By August, 1844, the Hudson's Bay Company had forwarded to the Head Office their wish to discontinue this
experimental contract. 46

The exchange had turned out to be very advantageous for the Russian-American Company and the Kodiak Subdivision in the colony had arranged to increase the number of beavers it would contribute to the exchange. The limit of five thousand had not been reached in the first exchange. Even though the Head Office expressed its regret at the Hudson's Bay Company's plan to discontinue the arrangement, they felt it had been a useful agreement. It had saved the company one year's bills on those otters usually purchased. 47 So, in a sense, Wrangel realized his one year's delayed payment to the Hudson's Bay Company.

Another matter discussed during Wrangel and Simpson's fall meeting in 1842 concerned a topic frequently mentioned throughout their subsequent correspondence. Wrangel had proposed that Russian-American Company colonial products be taken in lieu of payment for the Hudson's Bay Company lynx and fox skins brought to Sitka since 1840. Wrangel saw this as another means of removing or easing the financial burden of the company. Simpson had told him to send a few specimens of castor and walrus tusks to him so that their quality could be tested on the London market. All proceeds from this would be put towards payment for the above mentioned furs. 48 The Governor and Committee, however, was very cool
toward Wrangel's idea and would not accept it. Nevertheless, in November, 1842, Simpson figured out a way around them that would still satisfy Baron Wrangel. He told him to have the colonial authorities consign the colonial products to Pelly, Simpson, and Company in London and ship them via Hudson's Bay Company vessels. The proceeds of their sale on the London market would be received as a partial or full payment for the lynx and fox skins. Simpson told him, however, that the walrus tusks (sea horse teeth) and castoreum had arrived and had not commanded a very high price. Not more than one ton of the former should be sent yearly, and Pelly had bought in the castoreum hoping to sell it later for a higher price.

The price was right for the Directors of the Head Office and they told Governor Etolin that the London sales of Russian colonial goods, compared to the Russian market, brought an "obvious benefit" to the Russian-American Company. Etolin was instructed to make arrangements for the yearly delivery of all the castoreum available and up to ten centners (tsentnerov, or cwt.) or thirty-one poods dry weight, of the "sea horse teeth" to Sir John Pelly, the company's agent, care of the annual Hudson's Bay Company vessels.

Wrangel kept in close touch with Simpson concerning the price available from Russian castoreum and the possibility of
selling additional colonial furs in London, such as seal and bear skins, next year to assist in meeting the payments for the lynx and fox skins. Wrangel sensed, however, that this barter was not going to cover the full cost of those furs and ordered Governor Etolin not to purchase any more lynx, fox, or any other furs from the Hudson's Bay Company because it had refused to take colonial products in payment directly. It was at this time that Etolin was informed of the finalization of the beaver-otter exchange and urged to concentrate on this subject.

John Pelly sent Wrangel pro forma account statements for the sale of Russian-American Company seal and bear skins on the London market including probable freight and other charges. He wanted Wrangel to judge its profitability. Pelly complained that the Russian castoreum was not only old, but of poor quality being "badly cured" and thus devoid of all its "medicinal virtues". All he received was low prices and Pelly would not sell it until Wrangel gave him permission to release it, which came in August, 1843. The Russian product brought a price slightly higher than half the average Hudson's Bay Company castoreum. Pelly urged Wrangel to have the colonial authorities send Russian-American Company castoreum directly to London for sale to keep it as fresh and plump as possible. Pelly also sent Baron Wrangel a catalogue
from a recent sale of walrus tusks from the Eskimos of
Hudson's Strait to give him an idea of the range of prices
and qualities current on the London market. 55 After further
inquiries by Simpson with the "principal dentist" and the
"largest dealer" in this trade, Wrangel was informed that the
demand for this "particular brand of Ivory" was very limited
in England because it was only used for the manufacture of
artifical teeth. Pelly and Simpson advised Wrangel to send
only small quantities of a few hundred-weight from St. Peters-
burg or one ton per annum from Sitka. They wished not more
than one and one-half tons on the market yearly and allowing
them to dispose of it at the market price daily, rather than
contracting the entire sale in advance. 56 Pelly and Simpson
were trying to obtain the best deal possible for Wrangel.

Wrangel was informed that with freight and all other
expenses, the consignment of colonial products to London on
Hudson's Bay Company vessels would cost about £ 6 Sterling
per ton. These cargoes should be consigned to Sir John Pelly,
as the company's agent, and not the Hudson's Bay Company.
The net profit from their sale on the London market would
serve as credit to the Russian-American Company's payment for
the lynx and fox skins as Wrangel had requested 57 [see appen-
dix G].

In late December, 1842, Wrangel informed Simpson that the
Russian-American Company had taken a "considerable loss" on the purchase of Hudson's Bay Company lynx, fox, and assorted skins and wished to cancel this arrangement. Simpson acknowledged Wrangel's wish and told him that no more would be sent to Sitka as soon as this information reached the necessary people. Some furs, however, might reach the edge of the Rocky Mountains during the winter (1842-1843) and those would be sent on to Sitka. Wrangel was pleased to have put an end to the agreement and agreed to receive any of those furs forwarded to Sitka this winter and passed these instructions on to Governor Etolin.

The Hudson's Bay Company's provisioning of the Russian-American colony was perhaps the most important part of the contract, and when Simpson mildly hinted that they would not be able to carry this out to the fullest, Wrangel reacted strongly. In mid-November, 1842, Simpson told Wrangel that the Hudson's Bay Company vessel to depart in September, 1843 could not carry all of the supplies requested by the Head Office and suggested that one hundred tons go out on a vessel to leave in mid-December, 1842. Simpson argued that because of a current commercial stagnation in London, the cheapest and most bulky articles were available at very low prices and the Russian-American Company would come out ahead financially despite the interest arising out of an earlier purchase.
Wrangel was not pleased with this idea at all and complained that it would add expenses to the company's account one full year earlier. Wrangel assured him that the other directors would not approve of this since the company did not wish to have any more expenses at this time. This reaction of Wrangel's suggests the critical nature of the company's financial position, and Simpson knew that Wrangel's opinion would carry weight with the other directors. Wrangel told Simpson to have the Hudson's Bay Company send out two ships to the coast next year, with a smaller one going directly to Sitka. Wrangel added that—

Till now I have had not any doubt that our supplies shall find no obstacles in conveying them by the means of your Company to our Colonies. . . .

Wrangel told Simpson that "without a certainty in matters of this kind," the Russian-American Company would never have accepted the Hudson's Bay Company supply of provisions in 1839. For those goods already purchased and loaded in London (approximately eighty-five tons), Wrangel asked Simpson to defer payment on these articles until next year at five percent interest over the twelve month extension. 62

Simpson quickly replied that some goods had already been loaded, but since this was done without Wrangel's authorization,
payment would not be due until next fall as if they had been shipped in August and no interest would be charged. Simpson reassured Wrangel that there was no difficulty in providing all the freight his company required in future and if the Head Office's orders were large enough to justify a direct vessel to Sitka, this would be done. 63

Apparently satisfied with Simpson's explanations, Wrangel said he now understood that there was no problem for the Hudson's Bay Company vessels to carry those goods requisitioned by the Head Office. The supplying of the colony was the crucial point of the 1839 agreement as far as Wrangel was concerned, despite his interest in fur trade profits via English peltries. It was secondary to Simpson, who saw it as a means to gain control of the fur trade. Any hint that the Hudson's Bay Company might not be able to fulfill this article of the contract regularly caused a mild eruption in St. Petersburg. This had now been cleared up. Wrangel told Simpson that -

the whole stipulation between both Companies is grounded upon the possibility to send our goods by your vessels to Sitka. And therefore I hope your Company will take the necessary measures for the future. 64

Two other problems arose concerning the provisioning of the colony. One emerged from the invoices sent by the
company's agents to the Head Office for those goods shipped to the Northwest coast in September, 1842 on the Columbia. Wrangel found that some articles were shipped in smaller quantities than required, some were entirely missing, and others were listed in "pieces and barrels" rather than "yards and pounds" so that he did not know how much was actually sent. He requested that Simpson give his full attention to the matter and make sure the Head Office's current order for the following September was straightforward and clear. 65

In particular, he wanted Simpson to make sure those prints of woolen goods selected were of a higher quality than those sent out in 1842. The samples he received were inferior to those purchased by Governor Eton in Copenhagen en route to the coast in 1839. 66 The second problem, potentially a serious predicament, arose from the late arrival of the Hudson's Bay Company vessel carrying corn and wheat in 1844. Eton complained that it had not arrived until well after the contract date of June 1, which the Hudson's Bay Company had never once met thus far. The problem was compounded this year by the fact that the colony's supplies were exhausted and they needed those provisions desperately. Directors Wrangel and Severin informed the Hudson's Bay Company of this matter and urged them to see that this contract article was fulfilled as written. 67
The other items discussed by Wrangel and Simpson that were of less significance to the contract included China, a chart of Sitka's port facilities, building a "lighter" at Sitka for the Hudson's Bay Maritime Department, the murder of John McLoughlin Junior, Hudson's Bay Company east side otters and beavers, and the Kamchatka question. Concerning China, Wrangel wanted to know more about English activity there after the Opium War and Treaty of Nanking had opened five ports to foreign trade, including Shanghai. Particularly, he felt the Russian cloth and cotton trade at Kiahkta would be affected adversely by this. 68 By the Russian-American Company's Third Charter, company ships now were allowed to sail for Chinese ports including Canton and Shanghai, the only stipulation being that they could not purchase or import opium. 69 For those Hudson's Bay Company ships going direct to Sitka, which started in September, 1843, Wrangel tried to obtain a chart of the port of Sitka from the Russian Hydrographic Department, although they would not release one until it had been printed up formally. 70

Simpson, through Wrangel and the Head Office, requested a lighter, a usually large, flat-bottomed barge about one hundred and fifty tons for loading and unloading vessels, be built at Sitka shipyard. He intended that this vessel be towed behind the Beaver. 71 Simpson did not tell Wrangel
that he had had a heated argument with Chief Factor McLoughlin in the early months of 1842 over the nature of the coastal trade. McLoughlin wished to maintain as many posts as possible and, if anything, curtail the Marine Department. Simpson wished to reduce the number of posts in favor of the Beaver, to cut expenses. Simpson won out and Forts McLoughlin and Taku (within the leased territory) were removed in 1843. Fort Stikine was not abandoned until April, 1849.

During April, 1842, while Simpson was on the coast, Chief Factor McLoughlin's son had been murdered after a quarrel among Hudson's Bay Company servants at Fort Stikine. The accused was apprehended and Simpson took him to Sitka, since the incident occurred within Russian territory. Etolin reported the facts to the Directors and awaited the instructions. Wrangel wrote Sir John Pelly about the matter in 1843 and told him that the Russians refused to interfere in this matter and stated that the Russian-American Company had no jurisdiction in the leased territory. In fact, it had to send its cases of that nature to Siberia for trial. Wrangel informed the Hudson's Bay Company that he would order Governor Etolin to send the accused men (the murderer and accomplices) back to the Columbia River (Fort Vancouver) for trial in Canada. 72

The new secretary for the Hudson's Bay Company's Governor and Committee, Archibald Barclay wrote to Simpson about
MAP NO. 14.* The Pacific Coast, based on maps of the 1830's and 1850's.

* Taken from The Beaver, Outfit 301 (autumn, 1970, reprinted 1976), p. 51
Wrangel's position. Barclay feared the consequences of such a move and suggested that the Baron was more afraid of the expenses a trial at Sitka might involve. He wondered if the Hudson's Bay Company could handle the cost of such a trial, the Russian Government could then appoint a commission consisting of Governor Etolin and other Russian-American Company officers at Sitka. In Barclay's mind, this commission could try the "culprits" and send them to Siberia.  

From his discussions with Etolin in 1842, Simpson knew that the Russian-American Company had no criminal jurisdiction on the coast as well as the fact that trials took place in Siberia. He told Barclay that little could be done now and Wrangel, "as a matter of course, . . . wishes to get rid of the subject." Had Chief Factor McLoughlin not interfered Simpson said that he had arranged with Etolin for Heroux, the accused murderer, to spend the rest of his days on the Aleutian Islands. The accused men were eventually sent to Canada for trial.

During 1844, Simpson mentioned his latest communication with Wrangel on the long-standing Kamchatka question. Simpson cancelled orders for the preparation of a wheat delivery for this contract stating that it did not appear likely that the Russian Government would consent "to any change in the present mode of meeting the demands of that province". The fact that Wrangel had been appointed a member of the "Committee
for the Examination of the Particular Matter concerning the Supply of Articles of Provisions to the Kamchatka Region" in 1843, had not been enough to bring the contract to the Russian American Company. The only new business in town was that Nicholas I was visiting London to discuss the Near East and Wrangel had ordered four cases of "cheroots" (cigars) for himself and his friends. 76

Shortly after the cancellation of the beaver-otter exchange had been accepted by the Head Office, London proposed to the Directors the stoppage of that portion of the contract covering the sale of east side otters. The "impoverished" state of that country (east of the Rocky Mountains) had made it difficult to fulfill that article. Due to some misunderstanding, the Hudson's Bay Company thought the Head Office had agreed to this proposal and Simpson informed Donald Ross at Norway House that soon no more skins would be forwarded across the Rocky Mountains for this contract. By January, 1845, it was clear that the Russian-American Company wished to keep up this part of the contract and maintain the system of payment by bills of exchange. 77

The last known suggestion to expand the Russian-American Company - Hudson's Bay Company relationship came from Simpson in late January, 1845. He inquired about the possibility of opening a market in Russia for Hudson's Bay Company furs,
especially beavers. In the last extant letter between the two business managers, Wrangel replied that this would be of no advantage to the Hudson's Bay Company, while at the same time, it would bring a "great deal of detriment" to the Russian-American Company. This was because the Head Office "finds much difficulty in disposing of its own furs, notwithstanding the prohibition of importing foreign ones". 78

By 1845, the contract was being re-evaluated by both companies and alternatives were being considered for its possible renewal. Wrangel and Simpson apparently never corresponded again, although Simpson offered information and suggestions to Pelly in his renewal negotiations with Baron Wrangel. Wrangel and Simpson's comradeship reached its peak during this 1842-1845 period. Their intimate business association and confidentiality bespoke the trusting relationship they had formed since 1838. Both of these world travellers sought the best arrangements for their own company through what they called "mutually beneficial" agreements. In the world of profits and financial necessity where morality and friendship do not always come first, their letters shared intimate notes about their families and personal successes along with the latest contract concern.
CHAPTER VII: THE RENEWAL OF THE CONTRACT 1846-1849

Discussions for the renewal of the contract between the two companies began in 1847, after years of cooperation in an atmosphere quite different from the one that preceded the 1839 agreement. The hand of the Russian Government was conspicuous by its absence during the renewal negotiations despite the fact that the Russian-American Company's relations with foreign powers was pointed out clearly in its Charter as a matter of governmental concern. One might consider, however, that with military and government officials running the Head Office, no formal intervention was necessary. More importantly, Russian-American Company relations with the Hudson's Bay Company had gone smoothly and the Russian - British diplomatic arena was not tense during this renewal period.

Russia's relations with Great Britain improved after the Turko-Egyptain conflict of 1839-1840 was settled. The Treaty of London (1840) and the Straits Convention (1841), signed by Russia, Great Britain and other European powers, closed the Bosphorus and Dardanelles to foreign warships and brought a semblance of peace to the Near East. Nicholas I personally visited England in 1844 to discuss Near Eastern affairs and especially the fate of Turkey. He returned to St. Petersburg
satisfied that England and Russia had resolved their differences. Nicholas' mistaken belief that his Near East policy had a strong backing in Europe was partly responsible for the Crimean War debacle a decade later. The Russian-American Company's peaceful relationship with the British on the Northwest coast was probably of little concern to Foreign Affairs Minister Nesselrode.

While Baron Wrangel and Sir John Pelly were debating revisions in the new contract, Nesselrode was wrapped up with turbulent developments in Europe. Nicholas I's foreign policy with regard to Europe was one that sought to maintain the established conservative order, and he was eager to police it. When the revolutions of 1848 spread from France to Prussia and Austria, Nicholas emerged as the defender of legitimism with Russian troops to support him. Russia's only concern with Great Britain at this time was to prevent English intervention on behalf of an Italian state that Nicholas considered as part of the Hapsburg monarchy. Wrangel and Pelly's minor disagreements thus did not even reach their respective foreign offices.

The renewal of the 1839 agreement was not guaranteed, although both companies had profited from the contract on the whole. The Oregon Boundary Treaty of 1846 clearly had changed the Hudson's Bay Company's ability to fulfill certain
articles of the contract. The Russian-American Company had found a cheaper method of transporting goods round-the-world in chartered vessels. The 1848 Gold Rush had brought troubles for both companies as well as higher prices for supplies purchased in California and the Sandwich Islands.

Official exchanges between Wrangel and Pelly began in 1847. The Hudson's Bay Company was seeking a reduction in rent and wished not to be bound to supply provisions from the Columbia. London, urged on by Simpson, sent instructions to the Northwest coast to prepare to re-enter the Stikine River to explore its interior in case the renewal fell through. The Russian-American Company's position was articulated by Wrangel, who would accept no rent reduction, but freed the British company from the provisioning articles of the contract. Negotiations almost floundered over the number of land otters to be paid for the rent of the Russian territory. It was probably the spectre of competition and possible conflict in the fur trade, rather than commercial necessity, that ensured the signing of the revised document in 1849. The possible abatement of the agreement brought out interesting reactions from Wrangel and Simpson. Wrangel defended the interests of his company and remained firm about the price of the rent. Simpson put little faith in the Russians after the contract's expiration and advanced his competitive scheme of the 1830's
to take control of the coastal fur trade from within the
British interior. With the renewed agreement in hand, the
Head Office argued for its acceptance to the Minister of
Finance noting that without such an agreement, conflicts
would erupt on the Northwest coast detrimental both to the
company and the Imperial Government in its relations with
Great Britain.

The private correspondence of Simpson and Pelly during
the early 1840's frequently made reference to Baron Wrangel
and the Russian-American Company. Probably due to the press-
ing nature of the Oregon boundary dispute and settlement,
there was no mention of Wrangel's private correspondence with
either Simpson or Pelly in 1846. In April, 1847 Sir John
Pelly wrote to Wrangel privately and asked his opinion of
what the Russian-American Company thought about renewing the
1839 agreement. Pelly had not undertaken this correspondence
unprepared. Simpson had submitted his own report on the
status of the Russian-American Company - Hudson's Bay Company
agreement in 1844. In 1846, the Columbia Department's new
Board of Management - Chief Factors Peter Skene Ogden, James
Douglas, and John Work - was asked by Simpson for its sugges-
tions concerning the renewal. The fact that Simpson did not
directly correspond with Wrangel on this subject did not
mean that he was not closely involved. Simpson kept in close
touch with Pelly all during his negotiations with Wrangel. Pelly neither accepted Russian-American Company proposals nor prepared Hudson’s Bay Company positions without Simpson’s consent.

In 1844 Simpson saw the agreement as a profitable one. The Russian-American Company freight carried on Hudson’s Bay Company ships brought a very considerable return, which for the year 1844 amounted to almost £4000 Sterling profit. He noted the advantage of the £10 Sterling per ton freight rate in particular. The Russians could receive freight at half the price on a chartered vessel. This was something he had not disclosed to Wrangel. Simpson told Pelly in August, 1844 to continue to send Russian-American Company goods on company ships rather than charters so as to conceal the low rate of freight from them. Otherwise, they might send their goods by other means. ¹

The delivery of Russian-American Company goods on Hudson’s Bay Company ships had been very profitable for the Head Office as well. By 1842, there were no more contracts with Americans for delivery of supplies. All European and Russian manufactured goods and provisions were carried by the Hudson’s Bay Company. In 1842, the delivery of Russian goods to Sitka in this manner cost the company 113 rubles 64 kopeks per ton (63 poods), including all expenses, customs and insurance.
Prior to 1842, the Head Office had had to pay by land via Okhotsk, 540 to 630 rubles per ton; by company round-the-world ships, 195 to 252 rubles per ton; and by state vessels round-the-world, 180 rubles per ton, and these cargoes were not insured. The Head Office figured that by insured Hudson's Bay Company vessels, it saved from 6,600 up to 51,600 rubles per one hundred tons. These persuasive statistics made them decide to send a large part of Russian goods via England. 2

As can be seen from Appendix E, the Head Office discovered chartered vessels anyway. By 1846 it was commissioning chartered vessels to carry Russian manufactured goods and provisions from Kronstadt to the colony by way of London, although they still relied on Hudson's Bay Company vessels for some freight. The Russian-American Company had not only expanded outside the 1839 contract for freight, but found that it could purchase some goods cheaper in Hamburg than in London. 3

In Simpson's 1844 analysis, he stated that the Hudson's Bay Company grain deliveries averaged an estimated £ 750 Sterling profit per annum, besides affording a market for the Puget Sound Agricultural Company and the Willamette settlers. Although not quite as profitable on the surface, Simpson considered the annual sale of five thousand otters to be another important branch of the contract. This was because
the London sale prices for otters had increased due to their limited import since 1841. This restricted import increased the demand of land otter thus their price. If the Russian-American Company wished to exclude the purchase of these otters in a renewed agreement, the net effect on the London market would be a much reduced price, probably below the contract prices. If the Hudson’s Bay Company wished to exclude the delivery of grain from the renewed agreement, Simpson thought that the Head Office would accept such a proposal. Etolin had told Simpson that the Russian-American Company could supply itself with grain cheaper from Valparaiso, which also gave the colonial crews employment during the winter months.

The value of the fur trade within the leased Russian territory Simpson found harder to estimate because of the lack of detailed accounts. Based on the returns of Outfit 1843 from this area, he calculated the value at about £8000 Sterling. This figure was arrived at partly by Simpson’s slash in coastal expenses of £1500 Sterling yearly. He did this by abandoning the "useless" Fort Taku in 1843 and allowing the Beaver to collect the annual returns which were now protected from Russian "encroachment" by the Simpson-Etolin tariff agreement (1842). The tranquility produced by the agreement was seen as an obvious benefit over the previous
competitiveness that existed prior to 1839.  

Just in case the Head Office considered modifying or excluding the lease arrangement, Simpson figured on establishing a Hudson's Bay Company post up the Stikine River in 1847 or 1848 so that when the Russian-American Company found the British -

in a certain degree, possessed of the trade of the interior British Territory, they will readily fall in with any proposition that may be made to continue the lease at a reduced Rent.  

On January 1, 1845, the Head Office stated in its annual report for the year 1844 that the English had extracted "almost no advantage whatever" from the fur trade in the leased territory. Their only gain was in the "confidence that the trade from English possessions did not pass into the hand of the Russian-American Company".  

According to Tikhmenev, the company's official historian in the 1860's, the leased territory deprived the Russian-American Company of a certain quantity of beavers which were formerly brought by the natives to them from the British interior possessions. The lease provisions (two thousand rental otters and the right to purchase five thousand more), however, "helped the Company a great deal in its Kiakhta trade" in tea, because otter skins were in great demand there. The Russian-American
Company had also augmented its fur trade in the 1830's and 1840's, initially to offset the decline in fur-seals, by expanding their bartering for beavers with the natives of the Kuskokwim and Kvihpak (Yukon) rivers as well as eastward in territory adjacent to the possessions of the Hudson's Bay Company. 8

Simpson wrote to the Board of Management, which had replaced McLoughlin, at Fort Vancouver in June, 1846 and advised that the Russian-American Company agreement terminated with Outfit 1849 (June 1, 1849-May 31, 1850) and asked for "any suggestions you may have to offer on the subject of the renewal thereof". In particular, he wished to know the status of the west side otters used for the Russian-American Company rental payment. Their trade was supposedly in a state of exhaustion, which if true, would justify a reduction in rent. Simpson also informed them to be ready to form a post up the Stikine River at least fifty miles, should the Russians decline to renew the territorial lease. 9 Simpson was relating the same plan he had proposed in private to Douglas in 1838 for the forcible entry into the Stikine had the 1838-1839 negotiations with Wrangel collapsed.

Ogden and Douglas replied in March, 1847. They considered the arrangement between the two companies to be advantageous to both not only in direct monetary terms, but to a
"much greater degree by the protection of our trade from opposition". They listed the net profit from the fur trade within Russian territory at present (1847) as £ 300 Sterling.\(^{10}\) The net profit annually for the years 1844-1846 from carrying Russian-American Company goods on freight was £ 3632. 18. 10, which they termed a "considerable advantage". They had no figures on the profitability of the sale of otter skins to the Russian-American Company, but they felt that the old contract (1839) sale prices (23 and 32 shillings sterling for west side and east side otter skins respectively) were now too high. The yearly purchases by the Russians of Columbia produce left a net profit of £ 1200 Sterling. Ogden and Douglas estimated the aggregate yearly gain by the Hudson's Bay Company from Russian-American Company transactions to be £ 5132. 18. 11 based on their figures.\(^{11}\)

Ogden and Douglas also perceived the renewal as desirous for the maintainence of a profitable return on the fur trade there. The Russians, in their estimation, could divide the trade with them near Ft. Simpson. The resultant high prices from renewed competition would make it difficult for a Hudson's Bay Company post up the Stikine River to pay its expenses. Instead, they were certain it would bring war and the Russians into the Mackenzie River District. It was "evidently our interest to cultivate a good understanding" with the Russian-
American Company, whom Ogden and Douglas felt would also find advantages in a renewal. 12

They suggested a reduction of five hundred otter skins from the yearly rent of two thousand, but if the Russian-American Company would not accept this change they said the freight profits obtained from the contract made the renewal at the original rent worth it. Prices on contract provisions should not be reduced. In particular, they asked not to be bound to provide large quantities of provisions since they might soon have to evacuate the Columbia over the Oregon question. They hoped that no increase would be made in contract quantities and that "bacon and groats" be omitted entirely because "we've never provided them and cannot now". 13

In fact, the Russian-American Company had relied on their traditional source of provisions - Siberia via Okhotsk, and later, Ayan Port - for these items. After experimenting in 1847, the Russian-American Company decided in 1849 to send flour, groats and other articles regularly from Baltic Sea ports. 14

Ogden and Douglas reported that they foresaw no problem in establishing a post up the Stikine River as long as the Indians were on their side. Basil Bottineau had ascended the river in 1845 with Shakes the Chief and was the first Hudson's Bay Company servant up the river since Ogden in 1833. He reported nothing new or at variance with an accurate Russian-
American Company survey for about fifty miles. John Work was scheduled to make further explorations.  

Simpson concurred with this idea and urged Work to further explore the upper Stikine country next summer (1848) so as to prepare for its occupation should the agreement not be renewed. Simpson mentioned to them that since the Sitka authorities were "not likely to be empowered" to renew the agreement themselves, it was "advisable that nothing should be said on the subject in any communication you may have with them". He also informed them that negotiations by the Governor and Committee were under way currently and they had reached a similar conclusion that the renewal would be highly beneficial.  

Prior to Ogden's and Douglas's dispatch reaching England, Pelly sent a private note to Baron Wrangel concerning the renewal. Writing in April, 1847, he asked Wrangel what he thought were the wishes of the Head Office on that subject. If the Directors were agreeable to a renewal, he wanted to know if they had any alterations in mind. Because of the Oregon boundary settlement in 1846, Pelly stated, the Hudson's Bay Company might not be able to fulfill the portions relating to the two thousand west side rental otters (Article I) as well as the sale of two thousand west side otters from the Columbia (first part of Article III). From the Hudson's
Bay Company's point of view, Pelly felt that some alteration would have to be made in these two articles in a new contract. He expected, however, no problem in fulfilling the current agreement because the Hudson's Bay Company could still trade with the natives at their Oregon territory posts. 17

Concerning affairs outside the Hudson's Bay Company, Pelly hoped that the Russian-American Company's new agents in London headed by his son, Albert Pelly and Company, were satisfactorily handling the Directors' business. As usual, Pelly offered his personal services to Wrangel and the Head Office should any need arise for assistance in commercial matters in England. Pelly had sent three copies of Thomas Simpson's recently published narrative of Dease's and his journey to the Arctic Ocean (1836-1839) along with a letter from George Simpson [missing] to Wrangel by way of the latest English steamer to St. Petersburg. 18 He knew of Wrangel's interest in polar explorations of the North Pacific. Wrangel previously had sent Simpson a copy of his 1839 ethnographic study of the inhabitants of the Northwest coast of North America.

Wrangel responded to Pelly's inquiry in mid-May, 1847. He assured Pelly that the Directors would not hesitate to relieve the Hudson's Bay Company of any obligation that was not beneficial to their interests. There was "no possibility"
however, that the Directors would agree to any diminution of the annual rent. The Directors did not need to purchase the additional two thousand land otter skins from the west side of the Rocky Mountains and saw "no reason to persist" on this part of Article III. 19

No further communication took place that summer. Wrangel wrote to Pelly again in September care of the Governor and Committee. His letter referred to an offer the company's colonial governor had received from the Ft. Vancouver Board of Management that Russian Colonial vessels pick up the contract wheat at Port Victoria at a discounted price. Governor Michael Teben'kov (1845-1850) intended to take up the offer and had asked the Head Office to inquire in London as to whether it would be convenient for them if the Russian-American Company would pick up the other 1839 contract articles at Port Victoria with a proportionate discount. Wrangel asked the Governor and Committee what discount they thought would be received on those supplies carried from Port Victoria to Sitka on Russian-American Company ships. Wrangel liked this idea and suggested that if the Hudson's Bay Company could not determine this reduction in price that they leave it up to their respectful coastal authorities. 20

No direct response to this proposal has been found. In a letter from the Hudson's Bay Company to the Board of
Management in October, 1847, it was clear that the Governor and Committee had agreed to let each company's coastal officers handle the issue. 21

During the summer of 1847, Simpson had written to London and argued that the Russian-American Company dealings had been "productive of much direct profit" and strongly advised that the agreement be renewed as soon as possible. He hoped that they would be able to manage a five hundred otter reduction in the rent, but this should not be a sine qua non. He was particularly concerned that there be no delay in determining the Russian-American Company's disposition. Should the Directors decline to the renewal of the contract, he wanted plenty of time to arrange for the occupation of the British interior up the Stikine and possibly Taku Rivers. It would take at least a full year to reconcile the very powerful coastal natives to such a change. 22

With Simpson's comments in hand and apologizing for not replying sooner, Pelly wrote to Wrangel in October, 1847. Careful of this letter's organization, Pelly began with a statement that he assumed it was in their companies' "mutual interests" that Russian-American Company-Hudson's Bay Company affairs "continued on terms of the most cordial and confidential combination and cooperation". He also stated that he assumed Wrangel concurred with him that the leased territory
had proved to be of mutual benefit by preventing "collisions" between otherwise rival company servants and in the managing of the fur trade and Indians. He was certain that they both thought it "fair and reasonable" that each company received certain advantages and a fair and equal price for them. Pelly was working up to a discussion of the profitability of Ft. Stikine. His most current record of the average sale of fur returns from the leased territory over the past three years barely exceeded the costs of supplies and wages. In short, Pelly was saying that the Hudson's Bay Company was paying two thousand otter skins in yearly rent without "deriving any direct equivalent or return." 23

Pelly stated that although the Hudson's Bay Company had gained "some convenience and advantage" from the transport of Russian-American Company goods to Sitka, the Directors were now using their own shipping (i.e., chartered vessels). The other collateral advantages received by the Hudson's Bay Company did not outweigh those received by the Russian-American Company in monetary terms and convenience, not including the rent. Pelly concluded that he could not reasonably expect the Governor and Committee to renew the lease at the old rental rate, but frankly in his opinion, "a rent of 1,000 otter skins would be a very liberal consideration." Before he submitted the matter to them, he wished to have
Wrangel's confidential opinion on this important subject. 24

Pelly also told Wrangel that he hoped to modify the Hudson's Bay Company's supply of agricultural produce. Even though the 1846 Oregon boundary settlement between Great Britain and the United States had reserved the Hudson's Bay Company's "possessory rights" south of forty-nine degrees North Latitude, the sovereignty belonged to the Americans and the Hudson's Bay Company would probably "find it for their mutual convenience and advantage" to sell their rights to the States. Because of this, it might not be "convenient or indeed possible" for the British to fulfill their contract supply of agricultural produce. Pelly suggested that this provisionment would be better left to an "annual arrangement both as to extent and price of supply than to fix it for a specific term of years." Just as Wrangel and Simpson had negotiated in 1838, Pelly hoped that "this private and confidential communication may tend to facilitate an arrangement between the two companies" and he looked forward to receiving Wrangel's "candid and confidential sentiments on the subject." 25

In early November Wrangel wrote privately to Pelly stating that it was "always my opinion" that the two companies operate with the "most cordial and confidential cooperation". After that, Wrangel put the niceties aside. In a rather blunt fashion Wrangel presumed that since the agreement
had "proven itself likewise inconvenient to both parties", and since the British occupation of Russian territory was a very peculiar circumstance to begin with, his company "would not be disposed to renew the same arrangement on any terms". 26

The Russian-American Company had every intention of remaining good neighbors and sincerely wished to maintain "the most perfect harmony and the most friendly relation" with the Hudson's Bay Company. Wrangel hoped his confidential opinion would not produce "any coldness" between the parties concerned. Each company had to guard its own interests. 27

Wrangel's letter was a considerable disappointment for Pelly. Wrangel had misunderstood Pelly's comment that the agreement was "inconvenient to both parties". In fact, Pelly thought the agreement was "highly convenient" to both companies and was the "only effectual mode of preserving practically a perfect cordial and confidential cooperation". Non-renewal would certainly mean collision and interference between the two companies. The resultant opposition trade would be both unprofitable and dangerous. The present arrangement was the "sure preventive of such evils". Without that agreement, the Hudson's Bay Company would necessarily have to exercise its rights of navigation spelled out in Article VI of the 1825 Convention for the prosecution of the fur trade in
British territory just to the east of the Russian border. Such a move, he surmised, would undoubtedly force the Russian-American Company to set up posts on their frontier and make their present good understanding difficult, if not impossible, to maintain. 28

Pelly was surprised and disappointed that Wrangel's reaction to the Hudson's Bay Company's request for a modification of the "onerous" rent should be a refusal to renew "on any terms". He hoped he would reconsider his (Pelly's) opinion and use his influence "with the Russian-American Company to bring them to a determination to renew the Lease if the amount can be satisfactorily arranged". Unless Wrangel could suggest some alternate measure, Pelly knew of no better means for preventing "collision and interference between their respective servants". 29 In short, Pelly was trying to convince Wrangel, with an implied threat, that it would be in its own interest for the Russian-American Company to renew the contract.

Wrangel's reply did not come for three months and in the meantime Pelly communicated the results of his correspondence to Simpson. Reviewing Pelly's letter of October 22 and Wrangel's reply of October 28/November 10 Simpson noticed that a mistake had been made in calculating the value of the fur trade within Russian territory. A "much larger pecuniary
advantage" was collected by the Hudson's Bay Company than was exhibited in Pelly's letter to Wrangel. In Wrangel's letter Simpson noticed something even more important to him. Not only was the Russian-American Company unwilling to renew that part of the agreement concerning the rent for the "occupied territory", but would not consent to do so "even at the old rent". Simpson felt that -

notwithstanding the smooth and friendly tone of Baron Wrangell's letter, I feel satisfied in my own mind that, at the expiration of the agreement they will be prepared to enter on the possession of the country now occupied by us to the Northward of 54 40, and that they will give notice that we must discontinue our dealings with the Indians within their territory. 30

With this in mind, Simpson hoped Pelly would instruct him by the Hudson's Bay Company's spring dispatch to establish a post in British territory up the Stikine River. If this step was left until the end of the agreement (May 31, 1850) Simpson warned that the Russians "could annoy us by any interference" and "throw such obstacles in the way by inciting the natives of the coast against us, as to render it a very difficult measure". They could cause a "heavy
oulay and probably serious quarrels with the Indians" which would lead to inevitable misunderstandings with the Russian-American Company. Simpson also recommended that the Hudson's Bay Company send a party up the Taku River and establish a post inland from its upper reaches to secure for us "the greater part of the trade of our own interior country". 31

Nevertheless, despite all these precautionary measures, Simpson declared that the renewal was so important and desirable that it was "well deserving of another effort" as long as negotiations did not continue beyond the spring of 1848. This was so that he would have a full year to take over the British interior. The cool and competitive Simpson added that -

from what I know of Baron Wrangell and the Russian-American Company, I feel that we might place the most perfect confidence in the honorable fulfilment of any formal agreement, the terms of which were sufficiently clear and binding; but that none is to be placed in their smooth and plausible profession of friendship, when unfettered by the strictest conditions. 32

Pelly received Simpson's letter in early February, 1848 and heartily agreed with his views. He stated that should no agreement come about prior to the writing of the spring dispatches, "directions will be given in it that means should be adopted as you propose". 33
Wrangel did not reply to Pelly's conciliatory letter of December 3rd until mid-February. He had been visiting family and friends in Estonia when the letter had arrived. He told Pelly that he had delayed his response in order to give it "much attention" and "consult other persons" on these matters.

He regretted that his remarks had caused a misunderstanding. By the "disadvantages to both Companies", Wrangel explained that he was referring to the rent. The Hudson's Bay Company had considered it unreasonably high and the Russian-American Company would suffer from any diminution in the original quantity. Thus, there seemed to be no common ground. His private opinion that the Russian-American Company would not consent to a renewal on any grounds was based on his knowledge of the opposition likely to be manifested to the Hudson's Bay Company's proposed rent reduction.

Wrangel added that the real reason was the fact that another nation was occupying part of the possessions of Russia. This circumstance was not favorably viewed upon by the shareholders. In 1867, the Directors admitted they had been forced to lease the territory in 1839 in order to quiet the Hudson's Bay Company's claim for indemnity. Although it brought no pecuniary advantage to the Russian-American Company, it prevented conflicts and disputes between the two companies. 34

Interestingly, in the 1860's a member of the Head Office
stated that one of the great advantages of the Hudson's Bay Company agreement was that it relieved the company from maintaining the coastal territory from which very little benefit had ever been gained. The abandonment of Ft. Ross and the lease of the St. Dionysius Redoubt provided the company with an annual saving of thirty-four thousand rubles. Although Wrangel certainly felt the trade of the straits worth fighting for in 1834, it is perhaps curious that the Head Office did not mention the Hudson's Bay Company's inability to fulfill their contract obligations. Even though this was due largely to a changing political situation beyond the control of the English company, the supply articles were the most important part of the contract. From two separate sources, the company stated that the Hudson's Bay Company "scrupulously" and "promptly" fulfilled all obligations of the contract, something which concerning provisioning they certainly did not do. The Hudson's Bay Company shipped important manufactured goods and supplies cheaply for the Russian-American Company, but these were "not sufficient in quantity" to satisfy all the needs of the colony. The Hudson's Bay Company was not able to guarantee the colony a single source of supplies over an extended period of time. The English company failed to meet this need just as had the settlements of Upper California and American sea-captains.

A critic of the Russian-American Company in the 1860's,
Captain-Lieutenant Golovin, claimed that the provisioning agreement with the Hudson's Bay Company had been "very unprofitable" and that the Head Office had found it cheaper to utilize chartered vessels from Europe. He also stated that while the maintainence of the St. Dionysius Redoubt was unprofitable, the territorial lease had granted trading rights to foreigners in the colony that had had an "injurious effect". He also mentioned that the Hudson's Bay Company had not fulfilled its obligations limiting certain prohibited articles from the fur trade in the 1825 Convention. It is difficult to say whether or not this negative view of the Hudson's Bay Company had any adherents in the Head Office of the 1840's. At that time, the British could provide supplies and freight cheaper than any other method found or used prior to 1839.

Wrangel himself agreed with Pelly that a contract renewal was the best way to avoid company collisions. The current tranquility was the best evidence. Company historian Tikhmenev stated that this argument of Pelly's, that "the renewal of the lease is the only effective measure to preserve friendly relations between both sides", was the one that convinced the Russian-American Company to yield to the wishes of the Hudson's Bay Company. Certainly a renewed competition with the Hudson's Bay Company would be a costly affair and require an increase in expenditures not needed
by the Head Office.

Wrangel noted that should the Hudson's Bay Company leave Russian territory and erect a post in the interior, the strict observance by both companies of a set of pre-defined rules and regulations governing trade and transport along the Stikine would "prevent all collisions or a good deal of them" and their own affairs could be "conducted on a footing of mutual good understanding." Wrangel flatly asked Pelly if he considered the rent reduction to be an essential condition of the renewed agreement. If so, Wrangel said that "it will be quite impossible to settle the question in a manner which you do point out." 41

Repying immediately, Pelly stated that they agreed on the main point that the renewal would prevent company collisions with the past record as proof. Pelly then went on to propose three alterations to the original 1839 agreement. First, he suggested omitting the first part of Article III which provided for the sale of two thousand west side land otter skins to the Russian-American Company. Pelly reminded Wrangel of his statement the previous May that the Russian-American Company could do "very well without them and finds no reason to persist in buying them".

Secondly, the Hudson's Bay Company could no longer guarantee the supply of the agricultural produce enumerated in
Article IV. Thus, he wished to omit that article entirely and the portions of Articles V and VI which refer to its supply. Again recalling one of Wrangel's earlier comments, he suggested that such arrangements be left to the respective coastal officers, who should be empowered to make them at their convenience.

Thirdly, Article IX must be omitted since it was no longer relevant. This was included in the 1839 agreement solely for the settlement of the Dryad claim. Pelly told Wrangel that he would send an "Agreement" to him shortly with the above alterations and hoped that these propositions "have met your views and those of the other Directors of the Russian-American Company."

At the same time Pelly sent Simpson a copy of Wrangel's February letter and told him that he had sent Wrangel a copy of a new agreement. This contract maintained the old rent and removed all articles relating to the purchase of otters and provisions and was only for nine years so as to let the agreement and the Queen's grant of exclusive trade to the Hudson's Bay Company expire in the same year (1859).

In late March, Pelly sent a new agreement to the Directors as well as a private letter to Wrangel. He told Wrangel that in order to simplify matters he had merely recited the 1839 contract excluding only Article IV and altering only
the sale of freight in Article V. Article III was not touched, since it in no way bound the Russian-American Company to purchase otter skins from the Hudson's Bay Company. Pelly told Wrangel that he had "no doubt of its meeting your Comp[a n y]s approbation." He had sent two copies of the "Agreement" to the Directors with the Hudson's Bay Company seal attached to one copy to be kept by them. The other copy was to be returned to London with the Russian-American Company's seal. Pelly stated that he was happily expecting a renewed contract and the "continuance of the good understanding between the two companies. . ." 44

Pelly's official letter to the Directors restated his earlier arguments to Wrangel on the necessity of certain modifications because of the 1846 Oregon boundary settlement. Thus, it was the Hudson's Bay Company's opinion that the new agreement should omit the first part of Article III, the whole of IV, and the relevant parts of V and VI. Article IX was considered superfluous and should also be removed. This renewed agreement was to be for nine years. 45 It is not clear why this description of the agreement differs slightly from Pelly's private letter to Wrangel except that the former represents his personal opinion.

Simpson was kept abreast of the situation by the Governor and Committee and told that negotiations had been opened on
the bases he had suggested. Simpson was pleased that the renewal agreement looked as though it would go through. He told Pelly that despite the high rent, the agreement would "guard against difficulties with that association, which is powerful alone from the circumstances of being under the special protection of the Imperial Government." Simpson regretted the loss of the otter sales to the Russian-American Company and warned that the resultant increased importation of that product would lower its market price. 46

Wrangel, Politkovskii and Etolin signed the Directors' official response to the Hudson's Bay Company in mid-April, 1848. The renewal of the Russian-American Company - Hudson's Bay Company agreement would be the first order of business of the company's General Assembly of Shareholders which met in the fall. After this body agreed to the new contract, the Russian Government would have to confirm it. This was merely a legal formality, the Directors stated, but nevertheless a necessity. They added that since the Hudson's Bay Company had excluded the sale of otters (Article III) in the new agreement, that Article should be omitted as well as Articles V and IX. 47

Pelly replied to the Directors in late April concerning the additional omissions. The Hudson's Bay Company had retained the third article because they assumed the Russian-
American Company wished to continue to purchase the three thousand prime east side otters for their Chinese market. The fifth article, whereby Hudson's Bay Company ships could carry Russian goods on freight, was retained because it was thought to be mutually advantageous. Pelly did not argue about these two and noted that the ninth expired as a matter of course on May 31, 1850 at the current contract's end. Any further alterations Pelly invited the Directors to place in the margin of the executed copy of the contract which was to be returned to the Hudson's Bay Company. This was the last the Hudson's Bay Company would hear about the renewal from the Head Office or Wrangel for six months.

The Hudson's Bay Company had not counted on having to wait for the Russian-American Company's shareholders to meet in the fall before it knew the outcome of the renewal. Simpson sent out a flurry of correspondence during the summer of 1848 concerning this subject. Simpson regretted the delay and although he was fairly certain that the agreement would be accepted, he instructed the Board of Management to be prepared to form an establishment up the Stikine River. The uncertainty was inconvenient for coastal planning. If the renewal went through, the Stikine post would be abandoned and the Beaver would collect all the leased territory trade. Simpson informed Ogden, Douglas, and Work in June of the
modified contract proposal and told them that the renewal was almost concluded except for the haggling between the Governor and Committee and Wrangel over the rent (which, in fact, had already been agreed upon). 49

In July, 1848, Simpson told London that it was "of great importance that the Board of Management should learn as early as possible whether the arrangement with the Russian-American Company has been concluded..." 50 While in Washington, D. C. in August assisting with the official transfer of Oregon territory over to the United States, Simpson wrote to the Board of Management that a Committee member with him in Washington had told him that the Russian-American Company agreement had been renewed with a few alterations from the original. He thereby ordered them to discontinue the exploration for an interior post, abandon the Stikine post altogether, and send those company servants to form a post at the coal mine (Ft. Rupert in the Queen Charlotte Islands). They were also to arrange for the Hudson's Bay Company's steamer to be repaired in the Sitka shipyard. Simpson said it would be cheaper and more convenient than sending out a carpenter from Canada. 51

Simpson learned from the Hudson's Bay Company's secretary later in August that the renewal was still an undecided matter because of the "present uncertainty on that subject we are
very much at a loss how to proceed with reference to the occupation of the British territory up the Stikine in the event of the agreement not being renewed, or to the abandonment of the post of Stikine should it be continued." Simpson urged London to press the Russian-American Company for an early decision on the matter stating again that the interior should be established by 1849 to protect the Hudson's Bay Company's interests. In Simpson's mind, the very delay of this question involved a very considerable outlay. 53

Subsequently, Simpson informed the Board of Management that the negotiations were still pending. With some disgust he stated that -

It does not appear by the correspondence with Baron Wrangell that the RACo consider they derive any material advantage from this arrangement; it is, therefore, not improbable it may be terminated. 54

Simpson also told them that it would be imprudent to abandon the Stikine post now and the necessary preparations for the interior post should again be made. 55

That letter was sent in October. Simpson wrote them again in November, 1848 and explained that the problem with the delay arose from the "necessity of having it done in due form", rather than any disinclination on the part of the Russian-American Company to enter into a renewal. The matter
nevertheless, was not settled and until it was signed, they were to be prepared to form an interior establishment. 56

It was indeed unlikely that the General Assembly of Shareholders would do anything but accept the Head Office's decision whole-heartedly. The Russian-American Company, nevertheless, was also prepared for more aggressive action on the Northwest coast should the agreement fall through. During the 1840's the Head Office had put pressure on the Imperial Government for support against foreigners and the Americans in particular, and explorations continued. In 1842 and 1845, the Directors asked the government to prohibit foreigners from the "interior waters, bays, harbors, and coves" of the Russian American colony and for permission to outfit a company ship as a naval cruiser to patrol these areas. The government agreed to their insistent proposals in 1845. The company was mainly concerned with American whalers in the Pacific at that time and felt that they would need special privileges and cooperation from the government to wrestle the profitable whaling business from them. Nevertheless, should the Hudson's Bay Company once again become competitors, these energies could be directed towards them too. The Head Office supported explorations in the Far East of the bay of Ayan and the mouth of the Anadir River in search of a port to replace Okhotsk and provided charts for colonial navigation in
1843 and 1844. During negotiations for the renewal of the contract, two expeditions took place in 1848 into the interior to explore the Sushitna and Copper Rivers so as to expand the company's communication and commercial relations with the natives there. 57

Pelly wrote the Directors in early September, 1848 at Simpson's request. He asked, "[w]hen I may expect to be informed of the views of the shareholders of the Russian-American Company which you stated in your last [letter] would be at their Gen[eral] Meeting usually held in Autumn." 58 In two weeks, Wrangel wrote in reply:

... the General Meeting of Shareholders of the Russian-American Company is supposed to take place October next for the decision on the subject of the renewal of the agreement between both the Company [sic], which decision the Directors of the Hudson's Bay Company will be at proper time immediately acquainted with. 59

Wrangel's letter was received the first week of October and a copy was immediately forwarded to Simpson. 60

In early November the news finally came. On behalf of the Head Office, Etolin informed the Hudson's Bay Company that the shareholders had met on October 19/31, 1848 and had approved the modified agreement for nine more years, that is, until May 31, 1859. It had now been submitted to the government
for approval by the tsar. Etolin promised to inform them of official government sanction as soon as it was obtained. 61

Upon receipt of this news, the Hudson's Bay Company secretary wrote directly to the Board of Management and told them to cancel the interior establishment, even though the agreement still awaited the Russian Emperor's approbation. Simpson received a report of Etolin's letter on December 10th. 62

Almost three weeks later, Etolin who represented his company in this final round of communiques, the project of the new contract and requested the Hudson's Bay Company's official consent. This was a draft of the agreement which Etolin wanted to submit to the Russian Government with the Hudson's Bay Company seal. Etolin added that -

all the transactions and agreements which had taken place between both the Companies (and are not mentioned in the contract) concluded in the year 1839, the Russian-American Company is desirous to conserve still further in their former force, till they be modified by mutual agreement, should such modification prove necessary. 63

This draft agreement had five articles. First, the Russian-American Company would cede the previously leased territory at the same rent and conditions as in the existing contract. Second, the Hudson's Bay Company would not trade or hunt with Indians in any other part of Russian territory
than that leased to them as before. Third, payment of bills of exchange on both companies would be made in St. Petersburg and London as before. Fourth, in case of a rupture in English-Russian relations, all proceeding transactions would be fulfilled as in peacetime, as before. And fifth, in case such an occurrence mentioned above, the Hudson's Bay Company was to be guarded from loss as before, with the addition that the "rent to be paid up to the date at which information of the rupture shall be received on the spot." The Hudson's Bay Company accepted the draft agreement and so informed the Russian-American Company on December 15th. 64

Hudson's Bay Company Secretary Barclay told Etolin that he assumed by the transactions and agreements in the 1839 contract, that he was referring to Articles IV and V concerning the supply of provisions and carrying Russian-American Company goods on freight between now and the end of the original contract. Barclay told him that the Hudson's Bay Company was -

willing that those agreements should continue in force until 12 months after either party shall have given notice to the other that a modification of them is required. 65

Nevertheless, it was clear that should the Russian-American Company wish supplies provided as before, it would have to
be left up to the Russian governor and the Board of Management to make such an arrangement. 66

The Russian-American Company's Directors wrote to the Minister of Finance, now Fedor Pavlovich Vronchenko, on December 17/29, 1848 concerning the approved draft of the Russian-American Company - Hudson's Bay Company agreement. They informed the new finance minister of the original 1839 settlement between Wrangel and Simpson and stated that the renewal had been approved by the company's shareholders. The valuable results of the 1839 agreement with the Hudson's Bay Company were listed as two-fold. First, it ceased the "constant solicitations" of the United States Government for the renewal of Article IV of the 1824 Russian-American Convention. Second, it relieved the Russian-American Company -

of the obligation to pay a very considerable sum to the Hudson's Bay Company and that all causes of disagreement between the companies' agents were removed. Reciprocal feelings of hostility which are so dangerous in these remote countries, were changed into a feeling of friendship and it was understood that services should be rendered and civility be shown by each Company to the other. 67

With the upcoming expiry of the present contract, the Directors argued that both companies "thought it wise to renew the agreement on the previous conditions with certain changes, made absolutely necessary by altered circumstances
and mutually beneficial to both Companies." Their primary reason for seeking renewal was to maintain friendly relations with the Hudson's Bay Company. The Directors continued stating that:

This seems to be particularly necessary at the present time. It seems certain too that unless such friendly relations be maintained it will be impossible to avoid such hostilities and conflicts, as would not only have a bad influence on the affairs of the American Company, but might also lead to unpleasant correspondence between our Government and that of England. 68

Through the Department of Manufacture and Foreign Trade, the minister replied to the Head Office over a month later. He had submitted the company's request for permission for a nine-year renewal to the State Chancellor, Minister of Foreign Affairs, Count Nesselrode, who told him that His Majesty Nicholas I was pleased to sanction the Directors' proposal. This was done on January 22/February 3, 1849. 69

The Russian-American Company officially received Nicholas' sanction on January 29/February 10, 1849, almost ten years exactly from the date of Wrangel and Simpson's original agreement. Twelve days later Etolin informed Pelly, Governor of the Hudson's Bay Company, that the renewal had received the sovereign's "most gracious consent". The next Russian-American Company dispatch to the British company would contain two
copies of the new contract, the one signed by the Directors was to remain with the Hudson's Bay Company, and the other was to be signed by the Governor and Committee and returned to St. Petersburg. The Russian-American Company's colonial authorities were sent copies of the agreement in March [see Appendix C].

Simpson was kept informed of every move. Barclay had informed him of the shareholders' acceptance of the proposal as well as of the Russian Emperor's assent to the new contract.

Etolin sent two copies of the renewed contract to the Hudson's Bay Company on March 26/April 7, 1849. On behalf of the Governor and Committee, Secretary Barclay returned the Russian-American Company's copy duly signed. Etolin acknowledged the receipt of the Hudson's Bay Company's copy on May 7/19, 1849. By the end of June, Simpson had sent a copy of the "project" (draft agreement) contract, "since entered into and executed in due form", to the Board of Management.

Interestingly, the Board of Management had received positive information from Governor Teben'kov on the renewal in the fall of 1848 which was later confirmed through Simpson's ill-informed letter of August, 1848. The Board informed Simpson that they were pleased to find out that the grain and provisions article had not been renewed because of the recent
desertion of settlements and resultant high cost of labor and food. The gold rush had hit California and news travelled fast. Wheat had risen in price by sixty percent between November, 1848 and March, 1849. Flour had risen from ten to thirteen dollars a barrel during the same time. All the high prices were in anticipation of large orders from California. 

The Russian-American Company Brig Velikii Kniaz Konstantin assisted as Fort Stikine was abandoned on April 14, 1849. 

One of the major differences in the new contract was the absence of the Hudson's Bay Company's supply of provisions and shipping freight for the Russian-American Company. In some ways it merely recognized on paper what existed in fact. The Russian-American Company had begun to charter its own vessels from Russia as early as 1846 in order to carry Russian and English goods to the colony. Nevertheless, it used Hudson's Bay Company ships for freight up to the conclusion of the first contract.

The Hudson's Bay Company had informed the Directors by 1846 that the impending Oregon boundary settlement would jeopardize their ability to fulfill the colony's supply needs. The Directors had begun to adjust to the situation while they had time, but it was the same old problem. They were forced to look again for sources of food supply. They had experimented with sending manufactured goods from Hamburg, rather
than London, and their chartered ships stopped at Rio de Janeiro and Valparaiso en route to Sitka to purchase provisions. They even began to barter with Californians again. The gold rush, however, affected these developing supply lines in a crucial manner. The high prices in California forced the company to procure supplies and provisions from the Baltic area, where they were cheaper now than in the Pacific area. The Directors made an arrangement with a Finnish company to ship rye flour to the colony on a regular basis. The gold discovery also disrupted the Russian-American Company supply line with the Sandwich Islands for salt for themselves as well as Kamchatka. The Russian-American Company made some profitable sales initially during the rush and sold almost ten thousand dollars worth of goods in California and the Sandwich Islands. An extra cargo of flour was taken from California and the Columbia in 1847 for the colony and Kamchatka, which proved fortunate. The Head Office sent a large cargo of flour and groats to the colony in 1849. The Russian-American Company received wheat and other provisions from the Columbia for the last time in the summer of 1849.

The face of the Pacific Northwest coast was changing rapidly and the two companies were trying to adjust accordingly. Although not mentioned in the second (renewed) contract, coal was becoming an important coastal product. The
Hudson's Bay Company had established mining operations on the Queen Charlotte Islands, but Simpson was mildly concerned about competition from the Russians. The Head Office had recently sent a mining engineer out to the colony (1847) and the company would ship coal from Cook's Inlet to California in the 1850's.

Despite commercial facts that were drawing the two companies apart, good relations were maintained. In 1849, at the request of the Governor and Committee, the Directors ordered the colonial authorities to assist in the search for the British expedition of Sir John Franklin that had been missing in the Arctic Ocean for a number of years. The 1839 agreement, modified and renewed in 1849, was maintained for the remainder of the Russian-American Company's existence on the Northwest coast. The basis for the contract, however, was gone. A regular supply of goods and provisions, which the Hudson's Bay Company had offered to provide as early as 1829, could not be guaranteed.

The fur trade in Russian America does not appear to have suffered from the agreement or its renewal. The Hudson's Bay Company rental and purchased land otters were regularly supplied to the Sitka authorities (except in 1847) during the first contract period, and just the rental otters subsequently. Between 1841 and 1850, this meant an average of
somewhere between five and seven thousand land otters were received from the British yearly, and approximately two thousand annually thereafter. The colonial trade reports for the first contract period indicated that an average of about thirty thousand total peltries (furs, paws, and tails) were being sent yearly to Kiakhta between 1844 and 1847, about twenty thousand annually during 1848 and 1849, and over forty thousand per year during the early 1850's. This increase came largely from the number of beavers bartered from the natives.80 If Wrangel thought the company was going to derive profits from the importation of Hudson's Bay Company furs in 1839, it was of little concern to him ten years later. Neither Wrangel nor Simpson had signed the denuded renewal of their original wide-ranging commercial agreement. After years of close business relations, the two men went their separate ways.

Despite Wrangel's extensive activity within the company's Head Office and committee memberships with the government, he still found time for some scholarly work in the late 1840's. He contributed three articles concerning the best means of reaching the North Pole, which, of course, drew on his own navigational experience. Articles appeared in 1847 and 1849 in Zapiski Russkogo Geograficheskogo obshchestva (Notes of the Russian Geographical Society), and in 1848 in the Royal Geographical Society Journal in London.
Baron Wrangel apparently resigned from the Head Office sometime in 1848, and his name was seldom found on Russian-American Company communications from St. Petersburg to Sitka that year. Politkovskii served as acting-president until 1850 when he was elected to the position. In 1849 Wrangel retired from the commercial world to his country estate. He would return to St. Petersburg to serve with the Naval Ministry and on the State Council in the 1850's and 1860's, but was plagued by ill-health. He seemed to keep in touch with the affairs of the company, but took no active part in defending it during the 1860's. As late as 1865, five years before his death, Baron Wrangel's name appeared erroneously on a list of Russian-American Company Directors compiled by the Hudson's Bay Company. 81 His name was on record as opposing the sale of Russian America in 1867.
CONCLUSION

The career of Baron Ferdinand Petrovich Wrangel in the Russian-American Company during a critical period in the company's history has been the focus of this thesis. Through an examination of Wrangel's activities, this study has attempted also to identify the company's administrative relationship with the Imperial Russian Government. Wrangel's company service was highlighted by his contact with representatives of foreign powers. This was a result of his efforts to secure a stable supply of provisions and manufactured goods for the colony and improve the company's profits arising from the fur trade. It was this foreign involvement that particularly aroused the attention of the Russian Government. The response of the government to these incidents was examined for any consistent or definite pattern in its decisions that could be defined as a policy. Thus, by focusing our attention on Wrangel, the man, the company, and the government were analyzed.

The Russian-American Company was a product of the Russian state interest in the profits of the fur trade. The sale of sable, ermine, and other peltries had brought a considerable revenue to the state treasury since the Muscovite expansion into Siberia in the seventeenth century. It was the lure of further profits in the maritime fur trade that car-
ried Siberian merchants across the Pacific in the eighteenth century. The government granted a monopoly of this maritime trade in 1799 to a group of merchants recently united in a single commercial firm, the Russian-American Company.

The company received its first charter from the tsar and was entrusted with two basic grants: exclusive trading rights in Russian America and the administrative responsibility (and expense) for the Russian colonial settlements there, which at their height extended to California and the Hawaiian Islands. The Russian colony of mostly native people provided a repository of cheap labor for the company, but it also required a steady stream of supplies and provisions. The government made the company responsible also for providing religious instruction and schooling for the people of this, the most distant outpost of the Russian Empire. The company's commercial right to exploit the native population for the fur trade was tempered by a Christian civilizing obligation to these same natives.

The Russian citizens of Russian America had a slender tie to their parent state. The colony was only indirectly linked with the administration of the Russian Empire. Within the district of Eastern Siberia, the Maritime Region included an autonomous subdivision of Okhotsk. The Port of Okhotsk was its centre and the naval authority there was entrusted
with ensuring that the Russian-American Company observed its charter limitations and did not abuse government property for private gain. All criminal offenders in the Russian colony had to be sent to Siberia for trial.

The staggering physical distance between Sitka and St. Petersburg played an important part in the Russian colony's existence. The government's lack of a fixed colonial policy may be due in part to geographical factors. The colony may have been just too far away to be of any real concern.

Formal acquisition of the territory was considered by Alexander I in his controversial 1821 ukaz; the resultant 1824-1825 treaties with the United States and Great Britain established the boundaries of Russian America. Despite this diplomatic recognition, the territory was regarded more as a colony under the company's jurisdiction than as a separate political entity within the Russian Empire.

Despite an apparent lack of policy, governmental concern for the Northern Pacific colony did exist and was evident by its increased supervision of the company's Head Office in St. Petersburg during the first twenty-year charter (1799-1819). This was brought about by the company's frequent contacts with foreigners in the North Pacific. The Directors of the Head Office were clearly instructed not to jeopardize Russia's relations with any foreign powers through company actions on the Northwest coast of North America. The colonial governor in Russian America, much like the governors of the
empire's provinces, however, were a great distance from the
authorities in the capital and not always easy to control.
By the second charter, to ensure a greater measure of control
over this individual, he was now to be selected from the navy
and approved by the tsar himself. Governors such as Wrangel
(1830-1835) retained a relatively free hand in administering
their duties, but were responsible both to the company and
the government for their actions.

From the government's point of view the Russian colony
was part of a commercial enterprise. The Directors were to
observe their charter and operate their business with the good
of the state in mind. Under the company's second charter (1821-
1841), the Russian-American Company was accountable to the
Minister of Finance. To the extent that this company was con-
sidered to be a private mercantile firm engaged in buying and
selling on the Russian and foreign market, this was a logical
administrative position. Although the finance minister was
officially responsible for the company and colony, in practice
three other ministries were involved in some way with the com-
pany: the navy, the church, and the foreign office. The multi-
plicity of official supervision and influence may have contrib-
uted to the lack of a clearly developed colonial policy. By
the third charter (1842-1862), when Rear-Admiral Wrangel had
assumed the presidency of the Head Office, the once commercial
firm had all the trappings of a governmental department. ¹
The Naval Ministry had an obvious link to the company. It supplied colonial governors, officers within the Head Office and Council as well as shareholders, vessels, and sailors, and sponsored explorations. The Imperial Navy and the colonial vessels of the company were essential to the maintenance of the Russian-American colony. This involvement suggests that administrative control should have come through this ministry, something the company itself recommended, or perhaps through a joint naval-finance committee.

It was through the activity of the Orthodox Church and its clergy in Russian America that the company fulfilled its moral obligation to the native population. While the Holy Synod of the Russian Orthodox Church did not exert any direct control over the company, it did exercise indirect influence and the Russian-American Company was bound to provide transportation, salaries, accommodations, and protection for the church's missionaries free of charge.

The most direct government involvement in Russian-American colonial and company affairs came from the Ministry of Foreign Affairs. The Russian Government had no long range policy objective in the Far East until the 1850's when the Governor-General of Eastern Siberia launched and pursued a continental, expansionist policy into the Amur River Valley at the expense of Russian America. During the reign of
Nicholas I (1825-1855), Russian foreign policy was guided by his conservative ideology that, it has been said, tried to freeze Russia while the rest of Europe was changing. Nicholas's diplomatic efforts were centered on the Near East and Europe, and had little to do with Russian commercial activity on the Northwest coast. Only when the Russian-American Company's colonial authorities came into contact and conflict with foreign nationals did the foreign ministry become concerned. International contacts were quite frequent in the North Pacific in the early nineteenth century and the foreign minister intervened in company affairs on more than one occasion. In such cases, the Minister of Finance deferred all authority to him and the Head Office had to abide by his decisions. In all other areas, the Directors were left to determine a colonial policy to suit their commercial needs.

Baron Wrangel's determination and forceful resolve as a company governor, advisor and director in the 1830's and 1840's tested this company-government relationship. He came from the navy, supported one of the church's most famous missionaries, and challenged and bargained with foreign powers. In general, he acted from the commercial perspective of the company; what is best for the company's financial situation. The government's myriad of ministerial bureaucracy tolerated this point of view and interfered only when foreign relations
seemed jeopardized in some way. This official interference assumed an identifiable pattern and formed a basis for a consistent government attitude toward Russia's overseas colony.

The 1830's and 1840's were a critical time for the company. The maritime fur trade had been in decline since the 1820's due to over-hunting. Subsequent conservation measures and poor curing methods kept the level of this branch of the fur trade down. At the same time colonial expenditures were soaring. In an attempt to resolve this situation, explorations of the continent's interior were undertaken in search of more land furs (such as beaver and fox) and a more effective way to exploit the trade. An additional source of income was sought through the sale of colonial products (walrus tusks, castorum, sea lion and fur seal skins) in Europe and North America. Native resistance to Russian activity continued in the straits and the competitive threat of the Americans in the fur trade was replaced by the Hudson's Bay Company. The labor supply was chronically short and predominantly unskilled. A regular supply of provisions was still not secure. The resolution of these problems was crucial to the survival of the colony, and hence the company. These were the problems that Baron Wrangel had to face. The colony and company were struggling for survival. Wrangel was not the type of
individual to sit back and let the events take whatever
course they may. His resourcefulness was evident as a naval
explorer. A man of initiative and energy, he made the most
of the power he had to alter that course towards success.

In 1834, Governor Wrangel challenged the competitive
threat of the Hudson's Bay Company in the fur trade. In 1835-
1836, he attempted to open up Russian California as a wider
supply base through negotiations with the Mexican Government.
During 1838-1849, Wrangel, as an advisor, Council member,
and Director in the Head Office, tried to stabilize the
supply of provisions and manufactured goods, increase fur
returns through purchases and barter, open up alternate
avenues of income, and in that way improve the company's
overall financial position. In each arena, Wrangel attempted
to solve an important company problem. Each of his efforts
concerned the Russian Government. The government's response
to his actions follow a discernible and consistent pattern
that can be labeled as an attitude or policy of a kind toward
the Russian colony.

To protect the interests of his company's fur trade,
Wrangel found it necessary to confront forcefully the Hudson's
Bay Company expansion in 1834. In so doing, he violated pro-
visions of the 1825 boundary treaty signed by Russia and
Great Britain. The resultant Dryad Affair was carried to
the level of foreign ministers and settlement of an important area in colonial affairs was taken out of the hands of the Russian-American Company. The colonial governor's and Head Office's opinions were solicited by the government, but the latter's main objective was to remove any actual or potential political problems with England. The Russian Foreign Minister upheld the British claims that the Russian-American Company had infringed upon English treaty rights. No consideration was given to the fact that Wrangel had acted in defense of Russian commercial interests. The Russian Government may have wished to avoid a minor diplomatic dispute with England at this time. It was clear that it would not support company interests when there were overriding political concerns. The Minister of Finance seemed unable to aid this commercial enterprise. The company was no longer the economic asset it had once been in the early 1800's. The fact that Wrangel and the Russian-American Company were able to settle the Hudson's Bay Company's claim for redress with a commercial deal in no way reflected any change in the government's attitude. In fact, the deal coincided with the Foreign Minister's directive to the Head Office to settle this issue in some way agreeable to both parties.

Wrangel's negotiations with the Mexican Republic in 1835-1836 had brought the promise of expanded trading and
territorial rights to Fort Ross. The success of these discussions all rested upon Russia's official recognition of the new republican government. The political request was too much for the reactionary Tsar Nicholas I to accept, and Wrangel's carefully prepared deal collapsed. Wrangel had seen Russian California as a potential solution to the company's problem of supplying the colony. The solution required the expansion of the company's California possessions to include more arable land and additional trading rights and port facilities. Here, Wrangel thought, lay the means for the company to solve the colony's problem without the assistance of foreigners. The political ramifications in St. Petersburg of recognizing the republic superceded the commercial importance of the concessions to be granted to the company. The Russian-American colony was the company's concern. The government viewed the colony as one facet of a commercial enterprise that was being exploited for the company's profit. As colonial administrators similar to the Dutch and East India Companies as well as the Hudson's Bay Company, this Russian joint-stock company had to reap the gains and absorb the losses of its colonial settlements while not infringing upon the mother country's political sensitivities. Without reference to the profit derived from exploiting the native labor in Russian America, Director Adolf Etolin stated in 1863
that the company was an "owner of a country, obtained at its expense, organized by its pains, and maintained by its means."²

As long as the Russian-American Company did not stray into politically sensitive areas, the Head Office and colonial governor were allowed to make the decisions affecting the fate as well as the maintenance of the Russian-American colony. Colonial and company affairs were administered as one. With the gradual decline of the fur trade's profitability from the 1820's, the company became less and less a commercial trading operation and more and more a body of economically-minded colonial administrators. The company continued to pursue the fur trade and maintained a lucrative tea trade with China. The ever-present problem of supplying the colony yearly with the necessities of life, however, demanded the full attention of the Directors. Wrangel's experience with company affairs thus far had resulted in government intervention on two occasions. The Head Office was no further in resolving its dilemma. Wrangel's subsequent career with the company in St. Petersburg illustrated a complete lack of government interference or concern as to how the company handled the crucial supply issue through the Hudson's Bay Company. The 1838-1849 period also evidenced Wrangel's rise to power within the ranks of the Head Office where gradually he assumed its highest position as President.
Wrangel had a clear hand in the original 1839 contract with the Hudson's Bay Company in expanding its range to cover additional inter-company activities that might prove financially advantageous to the Head Office, and finally, in its renewal. Wrangel discussed the various propositions with other members of the Head Office. Nevertheless, the correspondence points to him as the commanding figure in all decisions. For Wrangel and the Russian-American Company, the most important aspect of the 1839 agreement was the procurement of a stable and reliable source of supplies through the well-known Hudson's Bay Company. The government took no part in trying to bring a favorable supply settlement to the company. The commercial contract was set up by Wrangel and his counterparts George Simpson and Sir John Pelly. This was a commercial matter, not a political one. Wrangel was in full charge of the crucial provisioning problems. The most striking evidence in 1839 of the company's control of the colony was seen in the leasing of Russian territory. Wrangel was actually able to bargain Russian territory within a commercial deal. This may be because the government never considered it as part of the Russian Empire. The colony was not a separate administrative unit within it. The agreement, territorial lease included, was welcomed gladly by Count Nesselrode. He urged Tsar Nicholas to accept this and the other contract
articles because it removed the politically unsavory Dryad Affair from his desk.

Baron Wrangel was truly an impressive figure in the affairs of the company and surely ranks close to the company's founder, Shelekhov, and its first and famous governor, Baranov, in the annals of the Russian-American Company. Blocked by the government in his efforts while on the Northwest coast, Wrangel operated from St. Petersburg to make the company a viable organization.

He was engaged in other activities while serving in the Head Office and remained active in navy and government circles after 1849. He sat on two government committees in 1843. One concerned the supply of provisions to the Kamchatka Region, and the other, the development of the "Ways of Communication" in Russia, especially the railroad. In 1844-1845, he participated in the founding of the Russian Geographical Society with Admiral F. P. Lutke and academician K. M. Ber. Wrangel served as the director of this society in 1845. In recognition of Wrangel's scholarly pursuits and achievements, he was elected a corresponding member of the Russian Academy of Sciences in 1827 and of the King's Geographical Society of London in 1837. He was also a member of the Moscow Society of Natural Scientists. His literary efforts were likewise rewarded by honorary memberships in both the Russian and
French Academies of Sciences. In 1847 he was promoted to the rank of Vice-Admiral, and two years later he retired at the age of fifty-three and left St. Petersburg with his family for their estate, Rui', in Estliandsky Province.

Wrangel spent five years in rural solitude and it was probably the death of his wife in March, 1854 that made him seek out old friends and recommence state service now at fifty-eight years of age. He returned to St. Petersburg in September, 1854 and was appointed Director of the Hydrographical Department of the Naval Ministry. During the Crimean War, 1854-1856, Wrangel was appointed a manager (upravliaushchii) within the ministry, sat on many of its committees, and took part in the reorganization of their important public journal Morskoi sbornik (Naval Collection) in 1855. Grand Duke Constantine, Grand Admiral of the Navy, would later use this organ of the ministry to help implement his naval reforms, but, ironically it also became his highly effective weapon against the Russian-American Company. Wrangel's position as manager allowed him to be present at meetings of the State Council and Council of Ministers. In 1856 he was promoted to General-Adjutant, an honorary military and court title, and later that year to a full Admiral [see Plate No. 2].

In 1857, while holding the position of Chief of Chancery of the Admiralty, Wrangel became directly involved in the

* Taken from Vrangel', p. 29.
first round of diplomatic considerations surrounding the possible sale of the colony to the United States. The Minister of Foreign Affairs, A. M. Gorchakov, approached Wrangel on the basis of his past experience and, as far as can be determined, continued interest in the Russian-American Company for an estimate of financial remuneration or compensation. Wrangel prepared his report in secret and submitted two possible figures. On the basis of figures from company account books and published balances as well as the shareholders' expectations, the Russian Government could demand 7,442,800 silver rubles. This figure did not include any calculations based on the "future wealth and benefits" of the area and Wrangel suggested that it be used should the colony be sold to a private Russian company. The value of the colony when lands, real property, industries, port facilities, and vessels were considered, Wrangel estimated at twenty million silver rubles. Even that amount, Wrangel felt, would not be enough to demand from the United States for possessions which he felt "promise important results in development of industrial activity." 3

Later in 1857, he left the Naval Ministry to take on his new appointment to the State Council. However, illness prevented him from taking an active part in this position until the fall of 1859. He appears to have left the State Council
in 1864 for reasons of health and returned to his estate. Nevertheless, he conveyed his opposition to the sale of Russian America in 1867. He died in Iuriev (Tartu) on March 25, 1870 (OS).

Wrangel was somewhat typical of other officials of early nineteenth century Russia. He had a military and Baltic-German background and his appointment to colonial governor was personally approved by the tsar. He was not, however, overly subservient and could not be said to have lacked character as were other administrators during the reign of Nicholas I. In some ways he was quite different altogether. Besides his rise to the top of the Russian-American Company, he claimed feats of naval exploration and world travel and a full career as a scholar. He rose through the ranks of the Imperial Navy to a full Admiral and eventually sat on the prestigious State Council.

If Wrangel had a contemporary counterpart most like himself, one might consider this to be George Simpson. A world traveller in his own right, Simpson devoted forty years to the governorship of the Hudson's Bay Company's territory in North America and has been hailed as one of the great business leaders of Victorian England. Simpson developed a high regard for Wrangel, whom he met both in conflict and cooperation. Simpson regarded him as a worthy adversary in the competition
for the coastal fur trade in 1834, and, after 1839, as an
able collaborator in their commercial negotiations. All of
this is in spite of the fact that Simpson was highly critical
of the Russian-American Company itself, calling it an ineffect-
cient, over-staffed, and lethargic organization. Both men
shared a single-minded drive and dedication to their companies.
Perhaps this allowed them to develop that close business and
personal relationship they seemed to share in the late 1830's
and early 1840's. Ironically, posterity values their commer-
cial contract only for its political significance. It was
a vehicle for neutralizing their countries' possessions on
the coast of North America during the Crimean War.

Wrangel's determined efforts were aimed at bolstering
the company so that once again it could make the fur trade
business pay. He tried to ensure the regular delivery of
provisions and manufactured goods, purchase and barter more
furs, and expand company activity in the interior of Russian
America, in the colonial tea trade, and in colonial industries
in order to improve the shareholders' dividends. Wrangel was
the last colonial governor to meet competitors in the fur trade
aggressively and made the last attempts to secure a single
source of provisions. The inability of the Hudson's Bay
Company to provide a continuous flow of supplies forced the
Head Office to rely on the variety of earlier modes of trans-
port and providing provisions until 1867. Russian interior explorations increased contact with inland natives and this provided an increase in the fur returns primarily in beavers. These furs in addition to those obtained through the English company were traded at a profit on the Chinese market, but it was not enough to bring the company out of debt. That the company was almost a government agency by its third charter may account for the Ministry of Finance's monetary assistance in keeping the company solvent.

From the company's inception, the colonial settlements had been difficult to maintain. The colony was not the concern of the Russian Government and only aroused its attention over matters of foreign policy. The company's inability to sustain a profit in Russian America made its abandonment inevitable, just as it had in the case of Russian California. When the fur trade ceased to turn a profit, the reason for the colony's existence was gone.

If Wrangel had not confronted the Hudson's Bay Company in the 1830's, the British probably would have captured the entire coastal trade and perhaps have driven the Russians off the coast much sooner, absorbing Russian America into its fur trade empire in North America. There is no question that the influence of one person can alter or change the course of events. Certainly, Baron Wrangel's commanding presence in
the affairs of the Russian-American Company prolonged that company's stay in North America.
Convention between Great Britain and Russia, signed at St. Petersburg, February 16/28, 1825.*

Article 1.

It is agreed that the respective subjects of the high contracting parties shall not be troubled or molested in any part of the ocean commonly called the Pacific Ocean, either in navigating the same, in fishing therein, or in landing at such parts of the coast as shall not have been already occupied, in order to trade with natives, under the restrictions and conditions specified in the following articles.

Article 2.

In order to prevent the right of navigating and fishing, exercised upon the ocean by the subjects of the high contracting parties, from becoming the pretext for an illicit commerce, it is agreed that the subjects of his Britannic majesty shall not land at any place where there may be a Russian establishment, without the permission of the governor or commandant; and, on the other hand, that Russian subjects shall not land, without permission, at any British establishment on the northwest coast.

Article 3.

The line of demarkation between the possessions of the high contracting parties, upon the coast of the continent, and the islands of America to the north-west, shall be drawn in the manner following: Commencing from the southernmost point of the island called Prince of Wale's Island, which point lies in the parallel of 54 degrees 40 minutes north latitude, and between 131st and the 133d degree of west longitude, (meridian of Greenwich), the said line shall ascend to the north along the channel called Portland Channel, as far as the point of the continent where it strikes the 56th degree of north latitude. From this last-mentioned point, the line

of demarkation shall follow the summit of the mountains situated parallel to the coast, as far as the point of intersection of the 141st degree of west longitude, (of the same meridian). And, finally, from the said point of intersection, the said meridian line of the 141st degree, in its prolongation as far as the Frozen Ocean, shall form the limit between the Russian and British possessions on the continent of America to the north-west.

Article 4.

With reference to the line of demarkation laid down in the preceding article, it is understood —

1st. That the island called Prince of Wales's Island shall belong wholly to Russia.

2nd. That whenever the summit of the mountains which extend in a direction parallel to the coast, from the 56th degree of north latitude to the point of intersection of the 141st degree of west longitude, shall prove to be at the distance of more than ten marine leagues from the ocean, the limit between the British possessions and the line of coast which is to belong to Russia, as above mentioned, shall be formed by a line parallel to the windings of the coast, and which shall never exceed the distance of ten marine leagues therefrom.

Article 5.

It is, moreover, agreed that no establishment shall be formed by either of the two parties within the limits assigned by the two preceding articles to the possessions of the other; consequently, British subjects shall not form any establishment either upon the coast, or upon the border of the continent comprised within the limits of the Russian possessions, as designated in the two preceding articles; and, in like manner, no establishment shall be formed by Russian subjects beyond the said limits.

Article 6.

It is understood that the subjects of his Britannic majesty, from whatever quarter they may arrive, whether from the ocean or from the interior of the continent, shall forever enjoy the right of navigating freely, and without any hindrance whatever, all the rivers and streams which, in their course towards the Pacific Ocean, may cross the line
Article 6. (cont'd)

of demarkation upon the line of coast described in article 3 of the present convention.

Article 7.

It is also understood that, for the space of ten years from the signature of the present convention, the vessels of the two powers, or those belonging to their respective subjects, shall mutually be at liberty to frequent, without any hinderance whatever, all the inland seas, the gulfs, havens, and creeks, on the coast, mentioned in article 3, for the purposes of fishing and of trading with the natives.

Article 8.

The port of Sitka, or Novo Archangelsk, shall be open to the commerce and vessels of British subjects for the space of ten years from the date of the exchange of the ratifications of the present convention. In the event of an extension of this term of ten years being granted to any other power, the like extension shall be granted also to Great Britain.

Article 9.

The above-mentioned liberty of commerce shall not apply to the trade in spirituous liquors, in fire-arms, or other arms, gunpowder, or other warlike stores; the high contracting parties reciprocally engaging not to permit the above-mentioned articles to be sold or delivered, in any manner whatever, to the natives of the country.

Article 10.

Every British or Russian vessel navigating the Pacific Ocean, which may be compelled by storms or by accident to take shelter in the ports of the respective parties, shall be at liberty to refit therein, to provide itself with all necessary stores, and to put to sea again, without paying any other than port and lighthouse dues, which shall be the same as those paid by national vessels. In case, however, the master of such vessel should be under the necessity of disposing of a part of his merchandise in order to defray his expenses, he shall conform himself to the regulations and tariffs of the place where he may have landed.
Article 11.

In every case of complaint on account of an infraction of the articles of the present convention, the civil and military authorities of the high contracting parties, without previously acting, or taking any forcible measure, shall make an exact and circumstantial report of the matter to their respective courts, who engage to settle the same in a friendly manner, and according to the principles of justice.
APPENDIX B

Agreement between the Hudson's Bay Company and the Russian-American Company respecting certain commercial arrangements hereinafter noticed signed at Hamburg, sixth day of February, 1839. *

The Governor, Deputy Governor, and committee of the Hudson's Bay Company of London, and the directors of the Russian American Company at St. Petersburg being desirous of drawing still closer the ties of good understanding and friendship which unite them, by means of an agreement which may settle upon the basis of reciprocal convenience and advantage different points connected with the commerce of the said Hudson's Bay Company and the Russian-American Company, have named agents to conclude an Agreement for this purpose; that is to say: The Hudson's Bay Company of London have appointed Mr. George Simpson, Governor of their Territories of Rupert's Land to act in their behalf, and the Russian American Company have appointed His Excellency Baron Wrangell, Rear Admiral in the Service of His Majesty the Emperor of Russia to act in their behalf, who after having communicated to each other their respective full powers found in good and due form, have agreed upon and signed the following Articles: -

Article 1st. - It is agreed that the Russian American Company having the sanction of the Russian Government to that effect shall cede or lease to the Hudson's Bay Company for a term of Ten years commencing from the lst of June, One Thousand eight Hundred and forty, for commercial purposes, the Coast, exclusive of the Islands, and the Interior Country belonging to His Majesty the Emperor of Russia, situated between Cape Spencer forming the North West Headland of the entrance of Cross Sound and Latitude 54 degrees 40 minutes or thereabouts, say the whole mainland coast and Interior country belonging to Russia together with the free navigation and trade of the Waters of that Coast, and Interior Country situated to the Southward and Eastward of a supposed line to be drawn from the said Cape Spencer to Mount Fair Weather with the sole and entire trade or commerce thereof. And that the

* ABT, Appendix to the Case of Great Britain, vol. I, pp. 150-152. The original contract, both in Russian and English, is in HBCA, F29/2, 174-177. The contract can also be found in Oliver, vol. II, pp. 791-796.
Article 1st (cont'd) - Russian-American Company shall abandon all and every station and trading establishment they now occupy on that Coast and in the Interior Country already described, and shall not form any station or trading establishment during the said term of ten years nor send their officers, servants, vessels, or Craft of any description for the purpose of trade into any of the Bays, Inlets, Estuaries, rivers, or lakes in that line of Coast and in that Interior Country. And shall not have any communication for the purposes of trade with any of the tribes of Indians occupying or inhabiting that Coast or Interior Country. And shall not receive in trade, barter or otherwise any of the Furs, Pelttries, or produce whatsoever of the Mainland Coast or Interior Country already described. And shall in good faith, and in spirit and to the letter relinquish in favour of and cede and assign to the Hudson's Bay Company the entire trade and commerce of the said Coast and Country, and by every means in their power protect the Hudson's Bay Company from all interference, encroachment, or competition in trade on the part of other Russian subjects, strangers and foreigners whatsoever, during the said term of ten years, as effectually as if the said Coast and Interior Country had not been ceded and had been virtually occupied by themselves. And that the Russian-American Company shall permit and afford facilities to the Hudson's Bay Company to take and retain possession of the Russian Establishment of Point Highfield at the mouth of the Stikine River and to occupy by the formation of other stations Establishments or otherwise for the purposes of trade such other parts of the said Coast and Interior Country as they may consider it desirable to occupy. And in the event of this agreement not being renewed after the expiration of the said term of Ten years it is agreed that the Hudson's Bay Company shall relinquish in favour of the Russian-American Company the said Establishment situated at Point Highfield, and any other stations or Posts they may in the meantime form on the Russian Territory already described. And in consideration of such cession and protection and of the commercial and other advantages the Hudson's Bay Company shall derive from such cession and protection it is agreed that the Hudson's Bay Company shall pay or deliver to the Russian-American Company an annual rent of Two Thousand seasoned Land Otter Skins (excluding cub and damaged skins) taken or hunted on the West side of the Rocky Mountains during the said term of Ten years; the first payment of the said rent to be by the delivery of the said Two Thousand Otter Skins on or before the 1st of June Eighteen Hundred and forty one to the Agents of the Russian-American Company on the North West Coast.
Article 2nd. - It is further agreed that the Hudson's Bay Company shall not trade with the Indians nor receive in trade or barter nor hunt any Furs or Peltries on any other part of the Russian Territory on the North West Coast or Islands than that ceded to them under the provisions of the foregoing Article.

Article 3rd. - It is further agreed that the Hudson's Bay Company do sell to the Russian-American Company all the seasoned land Otter skins they may collect on the West side of the Rocky Mountains not exceeding two thousand skins over and above the two thousand skins agreed to be paid as rent under the provisions of the first article for the said term of ten years at the price of twenty-three shillings sterling per skin deliverable annually to their Agent on the North West Coast, and that the Hudson's Bay Company do further sell to the Russian-American Company Three Thousand seasoned Land Otter skins taken or hunted on the east side of the Rocky Mountains for the said term of Ten years at the price of thirty-two shillings sterling per skin deliverable annually in like manner to the Agent of the Russian-American Company on the North West Coast: the first delivery of skins under this article likewise to be on or before the first of June Eighteen Hundred and forty one, and the following delivery of skins to be on or before the first of June in every year.

Article 4th. - It is further agreed that the Hudson's Bay Company shall supply the Russian-American Company annually for a term of ten years with wheat to the extent of two thousand Fenagos of one hundred and twenty-six pounds per fenago in Eighteen Hundred and forty, and to the extent of four thousand fenagos per annum afterwards, at the price of ten shillings and nine pence sterling per fenago, and the whole or as much of the undermentioned articles as convenient in Eighteen Hundred and forty, and the full quantities annually, for a term of nine years afterwards, at the prices affixed to these articles respectively, viz: -

160 cwt. wheat flour ....................... at 18/5 per cwt.
130 cwt. peas ................................ at 13/0  
130 cwt. grits and hulled pot barley, if it can be annually provided .............. at 13/0  
300 cwt. salted beef ......................... at 20/0  
160 cwt. salted butter ..................... at 56/0  
30 cwt. pork hams .......................... at 6d. per lb.
Article 4th (cont'd) - provided nevertheless that, if through any unforeseen cause it may not be possible for the Hudson's Bay Company to fulfil this part of the agreement, then and in that case, it is agreed that the Russian-American Company shall send one of their vessels to the Southern Coast for the purpose of receiving the like supplies through the agency of the Hudson's Bay Company; any extra charge that may be incurred through such contingency to be defrayed by the Hudson's Bay Company.

Article 5th. - It being desirable for the Hudson's Bay Company to increase their shipping or tonnage from England to the north-west coast as a means of facilitating the transport of the wheat and other supplies, they have, under the foregoing article of this agreement, undertaken to deliver to the Russian-American Company: It is further agreed that whenever the Russian-American Company may have occasion to forward to their settlements on the north-west coast British manufactured goods and other supplies of the like description as they have been usually in the habit of receiving from England and the United States of America, they will forward the same on freight by the Hudson's Bay Company's annual ships from England at a freight of £13 sterling per ton, the freight to be computed either by weight of measurement, according to custom. It being provided, nevertheless, that when the Russian-American Company may have occasion to send any of their own ships from St. Petersburg to the north-west coast, they will, in such case, forward their supplies by their own ships instead of the Hudson's Bay Company's ships.

Article 6th. - It is further agreed that the purchase money for otter skins under the 3rd Article (the purchase money of wheat and other agricultural produce under the 4th Article), the freight for goods under the 5th Article of this agreement, and the purchase money for any other articles that may be supplied to the Russian American Company by the Hudson's Bay Company from time to time shall be paid from time to time on the delivery respectively of the said skins, wheat and other agricultural produce, goods, or freight, and other articles to the agent of the Russian-American Company at Fort Simpson, Sitka, or any other point more convenient to the Hudson's Bay Company on the north-west coast north of the latitude of Fort Simpson, by bills of exchange in triplicate, to be drawn by the said agent of the Russian-American Company on the directors of the Russian-American Company at St. Petersburg in favour of the governor, deputy governor, and committee of the Hudson's Bay Company or order at 60
Article 6th (cont'd) - days after sight, which the said directors of the Russian-American Company shall fully honour by acceptance and payment.

Article 7th. - It is further agreed that should a declaration of war or hostilities unfortunately break out between Great Britain and Russia hereafter during the existence of this agreement then and in that case such national hostilities shall not become a pretext for the non-payment on the part of the Russian-American Company of the drafts of their Agent on the North West Coast of America in favour of the Hudson's Bay Company, but that all pecuniary matters of account between the contracting parties shall be liquidated and discharged honourably and in good faith as if their respective nations were in the most perfect amity.

Article 8th. - It is further agreed that should a Declaration of War or Hostilities unfortunately break out between Great Britain and Russia hereafter during the existence of this Agreement the Russian-American Company shall guarantee and hold harmless the Hudson's Bay Company from all loss and damage arising from such hostilities insofar as to enable the Hudson's Bay Company to evacuate and abandon their Possessions or Trading stations with the Russian Territory quietly and peaceably and to remove their goods, furs, and other property within three months after receiving information of such hostility or Declaration of War.

Article 9th. - It is further agreed by the Hudson's Bay Company in consideration of the arrangements entered into under the Provisions of this Agreement that they shall relinquish their claim now pending on the Russian Government, the Russian-American Company or whoever else it may concern for injury and damage said to be sustained by the Hudson's Bay Company arising from the obstruction presented by the Russian Authorities on the North West Coast of America to an expedition belonging to the Hudson's Bay Company at the entrance of the River Stikine, on the North West Coast of America in the year Eighteen Hundred and thirty-four outfitted and equipped by the said Hudson's Bay Company for the purpose of forming a commercial station in the interior British territory on the banks of the said Stikine River.
In Witness whereof, we the respective Agents, sign, seal, and execute this Agreement at Hamburg this sixth day of February, in the Year of our Lord, Eighteen Hundred and Thirty-Nine.

(L.S.) Signed GEO. SIMPSON
(L.S.) Signed BARON FERDINAND WRANGELL.

Attested by Thomas Malis, the Russian Vice-Consul at Hamburg.

25th January, 1839
6th February.
APPENDIX C

Agreement between the Hudson's Bay Company and the Russian-American Company renewing (With Certain Modifications) the Agreement Between the Two Companies on the 6th February, 1839.∗

The Directors of the Russian-American Company of St. Peters-

bury and the Governor, Deputy Governor, and Committee of the

Hudson's Bay Company of London, being desirous to continue the

friendly relations between both the Companies by the renewal

of the Agreement concluded in the year 1839, grounded on the

reciprocal conveniences and advantage, have affirmed by their

signature the following Articles: --

Article 1st. - It is agreed that the Russian-American

Company, having the sanction of the Russian Government to that
effect, shall cede or lease to the Hudson's Bay Company for a
term of nine years, commencing from the 1st of June, 1850, for
commercial purposes, the Coast (exclusive of Islands) and the
Interior Country belonging to the dominions of His Majesty the
Emperor of Russia, situated between Cape Spencer, forming the
North West headland of the entrance of Cross Sound and lati-
tude 54 degree 40 minutes or thereabout say the whole mainland
coast and interior country belonging to Russia together with
free navigation and trade of the waters of that coast and
interior country situated to the Southward and Eastward of a
supposed line to be drawn from the said Cape Spencer to Mount
Fair Weather with the sole and entire trade or commerce there-
of. And that the Russian-American Company shall leave the re-
doubt belonging to her in that Coast to the disposal of the
Hudson's Bay Company and shall not form any station or trad-
ing establishment during the said term of nine years; nor send
their officers, servants, vessels, or craft of any description
for the purposes of trading into any of the Bays, Inlets,
Estuaries, Rivers, or Lakes in the line of Coast and in that
Interior Country, and shall not have any communication for the
purposes of trade with any of the tribes of Indians occupying
or inhabiting that coast or interior country. And shall not
receive in trade, barter, or otherwise any of the furs, pelt-
tries, or produce whatsoever of the mainland coast or interior
country. And shall in good faith and in spirit and to the
letter relinquish in favour of and cede and assign to the

∗ ABT, Appendix to the Case of Great Britain, vol. I, pp. 153-
154.
Article 1st (cont'd) - Hudson's Bay Company the entire trade and commerce of the said coast and country, and by every means in their powers protect the Hudson's Bay Company from all interference, encroachment, or competition in trade on the part of other Russian American subjects, strangers, and foreigners whatsoever, during the said term of nine years as effectually as if the said coast and interior country had not been ceded and had been virtually occupied by themselves. And that the Russian American Company shall permit and afford facilities to the Hudson's Bay Company to take and retain possession of the Russian establishments of Point Highfield and the mouth of the Stikine River, and to occupy by the formation of other stations, establishments, or otherwise, for the purposes of trade, such other parts of the said coast and interior country as they may consider it desirable so to occupy. And in the event of this agreement not being renewed after the expiration of the said term of nine years, it is agreed that the Hudson's Bay Company shall relinquish in favour of the Russian American Company the said establishment, situated at Point Highfield, and any other stations or posts they may in the meantime form on the Russian territory already described. And in consideration of such cession and protection, and of the commercial and other advantages the Hudson's Bay Company may derive from such cession and protection, it is agreed that the Hudson's Bay Company shall pay or deliver to the Russian American Company an annual rent of two thousand seasoned land otter skins (excluding cubs and damaged skins) taken or hunted on the west side of Rocky Mountains during the said term of nine years; the first payment of the said rent to be made by the delivery of the said two thousand otter skins on or before the first of June, eighteen hundred and fifty-one to the agents of the Russian American Company on the North-West coast.

Article 2nd. - It is further agreed that the Hudson's Bay Company shall not trade with the Indians, nor receive in trade or barter nor hunt any furs or peltries on any other part of the Russian territory on the North-West coast or islands than that ceded to them under the provisions of the foregoing article.

Article 3rd. - It is further agreed that the payment for different purchases and services which may happen on both sides must be effected in Bills of Exchange in St. Petersburg or London after 60 days of sight.
Article 4th. - It is further agreed that in case of rupture between Great Britain and Russia all the transactions for the preceding time between the contracting parties must be fulfilled without contradiction as if their respective nations were in friendly relations.

Article 5th. - It is further agreed that in case of rupture between Great Britain and Russia during the existence of this agreement, the Russian American Company shall guarantee and hold harmless the Hudson's Bay Company from all loss and damage arising from such hostilities insofar as to enable the Hudson's Bay Company to evacuate and abandon their possessions or trading stations within the Russian territory quietly and peaceably, and to remove their goods, furs, and other property within three months after receiving information of such hostilities or declaration of war. The Hudson Bay Company is obliged in this case to liquidate with the Russian American Company the payment of the rent of two thousand otter skins till the datum on which the information of the rupture will be received on the spot.

Board of Direction of the Russian-American Company acting for the President.

(Signed)VLADIMIR POLITKOWSKI
(Membres signed)ADOLPHUS ETOLINE.
N. KUSSON
L.S. British Consulate,
    St. Petersburg.

L.S. March 22nd,
    April 3rd, 1849

I do hereby certify that the above signatures in the Russian language are those of Mr. Vladimir Politkowski, acting for the President, and of Mr. Adolphus Etoline and Mr. N. Kusson, Members of the supreme direction of the Russian American Company in this city. In faith whereof I unto affix my signature and seal of office.

(Signed) EDWD. BAYNES
Her B'k Majesty's Consul.
APPENDIX D.

THE DELIVERY OF HUDSON'S BAY COMPANY PROVISIONS AND FURS TO THE RUSSIAN-AMERICAN COMPANY DURING THE CONTRACT PERIOD, 1839-1849.*

Format:  HBC vessel, Captain: Point of Departure - Stopovers (if any) - Place and Date of Arrival.

Cargo (supplies and bills of exchange)

1. Columbia, Capt. Humphreys:  London (September, 1839) -> Ft. Vancouver
   
   a. 100 poods of gunpowder; woolen blankets - 750 pairs (white, striped, light colours - red, dark blue, and green); 1400 pounds (Russian weight) of "Congon" tea; 3600 pounds (Russian weight) of "Suchong" tea.

2. Vancouver, Capt. Duncan: Ft. Vancouver (May, 1840) -> Sitka (July, 1840)
   
   a. the above goods

   b. 2500 bushels of wheat (partial quantity per contract)

   c. Bills of Exchange drawn by Governor Etofin:  
      No. 36.  July 18/29, 1840 for £ 861. 12. 3 for the wheat.  

   d. HBC woolen blankets were bartered for 59 pairs of Finland boots supplied by the RAC

* Information in this appendix was compiled almost exclusively from the correspondence of the time period found in the HBCA. This includes published material. Also consulted were the AHRP, ORAK, and the RACR.

   a. 3000 prime east side otters; 2000 Columbia otters for the rent; a number under 2000 [1685] from the west side for barter for beavers; a screw and apparatus for a beaver press; butter

   b. Bills of Exchange drawn by Governor Etolin:
      No. 56. February 14/26, 1841 for £ 2200
      No. 57. February 14/26, 1841 for £ 2200
      No. 58. February 14/26, 1841 for £ 2013. 11. 6


   a. 130 tons purchased for the RAC in London

   b. provisions from Ft. Vancouver including butter, "pease", and 6500 bushels of wheat

   c. Bills of Exchange drawn by Governor Etolin:
      No. 65. July 14/16, 1841, £ 1271. 19. 4 for RAC goods and freight
      No. 66. July 4/16, 1841, £ 2230. 2. 11 for the Columbia produce

5. Vancouver, Capt. ?: London (November, 1841) → Sandwich Islands

   a. goods purchased for the RAC, including drugs, and a catalogue of drugs and medicines

6. Cowlitz, Capt. ?: Sandwich Islands (March, 1842) → Sitka (April, 1842)

   a. goods transhipped from the Vancouver

   b. 76 bales and packs of furs for the RAC; silk goods for Governor Etolin from the Sandwich Islands

   c. 3000 east side otters (13 found unseasoned); 2000 rental otters from the west side (124 returned, 111 of which were unseasoned); 2693 lynx (180 returned, 154 of which were "panther" skins and 25 of which
6. **Cowlitz (cont'd)**

   c. were in very poor condition; also, 171 were unseasoned but received; 65 cross foxes; 126 red foxes; 26 silver foxes (3 silver and 5 red foxes were found rotten from heat and returned); 150 fishers

   d. Bills of Exchange drawn by Governor Etolin for freight, furs, and goods
   
<table>
<thead>
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<th>No.</th>
<th>Date</th>
<th>Amount</th>
</tr>
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<tr>
<td>1</td>
<td>April 10/22, 1842</td>
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</tr>
<tr>
<td>2</td>
<td>April 10/22, 1842</td>
<td>£ 1830. 18</td>
</tr>
<tr>
<td>3</td>
<td>April 10/22, 1842</td>
<td>£ 1500</td>
</tr>
<tr>
<td>4</td>
<td>April 10/22, 1842</td>
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</tr>
<tr>
<td>5</td>
<td>April 10/22, 1842</td>
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<tr>
<td>6</td>
<td>April 10/22, 1842</td>
<td>£ 106. 2. 8</td>
</tr>
</tbody>
</table>

   [Total: £ 7689. 8. 0]

   e. accompanied by Sir George Simpson

7. **Valleyfield (charter), Capt. Boulton**: London (November, 1841) → Sandwich Islands → Ft. Vancouver (July, 1842)

   a. 25 tons of goods for the RAC purchased in England

   b. damaged cargo

   c. RAC goods transhipped at Ft. Vancouver to HBC **Beaver** and **Vancouver** (see below)

8. **Vancouver, Capt. Duncan**: Ft. Vancouver (May, 1842) → Sitka (June, 1842)

   a. wheat and flour; extra wheat to cover last year's deficiency; butter; 66 otter skins for the rent

   b. Bill of Exchange drawn by Governor Etolin:
   
<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>?</td>
<td>£ 2472. 1. 5</td>
</tr>
</tbody>
</table>

9. **Beaver, towing Cadboro, Capt. ?**: Ft. Vancouver (March 1843) → Sitka (May, 1843)

   a. east side otters and all west side otters on hand; majority of the RAC goods from the **Valleyfield**, including medicines; 150 fishers
9. **Beaver** (cont'd)

   b. Bills of Exchange drawn by Governor Etolin:
      Nos. 9, 10, 11  8  7418. 5. 3

   c. accompanied by James Douglas to remove Forts McLoughlin and Taku

10. **Vancouver, Capt. Duncan:** Ft. Vancouver (June, 1843) →
    Sitka (July, 1843)

   a. 280 tons of RAC goods transshipped from the Columbia
      in from London (See No. 12)

   b. remainder of RAC goods from the Valleyfield

   c. beef, pickled cabbage, salted sturgeon, and pickles

   d. Bills of Exchange drawn by Governor Etolin:
      No. 12. July 23/August 4, 1843  268. 17. 1 for
      freight per Valleyfield
      No. 13. July 23/August 4, 1843  2802. 1. 3 for
      freight per Columbia
      salted meat

11. **Diamond (charter), Capt. Fowler:** London (December, 1842) →
    Ft. Vancouver (June, 1843)

   a. 136 packages (approx. 85 tons) of RAC goods purchased
      in London

   b. transshipped for delivery to Sitka onto Columbia and
      Cadboro (see below)

12. **Columbia, Capt. Humphreys:** London (September, 1842) →
    Ft. Vancouver (July, 1843) → Sitka (August, 1843)

   a. 280 tons of RAC goods purchased in London and Russia,
      sent out per Vancouver in June, 1843 (see No. 10 above);
      RAC estimated the total value of these goods at approxi-
      mately 97,000 silver rubles

   b. yellow wheat; butter; some packages; hops, 1101 west
      side otters in partial payment of the rent for 1843;
      part of the Diamond cargo
12. **Columbia** (cont'd)

c. Bills of Exchange drawn by Governor Etolin:
   
   No. ? ? £ 2942. 19. 8 for wheat and provisions per **Columbia**
   
   No. ? ? £ 335. 12. 6 for freight per **Columbia**

   d. some wheat received was dusty, and some of the butter bitter


   a. approximately 395 tons of RAC goods purchased in England for Sitka and Okhotsk, including: Hessen and sacking (£ 1700); an iron cross, slops, and other materials ordered by Etolin; 14 8-day clocks, 58 stiffners, 6 copper pumps; refined sugars, and other bulky goods; RAC mail

   b. Russian tobacco and other supplies from Russia (valued by the RAC at 31,888 rubles 66 kopeks silver), sent to London and transhipped

   c. Bills of Exchange drawn by Governor Etolin:
   
   
   No. ? ? £ 3,950. 15 for freight

14. **Brothers (charter)**, Capt. ?: London (autumn, 1843) → Ft. Vancouver (1844)

   a. some RAC supplies transferred from **Cowlitz** (above)

   b. laid up with "dry rot" in October; some goods unloaded

15. **Beaver**, towing **Cowlitz**, Capt. Duncan: Ft. Vancouver (November, 1843) → Sitka (February, 1844)

   a. remaining RAC goods per **Diamond**

   b. 2000 west side otters for the rent; 3000 east side (32 rejected) and 694 west side (33 rejected) otters exchanged for 4000 RAC beavers
   Sitka (August, 1844)
   a. 100 "Tierces" of beef from Ft. Victoria; flour, 
      butter, wheat, vinegar, sour krout, pickles; one 
      cask of dried apples from Sandwich Islands
   b. Bills of Exchange drawn by Governor Etolin:
      No. 21. August 12/24, 1844 £ 807. 7. 1 for freight 
      per Diamond
      No. 22. August 12/24, 1844 £ 3063. 3. 8½ for grain 
      and provisions

   Sitka (November, 1844)
   a. 3000 fanegos (6000 bushels) of wheat sent in advance 
      for 1845 contract demand; 4 sheep sent as a gift
   b. grain cargo (damaged)
   c. Bills of Exchange drawn by Governor Etolin:
      No. ? November 25/December 7, 1844 £ 3900 for freight 
      per Cowlitz (No. 15)
      No. ? November 25/December 7, 1844 £ 1848. 11. 3

   Sitka (February, 1845)
   a. 56 lbs. of butter
   b. otters

19. Nepaul (charter), Capt. ?: London (September, 1844) →
   Sandwich Islands → Sitka (spring, 1845)
   a. 550 tons of RAC goods for Sitka and Okhotsk (described 
      below)
   b. approximately 500 tons purchased in England and 
      valued at 18,000 to 18,500 pounds Sterling; the RAC 
      estimated the cost of goods, transport, and insurance 
      to 127,494 rubles and 92 kopeks silver
19. Nepaul (cont'd)

c. approximately 50 tons of Russian goods valued by the RAC at 34,677 rubles 65 kopeks silver

d. English goods bound for Sitka:
1) fire arms, 155 barrels of gunpowder, 20 barrels of cartridges
2) linens, cottons of all sorts, Hessens and sacking, cloths, woolens, slops, Haberdashery bale goods
3) beads, hardware, perfumery, candles, earthenware, "glap", groceries, provisions - pickles, 342 cwt. of rice, 14 cwt of coffee, 194 chests of tea, 89 "hhds" of refined sugar, 11 puncheons of molasses, hats, ironmongery, cutlery tools, marine stores, 670 gallons of boiled oil, paints, stationary, leaf and Cavendish tobacco, and four cases of cheroots
4) 6 pipes of port, 6 pipes and butts of Maderia and sherry, 10 pipes of Teneriffe, 15 puncheons of rum, 24 "Hhds" of gin, 6 "Hhds" of vinegar, wine, and beer

e. English goods bound for Okhotsk:
1) 1 case of cheroots, earthenware, 8 barrels of flour, hats, caps, ironmongery and cutlery, hardware, linen, slops, provisions, groceries, 2 "Hhds" of refined sugar, wine, and spirits

20. Vancouver, Capt. Mott: Ft. Vancouver (May, 1845) -> Sitka (July, 1845)

a. contract wheat, flour, other provisions; salted sturgeon, pickled vegetables (excluding sour krout)

b. to collect RAC beavers in exchange agreement

c. Bill of Exchange drawn by Governor Etolin:
   No. ? July 25/August 6, 1845 "2993. 14. 0

21. Beaver, Capt. Humphreys: Ft. Vancouver (winter, 1845) -> Sitka (spring, 1846)

a. contract otters

   a. English goods valued by the RAC, plus transport and insurance, at 103,660 rubles 31 kopeks silver

   b. Russian goods estimated value by the RAC, including HBC shipment, to be 19,248 rubles 91 kopeks silver

   c. Bills of Exchange drawn by Governor Etohin:
      No. ? April 10/22, 1846 £ 4330. 7. 2 for English goods
      No. ? April 11/23, 1846 £ 6100. 13. 0 for freight

23. Columbia, Capt. ?: Ft. Vancouver (returned May, left June, 1846) → Sitka (July, 1846)

   a. wheat and provisions

   b. Bill of Exchange drawn by Governor Tebenkov:
      No. ? July 15/27, 1846 £ 3033. 4. 2

24. Columbia, Capt. ?: Ft. Vancouver (returned and left again August, 1846) → Sitka (autumn, 1846)

   a. wheat

25. Beaver, Capt. Dodd: Ft. Vancouver (winter, 1846) → Sitka (March, 1847)

   a. west side otters for rent and sale

   b. Bill of Exchange drawn by Governor Tebenkov:
      No. ? £ 658. 19. 0


   a. salt, wheat, other contract provisions

   b. Bill of Exchange drawn by Governor Tebenkov:
      No. ? £ 3488. 10. 6
27. *Baikal* (RAC), Lt. Rudakov: Sitka (summer, 1847) → Ft. Victoria (October, 1847) → Sitka (late fall, 1847)
   a. 12,000 bushels of wheat

28. An HBC vessel (charter), Capt. ?: London (October, 1847) → Ft. Vancouver (1848)
   a. 100 to 150 tons of English goods left unshipped by a RAC chartered vessel in London (See *Atkha* in Appendix E)

   a. otters for rent and sale
   b. Bill of Exchange drawn by Governor Tebenkov:
      No. ? ? £ 4800

30. *Vancouver*, Capt. ?: Ft. Vancouver (spring, 1848) → Sitka (spring, 1848)
   a. contract provisions
   b. sunk on return voyage (May, 1848)

31. *Cowlitz*, Capt. ?: Ft. Vancouver (August, 1848) → Sitka (fall, 1848)
   a. contract provisions
   b. Bill of Exchange drawn by Governor Tebenkov:
      No. ? ? L 3222. 16. 4

32. An HBC vessel (charter), Capt. ?: London (fall, 1848) → Ft. Vancouver (1849)
   a. English manufactured goods and supplies that could not be loaded onto the Russian chartered vessel
33. Beaver, Capt. ?: Ft. Vancouver (November, 1848) → Sitka (March 1849)
   a. east side otters (1500 of which arrived at Ft. Vancouver wet and unseasoned)
   b. Bill of Exchange drawn by Governor Tebenkov:
      No. ? March 15/27, 1849 £ 4801. 12. 0 for east side otters

34. Columbia, Capt. ?: Ft. Vancouver (spring, 1849) → Sitka (summer, 1849)
   a. contract provisions
   b. Bill of Exchange drawn by Governor Tebenkov:
      No. ? ? £ 2015. 17. 0

35. Norman Morison, Capt. ?: London (October, 1849) → Ft. Victoria (spring, 1850)
   a. 255 tons of RAC goods purchased in London (see Appendix E)

   a. goods left by the Norman Morison some of which for the RAC
APPENDIX E.

DELIVERIES OF RUSSIAN AND ENGLISH GOODS FROM ST. PETERSBURG AND LONDON ON RUSSIAN-AMERICAN COMPANY AND COMPANY-CHARtered VESSELS DURING THE CONTRACT PERIOD, 1839-1849. *

   - cargo worth 560,000 rubles
   - wheat, flour, sugar, tobacco, rum, wine
   - new colonial governor Etolin on board
   - brig Okhotsk, purchased in Rio, accompanied Nikolai to Sitka

2. Naslednik Alexander, Captain-Lieutenant Zarembo: Kronstadt (August, 1840) → Sitka (spring, 1841)
   - goods for the colony worth 122,580 rubles

3. Sitkha (charter), Captain Conradi: Kronstadt (August, 1846) → London (fall, 1846) → Sitka (April, 1847)
   - Russian goods and merchandise valued at 38,176 rubles 44 kopeks
   - English goods purchased in London by RAC agents valued at 92,974 rubles 61 kopeks

4. Atkha (charter), Captain Ridell and Captain Lindenberg: Kronstadt (August, 1847) → London (October, 1847) → Rio de Janeiro, Valparaiso → Sitka (April, 1848)
   - goods from Hamburg; an experimental supply of rye-flour from the Baltic for Kamchatka
   - Russian goods valued at 54,023 rubles 73 kopeks
   - English goods purchased in London by RAC agents for this vessel and an HBC chartered vessel, valued at 93,121 rubles silver, 39 kopeks

* Information in this appendix was compiled primarily from the RACR, ORAK, and HBCA. Gibson, Imperial Russia, 80, and Babcock, 62-63, were also consulted.
4. Atkha (cont'd)

- with Lt. Doroshin, mining engineer, to conduct a geological survey of the colony.

5. Sitkha (charter), Captain Conradi: Kronstadt (June, 1848) → London (September, 1848) → Rio de Janeiro, Valparaiso → Sitka (March, 1849)

- Russian goods valued at 57,467 rubles, 98 kopeks silver
- English goods purchased in London by RAC agents for this vessel and an HBC vessel, valued at 37,641 rubles, 25 kopeks silver

6. Atkha (charter), Captain Ridell: Kronstadt (July, 1849) → London (October, 1849) → Rio de Janeiro, Valparaiso → Sitka (March, 1850)

- Russian goods, including a cargo of flour and groats, valued at 62,085 rubles, 17 kopeks silver
- English goods purchased in London by RAC agents for this vessel and the HBC charter Norman Morison valued at 100,746 rubles, 45 kopeks silver

7. Freia (charter), Captain Granberg: Kronstadt and Abo (July ?, 1849) → Sitka (March, 1850)

- 2,090 sacks of rye flour; wheat flour - from St. Petersburg
- grits, white pease, hops, rye flour, butter, corn meal - from Abo
- two bills of exchange given by Governor Tebenkov worth $940.00 for freight
APPENDIX F.

RUSSIAN MANUFACTURED GOODS AND PROVISIONS SENT OVERLAND THROUGH SIBERIA FROM ST. PETERSBURG TO SITKA DURING THE CONTRACT PERIOD 1839-1849.

1. 1839 - instruments and supplies, especially mainsprings for Chronometers, clock dials, glass faces for clocks, hair springs, etc., worth 49,109 rubles.

2. 1841 - goods including small arms and carbines.

3. 1842 - Cherkasski tobacco, carbines, beads, gauzes, laces from Moscow; goat and sheep hides from Kazan; Russian leather hides and groats, manna croup and pearl barley from Irkutsk; and butter and other stores from Yakutsk, worth 9460 rubles and 90 kopeks.

4. 1843 - Cherkasski tobacco, lump sugar writing supplies, various footwear, linen and cotton, chandlery and various goods from Moscow; Tiumen dressing gowns and skins from Tiumen; tea, sugar candy, Russian leather and skins, brass plates, tallow candles from Irkutsk; and butter, buckwheat, fine ground barley, rye-flour, fatty candles from Yakutsk, worth 16,233 rubles and 47 kopeks.

5. 1844 - for the colony and partly for Okhotsk and Ayan - various manufactured goods and supplies worth 11,397 rubles and 59 kopeks.

6. 1845 - for the colony and partly for Ayan Factory - various manufactured goods and supplies worth 23,913 rubles and 80 kopeks.

7. 1846 - for the colony and partly for Ayan Factory - various manufactured goods and supplies worth 42,776 rubles and 39 kopeks.

* Material for 1839 and 1841 was taken from RACR. All the rest was found in ORAK.
8. 1847 - for the colony and partly for Ayan Factory and Kamchatka: various manufactured goods and supplies worth 20,327 rubles.

9. 1848 - for the colony and partly for Ayan Factory and Kamchatka: various manufactured goods and supplies worth 18,837 rubles and 19 kopeks.

10. 1849 - for the colony and partly for Ayan Factory and Kamchatka: various manufactured goods, supplies and things worth 17,290 rubles and 93 kopeks.
APPENDIX G.

RUSSIAN-AMERICAN COMPANY COLONIAL PRODUCTS CONSESIGNED TO PELLY, SIMPSON AND COMPANY/ALBERT PELLY AND COMPANY FOR SALE ON THE LONDON MARKET, 1841-1850. *

1. 1841 - Simpson sent 1/2 ton of sea horse (walrus) teeth to London as specimens and a few hides to ascertain if they could clear a price over transportation and other charges.

2. 1842 - Experimental sale of RAC walrus teeth and castoreum at public sale or auction in London during 1842 did not bring high prices and the goods were bought in. They were finally sold on August 30, 1843 at a public sale, the castoreum bringing about £ 310. The RAC found the prices received "satisfactory".

3. 1843 - Ten cwt of sea horse (walrus) teeth were sent to London from Sitka care of J. H. Pelly in late October, 1843.

Russian steamer Lowther from Kronstadt brought 17 packages containing 774 lbs. of castoreum from the RAC care of Pelly, Simpson and Company. Its quality was superior to the previous year's, but was not equal to HBC castoreum. 14 packages sold for prices varying from 8/3 to 19/9 per lb., averaging 2/- per lb. more than last year. The quality of the Russian castorium was described as "having been much injured by long keeping, so that it sells only as odd and damaged goods."

4. 1844 - The Head Office had ordered all sea horse (walrus) teeth stored at Sitka in 1843 to be sent to London for sale because of the favorable prices in London and the high cost of land transport and low prices in Russia. Sea horse teeth were sold at public sale in London on August 28, 1844 and brought £ 103. 8. 1.

* Information in this appendix was compiled largely from the HBCA and AHRP. The ORAK was also consulted.
4. 1844 - (cont'd) Pelly, Simpson and Company expected about 270 lbs. of RAC castoreum of the "very best" quality to be sent from Kronstadt in the summer. RAC Trade Operations for that year list 7 pooods 33 lb. [285¾ English lbs] of castoreum sold in St. Petersburg and London. However, the "largest part" was sold in St. Petersburg.

Sea lion and fur seal skins were sent from Sitka to Ft. Vancouver in the fall and were forwarded to London care of J. H. Pelly in November.

5. 1845 - Trade Operations for 1845 list 7 pooods 24 lbs. of castoreum and 30 pooods 26 3/4 lbs. of walrus tusks (sea horse teeth) sold in London.

The HBC vessel returning to London in late 1845 carried packages of sea lion hides care of J. H. Pelly from the RAC at Sitka.

6. 1846 - Trade Operations of the RAC for 1846 list as sold in London:

- castoreum - 6 pooods 27 lbs.
- walrus tusks - 30 pooods 34½ lbs.
- fur seals - 250
- hair seals - 150

The returning HBC vessel from the coast carried eight packages care of Albert Pelly and Company, the new RAC agent in London.

7. 1847 - Trade Operations for the RAC in 1847 list as sold in London:

- castoreum - 5 pooods 23 lbs.
- walrus tusks - 30 pooods 22 lbs.
- fur seals - 240

The returning HBC vessel carried to London from Sitka 150 fur seals purchased at $4. per skins and 720 lbs. of sea horse teeth.

The returning RAC charter to Kronstadt from the colonies carried a sizeable amount of walrus tusks, and probably dropped it in London.
8. **1848** - Trade Operations for the RAC in 1848 list as sold in London:

- castoreum - 6 poods 35 lbs.
- walrus tusks - 30 poods 13 lbs.

The returning vessel from Ft. Vancouver carried furs and packages for the RAC to London.

Private sale of RAC beaver skins (3002) - exchanged for 3000 otters on the coast in 1844 - during September and October, 1847, for £ 758. 3. 3. The loss to the HBC on this sale was calculated at £ 4,041. 16. 9.

9. **1849** - Trade Operations for the RAC in 1849 list as sold in London:

- walrus tusks - 15 poods 22 lbs.
- castoreum - 5 poods 35 lbs.
- fur seals - 510

10. **1850** - Trade Operations for the RAC in 1850 list as on hand in London on January 1, 1850:

- walrus tusks - 517 poods 27 lbs.
- walrus tusks - 31 poods 5 lbs.
- castoreum - 8 poods 21 lbs.
ABBREVIATIONS

Primary Sources:

ABT
AHRP
BCPA
HBCA
LJM
ORAK
RACR

Alaska Boundary Tribunal
Alaska History Research Project
British Columbia Provincial Archives
Hudson's Bay Company Archives
The Letters of John McLoughlin
Annual Report of the Russian-American Company
Russian-American Company Records

Secondary Sources

AJ
BCHQ
PHR
PNWQ

Alaska Journal
British Columbia Historical Quarterly
Pacific Historical Review
Pacific Northwest Quarterly

INTRODUCTION


INTRODUCTION


4 Donald W. Treadgold, "Russia and the Far East", Russian Foreign Policy, p. 539.


6 Raeff, pp. 145-146.


CHAPTER I

1 Wrangel, Wrangell, von Wrangel, and Vrangel' are alternative spellings. The official spelling of the geographical features that perpetuate his name is Wrangel, which will be used here. Geographical sites in the Soviet Union: Wrangel Island in the Barents Sea as well as the East Siberian Sea, Cape Wrangel in the Sea of Okhotsk, and Wrangel Bay in the Sea of Japan; in Alaska (Russian America): Wrangel Mountains, Cape Wrangel on Attu Island, Wrangel Island, and the City of Wrangel on Wrangel Island.

2 Mary Sadouski cites a German biographer, Wilhem von Wrangel, who lists Baron Wrangel's place of birth as Pleskau and that he was raised on his father's estate of Waime Neuhof in Livland. He entered the navy, according to this biographer, after his father's death. See Mary Sadouski, "The Stikine Incident: A Russo-British Confrontation on the Pacific Northwest Coast in June 1834", (unpublished Master's thesis, Queen's University, 1975), p. 48.


4 Biographical information on Wrangel was compiled primarily from K. N. Shvarts, "Baron Ferdinand Petrovich Vrangel'," Russkaya starina (Russian Antiquity), vol. 5 (1872), 389-418 B. G. Ostrovskii, "F. P. Vrangel'," Peteshestvie po severnym beregam Sibiri i po Ledovitomu moriu... (Journey to the Northern Shores of Siberia and the Icy Sea...), by F. P. Vrangel' (Moscow, 1948), 7-30; and V. M. Pasetskii, Ferdinand Petrovich Vrangel', 1796-1870 (Moscow, "Nauka", 1975), pp. 116-159.

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7 Fedorova, pp. 168-173; Gibson, pp. 7, 11-12, 32.


10 Nichols and Croskey, PNWQ, vol. 63 (1972), pp. 41-54.

11 Gibson, p. 18.

12 Ibid., p. 44.


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18 Gibson, pp. 76-77.

19 Politoffsky, pp. 53-54, 81; Mitchell, pp. 224-226.


23 Fedorova, p. 189.

24 Gibson, pp. 35-37.


26 Gibson, p. 16.

27 Ibid., pp. 16-17. For specific references on particular expeditions see the Bibliography.

28 V. F. Shirokii, "Iz istorii khnoziaistvennoi deiatel' nosti rossisko-amerikanskoi kompanii (From the History of the Economic Activity of the Russian-American Company)," Istoricheskie zapiski (Historical Notes), vol. 13 (1942), pp. 207, 221. Cf. G. A. Agranat, "Ob osvoenii russkimi Aliaski (Concerning the Development of Russian Alaska),"
CHAPTER 1.

28 (cont'd) Letopis' Severa [Chronicle of the North], v. 5 (1971), p. 188; and Fedorova, pp. 24, 335.

29 Gibson, part III, passim.

30 Fedorova, p. 186.

FOOTNOTES

CHAPTER II

1 Ostrovskii in Vrangel', pp. 21-22; Pasetskii, pp. 128-131.

2 Translated and quoted by Mary Sadouski from Wilhem von Wrangell, Ein Kampf um Wahrheit [A Struggle about Truth], (Stuttgart, 1940). See Sadouski, pp. 48-49.

3 Galbraith, p. 10.


In 1829, Simpson reported that the natives who traded with the Russians were the "Toohechotanies" [Tutchones]. Governor George Simpson. Official Report to Governor and Committee in London. Norway House, June 30, 1829. Hudson's Bay Company Archives (hereafter HBCA), D4/96, p. 20.


7 An example of such supplies brought to Sitka includes flour, groats, butter, lard, gin, vinegar and tobacco from New England; rice sugar, molasses, coffee, and rum from the West Indies and Brazil; as well as American manufactured goods like utensils, textiles, soap, guns, and gunpowder. Gibson, p. 168.

8 Merk, pp. 78, 86; Governor and Committee to George Simpson. Hudson's Bay House, London, February 23, 1826. HBCA. A6/21, f. 75 (also in Merk, p. 267). In his journal, Simpson mentioned visiting "Director Von Baranoff". Alexander Baranov was Governor of the Russian-American Colony from 1799-1818. Naval Capt. Ltd. L. A. Hagemeister governed from January to November, 1818, and S. I. Ianovskii for the remainder of
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8 (cont'd) 1818 until 1820. In 1820, a regular five-year tour of duty began (e.g., M. A. Muravier, 1820-1825, P. A. Chistiakov, 1825-1830, etc.).


11 Ibid., March 1, 1829 and March 24, 1829. HBCA. D4/95, pp. 84-87.


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14 (cont'd) (trans. from French by HBC). This letter was enclosed in Governor Chistiakov to Head Office, RAC. New Archangel, October 6, 1829, No. 264. RACR, CS, 31: 508-12. Russian-American Company, Head Office to Governor of the Russian American Colonies, Naval Captain of the 1st Rank and Knight, Baron Ferdinand Petrovich Wrangel [hereafter RAC, Head Office to Governor Wrangel]. March 21, 1830, No. 240. RACR, Communications Received [hereafter CR], 7: 20-33. Chistiakov may have been too cautious as to the extent of his own authority. In this letter to Wrangel, the Head Office so much as says so. Wrangel is given specific directions to follow in future dealings with the HBC.


16 Chistiakov had mentioned an overabundance only of manufactured goods. McLoughlin was to take payment for these goods either in bills of exchange (at 10/2 Sterling per paper ruble) or furs at specified prices. Governor and Committee to John McLoughlin. Hudson's Bay House, London, October 28, 1829. HBCA. A6/22, f. 47.

17 W. Smith to the Chief Manager and the Directors of the Russian-American Company. Hudson's Bay House, London, December 16, 1829. ABT. Appendix to the Case of the United States, pp. 260-261; A copy was also enclosed by the Head Office to Governor Wrangel. March 21, 1830, No. 240. RACR, CR, 7:27.

18 Tikhmenev, vol. I, pp. 448-449. Prokofiev had been in the Head Office since 1822 and Kusov since 1824.

19 Andrew Severin, Director to Count Kankreen, Minister of Finance. February 27, 1830, No. 175. ABT. Appendix to the Case of the United States, pp. 261-262; A copy was also enclosed by the RAC, Head Office to Governor Wrangel. March 21, 1830, No. 240. RACR, CR, 7:23

20 Manager J. Drujinin, Department of Trade and Manufacture to the Ministry of Finance. Sect. 2. Table 2. March 5, 1830 (OS). ABT. Appendix to the Case of the United States, pp. 262-264. Korostovzeff, the Chief of the Section under which the Russian-American Company was placed in this department, appears to have done all the "leg work". The relevant paragraphs cited are 31, 35, and 36 of the company's Rules and Regulations under its Second Charter.
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21 Mentioned in a letter from the Governor and Committee to George Simpson. Hudson's Bay House, London, June 5, 1830. HBCA. A6/22, f. 70.


28 RAC, Head Office to Governor Wrangel. March 31, 1831, No. 360. RACR, CR, 7: 252-253. The exchange rate in St. Petersburg was listed as 10 shillings 3/4 pence Sterling per ruble. Enclosed to this letter is an Invoice of Goods (in English) shipped on the Ganymede to the Russian-American Company in New Archangel (fos. 254-255).

29 Russian-American Company, Head Office to Governor Wrangel. March 24, 1832, No. 344. RACR, CR, 8: 125.


31 Russian-American Company, Head Office to the Governor Wrangel. March 21, 1830, No. 239. RACR, CR, 7:12-19. This was seen as an alternative to the high cost of bartering sea otters with the Americans.
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32 A charterparty agreement was concluded on August 9, 1830 and revised December 5, 1831. Buckles, Bagster and Buckle also signed the revised agreement. See the following communications from RAC, Head Office to Governor Wrangel: April 8, 1831, No. 405. RACR, CR, 7: 290; March 24, 1832, No. 355. RACR, CR, 7: 155-6; March 31, 1833, No. 267. RACR, CR, 8: 329-30; March 30, 1834, No. 287. RACR, CR, 9: 20-21 (including John Freese to RAC Directors. November 29, 1833). Also see Report of the Governor Wrangel to the Board of Directors of the RAC. April 28, 1834, No. 190. ABT. Appendix to the Case of the United States, p. 265.


37 Severin to Kandrin. February 27, 1830. No. 175, ABT. pp. 261-262.
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40 In August, 1832, Simpson told the Governor and Committee that prohibited articles (arms, ammunition, and liquor) formed a large proportion of those bartered by the Americans and were in fact "essential articles of the trade". Simpson. Official Report. August 10, 1832. HBCA. D4/99, p. 29.


42 Ibid., p. 2; Report of the Governor [Wrangel] to the Board of Directors of the Russian-American Company. May 6, 1832, No. 133. ABT. Appendix to the Case of the United States. pp. 264-65. Also see RACR, CS, 9: 103-105.

43 Ibid.


45 Report of the Governor to the Board of Directors. May 6, 1832, No. 181. ABT, Appendix to the Counter-Case of the United States, p. 2.


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49 Russian-American Company, Head Office to Governor Wrangel. March 31, 1833, No. 269. RACR, CR, 8: 342.

50 Russian-American Company, Head Office to Governor Wrangel. March 31, 1833, No. 267. RACR, CR, 8: 327.

51 Ibid. Also see Sadovski, pp. viii, 62-63, 178.


53 Ibid., 8: 333.


56 John McLoughlin to Governor and Committee. Fort Vancouver, August 31, 1833. LJM, 1825-1838, pp. 110-112.


58 Simpson to McLoughlin, July 8, 1834. HBCA D4/20, f. 19.


60 Etochin sailed with Wrangel on the Kamchatka in 1817-1819. He commanded a number of company vessels in the 1820's and 1830's, was appointed by Head Office as Assistant Governor in 1832 for five years, served as colonial governor during 1840-1845, and joined the Head Office in 1846.

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62 Governor Wrangel to Directors, Russian-American Company, April 28, 1834, No. 190. ABT. Appendix to the Case of the United States, pp. 265-266; Sadouski, pp. 63-64, 68, 72-73.

63 Governor Wrangel to Directors, RAC. April 28, 1834, No. 190. ABT. Appendix to the Case of the United States, p. 266.

64 Ibid.

65 Sadouski, pp. 67-68.


71 Peter Skeen Ogden to Governor Wrangel. Stikine, June 20 19, 1834. Enclosure No. 3 to Ogden's Report. ABT. Appendix to the Case of the United States, p. 269. Copies of Ogden's two "protests" to Commander of the Brig Chichagov, Naval Captain Zarembo, can be found in RACR, CR, 10:65-66.
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73 Zarembo to Ogden. June 10 (22), 1834. Trans. of a note handed to Ogden. HBCA, F29/2, p. 23.


76 Etoline to Zarembo, June 13 (25), 1834. ABT. Appendix to the Case of the United States, p. 270.


79 A. Etholine, Deputy Governor of the Russian Colonies in America to Peter Ogden. North West Coast of America, New Archangel Post, June 14 (26), 1834. Enclosure No. 5 of Ogden's Report. ABT. Appendix to the Case of the United States, pp. 269-270. Also in HBCA, F29/2, pp. 31-32 in French original, and p. 33 in English.


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84 Chief Trader Peter Skeen Ogden to John McLoughlin. Fort Vancouver, December 20, 1834. ABT. Appendix to the Case of the United States, pp. 271-272; John McLoughlin to Governor and Committee. Fort Vancouver, Columbia River, March 14, 1835. LJM, 1825-1838, pp. 134-135

The mood at Ft. Vancouver might be suggested by W. G. Rae, who stated that "I trust John Bull will answer these hairy beasts in their own way - and see justice done to the loyal and dutiful subjects of his Britannic majesty. There is little doubt in my mind that the Russians are engaged in a very profitable business." W. G. Rae to James Hargrave, Columbia River, February 12, 1835. The Hargrave Correspondence, p. 184.


86 Governor George Simpson. Official Report to the Governor and Committee in London. Red River Settlement, June 10, 1835. HBCA. D4/102, p. 14. On his return from the Stikine River in June, Ogden moved Ft. Simpson from Nass to Point Maskelyne (the present Port Simpson), latitude 54° 22', near Dundas Island. This was considered the most convenient point for shipping and the trade.


89 According to Cassell's French - English Dictionary, p. 3, aborder means "to arrive, to arrive at, to land, to come to, to come up with, to approach, to accost."

90 According to Smirnitsky's Russian - English Dictionary, p. 489, pristavat' means "to put in, come alongside (of), pull in (to the shore)."
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91 Baron Wrangell to Board of Directors of the Russian-American Company. April 30, 1835, No. 134. ABT. Appendix to the Case of the United States, pp. 274-76. Also see RACR, CS 12: 109-119.

92 Ibid., p. 277.

93 Sadouski, pp. 100, 126.

94 Baron Wrangell to Directors. April 30, 1835, No. 134. ABT. Appendix to the Case of the United States, pp. 277-278.

95 Company employee and Decembrist sympathizer, D. I. Zavali- shin (1804-1892) accused the company of establishing serfdom in Russian America, although he praised other company-related activities, especially ethnographic and geographic studies. See Fedorova, pp. 22-23.

96 Baron Wrangell to Directors, April 30, 1835. No. 134. ABT. Appendix to the Case of the United States, p. 278.

97 Ibid., p. 277. Wrangel told the Directors that Ogden had informed him in 1832 that the Hudson's Bay Company had to sell liquor to the natives to compete with the Yankee traders. Wrangel added that Ogden was also currently selling firearms and powder, although he did not admit it.

98 K. Khlebnikov, Head Office to Count Kandrin, Minister of Finance. November 14 (26), 1835, No. 1261. Enclosed in Russian-American Company, Head Office to Governor of the Russian American Colonies, Guard of the Carriage, Captain of the 1st Rank and Knight, Ivan Antonovich Kupreianov [hereafter RAC, Head Office to Governor Kupreianov]. March 12, 1836, No. 247. RACR, CR, 10:41, 59-64. Khlebnikov's letter is also in ABT. Appendix to the Case of the United States, pp. 282-284. Khlebnikov was a member of the Head Office from 1835-1838.


100 Khlebnikov to Kankrin. November 14 (26), 1835, No. 1261. RACR, CR, 10: 59-64. At this time, the United States was trying to renew the ten-year clause which would permit their
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100 (cont'd) captains to trade in the straits. The Directors of the RAC urged strongly against renewal of this clause for both the Americans and the British (should they seek renewal). As heretofore, foreigners were to be permitted to come to the Port of New Archangel (Sitka) only, and no new treaty was needed. Report of the Board of Directors of the Russian-American Company to the Department of Foreign Trade and Manufactures. November 26, 1835, No. 1298. ABT. Appendix to the Case of the United States. pp. 234-6.


103 Russian-American Company, Head Office to Governor Kupreianov. March 12, 1836, No. 247. RACR, CR, 10: 42.


105 Ibid., pp. 288-89.


107 Ibid.

FOOTNOTES

CHAPTER III

1 Gibson, Imperial Russia in Frontier America, pp. 44-52. Much of the following introduction concerning Alta California is taken from this source, especially chapters 7 and 10. Also see Fedorova, p. 276. Until the early 1800's, California was one of the frontier provinces of the Spanish colonies in America (a viceroyalty of New Spain). After a war of independence, California became the Republic of Mexico in 1821, and following the Mexican-American War (1846-1848), was annexed by the United States.

2 Gibson, Imperial Russia in Frontier America, p. 189.

3 Ibid., p. 191.

4 Ibid.

5 Ibid., p. 125.

6 Ibid., pp. 117, 124; Fedorova, pp. 135, 198.


13 Russian-American Company Head Office to Governor Wrangel. March 30, 1834, No. 329. RACR, CR, 9: 108; RAC, Head Office
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13 (cont'd) to Governor Wrangel. April 20, 1834, No. 476. RA CR, CR, 9: 141-145 (Copy).


15 Russian-American Company, Head Office to Governor Wrangel. March 9, 1835, No. 235. RA CR, CR, 9: 163-166. Enclosures include Head Office to Minister of Finance. October 11, 1834, No. 985, and Minister of Finance, Department of Manufacture and Foreign Trade, Section 2, Table 2 to the Head Office, RA. January, 1835, No. 67. See also RAC, Head Office to Governor Wrangel. March 9, 1835, No. 239. RA CR, CR, 9: 295-6.


20 At the Russian-American Company's request, the Russian Government wanted to reward Barron for his help. Minister of Finance to Minister of Foreign Affairs. July 31, 1836, No. 1600; and Nesselrode to Durham. May 19, 1837, No. 762,
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22 F. P. Vrangel', "Zametki o preb'ivanii v g. Gvadalakhara 20 ianvarial fevralia 1836 g. " (Notes concerning a sojourn in the city of Guadalhara, January 20 - February 1, 1836), in Shur, Novaia i noveishaia istoriia, XII (1969), Enclosure No. 2, pp. 157-158.

23 Baron F. Wrangel, former governor to the Mexican Minister of Foreign Affairs, Jose. . . Monasterio, February 28, 1836; and, Monasterio to Wrangel. March 12, 1836, in Shur, Novaia i noveishaia istoriia, XII (1969), Enclosure No. 3, pp. 159-163. See also RAC, Head Office to Governor Kupreianov. March 5, 1837, No. 371. RACR, CR, 10: 194-198; and Tikhmenev, vol. I, p. 428.


25 F. P. Vrangel', "Opisanie porta i goroda Verakrus i vpechatlenia ot puteshestvia po Meksike 24 marta - 3 aprilia 1836 g. " (An account of the port and city of Vera Cruz and an impression of the travel through Mexico), in Shur, Novaia i noveishaia istoriia, XII (1969), Enclosure No. 4, pp. 163-164.

26 F. P. Vrangel', "Predvaritel'nyi otchet Glavnomu pravleniu Rossiisko-Amerikanskoi kompanii o peregovorakh v Meksike [Ne ranee 2 - ne pozdnee 8 marta 1836 g.]" [Preliminary Report to the Head Office of the Russian-American Company concerning negotiations with Mexico (not earlier than March 2 - not later than March 8, 1836)]; [F. P. Vrangel'], "V Glavnoe pravlenie Rossiisko-Amerikanskoi kompanii, Byivshego glavnogo pravitelja Rossiiskikh kolonii v Amerike [7 iunia 1836 g.]" [To the Head Office of the Russian-American Company, From the former Governor of the Russian Colonies in America (June 7, 1836)], Donezenie [Report]; F. P. Vrangel'
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28 Gibson, Imperial Russia in Frontier America, p. 139.


30 Russian-American Company, Head Office to Governor Kupreianov. August 1839, No. 420. RACR, CR, 12: 342-346; Bancroft, History of Alaska, p. 554. The Head Office found out that the English explorers, Dease and Simpson, accomplished the same mission a year before in 1837, depriving Russia of the honor, but not Kashevarov of his achievement.

31 See the Bibliography for this and other references to works by or concerning Wrangel.
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2 Russian-American Company, Head Office to Governor Kupreianov. April 17, 1839, No. 230. RACR, CR, 12: 278 (Copy); Russian-American Company, Head Office to Governor Kupreianov, March 31, 1839, No. 118. RACR, CR, 12: 101.

3 J. H. Pelly to The Rt Honble Visct. Palmerston. Hudson's Bay House, March 15, 1837. HBCA. B 223/c/1, fos. 107-8. The majority of the relevant correspondence between the two governments can be found in ABT, Appendix to the Case of the United States.

4 Governor Wrangel had demanded the right to sell liquor and firearms to the Kolosh in 1834 in competition with foreigners for the fur trade. In 1835, the Head Office sent guns for this purpose on the Helena. Russian-American Company, Head Office to Governor Wrangel. March 9, 1835, No. 264. RACR, CR, 9: 253. See also, Governor Wrangel to the Head Office, Russian-American Company. April 10, 1834, No. 79. RACR, CS 11: 103-105.

5 Count Nesselrode to Mr. Milbanke. April 28, May 10, 1838. ABT, Appendix to the Case of the United States, pp. 301-302. Lord Durham the 1st Earl of Lambton, was selected to investigate the crisis in the Canadas after the 1837 rebellions. He left St. Petersburg and arrived in Quebec in late May, 1838.

6 Mr. Milbanke to Count Nesselrode. St. Petersburg, October 6, 1838. ABT, Appendix to the Case of the United States, pp. 304-307.

7 Count Nesselrode to Count Kankreen. St. Petersburg, December 9, 21, 1838. ABT, Appendix to the Case of the United States, p. 307.

8 Ibid.

9 Ibid., p. 308.

10 Ibid.
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12 Galbraith, p. 154.

13 Alice M. Johnson, ed., "Simpson in Russia", The Beaver, Outfit 291 (Autumn, 1960), pp. 7, 11. There were 7000 shares of stock purchased at 500 rubles per share at that time and returned 14% in dividends every two years.


15 Ibid., pp. 2-3

16 Ibid., pp. 3-4; J. H. Pelly to Directors of the Russian-American Company. St. Petersburg, September 1, 1838. HBCA. F29/2, pp. 10-11 (also, pp. 144-146).


19 Although the Russian-American Company had an agreement with William Boardman of Boston during this period, Wrangel was referring to their contract with Robert Muter of London. See Russian-American Company, Head Office to Governor of the Russian-American Colonies, Naval Captain of the 2nd Rank and Knight, Adolf Karlovich Etolin. hereafter, Russian-American Company, Head Office to Governor Etolin. August 18, 1839, Nos. 500 and 502. RACR, CR, 12: 470-473.

20 Johnson, ed., The Beaver, Outfit 291 (autumn, 1960), p. 11
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24 Ibid., p. 6.


26 Ibid., pp. 14-15. At New Archangel Port, a fanega of wheat or barley was equal to 126 pounds English weight.


28 Johnson, ed., The Beaver, Outfit 291 (autumn 1960), pp. 11-12, 58.

29 Ibid., p. 7; J. H. Pelly to Directors of Russian-American Company, St. Petersburg, September 1 [sic 2]/14, 1838. HBCA F29/2, p. 147, also pp. 15-16.


Severin's list of goods and provisions was in Russian, with Russian units of weights and measures and prices in rubles. The list included liquors, tobaccos, and teas of all sorts, different kinds of sugar (yellow, white, refined, loaf, and candy), nuts, cheese, dried apples, chocolate, coffee, white flour, salted beef, and many other provisions, a variety of manufactured goods such as blankets, skirts, candles, lead, tar and pitch, handkerchiefs, gunpowder, snuff, umbrellas, soap, locksmith files, and linens. Simpson later told Wrangel that they had trouble getting this specified list translated into English in London, especially the price column. George Simpson to Baron Wrangell, St. Petersburg, London, October 26, 1838. HBCA. D4/25, f. 10.
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34 Ibid., fos. 172-173.


36 Ibid., f. 174.


38 Ibid.

39 Ibid., f. 10


41 Ibid.

42 Ibid., fos. 12-13. A sketch was included to indicate the proposed boundaries.

43 Ibid., f. 13.

44 Ibid.

45 Ibid. This observation of Simpson's was correct.

46 Ibid., f. 14.

47 Ibid.

48 Ibid., George Simpson to Baron Wrangell. London, November 30, 1838. HBCA. D4/25, f. 15.
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50 George Simpson to Baron Wrangell. London, January 1, 1839. HBCA. D4/25, f. 20. (Also found in ABT, Appendix to the Counter Case of the United States, pp. 4-5).


55 Report of Count Nesselrode, n.d. ABT, Appendix to the Counter-Case of the United States, p. 3.

56 An original copy in Russian and English can be found in the HBCA. F29/2, fos. 174-177, and in copies, fos. 162-170. Published copies can be found in ABT, Appendix to the Case of the United States, pp. 150-152, and in Oliver, ed., vol. 2, pp. 791-796. No copies exist in the RACR. See Appendix B.

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59 Baron Wrangel to Mr. Simpson. Hamburg, January 25/February 6, 1839. ABT, Appendix to the Counter-Case of the United States p. 5; also enclosed in Head Office, Russian-American Company to Governor Kupreianov. April 17, 1839, No. 230. RACR, CR, 12:290, and in Oliver, ed., vol. 2, p. 796.

60 Mr. Simpson to Baron Wrangel. Hamburg, January 25/February 6, 1839. ABT, Appendix to the Counter-Case of the United States, p. 5; also in Oliver, ed., vol. 2, p. 797.

61 Okun, pp. 218-220.


64 Fedorova, p. 144; Benjamin P. Thomas, Russo-American Relations, 1815-1867 (Baltimore: John Hopkins Press, 1930), p. 33;


66 Russian-American Company, Head Office to Governor Kupreianov. March 31, 1839, No. 84. RACR, CR, 12:222; Russian-American Company Head Office to Governor Kupreianov. August 17, 1839, No. 427. RACR, CR, 12:359.

67 Russian-American Company, Head Office to Governor Kupreianov. April 17, 1839, No. 230. RACR, CR, 12:280; also in ABT,
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67 (cont'd) Appendix to the Counter-Case of the United States, p. 7. The copies of the contract were not found in the RACR. The Directors sent a similar letter to Finance Minister Kankrin on March 3, 1839, No. 40. RACR, CR, 12:286-289.

68 Russian-American Company, Head Office to Governor Kupreianov. 
April 17, 1839, No. 230. RACR, CR, 12:281; also in ABT, Appendix to the Counter-Case of the United States, p. 8. A minor dispute developed in June, 1840 over the fur trade divisions between Kupreianov, incoming Governor Etolin, and Chief Trader Douglas of the Hudson's Bay Company.

69 Russian-American Company, Head Office to Governor Kupreianov. 
April 17, 1839, No. 230. RACR, CR, 12:281-284; also see ABT, Appendix to the Counter-Case of the United States, pp. 8-9.

70 Russian-American Company, Head Office, to Governor Kupreianov. 
April 17, 1839, No. 231. Copy. RACR, CR, 12:293; Russian-American Company, Head Office to Governor Kupreianov. 

71 Russian-American Company, Head Office to Governor Kupreianov. 

72 Russian-American Company, Head Office to Governor Kupreianov. 

73 Russian-American Company, Head Office to Governor Etolin. 

74 Russian-American Company, Head Office to Governor Kupreianov. 

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76 Sir John Pelly, Andrew Colvile, Esq., and George Simpson, Esq., addressed as Messrs. Pelly, Simpson, and Company of No. 1, Winchester Buildings, London. The address of the Russian Consulate General was No. 2 Winchester Buildings.

77 Directors N. Kussov and I. Prokofieff to the Directors of the Hudson's Bay Company, London. St. Peters burg, March 15 [24], 1839. No. 51. HBCA. A10/8, f. 108. All letters to the Hudson's Bay Company were translated into English in St. Petersburg, as was this one. The signatures were in Russian. Russian-American Company, Head Office to Governor Kupreianov. April 14, 1839, No. 206. RACR, CR, 12:232; Russian-American Company, Head Office to Governor Kupreianov. April 21, 1839, No. 235. RACR, CR, 2:302.


79 Russian-American Company, Head Office to Governor Kupreianov. May 20, 1839, No. 284. RACR, CR, 12:308-310. The Russian-American Company picked up 4000 gallons of rum from the Americans at a better price. See John Work to George Simpson, Private. Fort Simpson, February 10, 1841. HBCA. D5/6, f. 34.


81 Ibid. The Hudson's Bay Company freight was gratefully declined, because a Russian-American Company ship was leaving for the Northwest coast in 1840.
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82 H. G. Severin, Russian-American Company to the Directors of the Hudson's Bay Company. St. Petersburg, November 29, December 11, 1839. HBCA. A10/9, f. 342. This letter, No. 586, was copied and enclosed to Russian-American Company Head Office to Governor Etozin. August 9, 1840, No. 283. RACR, CR, 13:164.


85 Russian-American Company, Head Office to Governor Etozin. April 3, 1842, No. 372. RACR, CR, 14:30-31. (See letters from Governor Etozin to the Head Office, Russian-American Company, September 27, 1840, No. 126 and May 1, 1841, No. 177. RACR, CS, 19:153-154 and 20:198-199, respectively); Note to Sir John H. Pelly, Bart. Hudson's Bay House, September 28, 1841. HBCA. A10/13, f. 158. By this correspondence, Etozin was now a Captain of the 1st Rank.

FOOTNOTES

CHAPTER V

1 Baron Wrangell to George Simpson and J. H. Pelly and Comm. St. Petersburg, December 26, 1839/January 8, 1840. HBCA. D5/5, f. 229.

2 Ibid., Wrangel's "short description" has not been found. See also Thomas Simpson, Narrative of the Discoveries on the North Coast of America effected by the Officers of the Hudson's Bay Company during Years 1836-1839 (London: R. Bentley, 1843). And see Russian-American Company, Head Office to Governor Kupreianov. March 31, 1839, No. 134. RACR, CR, 12:163.

3 Baron Wrangell to George Simpson, Pelly, Simpson Company, St. Petersburg, April 20/May 2, 1840. HBCA. D5/5, f. 273.

4 Ibid.

5 Ibid.

6 Baron Wrangell to George Simpson, Pelly Simpson Company, St. Petersburg, May 28/June 9, 1840. HBCA. D5/5, f. 279.

7 Ibid.

8 George Simpson to the Directors of the Russian-American Company. St. Petersburg, July 30, 1840. HBCA. D4/58, f. 16. This letter was also enclosed in Russian-American Company, Head Office to Governor Etolin. August 9, 1840, No. 282. RACR CR, 13:158. The prices quoted were lynx or cat skins: 11/ - per skin; silver fox: 90/- per skin; cross fox: 15/ - per skin; and red fox: 6/6 per skin.


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12 Ibid.

13 Ibid.

14 Ibid., f. 18.

15 Ibid.

16 Ibid.


19 Baron Wrangell to George Simpson, Private. St. Petersburg, August 15/27, 1840. HBCA. D5/5, f. 310.

20 Ibid.


22 Ibid.

23 Ibid. Italics are in the original.

24 Ibid., f. 322.

25 Ibid. Italics are in the original.
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26 Ibid.


29 Governor and Committee to George Simpson. Hudson's Bay House, London, March 20, 1839. HBCA. D5/5, f. 118b.

30 Baron Wrangell to George Simpson, Private. St. Petersburg, October 25/November 6, 1840. HBCA. D5/5, f. 360.


32 Baron Wrangell to George Simpson, Private. St. Petersburg, October 25/November 6, 1840. HBCA. D5/5, f. 360.


34 Baron Wrangell to George Simpson, Private. St. Petersburg, October 25/November 6, 1840. HBCA. D5/5, fos. 360-361.

35 Ibid., f. 361.

36 Ibid.

37 Ibid., fos. 361-362.

38 Ibid., f. 362.

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40 Baron Wrangell to George Simpson, Private. St. Petersburg, October 25/November 6, 1840. HBCA. D5/5, f. 362.


42 Gibson, <i>Imperial Russia in Frontier America</i>, p. 51.


44 Ibid.

45 Prokofieff and Severin, Directors of the Russian-American Company to George Simpson. St. Petersburg, December 4 [16], 1840, HBCA. D5/5, f. 387.

46 Baron Wrangell to George Simpson. St. Petersburg, December 7/19, 1840. HBCA. D5/5, f. 411.

47 Gibson, <i>Imperial Russia in Frontier America</i>, pp. 40-41.


49 James Douglas, "Diary of a Trip to the Northwest Coast, April 22 - October 2, 1840", BCPA.

50 Ibid.

51 AHRP, vol. IV, p. 78-79. Total furs sent to Kiakhta for subsequent years were as follows: 1845-31,493; 1846-34,212; 1847-31,158; 1848-24,389. Ibid., 80-89.
CHAPTER V

52 Fedorova, pp. 189-190; Okun, pp. 210-217.

53 Baron Wrangell to George Simpson. St. Petersburg, December 7/19, 1840. HBCA. D5/5, f. 412.


55 George Simpson to Baron Wrangell, Private. London, January 5, 1841. HBCA. D4/58, f. 76.

56 Ibid., f. 77.

57 Ibid., fos. 77-78.

58 George Simpson to Baron Wrangell. London, January 15, 1841. HBCA. D4/58, f. 84. Simpson listed four items: registered cordage-first quality, tarred (47/6 per Cwt); power loom woven canvas, first quality (15/- per yard); power loom merchant canvas (13/- per yard); and power loom merchant bleached canvas (14/- per yard).


60 Baron Wrangell to George Simpson, Private. St. Petersburg, February 5/17, 1841. HBCA. D5/6, f. 49; H. Npokoepoed sic, Prokofiev and H. G. Severin, Directors of the Russian-American Company to Sir J. H. Pelly. St. Petersburg, February 5 17 , 1841. HBCA. A10/12, f. 101. Both of these letters were marked received on April 12th, after Simpson had departed for North America.


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63 Baron Wrangell to George Simpson, Private. St. Petersburg, February 5/17, 1841. HBCA. D5/6, f. 49.


65 Russian-American Company, Head Office to Governor Etolin. March 28, 1841, No. 73. RACR, CR, 13: 315-316. Dvorianin von Freiman was replacing Titular Counsellor Til' whom Kupreianov had reported the previous spring to be in poor health. Til' left the colony for Russia on board the Nikolai. See Governor Kupreianov to the Head Office, Russian-American Company, May 2, 1840, No. 221. RACR, CS, 18:224-225.


69 Wrangel's name appeared for the first time among the signatories of the Head Office in colonial correspondence on April 3, 1842. See RACR, CR, 14:261.
FOOTNOTES

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2 Ibid.


4 The Directors mentioned these complaints to Pelly. Directors of the Russian-American Company to Sir J. H. Pelly, Bart. Extract. St. Petersburg, August 20, September 1, 1841. HBCA A 10/13, f. 156.


6 Ibid., f. 19. Etholin told Simpson that the Russian-American Company would require 200 tons of British manufactured goods for the colonies annually starting in 1842 regardless of the Kamchatka deal.

7 Ibid., f. 13. See also John McLoughlin to Governor and Committee. Fort Vancouver, November 20, 1840. LJ M, 1839-1844, p. 23.


9 Baron Wrangell to George Simpson, Private. St. Petersburg, July 6/18, 1841. HBCA. D5/6, f. 21.

10 Ibid.

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13 Sarafian, pp. 112-114; Bancroft, History of Alaska, p. 559.

14 Governor George Simpson. Official Report to the Governor and Committee in London. Eastern Siberia, Ochotsk, July 6, 1842. HBCA. D4/110, fos. 100-101. The HBCA contain some illegible correspondence from this journey as well as a few notes dated July 26th and 27th in Irkutsk and one from the River Lena dated August 6th, but they yield little information.

15 Sir George Simpson, Narrative of a Journey Round the World During the Years 1841 and 1842. (London: Henry Colburn, 1847), vol. II, p. 188.


18 AHRP, vol. IV, pp. 79-87.


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21 Ibid., f. 105; Baron Ferdinand Wrangel to George Simpson. St. Petersburg, September 27/October 9, 1842. HBCA. D4/110, f. 113; George Simpson to Baron Wrangel. St. Petersburg, September 27/October 9, 1842. HBCA. D4/110, f. 115.


23 Baron Ferdinand Wrangel to George Simpson. St. Petersburg, September 27/October 9, 1842. HBCA. D4/110, f. 113.


25 Ibid., George Simpson to Baron Wrangel. St. Petersburg, September 27/October 9, 1842. HBCA. D4/110, f. 115.


27 George Simpson to the Directors of the Russian-American Company. St. Petersburg, October 1/13, 1842. HBCA. D4/110, f. 119 (Copy); Baron Wrangel to George Simpson. St. Petersburg, October 1/13, 1842. HBCA. D4/110, f. 120. Both of these letters were copied and enclosed in Russian-American Company, Head Office to Governor Etolin. October 3, 1842, No. 1195. RACR, CR, 14:371-372.


CHAPTER VI

30 Baron F. Wrangell to Sir George Simpson, Private. St. Petersburg, November 7/19, 1842. HBCA. D5/7, f. 328.


33 ORAK...1843, p. 24.

34 Russian-American Company, Head Office to Governor Etolin. March 8, 1843, No. 267. RACR, CR, 14:430-432; Russian-American Company, Head Office to Governor Etolin. April 5, 1843, No. 558. RACR, CR, 14:660-672; Russian-American Company, Head Office to Governor Etolin. May 12, 1843, No. 690. RACR, CR, 14:707-708 (duplicated 753-757).

35 ORAK...1844, p. 18; ORAK...1845, p. 19; ORAK...1846, p. 21; ORAK...1847, pp. 19-20; ORAK...1848, pp. 19-20; ORAK...1849, pp. 19-20; ORAK...1850, p. 19.


39 Baron Wrangell to Sir George Simpson, Private. St. Petersburg, December 19, 1842/January 1, 1843. HBCA. D5/8, f. 15. There is only one page of this letter in the manuscript.


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45 George Simpson to Baron Wrangell, Private. London, December 20, 1842. HBCA. D4/61, f. 37. Simpson also informed Wrangel of their attempts to unload many of the "drugs" on board the Diamond. Those unloaded and already charged to the Russian-American Company account would be sold and credited to that account.

46 Baron F. Wrangell to Sir George Simpson, Private. St. Petersburg, January 31/February 12, 1845. HBCA. D5/13, f. 80.

47 ORAK...1844, pp. 28-29.

48 Smith to Directors of the Russian-American Company. November 16, 1843 sic, 1842. HBCA. D5/7, fos. 303-304.

49 Simpson to Wrangell, Private. November 18, 1842. HBCA D4/61, f. 6. The walrus tusks were appraised by a broker at 4 to 5 shillings for the large ones, and 1/6 to 1/9 shillings for the small ones.

50 Russian-American Company, Head Office to Governor Etolin. November 14, 1842, No. 1452. RACR. CR, 14: 376-377. The Russian-American Company had received the market information from Pelly in his November 4th letter (yet to be traced). Walrus tusks did not pay to ship to Russia because of the high cost of land transport and the insignificant price offered. ORAK...1844, p. 30.


52 Russian-American Company, Head Office to Governor Etolin. November 21, 1842, No. 1488. RACR. CR, 14:378. Find enclosed two extracts, one from Smith to the Russian-American Company
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54 George W. Simpson to Sir George Simpson. London, August 3, 1843. HBCA. D5/8, f. 398. Russian-American Company castor oil went from 8/- to 13/- per pound. The net proceeds, less freight, commission, and other costs, amounted to about £ 310. The Russian goods were brought to England on the British steamer Bullfinch, from Kronstadt. Ibid., f. 397.


58 Baron Wrangell to Sir George Simpson, Private. St. Petersburg, December 5/17, 1842. HBCA. D5/7, f. 367.

59 Simpson to Wrangell, Private. December 30, 1842. HBCA. D4/61, f. 38. This is in response to Wrangel's letter dated December 5/17.

60 Baron Wrangell to Sir George Simpson, Private. St. Petersburg, January 9/21, 1843. HBCA. D5/8, f. 42.


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64 Wrangell to Simpson, Private. December 9/21, 1842. HBCA. D5/7, f. 373.

65 Baron F. Wrangell to Sir George Simpson, Private. St. Petersburg, January 30/February 11, 1843. HBCA. D5/8, f. 90.


70 Wrangell to Simpson, Private. December 5/17, 1842, HBCA. D5/7, f. 367.


72 A. Barclay to Sir George Simpson. Hudson's Bay House, London, November 18, 1843. HBCA. D5/9, f. 242.

73 Ibid. This incident was sometimes referred to as the "Stikine affair", and should not be confused with the 1834 clash.

74 George Simpson to Archibald Barclay, Private. Lachine, December 21, 1843. HBCA. D4/63, p. 173.

75 George Simpson to John McLoughlin. Red River Settlement, June 16, 1844. HBCA. D4/65, f. 20. This wheat was to be transferred to the Russian-American Company and Hawaiian market.
CHAPTER VI


CHAPTER VII


2 ORAK...1843, p. 23.

3 See Appendix E; Russian-American Company, Head Office to Governor of the Russian American Colony, Naval Captain of the 2nd Rank and Knight, Mikhail Dmetrivich Teben’kov. July 17, 1847, No. 1107. RACR, CR, 16:613. hereafter RAC, Head Office to Governor Teben’kov. The Hamburg goods were cheaper, but of a poorer quality than those in England. Doklad Komiteta. Part I, p. 176.


5 Ibid., fos. 51-52, 54.

6 Ibid., f. 54.

7 ORAK...1845, p. 39.


9 George Simpson to Chief Factors Peter Skene Ogden, James Douglas, and John Work, Board of Management. Red River Settlement, June 17, 1846. HBCA. D4/68, f. 63.

10 This figure coincides closely with those given by Tikhmenev for the years 1843-1845. See Tikhmenev, vol. II, p. 243, fn. 1.


12 Ibid.

13 Ibid., fos. 54-55.

14 ORAK...1849, p. 38.
CHAPTER VII

15 P. S. Ogden and James Douglas to Sir George Simpson. Fort Vancouver, March 15, 1847. HBCA. B223/b/35, f. 55. The Russian-American Company survey was done by Lindenberg.


18 Ibid.


20 Baron Wrangell to the Governor and Committee, Hudson's Bay Company. St. Petersburg, September 16/28, 1847. HBCA. A10/23, f. 680. Teben'kov received a discount of 4 shillings 1/2 pence per bushel of 62 lbs.


23 J. H. Pelly to Baron Wrangell, Private. London, October 22, 1847. Copy. HBCA. A10/23, fos. 341-342. This is a copy of a partial rough draft.

24 Ibid., fos. 342-343.

25 Ibid.


27 Ibid.

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29 Ibid., fos. 762-763.


31 Ibid., pp. 370-371.

32 Ibid., p. 371.


35 Politoffsky Politkovskii, pp. 40, 55.

36 Ibid., p. 65; Doklad Komiteta, I, pp. 83-84.

37 Doklad Komiteta, I, p. 115.

38 Golovin, pp. 174, 212, 164.

39 Ibid.

40 Tâkhmenev, Vol. II, p. 244.


45 J. H. Pelly to the Directors of the Russian-American Company.
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46 Governor and Committee to Sir George Simpson. Hudson's Bay House, London, April 5, 1848. HBCA. D5/22, f. 22.

47 F. Wrangel, W. Politowski, A. Etholen, Directors Russian-American Company to Baronet Pelly, Director of the Hudson's Bay Company. St. Petersburg, April 1/13, 1848, HBCA. A10/24, f. 270 (in French).


51 George Simpson to the Board of Management, Fort Vancouver. Washington, August 15, 1848. HBCA. D4/70, f. 27.

52 A. Barclay, Secy to Sir George Simpson. Hudson's Bay House, London, August 18, 1848. HBCA. D5/22, f. 528.


54 George Simpson to Chief Factors P. S. Ogden, J. Douglas, and J. Work, Board of Management. Lachine, October 13, 1848. HBCA. D4/70, f. 62.

55 Ibid.

56 George Simpson to Chief Factors P. S. Ogden, J. Douglas, and J. Work, Board of Management, Fort Vancouver. Lachine, November 23, 1848. HBCA. D4/70, f. 110.
CHAPTER VII

57 The emperor granted a charter in 1850. Politoffsky, pp. 134-140.


60 A. Barclay to Sir George Simpson, Hudson's Bay House, October 6, 1848. HBCA. D5/23, f. 34.


63 A. Etholin, Russian-American Company to Sir J. H. Pelly, Bart., Governor of the Hudson's Bay Company. St. Petersburg, November 10/22, 1848. HBCA. A10/25, f. 436. The draft mentioned within this letter was not found to be enclosed.


CHAPTER VII

67 Board of Directors, Russian-American Company to the Minister of Finance. December 17 29, 1848. No. 1519. ABT. Appendix to the Counter-Case of the United States, pp. 12-13.

68 Ibid., p. 13.


71 A. Barclay to Sir George Simpson. Hudson's Bay House, London, March 10, 1849. HBCA. D5/24, f. 372; George Simpson to A. Barclay. Lachine, January 17, 1849. HBCA. D4/70, f. 158.


74 The Russian-American Company Directors had written to Teben'kov in March, 1848 to inform him of the renewal and discussed Pelly's letters of October 22nd and December 3rd. See Russian-American Company, Head Office to Governor Teben'kov. March 15, 1848, No. 378. RACR, CR, 17:91-92.
CHAPTER VII

75 Peter Skene Ogden and James Douglas to Sir George Simpson. Fort Vancouver, March 14, 1849. HBCA. D5/24, f. 382.


79 Babcock, p. 64.

80 AHRP, vol. IV, pp. 78-103.

81 1865. Russian-American Company. List of Directors. London, December 15, 1865. HBCA. F29/2, p. 227. With no words of explanation, the list read as follows "Politkovsky (now a General-Major, and still President), Tebenkoff (now a Admiral), Etholin, Zavoyko (Wrangel's relative previously stationed at Okhotsk Port), Klupfell, Baron Wrangell, General Thillo, Merchant Subavin".

CONCLUSION

1 Golovin, p. 189. In 1861, Captain-Lieutenant Golovin, in his report to a government committee reviewing the status of the company's charter, divided the organization of the company into two basic parts. The first included the company's exclusive rights and privileges concerning the fur trade and sale of the various colonial products. This, he claimed, gave the company the character of a private enterprise. The second part concerned the obligations the Head Office had assumed for the purpose of "building up the country." This dimension gave the company the character of a "public or government institution."

2 Doklad komiteta, I, p. 513.

3 U. S. Embassy. Russia. Papers Relating to the Cession of Alaska, 1856-1867 (Enclosures No. 2 and 3 to Dispatch No. 2115, dated December 2, 1936, from the United States Embassy at Moscow).

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