Hawai'i and the Gold Rush: George Allan of the Hudson's Bay Company Reports on His 1848 Pursuit of Captain John Sutter

In the spring of 1848, Honolulu was in a state of economic stagnation. The number of whaleships calling for provisions and stores was much diminished, trade was dull, and the local merchants were greatly overstocked with imported goods. Then in June came the news of the discovery of gold in California, setting in force a train of events that permanently changed Hawai'i's relation to the West Coast of North America.

Richard Greer has described the impact of the 1848 news on the little city of Honolulu, the subsequent exodus from Hawai'i to California, and the California gold rush scene as reported in letters from former residents to Robert C. Wyllie, the Hawaiian Kingdom's Minister for Foreign Affairs. Among these correspondents was Chief Trader George Traill Allan, dispatched to California by the Hudson's Bay Company's Honolulu Agency on a double-barreled mission, the subject of this account.

In 1841, George Allan, a young Scot, was transferred from Fort Vancouver, the Hudson's Bay Company's main Pacific depot on the north bank of the Columbia River, to the Company's Honolulu Agency as clerk and junior agent. He became liked and respected in Honolulu and was promoted in 1845 to Chief Trader, a commissioned officer of the Company. In 1847, Allan was

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replaced by Dugald Mactavish and was granted a year's furlough, which Allan spent in Hāwai‘i exploring the Islands.

Providentially for the Company, the expiration of Allan's furlough coincided with the news of the discovery of California gold. Like every overstocked merchant house in Honolulu, the Company's Agency lost no time in sending a shipment of imported goods to San Francisco as soon as cargo space was available. Allan was put in charge of this venture, its success being the most immediate task of his California mission.

The second objective of Allan's mission requires some explanation. A decade earlier, in December 1838, there arrived in Honolulu one of the most colorful soldiers of fortune to land on Hawaiian shores. This individual was Captain John Sutter, later to make his mark on California history, accompanied by a small party of followers. The previous October, Sutter and his party had reached Fort Vancouver after an overland trek from Missouri. He was welcomed at Fort Vancouver and treated generously. An excellent raconteur with an active imagination (his title of former Captain in the Swiss Guards serving France was entirely his own invention), a congenial guest, part visionary and part con man, Sutter's presence enlivened this active but still relatively isolated post. In short order, Sutter ingratiated himself with his host, Chief Factor James Douglas, to the extent of extracting a loan from Douglas of between $3,000 and $4,000 to help finance Sutter's proposed settlement in California. George Allan was stationed at Fort Vancouver at the time and hence became acquainted with Sutter.

Owing to transportation difficulties, at Douglas's suggestion Sutter with his entourage of two German fur trappers, a Mexican muleteer, a young Native American boy, two Americans, a German or Belgian cabinetmaker, and one person of unidentified origin, set sail, not for California, but on the Company's bark Columbia for Honolulu, where Sutter hoped to find a San Francisco-bound vessel. On his arrival at Honolulu, no such vessel was in port, nor were any expected. However, armed with letters of introduction from Douglas, Sutter quickly made friends with the local traders. In April 1839, Honolulu merchant William French chartered the English brig Clementine to take a cargo of
merchandise to the Russian American Company at Sitka and thereafter to California. Sutter induced French to appoint him supercargo. And true to form, Sutter ran up a bill in excess of $3,000 with French in outfitting his California adventure.

Some of Sutter’s followers apparently deserted him in Honolulu. But his entourage was replenished by some nine or ten Native Hawaiians, including two women. The exact number of Hawaiians who accompanied Sutter is actually uncertain. William Heath Davis, who took Sutter’s party by boat up the Sacramento River, stated there were six Hawaiians with Sutter. Possibly the attractions, however limited, of the small settlement at San Francisco caused some to remain there.

The Clementine finally arrived via Sitka at Yerba Buena (San Francisco) in July 1839. Sutter’s subsequent activities need not concern us here except to note that by 1848 his debt to the Hudson’s Bay Company had not been paid, nor his debt to French. Between 1841 and 1845, a Company agent, William G. Rae, was stationed in San Francisco, and in 1844 was unsuccessful in suing Sutter for payment. After Rae’s suicide in 1845, the Company closed its San Francisco agency. Now with the discovery of gold in the area of Sutter’s Fort, the Company reckoned it was once again an auspicious time to pursue the elusive Sutter. The second task of Allan’s mission was to track down Sutter and settle his old debt to the Company.

**Allan Reports from San Francisco**

George Allan departed Honolulu for San Francisco on the schooner Julian in early September 1848 with a shipment of Company goods. The Julian, of Hawaiian registry, was chartered by W. Skinner and Co. of Honolulu, who made cargo space available to the Hudson’s Bay Company. Allan’s first letter from San Francisco to the Honolulu Agency was dated October 7 and carried by the first vessel bound for the Islands since Allan’s arrival. He reported the successful sale of the Company’s invoice of merchandise and remitted the proceeds, amounting to about $6,720 in gold dust. An extract from Allan’s letter follows:
I am certain that you will be more than satisfied with the prices obtained for the Goods, in fact they are enormous, and no one here seems to doubt for a moment the purity of the Gold Dust, two small packages of which I would strongly recommend that you forward with all dispatch, one by Mazatlan, the other by China, to the Governor and Committee [at the Company's London headquarters], who will of course lose no time in having it tested and transmitting you the results, and I should think that this letter might be deemed interesting to their Honors, as I shall now endeavor to lay before you all the information I have been able to gain respecting this great discovery and the important results to which it already leads. . . .

St. [sic] Francisco is about to become a place of the greatest importance, and has already greatly increased since the Americans took possession, but for the present, improvement in building must progress but slowly as every one is either off digging gold, or selling goods to those who have already amassed some. Carpenters gain when they choose to work, from Eight to Ten dollars per day here and the common labourer Six, and to give you an instance of the difficulty of procuring men even at these enormous rates—the Gentlemen to whom I sold the Invoice after the greatest exertions could not procure a man to take the Goods from the wharf to their Store, upon seeing which I offered my services, and thanks to the good will of the Sandwich Island Natives, which I acquired during my residence at the Islands, I soon succeeded in getting three natives to do the needful. The Schooner in which I arrived here had not been two days in Port when six of her crew deserted, and in order to get her to the wharf the Supercargo and myself had to assist in raising the anchor. The Captain when ready to discharge engaged four men to assist at six dollars per day. There are at this moment in harbour about twenty vessels and nearly all without hands, and the vessel that now leaves for Honolulu can only do so by shipping a few hands at the extravagant rate of a hundred dollars each for say a voyage of fourteen days. . . . in case you might have any intention of sending one of the Company's Vessels here, or that being ordered here via the Islands by the Board of Management [at Fort Vancouver] you might consider well the difficulties to be encountered. . . .

Skinner and Co. of Honolulu in whose chartered Vessel I arrived here, sold the Cargo to great advantage for Gold Dust amounting to upwards of 30,000 dollars, and Starkey, Janion & Co.
must in their two cargoes, have sold to the amount of 50,000 dollars, all received in Gold Dust. The merchants here hold on to their Gold Dust, selling their goods for it at sixteen dollars per ounce. . . . Bills either on England or the U. States are not to be looked at at present. . . . Should you from the state of the market here . . . consider it for the Company’s interests to send some more goods, you well know that I shall exert every nerve to sell them to advantage. . . .

When I left Honolulu it was understood that after endeavoring to collect the Company’s outstanding debts here, I should proceed either direct to Columbia [Fort Vancouver], or via the Islands as opportunity might offer—but owing to the great changes which have taken place here in the discovery of the Gold, and the very high prices now ranging in this market . . . I have come to the determination . . . to remain until I hear from the Columbia and the Islands. It will however take me some time to collect those accounts [Captain Sutter’s], as I shall be obliged to visit the Sacramento . . . for that purpose. . . .

Gambling and drinking go on here to a great extent and Society with a few exceptions is below par, indeed it requires a man of steady habits to steer clear of vice and quarrels. I have just heard that Mr. Von Pfister from Honolulu a local, small-scale merchant has been killed up the Sacramento. A man stabbed him in the heart with his own knife.

The Government here as yet can scarcely be called one, and the Government Officers find it as difficult to procure men to do their work as private individuals and pay equally high.

On receiving Allan’s letter, Honolulu Agents George Pelly and Dugald Mactavish promptly readied two additional shipments for San Francisco. One was sent on October 27, 1848, on the schooner Sagadahock, of American registry, and the second on November 10 on the bark Mary Francis, of Hawaiian registry. The Company’s three shipments of goods from Honolulu consisted mainly of men’s and women’s clothing and yard goods, but also included blankets, iron pots and pans, china tableware, and a large quantity of Manila cigars. Fort Vancouver also sent a shipment. But the energetic Allan was by then off for the Sacramento and Sutter’s Fort, and the sale of these consignments were to await his return to San Francisco.
Allan Visits the Gold Fields
and Tracks Down Captain Sutter

Allan left San Francisco for Sutter's Fort at the beginning of November 1848. He returned in six weeks, well satisfied with his accomplishments. Always punctilious in keeping his superiors informed, on his arrival back in San Francisco Allan composed a letter to the Company's London headquarters, including information both on his dealings with Sutter and on the gold fields, in which he felt the Company would have an interest. Allan's expedition is best described in his own words, as written to London:  

I have the pleasure to acquaint you for the information of their Honors, the Governor and Committee [in London] that I returned here a few days ago after an absence of six weeks during which time I visited the Gold Mines with the view of affording information thereon to the Governor and Committee, and Sir George Simpson [in charge of the Company's North American and Hawaiian operations], and partly in order to collect the Company's outstanding debts in that direction, and I shall now endeavor to convey to you the extent of my progress in both objects.

I left this place on the 1st of November and ascended the River Sacramento on a launch for about a hundred and eighty miles when I reached the Fort built some years ago by Captain Sutter one of the Company's debtors. I had determined in my own mind on leaving St. Francisco that I should not return without receiving payment from Sutter of at least part of his debt but from the now very confused state of the Company's accounts, left for collection with the late Mr. Leidesdorf [San Francisco merchant], I could not even ascertain the exact amount due by Captain Sutter but was guided by a memorandum given me by Mr. McTavish [Mactavish] in Honolulu which states the whole amount with interest must be nearly 4,000 dollars. However, on my arrival at the Fort, Captain Sutter was absent on a gold digging excursion with a band of Indians and not being expected to return for some time, I thought in the mean time that by visiting the mines personally I might pick up some interesting information for the Company. I therefore set out with a party bound to a place called the Dry Diggings distant about sixty miles. We reached that place in three days being
accompanied by Wagons carrying the baggage. The Dry Diggings I found had been one of the first places in which Gold was discovered and that although it had been pretty well dug up yet it still yields to a steady, working man on an average, two ounces a day. There are a number of Log Houses erected here and occupied by quite a number of people who intend passing the winter in order to be at hand for early labour in the spring as during the winter no one can dig. During this excursion I walked every step from the time I left Sutters Fort until my return there, say about two hundred miles. Horses are very expensive and when one is procured it is either starved for want of food or stolen.

Having pitched my Tent at the Dry Diggings and left it in charge of a person there I left that place on a visit to what is called the Middle Fork of the Sacramento, where I had learned there were many people and that Gold was found in great abundance. In two days I reached the Middle Fork situated in a ravine of very great depth and extremely difficult of access. Here I found many people principally Americans engaged in digging the earth in which Gold is found and some of them formed into parties of six and seven, washing the earth with a machine made of wood, others with large shallow tin pans. The process of washing by the machine is generally the most successful but requires great labour and exposes the workman to be constantly wet which has caused great numbers to fall sick of fever and ague. I ascertained that Gold was obtained here in considerable quantities some men in a very short space of time having realized from seven to eight thousand dollars. Provisions here of all kinds are extremely high—Flour say per Barrel, from a hundred to a hundred and fifty dollars, Pork two dollars per lb., but it must necessarily be so from the great difficulty and expense attending its transport, Wagon hire from the Fort to the Dry Diggings Twenty five dollars for each hundred pounds. I only remained two days at this place but am of the opinion that Gold will continue to be found in considerable quantities for years to come not only here but in many parts of the country.

I now returned to the Dry Diggings where I passed some time in order to recover from the fatigue I had undergone during my excursion to the Middle Fork, and which was very great, as from the sudden illness of a Sandwich Islands boy who had accompanied me, I had to make great exertions. I returned to Sutter’s Fort and waited his arrival upon which I handed him my letter from
Messrs. Pelly and McTavish and gave him plainly to understand that I had not undertaken so long a journey without a determination to have his account with the Company from whom he has ever received much forbearance, settled in some way or other. Captain Sutter at once acknowledged his obligation and introduced me to his son [August Sutter] who lately joined him from Europe and to whom he has handed over all his affairs having I suppose discovered his own want of capacity to manage them. I soon perceived that Sutter had proved unsuccessful in his late excursion with Indians and brought back with him little or no gold after expending large quantities of food and clothing. I told his son that I could not think of returning to St. Francisco without some settlement of accounts but as they had at the present moment no Gold Dust I would receive an order on some respectable house at that place. I at last obtained an order for half the amount say 2,000 dollars in Gold Dust at 16 dollars per oz. and which has been accepted by Mellus and Howard [San Francisco merchant firm], but in the position in which Captain Sutter is now placed being pressed on all sides I was obliged to take the order payable next May. However, I thought it much better to have it even for that period when it is certain of being paid than the Company to have him still a debtor for the whole amount. I think however that by next May I shall receive payment of the whole with interest.

You will observe . . . that I have been very particular in regard to the Interest account and now having just received copies from the Columbia of the Company’s accounts as left in the late Leidesdorf’s hands I hope to be enabled to settle at least some of them satisfactorily. I have been informed since my arrival here that I was extremely fortunate in getting the order from Sutter even payable in May as there are many who can get nothing in liquidation of their accounts. . . . Sutter has let out all the buildings in his Fort to different traders who pay him very heavy rents so that with a little time I feel certain he will be enabled to pay all his debts and it would be entirely useless to endeavor to pursue legal measures in a Country and at a place where even murder is committed almost with impunity as during the short time I passed at the Fort a man was shot by another in a petty quarrel, and the murderer appeared next morning at the breakfast table as if nothing out of the way had taken place.

On my return to St. Francisco I found an Invoice of Goods sent from the Columbia and another from Honolulu. I have sold the
whole at fair prices but not such high prices as I received for the Invoice I brought with me as the demand for goods for the Mines is over for the season and large quantities of Goods and provisions have lately come in here.

I forward this letter by the U.S.S. Ohio.

It was fortunate for Allan that Sutter’s son, August Sutter, had preceded Allan in arriving in California and had assumed the onerous task of rescuing his father from the morass of debts into which the latter had fallen. Allan did not have to wait until May 1849 for payment of the first installment on Sutter’s debt to the Company. This was remitted in February, and in early March the balance of the debt was paid to Allan. He sent the proceeds in gold dust to the Honolulu Agency. Allan had completed his mission.

As for Sutter’s debt to William French, this was paid in Sacramento town lots from Sutter’s subdivision.

While in San Francisco, Allan also informed the Company’s London headquarters of his intention to retire from the Company. This decision had probably been some time in the making and was no doubt related to the Hawaiian Government’s offer to Allan, through Minister of Foreign Affairs Robert Wyllie, of appointment as Hawaiian Consul in San Francisco “for the American ports in California.” One aspect of the consulship involved the suffering, severe illness, and deaths among many Native Hawaiians who had joined the rush to California, and with whose sad plight Allan was much concerned. However, Allan declined the Hawaiian Government’s appointment, and about April 25, 1849, he sailed from San Francisco for the Columbia River and Fort Vancouver. San Francisco was flooded with goods, and trade was very dull.

Allan’s separation from the Company took effect in June 1849, but he stayed on at Fort Vancouver for a time to help care for his old friend and mentor, Chief Peter Skene Ogden, who was ill. In 1851, Allan went into business in Oregon City as a merchant in partnership with two other ex-Hudson’s Bay Company Chief Traders, Archibald McKinlay and Thomas Lowe. Allan also accepted appointment, at the insistence of his old friend Wyllie, as
Hawaiian Vice Consul in Oregon, although Allan noted in his reminiscences that “Very few vessels carrying the S. I. Flag visited Oregon.” So far as I know, Allan did not return to Hawai‘i.

NOTES
Grateful acknowledgment is made for assistance rendered by a travel grant to Winnipeg from the American Association of State and Local History and the National Endowment for the Humanities, and by Shirlee A. Smith, keeper of the Hudson’s Bay Company Archives, Provincial Archives of Manitoba, Winnipeg, and other members of the Archives staff.

2 The most authoritative account on Sutter is by Richard H. Dillon, Fools Gold: The Decline and Fall of Captain John Sutter of California (New York: Coward-McCann, 1967), hereinafter cited as Dillon, Fool’s Gold. Unfortunately, Dillon misspells George Allan’s name as “Allen.”
3 Dillon, Fools Gold 64.
4 Dillon, Fools Gold 72.
7 James P. Zollinger, Sutter, the Man and His Empire (1939; Gloucester, MA: P. Smith, 1967), erroneously states that Chief Factor James Douglas came to San Francisco in 1849 to collect Sutter’s debt. It was not Douglas, but Allan.
8 George Allan, letter to George Pelly and Dugald Mactavish, 7 Oct. 1848, B.191/c/1. F.15d, Hudson’s Bay Company Archives: hereinafter cited as HBCA. See, also, George Allan, Reminiscences of the Sandwich Islands, ms., Provincial Archives of British Columbia, Victoria.
9 George Allan, letter to George Pelly and Dugald Mactavish, 7 Oct. 1848, B.191/c/1, fos. 13-17, HBCA.
12 Dillon, Fools Gold 31.
13 Dillon, Fools Gold 31.
14 Greer, “California Gold” 167-68.