

**ALASKA COMMERCIAL COMPANY**



PRIVATELY PRINTED AND BOUND IN  
DECEMBER, NINETEEN HUNDRED AND FORTY.

This copy is No. 31 and is for

Mr. Louis Sloss

# ALASKA COMMERCIAL COMPANY

1868 • • 1940



A MORE OR LESS "DOCUMENTED" HISTORY, EVIDENCED BY PAPERS  
FROM GOVERNMENTAL FILES AND BOOKS; BY OLD LETTERS FROM  
COMPANY FILES; BY NEWSPAPER ARTICLES; BY MEMORIES OF  
OFFICIALS AND EMPLOYEES OF LONG STANDING

*Edited by* SAMUEL P. JOHNSTON

It may have been the impressions left in his mind from reading copy-book mottoes of childhood, such as: "Be up and doing", and "Be not slothful in business". However that may be, the fact remains that while others of those who arrived that day at Sitka, Alaska, from Washington via San Francisco, one man attended to business.

It was October 18, 1867, and on that eventful afternoon the flag of Russia was lowered, and the flag of the United States raised to celebrate the change of ownership of Alaska. Soldiers of both governments were marching, bands playing, guns saluting, flags flying, men and women in gala attire gave expression to the excitement of the occasion.

The business man was interested only in the commercial aspects to result from the event being celebrated that day by the representatives of the two governments. He had informed himself on the subject of the Alaska fur business, a monopoly of Russia; operated by the Russian-American Fur Company, under the control of Prince Maksoutoff.

James Wickersham, an attorney located at Juneau, Alaska, wrote under the date September 24, 1926, as follows:

"When President Johnson and Secretary Seward sent General L. H. Rousseau from Washington to Alaska in the fall of 1867 to accept the transfer of the Territory from Russia, a Baltimore merchant named Hutchinson came with Gen. Rousseau from Washington across the Isthmus to San Francisco, on the same boat. During the brief stop of the party at San Francisco, Hutchinson was busily engaged organizing his plans, and when the steamer *John L. Stephens* landed at Sitka on October 18, 1867, Hutchinson went ashore before the ceremony of the transfer took place, that afternoon, and when it was over he had already purchased from Prince Maksutouff, the Russian general manager for the Russian American Co., its ships, its houses and all its property on the Pribilof islands and was substantially in possession of the fur-seal islands of Alaska, as well as its transportation facilities and mercantile business."

Upon his return to San Francisco, Hayward M. Hutchinson, this far-sighted business man, brought about the organization of a group of men with vision, and the necessary capital, to handle the situation.

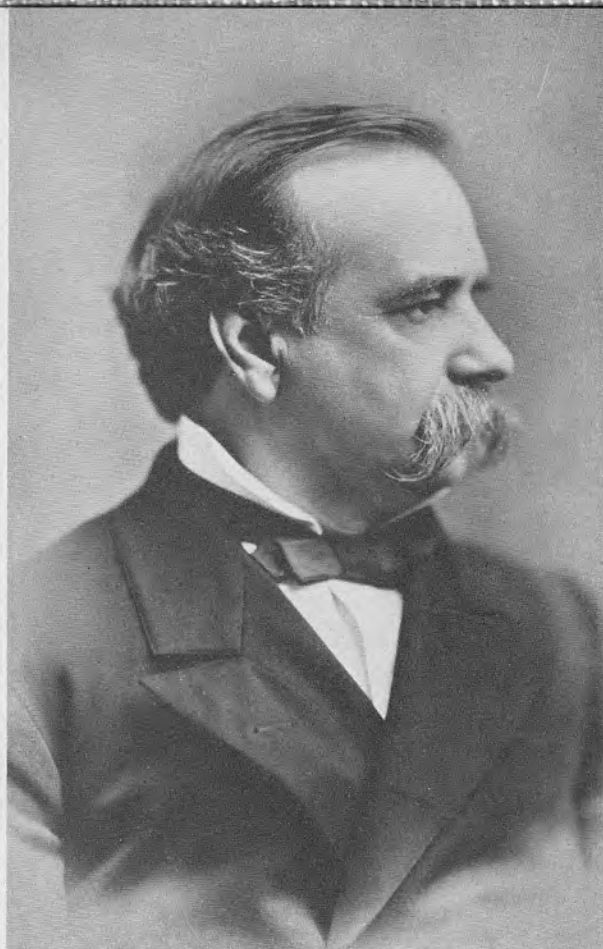
In the archives  
are letters and documents  
having to do with activities  
of the company for  
three-quarters of a century.

Some are in strange languages,  
from places with strange names;  
from the Komandorskie Islands,  
beyond the international date  
line, to London, more than  
half way around the world.

Some are from stations in Alaska,  
north to Bettles,  
south to Unalaska,  
west to Attu,  
from New York and Washington  
to San Francisco.

One of peculiar interest is from  
the Smithsonian Institution  
treasured through the years  
because of its source  
(see pages 22 and 23).





## JOHN F. MILLER

*President 1870-1881*

*General in United States Army, serving with Grant during the Rebellion; elected U. S. Senator, and died in office.*



## GUSTAVE NIEBAUM

*President 1902-1908*

*Captain Niebaum was colorful, stood six foot two, descendant of Viking forbears—an observer—a student—a linguist—he spoke French, German, Italian, Russian and English—had a reading knowledge of several more.*

*After the purchase of Alaska he sailed into San Francisco Bay with a valuable cargo of furs and was one of the founders of the Alaska Commercial Company, an active participant in its management for many years.*

## FORMING THE CORPORATION

The firm of Louis Sloss & Co., was originally formed in the early 50s, and conducted its business in Sacramento until 1860 or 1861, when the members of the firm moved to San Francisco.

From the organization of the partnership, and for many years after moving to San Francisco, the members of the firm were: Louis Sloss, Lewis Gerstle, and Simon Greenewald, who were closely associated in all their business activities and ventures.

The three became equally interested as stockholders of Alaska Commercial Company, when it was formed, and all of them became active as executives of the company. Mr. Greenewald's expert knowledge and experience were applied largely to the performance of important functions in the selection and purchase of supplies and equipment required for the Company's many stations in Alaska, as well as for the outfitting of steamers and other vessels. The association and activities mentioned continued until the death of Mr. Greenewald in 1880, a period of almost thirty years.

\* \* \*

On January 31, 1868, the Alaska Commercial Company was formed—including: Louis Sloss, elected president; Lewis Gerstle, elected vice-president; Simon Greenewald, Hayward M. Hutchinson, Albert Boscowitz, William Kohl, A. Wasserman, Gustave Niebaum, and John F. Miller.

In 1870 the A. C. Co., obtained a lease, from the United States, giving them the exclusive right to take seals on the Pribilof Islands. The larger two islands were: St. Paul, 35 square miles, and St. George, 27 square miles.

Here a kind of seal, bearing a superior grade of fur, congregates yearly in May and June, for the producing of their young; each October they swim away, some as far south as the Southern California shore.

\* \* \*

The Alaska Commercial Company took over the assets of the original company: Hutchinson, Kohl & Co., for the sum of \$1,729,000. The assets consisted of merchandise in Sitka, Kodiak, Karluk, Nushagak, St. Paul Island, St. George Island, Unalaska, Unga and other mentioned stations

\$200,000; furs on hand in different places, \$870,000; buildings, \$80,000; wharves, boats and fixtures, \$20,000; coal and salt, \$34,000; goodwill, \$300,000; steamers Aleaxander, Constantine and Fideliter, \$195,000; fishing vessels and barges, \$30,000. With this equipment, stores and other property, and the Government lease, the business began as the Alaska Commercial Company.

The lease provided for taking 100,000 seals a year, and the payment as follows: Annual rental, \$55,000; tax on each seal taken \$2.62 $\frac{1}{2}$ ; tax on seal oil, 55c a gallon (none was ever taken). The lease also provided that the company should maintain a school for natives eight months in the year; supply the natives employed in their operations 25,000 dried salmon, sixty cords of fire-wood, salt and barrels for preserving seal meat.

The natives were paid \$350 to \$450 a year and worked under their chiefs. Widows and orphans of the native community were supported at expense of the company. Medical care was free. These conditions gave to the Pribilof natives advantages unequalled by any other group of aborigines employed commercially by a superior race.

Previously the Aleutian Indians of St. Paul and St. George Islands, had lived in filth and squalor, in crude huts, caves and dugouts; no comfort; no medical care, no education, and the death rate was heavy.

Only agents of the United States, or employes of the lessees are permitted as residents on the islands. The islands are hilly and volcanic; a crater on St. Paul is 600 feet high. Mean annual temperature 35° F.; rainfall is about 35 inches. There are two seasons: rainy summer, May/October; dry winter, November/April.

The Pribilofs are "Specks in the ocean", of no consequence, with no vegetation, no "coves" for ship landing, and with unpleasant climate. These islands are the resort of fur-bearing seals from May to October.

## THE UNITED STATES SEAL ISLAND LEASE

*The United States Government made an exclusive lease to the Alaska Commercial Company, giving permission, under certain restricted conditions, to take fur-bearing Seals from the Pribilof Islands, in Bering Sea, for the period of twenty years, from 1870 to 1889. The Lease and an amendment follow:*

THIS indenture in duplicate, made this 3rd day of August, A. D. 1870, by and between William A. Richardson, Acting Secretary of the Treasury, in pursuance of an act of Congress approved July 1, 1870, entitled "An Act to prevent the extermination of fur-bearing animals in Alaska," and the Alaska Commercial Company, a corporation duly established under the laws of the State of California, acting by John F. Miller, its president and agent, in accordance with a resolution at a meeting of its board of trustees, held January 31, 1870, witnesseth:

That said Secretary hereby leases to Alaska Commercial Company, without power of transfer, for the term of twenty years from the 1st day of May, 1870, the right to engage in the business of taking fur seals on the islands of St. George and St. Paul within the Territory of Alaska, and to send a vessel or vessels to said island for the skins of such seals.

And the said Alaska Commercial Company, in consideration of their right under this lease, hereby covenant and agree to pay, for each year during said term and in proportion during any part thereof, the sum of \$55,000 into the Treasury of the United States in accordance with the regulations of the Secretary to be made for this purpose under said act, which payment shall be secured by deposit of United States bonds to that amount, and also covenant and agree to pay annually into the Treasury of the United States, under said rules and regulations, an internal-revenue tax or duty of \$2 for each seal skin taken and shipped by them in accordance with the provisions of the act aforesaid, and also the sum of 62 $\frac{1}{2}$  cents for each fur-seal skin taken and shipped, and 55 cents per gallon for each gallon of oil obtained from said seals, for sale in said islands or elsewhere, and sold by said company; and also covenant and agree, in accordance with said rules and regulations, to furnish, free of charge, the inhabitants of the islands of St. Paul and St. George annually during said term 25,000 dried salmon, 60 cords firewood, and a sufficient quantity of salt and a sufficient quantity of barrels for preserving the necessary supply of meat.

And the said lessees also hereby covenant and agree during the term aforesaid to maintain a school on each island, in accordance with said



rules and regulations and suitable for the education of the natives of said islands, for a period of not less than eight months in each year.

And the said lessees further covenant and agree not to kill upon said island of St. Paul more than 75,000 fur seals, and upon the island of St. George not more than 25,000 fur seals per annum; not to kill any fur seals upon the islands aforesaid in any other month except the months of June, July, September and October of each year; not to kill said seals at any time by the use of firearms or means tending to drive said seals from said islands; not to kill any female seals or seals under one year old; not to kill any seal in waters adjacent to said islands, or on the beach, cliffs, or rocks, where they haul up from the sea to remain.

And the said lessees further covenant and agree to abide by any restriction or limitation upon the right to kill seals under this lease that the act prescribes or that the Secretary of the Treasury shall judge necessary for the preservation of such seals.

And the said lessees hereby agree that they will not in any way sell, transfer, or assign this lease, and that any transfer, sale, or assignment of the same shall be void and of no effect.

And the said lessees further agree to furnish to the several masters of the vessels employed by them certified copies of this lease to be presented to the Government revenue officers for the time being in charge of said islands as the authority of said lessees for the landing and taking of said skins.

And the said lessees further covenant and agree that they or their agents shall not keep, sell, furnish, give, or dispose of any distilled spirituous liquors on either of said islands to any of the natives thereof, such person not being a physician and furnishing the same for use as medicine.

And the said lessees further covenant and agree that this lease is accepted subject to all needful rules and regulations which shall at any time or times hereafter be made by the Secretary of the Treasury for the collection and payment of the rental herein agreed to be paid by said lessees for the comfort, maintenance, education and protection of the natives of said islands and for carrying into effect all the provisions of the act aforesaid, and will abide by and conform to said rules and regulations.

And the said lessees, accepting this lease with a full knowledge of the provisions of the aforesaid act of Congress, further covenant and agree that they will fulfill all the provisions, requirements, and limitations of said act, whether herein specifically set out or not.

In witness whereof the parties aforesaid have hereunto set their hands and seals the day and year above written.

WILLIAM A. RICHARDSON,  
(SEAL) Acting Secretary of  
the Treasury.

ALASKA COMMERCIAL  
COMPANY,  
(SEAL) By JOHN F. MILLER,  
President.

Executed in the presence of  
J. H. SAVILLE

In accordance with the provisions of "An act to prevent the extermination of fur-bearing animals in Alaska," approved July 1, 1870, and considering the fact, that one-half of the present season for killing fur seals has already expired before the making of a lease as therein authorized and required, and that the killing, during the remainder of the season, of the full number of fur seals limited by said act, would tend to the extermination of the fur-bearing animals, and that further restrictions and limitations for this year have become necessary for the preservation of such seals, the right of killing fur seals on the islands of St. Paul and St. George, in said Alaska, during the present year, A. D. 1870, is further restricted and limited as follows:

*First.* The number of fur seals which may be killed for their skins during the year 1870, upon the island of St. Paul, is hereby limited and restricted to 37,500.

*Second.* The number of fur seals which may be killed for their skins during the year of 1870, upon the island of St. George, is hereby limited and restricted to 12,500.

And the rent of \$55,000 reserved to the Government in the lease under said act to the "Alaska Commercial Company," bearing date August 3, 1870, is proportionately reduced for the first year of said lease, to wit, \$27,500, without otherwise affecting any agreement of covenant therein

made on the part of said company, August 9, 1870.

WILLIAM A. RICHARDSON,  
Acting Secretary of the Treasury.

Whereas by a certain indenture made August 3, 1870, between William A. Richardson, then Acting Secretary of the Treasury, and the "Alaska Commercial Company," a corporation duly established under the laws of the State of California, it was covenanted and agreed as follows, to wit:

"And the said lessees further covenant and agree not to kill upon said island of St. Paul more than 75,000 fur seals, and upon the island of St. George not more than 25,000 fur seals per annum; not to kill any fur seals upon the islands aforesaid in any other month except the months of June, July, September and October of each year; not to kill such seals at any time by the use of firearms or other means tending to drive the seals from said islands; not to kill any female seal or any seals less than 1 year old; not to kill any seals in the waters adjacent to said islands or on the beaches, cliffs, or rocks where they haul up from the sea to remain."

Now this indenture made this 25th day of March, 1874, by and between William A. Richardson, Secretary of the Treasury, in pursuance of an act of Congress approved March 24, 1874, and entitled "An act to amend an act to prevent the extermination of fur-bearing animals in Alaska,"



approved July 1, 1870, and the said Alaska Commercial Company, lessees in said indenture of August 3, 1870, acting by John F. Miller, its president and agent, in accordance with a resolution of said corporation duly adopted at a meeting of the board of trustees held January 31, A. D. 1870:

Witnesseth, that the parties hereto do hereby mutually agree to rescind and annul, from and after the ratification hereof, the within-recited covenant in said indenture of August 3, 1870, and in place thereof the said Alaska Commercial Company, lessees, as aforesaid, do hereby covenant and agree not to kill upon the island of St. Paul more than 90,000 fur seals, and upon the island of St. George not more than 10,000 fur seals per annum; not to kill any fur seals upon the islands aforesaid in any other months except the months of June, July, August (from the 1st to the 15th of said month), September, and October of each year; not to kill such seals at any time by the use of firearms or other means tending to drive the seals from said islands; not to kill any female seals or any seals less than 1 year old; not to kill any seals in the waters adjacent to said islands, or on the beaches, cliffs, or rocks where they haul up from the sea to remain.

And the said parties hereto, by virtue of the act of Congress herein referred to, hereby agree that the covenant set forth in said indenture of August 3, 1870, and herein recited, shall, from and after the ratification

of this indenture, be revoked, rescinded, and the covenant hereby entered into shall be and remain in force as the covenant of the parties hereto in this regard from and after the ratification hereof during the remainder of said lease of August 3, 1870.

In witness whereof the said parties have hereto set their hands and seals the day and year above written.

WILLIAM A. RICHARDSON,  
Secretary of the Treasury.

(L. S. TREASURY)

LEWIS GERSTLE,  
Vice-President, Acting President  
Alaska Commercial Company.

(L. S. ALASKA COMMERCIAL  
COMPANY.)

We, the obligors in a certain bond dated August 3, 1870, given in accordance with the provisions of an act of Congress approved July 1, 1870, entitled "An act to prevent the extermination of fur-bearing seals in Alaska," hereby consent to the within change made in a lease given by the Secretary of the Treasury to the Alaska Commercial Company under said act, dated August 3, 1870, and agree that the said change shall not discharge us from any liability under said bond.

Witness our hands and seals this  
25th of March, 1874.

JOHN SANOTT,  
LEWIS GERSTLE.

## CONGRESSIONAL INVESTIGATIONS PROVED GROUNDLESS

As already stated, the number of skins that could be taken annually from the islands of St. Paul and St. George was limited to 100,000. The season's work was carefully watched by government agents on the islands, and the number likewise tallied by Treasury agents on arrival in San Francisco.

During the life of the lease, charges were made from time to time, appearing publicly, that we were guilty of a breach in the contract, but Congressional investigations proved that there was absolutely no ground for these charges. For the twenty years of the lease the company acted strictly within the terms of the contract, and this was frequently acknowledged by the departments in Washington.

## LEASE OF THE RUSSIAN SEAL ISLANDS

(where fur-bearing seals also congregated)

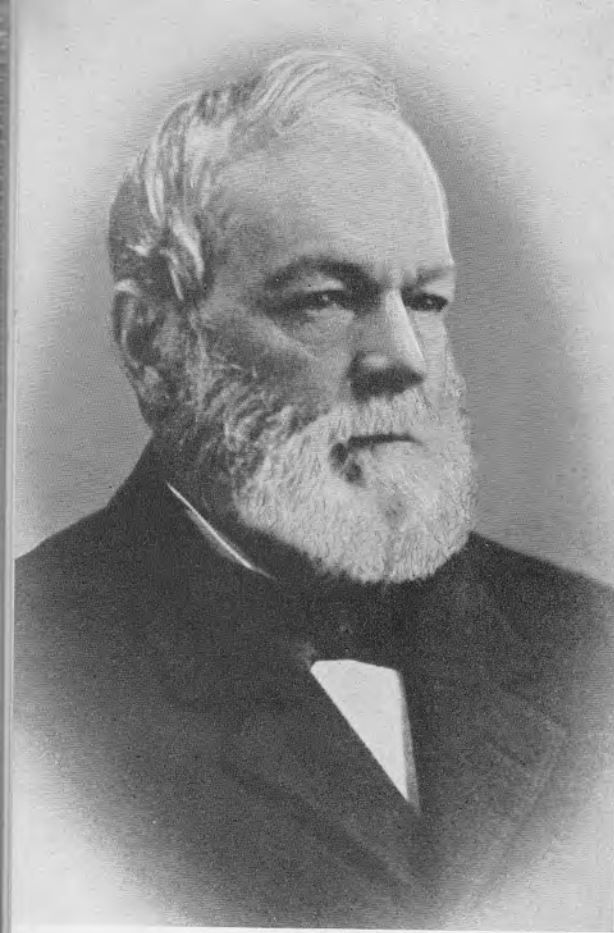
A lease of Behring, Copper and Robben Islands, of the Komandorskie group, on the Asiatic side of the International Date Line, was made on February 18, 1871. It was signed by a representative of the "American House: Hutchinson, Kohl & Company."

This was for a period of twenty years, granting the exclusive privilege of taking fur seals. For this privilege Hutchinson, Kohl & Co. were to pay the Russian Government annually 5,000 roubles; and an additional payment of 2 roubles for every skin taken; besides, a payment of 50 copecks in silver money per skin had to be made to the natives.

The number of skins to be taken was fixed by the local Russian authorities, but a minimum of 1,000 skins per annum was established. A Russian vessel, carrying the Russian flag, had to take the skins away from the islands.

As a guaranty for the payment of the annuity, as well as the tax, Hutchinson, Kohl & Co. had on deposit with the Russian Imperial Bank in St. Petersburg 30,000 roubles.

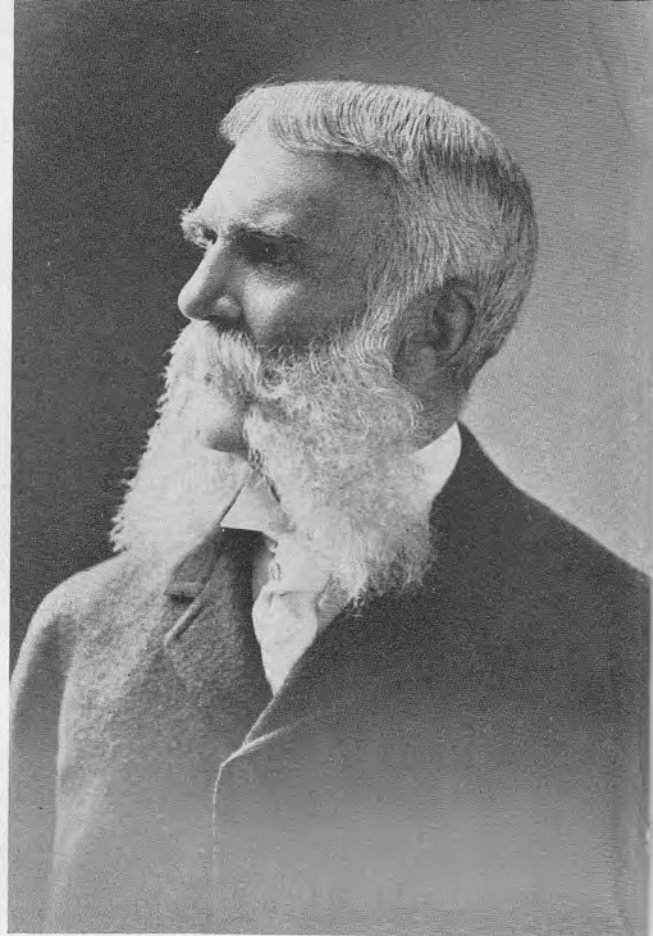
Hutchinson, Kohl & Co. had to have at least one Russian partner, the name to be included in the firm. Before the contract with Hutchinson, Kohl & Co., a contract with the Russian Government on these islands was held by a Mr. Phillippeus; and it was agreed that the Hutchinson, Kohl & Co. contract was not to be in effect until January 1, 1872. (The foregoing all taken from the actual lease.)



### JOHN PARROTT

1810 — 1884

*An early stockholder in the Alaska Commercial Company; merchant and banker. In 1852 he built the granite building at the corner of California and Montgomery streets in San Francisco.*



### CHARLES AUGUSTUS WILLIAMS

*An early stockholder, who resided in Honolulu from 1866 to 1873. He was in the whaling business and sent trading vessels to Japan. Originally he was from New London, Connecticut.*



## MINUTES OF MEETINGS

The minutes of the meetings of boards of directors usually are pretty dry reading, especially to non-participants. None who read these lines could have been present at the meetings listed herein; ancestors or other relatives were there. The minutes found in the record are not particularly verbose; rather they are bare of all but the facts. Here are some of the early minutes:

The first meeting of the "Trustees" of the Alaska Commercial Company was held October 19, 1868, at 425 Sacramento Street, San Francisco. Present: Louis Sloss, Lewis Gerstle, William Kohl, Simon Greenewald, A. Wassermann, and Leopold Boscowitz. Louis Sloss was elected president, and Lewis Gerstle, vice-president.

It was resolved to negotiate with Hutchinson, Kohl & Company for the purchase of their business: stock-in-trade, stations, trading posts, vessels and whatever they might possess of the business of the old Russian-American Fur Company in Alaska.

The "Trustees" were advised that the buildings, merchandise, etc., on the islands of St. Paul and St. George were the property of Hutchinson, Kohl & Company and Williams, Haven & Morgan of New London, Connecticut. The "Trustees" didn't waste time, for two days later the minutes record purchase for \$1,729,000. Payment was by promissory notes, all payable within thirty months, with interest at 1% a month. Hutchinson, Kohl & Company were given charge of the properties in Alaska, until the notes were paid.

At the meeting of January 21, 1870, these "Trustees" resigned: Louis Sloss (then in Washington), Lewis Gerstle, Leopold Boscowitz, A. Wassermann, Simon Greenewald, Wm. Kohl. The following were elected "Trustees": John F. Miller (elected president), Hayward Hutchinson, Louis Sloss, H. P. Haven and R. H. Chapell. President Miller was authorized to contract with the United States, for a lease to take seals on St. Paul and St. George Islands.

On January 17, 1872 "It was expected that permission would be obtained from the Government of Russia to organize the firm of Hutchinson, Kohl, Maksoutof & Company, which if done, would enable that firm to make a transfer of the lease of the Komandorskie Islands to such incorporated company by consent of the Russian Government.

"The Agent of the Company at St. Petersburg, failed to procure such permission from the Russian authorities, and the said lease and supply contract, held by said firm from Russia, remains without modification, and the business to be conducted under the lease and contract, must be conducted in the name of Hutchinson, Kohl, Maksoutof & Co., or in the name of Hutchinson, Kohl & Co., with the name of a Russian subject incorporated into the name of said firm.

Very soon thereafter the firm name was changed to Hutchinson, Kohl, Philippeus & Co., the last named being a resident of St. Petersburg, and our representative there. On yearly trips around the world, he visited the office in San Francisco to attend meetings of Hutchinson, Kohl, Philippeus & Co.

"Mr. Wilson, as attorney of the Company, having given this whole subject the most careful consideration, advises that no absolute or complete assignment of said lease and supply contract can legally be made to this Company by said firm.

"He has, however, prepared the papers and contracts herewith submitted, (which have been properly executed), which he deems sufficient and proper for the security of the Company in the premises.

"By these papers the Alaska Commercial Company becomes the sole and exclusive agent of said firm, in the conduct of the business, under said lease, under power of attorney irrevocable, and entitled to receive the profits of said business, the same to be carried on under the name of said firm, so long as it may be desirable to do so.

"These papers contain numerous covenants and agreements between the parties for the security of all concerned, and the Company is advised, by the said attorney, that the same are sufficient for the purpose for which they are intended."

September 28, 1870, Hutchinson, Kohl & Co. retired from the management of the affairs of A. C. Co. in Alaska. Mr. Hutchinson was appointed the authorized agent of the Company at Washington, D. C.

On January 17, 1872, a dividend of \$200,000 was declared. The 20,000 shares of stock of the Company were owned by John F. Miller, C. A. Williams, Henry P. Haven, T. Parrott, Lewis Gerstle, Gustave Niebaum, Ebenezer Morgan, Samuel Willet, August Wassermann, Simon Grenewald, Louis Sloss, Leopold Boscowitz, Wm. Kohl, Lewis Gerstle, Trustee, Daniel T. Willets, Trustee, Hayward M. Hutchinson.

In 1901 there was such severe competition among the various business organizations along the Yukon Valley that profit had become impossible. Therefore a merger was formed, consisting of the Alaska Commercial Company, The International Mercantile Marine Company, and the Alaska Goldfields, Ltd. These were the principal companies doing both a mercantile and transportation business on the Yukon. The only large company not included was the North American Trading and Transportation Company, controlled by the Cudahy family of Chicago.

Two corporations were organized, the Northern Commercial Company, to conduct all mercantile activities; and the Northern Navigation Company, which was purely a transportation company. The assets, including land, merchandise and floating property, were turned over to these new corporations. Each corporation had the same incorporators: Leon Sloss, Isaac Liebes, George H. Higbee and William Thomas, all of San Francisco.

Each corporation had the same authorized capital stock, \$2,750,000; shares par value \$100; incorporated under the laws of New Jersey. The stock issued to the various companies was in proportion to the assets which each contributed, the Alaska Commercial Company receiving approximately two-thirds of all the stock issued. This merger resulted in considerable profit for the stockholders.

Subsequently the Northern Navigation Company was sold to the White Pass and Yukon Railway; and the Northern Commercial Company was sold to former employes, headed by Volney Richmond, and known as the Northern Commercial Company of Seattle.





### NATIVES SELECTING A DRIVE

*View over hauling grounds of "holluschickie" at English Bay, looking west from Tolstoi Sand-dunes.*



### THE KILLING-GANG AT WORK

*Method of slaughtering Fur-seals on the grounds, near the village, St. Paul Island.*

## LETTER FROM HUMANITARIAN

Established 1815  
OFFICE OF WILLETS & CO.  
Commission Merchants  
303 Pearl Street

P. O. Box 2168  
New York 11mo. 16th, 1880.  
John F. Miller, President,  
Dear Friend:

The great success of the Alaska Commercial Company has prompted more or less thought respecting the enterprise; and in connection therewith I have found myself thinking of the Alutes (or, whatever the inhabitants of St. George and St. Paul Islands are called), and have wondered if all is being done for them that ought to be done, considering the rich harvest of the Company.

The Islands, I suppose, as well as almost all of the United States, have been wrested from their original owners by the strong arm of our predecessors; and though I see no way in which restitution can be made to their successors, we can no doubt do much to improve the condition of their children.

In conversing with our late lamented friends Henry P. Haven and Richard H. Chapell, they, together with Captain Morgan and others, assured me that we are and have been doing all and more than the Laws of Congress and our Contract with the Government require; but still the question arises with me, Are we doing *all* that we *can* do for those poor laborers who are filling our coffers with gold? Do we sell our goods to them at fair, reasonable prices? Do we pay them fair and liberal wages? Can we improve their houses and better their schools? Is

there, in fact, any fault in our treatment of them that can be remedied? I feel that we should do everything we reasonably can for their comfort and improvement.

Hoping thou wilt receive this in the kind spirit in which it is written, and congratulating thee on the great success attending thy efforts as president of our Company, I am, with much respect,

Thy assured friend,  
SAML. WILLETT'S.

San Francisco,  
December 1st, 1880.

Samuel Willets Esq.,  
P. O. Box 2168, New York.  
Dear Sir:

Owing to my absence from the city, your esteemed favor of the 16th ult. failed to reach me until today, which I trust will be accepted as sufficient apology on my part, for the lateness of my reply. Fully appreciating the object of your inquiry in relation to the actual condition of the native employees of the Company at the Islands of St. Paul and St. George, Alaska, and your evident desire of adding to their comfort and support if necessary, it affords me much pleasure in assuring you that everything has been done on the part of the Company to accomplish the object in view, and in order that you and the rest of our Eastern Stockholders may fully understand what has been done in the matter, I beg leave to furnish you herewith a brief outline of the voluntary work performed, which must be the most satisfactory and convincing proof of our humane efforts to better their condition.

At the Islands of St. Paul and St. George, large and commodious schoolhouses have been erected, and with the assistance of most competent teachers, the children are making satisfactory progress. At the first named Island, one of the chief's sons, who has been educated by us in Vermont, acts as principal of the school at a monthly salary of \$40.00, whilst at the latter place, a lady teacher attends. The school-books are sent from here, without charge to the parents.

Under the management of the old Russian American Company, the natives lived in underground huts, utterly unfit for human habitation—constant sickness and a most fearful rate of deaths has been the consequence; as soon as we obtained the lease for the fisheries from our Government, the most energetic efforts were made to provide more comfortable quarters, & I have the satisfaction to report to you, that we have erected on the two Islands, within the past five years, 85 cottages at an expense of over \$50,000., so that at this time, every family is supplied with a good and convenient home, free of rent, the result of which shows the most astonishing improvement in the sanitary condition at both Islands; nevertheless, we have resident Physicians at both St. Paul and St. George, with an abundant supply of medicine, all of which is furnished free of charge to anyone, who may have occasion to employ them. . . . The supplies we send forward, are of the best and most substantial character, selected with the utmost care and bought in this market at the very lowest cash prices and sold there @ 15% advance above San Francisco cost, which simply covers expenses of transportation. Each family is furnished free of charge, a sufficient quantity of good coal to last

through winter and a suitable stove for cooking purposes, so that the extreme cold prevalent during some years, will cause neither hardships nor inconveniences. Liquors of all kinds, excepting for medical purposes, are strictly prohibited, and the utmost efforts are made on our part to promote good feeling and fellowship between the Company's employees and natives, due regard being paid in the selection of the former as to their moral character, so that by their good example, they may have no difficulty in introducing the desired reform and stimulate the natives to works of industry and good citizenship, and I have no hesitancy in saying that so far our anticipations have been fully realized. . . . The yearly income of the natives on both Islands amounts to about \$45,000—distributed by the chief in accordance with the work performed by each person, due care is exercised, however, that the widows and orphans, as well as those that may be disabled to contribute their share of the necessary labor, get their proportionate amount to avoid the least possible suffering on that account, and the practice of economy among our employees is sufficiently demonstrated by the fact, that they have now on deposit with the Company bearing 4% interest, \$116,000, out of which sum the savings of the natives amounts to \$64,000.

At Ounalaska, where we have no exclusive privileges for trading and consequently are subjected to the strongest competition of several other business houses, the same liberal principle has been manifested on our part, having lately sent a physician there and his professional services are free to anyone who may need them. . . . We send a yearly liberal supply of good and useful books to

the different stations in Alaska, both in English & Russian, so that our agents who desire it may have an opportunity of spending their leisure hours in pleasant occupation. . . . At Behring and Copper Islands in Kamchatka, which have been leased to us by the Russian Government, we have also commenced the erection of houses for the benefit of the natives and hope in the course of a few years, to have each family comfortably taken care of. . . . The Company will not permit the slightest interference with their mode of worship; on the contrary, every assistance is rendered to the clergy in their travels throughout the country, and in the building of churches we have always contributed most liberally. . . . To the natives, free passes are given for travel on any of the Co.'s vessels to and from Alaska or to any point in the Territory visited by us, which is evidently fully appreciated on their part by the good feelings they display, and the deep interest they manifest in everything that appertains to the success of the business. It has always been my earnest desire to conduct the business of the Company on strictly commercial principles, in accordance with which, my constant aim was to establish friendly relations with the natives in our dealings, and with such others as we may come in contact with. Instructions to our agents are most emphatic as to the necessity of fair dealings and strict compliance and faithful performance of every part of our contract with the Government, and in this I have always met with a hearty support of the entire Board of Directors, to which the success of the Company must in the main be attributed.

Anticipating to visit the Atlantic States sometime this winter, I shall

do myself the pleasure of calling on you, and giving you such other information in reference to our business as you may deem of interest to know, in the meantime.

I am, Yours sincerely,  
JOHN F. MILLER.

Established 1815  
OFFICE OF WILLETS & CO.  
Commission Merchants  
303 Pearl Street

P. O. Box 2168

New York, 12th mo. 10th, 1880.  
John F. Miller, President,  
Esteemed Friend:

Thy full and interesting communication of 1st inst. came duly to hand, and its perusal has given me the greatest gratification. The exhibit shows that everything has been done to ensure the comfort and well being of the inhabitants; and it is cause for rejoicing that the disposition to practically improve their condition is properly appreciated by them.

All the details thou has given me I have read with exceeding interest, and they seem to prove that the Company in all its relations with the people has acted with wisdom and humanity.

I thank thee for the entirely satisfactory response to my letter, and it will give me great pleasure to welcome thee when thee comes to New York.

Respectfully, thy friend,  
SAML. WILLETS.



SMITHSONIAN INSTITUTION  
WASHINGTON, D. C., NOV. 6, 1882

Gentlemen:

It has long been my intention to address you somewhat more formally than usual with reference to the favors shown by the *Alaska Commercial Company* to the Smithsonian Institution in years gone by, and especially during the past few months, but a favorable opportunity to carry out this intention has not hitherto presented itself. I now, however, beg leave to formally thank your company in the name of the Smithsonian Institution—and thus, indirectly, in that of Science—for its generous liberality and extraordinary courtesy to this establishment and several of its specialists during the past summer, and particularly for your most highly appreciated attention to Mr. Jouy, Captain Dutton and Mr. Stejneger in the interest of their respective missions to Japan and the Sandwich and Commander Islands. Such actions on the part of a company whose name is familiarly known wherever the light of knowledge has penetrated, cannot but merit the highest encomiums from men of science everywhere, since they tend largely to subserve scientific interests, which are universal. Moreover, such generosity and liberality, while eliciting commendation from all cultivators of science and friends of higher education, afford an example of enlightened action which cannot fail to affect other mercantile corporations of means and influence and prove fruitful of good in the way of a precedent worthy of imitation.

While thus thanking you for your continuous grant in the interest of science, and assuring you that information of this will be received by the scientific world with sincere gratification, I am led

by a knowledge of the facts that your liberality knows no abatement, (notwithstanding it is attended by much expenses and, at times, perhaps, inconvenience to the officers of the company), to believe that in some way your company considers itself sufficiently recompensed for all outlays in connection with the operations of this Institution; and I am sure that this recompense is based upon no mercenary consideration, although by widening its influence, in promoting scientific interests in every direction, and rendering its name more and more favorably known in distant parts, the financial interests of a corporation such as the *Alaska Commercial Company*, must naturally, by reflex action, be promoted. I am rather confident that your reward is abundantly found, *first*, in the higher and nobler reflection that through such assistance as that rendered by your company to this Institution, Science is encouraged to hope for a speedier attainment than otherwise of her ultimate aim—the *discovery of truth*—; and, *second*, in the consciousness that your Company is indirectly, though materially, helping to elevate mankind to a higher plane of civilization.

Sincerely trusting that the *Alaska Commercial Company* may long continue in the enjoyment of its present career of high mercantile influence and commercial prosperity; and assuring each and all its officers that, in so far as any efforts of mine may prevent, nothing shall occur on the part of the Smithsonian Institution to jeopardize in any way the mutual good feeling existing between the two establishments, I am

Very truly yours,  
SPENCER F. BAIRD, Secretary

*Alaska Commercial Company*  
San Francisco, Cal.

BY COURTESY OF FORTUNE MAGAZINE

(October 9, 1940)

FORTUNE says: "... in 1928 the funds of the natives (on the Pribilof Islands), in custody of the U. S. Commissioner of Fisheries, totaled the reassuring amount of \$10,942.50.

"During the four decades from 1870 to 1910 the sealskins were shipped to London for dyeing, then imported back into the United States, paying a tariff duty.

"Finally Americans learned the art of dyeing sealskins, and most of the business is now done in this country.

"The fur of the sealskin is gray when obtained, but is dyed in different colors. One of these colors, *bois de campeche*, was fancied by Mrs. Herbert Hoover, who (when "First Lady") sent ten dyed Alaskan sealskins to Princess Marie Jose of Belgium, on the occasion of her marriage to Prince Umberto of Italy."

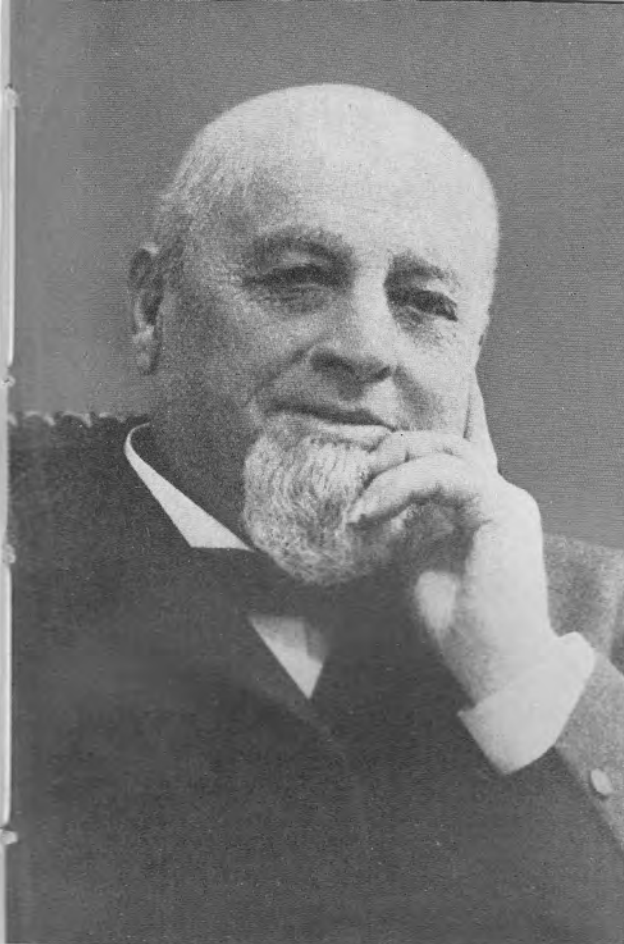
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Under the title: The Seal and the Treasury Department, FORTUNE in November, 1930, says: "Eighty per cent of all the fur seals in the world, frolic on the Pribilof Islands.

"What mattered to the U. S. Treasury was that in the forty years following purchase of Alaska for \$7,200,000, the leasing privilege of killing seals on these islands returned nearly \$9,473,996.

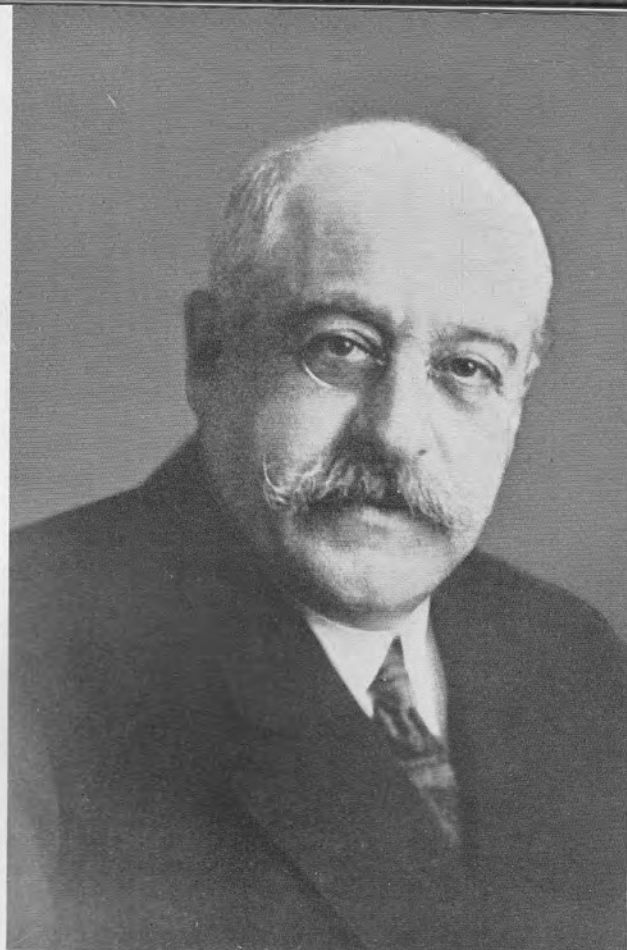
"An interesting point has to do with the beginning of thrift and savings by the natives in the period when the Alaska Commercial Company obtained the first lease in 1870, began building houses, a school, a hospital, a church; paying the workers in real money and encouraging them to save some of it."





LOUIS SLOSS

*President 1868-1870*  
*President 1887-1892*



LEON SLOSS

*President 1918-1920*

## THE LONDON AGENTS

The firm of C. M. Lampson & Co., London, were intimately associated with the Alaska Commercial Company from its inception. The sealskins, and all other varieties of furs, were shipped to them for sale at public auction.

The Alaska Commercial Company made an arrangement with C. M. Lampson & Co. that they would pay 5% interest on all monies borrowed from them; and Lampson & Co. would pay 5% interest on all monies left with them on deposit. As a matter of history Alaska Commercial Company borrowed only once; in the first year of existence, and thereafter always maintained substantial amounts with Lampson & Co.

Despite the many variations of interest rates, Lampson at no time asked for any change in this arrangement; though it is very probable they had no need for the money.

The founder of the firm of C. M. Lampson & Co. was the London representative of the original John Jacob Astor. He was knighted by Queen Victoria, due to his abiding faith in the practicability of the Atlantic cable.

No commercial firm could have a higher standard, or a higher reputation for honorable dealings than C. M. Lampson & Co. Although they sold furs at auction, many foreign buyers, who were unable to go to London to attend the auctions, appointed Lampson & Co. as purchasing agent of the same furs they were selling, knowing that both parties would be honorably treated.

During the many years of the Company's activities in the large quantities of furs sent from Alaska, Mr. Alfred Fraser, a partner of Lampson in London, and who had offices in New York City was likewise the Company's representative in that city. Mr. Fraser made many visits to San Francisco, and was an old and valued friend of all our seniors.





LEWIS GERSTLE

*President 1881-1887*

*President 1892-1902*



WILLIAM L. GERSTLE

*President 1908-1918*

*President since 1920*

## LIFE AND HABITS OF THE FUR SEAL

By HENRY W. ELLIOTT

Special Agent of the Treasury Department

Henry W. Elliott made searching studies of the lives and habits of the fur-bearing seals on the Pribilof Islands, for several years. Here follow excerpts from his voluminous reports to the Department, and to the Smithsonian Institution. To those interested reference is made to the originals as published by the Government in "Seal and Salmon Fisheries and General Resources of Alaska, Vol. III, Government Printing Office 1898." (San Francisco—in Mechanics Library the number is XX 639.2 U58 v. 3).

"At the time of the acquisition of Alaska even the Smithsonian Institution did not possess a perfect skin and skeleton of the (*Callorhinus*), the northern fur-seal. Strange to say this animal was so vaguely known, even to scientific men, that it was without representation in any of the best zoological collections of the world.

"The Islands of St. Paul and St. George are far enough South to be beyond the reach of permanent ice floes . . . they have remained unknown to savage men . . . hence they afforded the fur seal the happiest shelter and isolation. The fog banks shut out the sun nine days out of ten during the summer and breeding season. By the middle of October, cold winds carry off moisture and clear up the air. The breeding grounds are rocky hill slopes, near the shore.

"The unit of family life is the "harem" averaging about 30. The bulls reach the islands early in May. The cows begin to arrive the first week in June. The period of gestation is one year.

"The fur-bearing seals taken are the "Holluschickie", young males, two, three and four years old. Females are never taken. Under the experienced and watchful eye of the Chief, 100 to 150 seals are driven up on higher ground; then the Chief passes the word, that such and such a seal is taken; this one is too young, this one is too old . . . then he gives the word "strike".

"The slight, thin bone of a fur seal's skull is broken by a blow from a club, stunning the animal. Then the sealer drives his knife into the heart at a point between the foreflippers, and soon the seal is dead. The labor of skinning is severe, demanding long practice; the knives have cutting edges keen as razors; the average time taken for skinning is less than four minutes.

"Seals, for the most part, live in the water, dependent on live fish; sometimes resort to rocky beaches, especially for the purpose of bringing forth their young. The young seals have to be taught to swim by their parents, at age of four to six weeks. The number of young produced is usually one, though occasionally two. The young are suckled. They are at first covered with a coat of very thick, soft, nearly white fur.

"Motion on land is effected by a shuffling or wriggling action, produced by the muscles of the trunk. Seals are almost harmless, timid, inoffensive; though the old males often fight desperately with each other. They have much curiosity, and are strongly attracted by musical sounds. The adult male attains maturity about the seventh year, and weighs 400 to 500 pounds. It is six feet in length, with a girth of  $4\frac{1}{2}$  feet. The adult female is much smaller, averaging 80 pounds in weight. She bears her first young at the age of three years.

"The reason that fur seals were all sent to England was on account of the necessity of dyeing and treating the skins. The fur seal has an outer coat of coarse guard hair, underneath that is the fur. The skins, in their preparation, had to be scraped on the flesh side very carefully, so as to cut off the roots of the hair, and also reduce the weight of the hide. When this was done, the guard hair could be removed, leaving only the fur. There were skilled men in England to do this work.

"The fur-bearing seal is the only one in which this story is interested; not at all with hair seals, such as lie on the rocks at the Cliff House (San Francisco), and may be found in small numbers on isolated rocks all over the world.



"True fur-bearing seals may be found elsewhere, but not in numbers like those which seek the Pribilof Islands for breeding purposes. The fur of the sealskin, which makes its value, is like the down and feathers on the breast of a duck—the fur is soft like velvet.

"While the Russians maintained their headquarters at Ross, near Bodega Bay, California, they took some fur-bearing seals on the Farallone Islands. The years and numbers follow:

Year:	1824	1825	1828	1829	1831	1832	1833
Seals	1050	455	210	287	205	118	54

#### *Date Limit for Taking Seals*

"As an illustration of the working ability of the natives on the seal grounds, the following shows the actual time occupied by them in finishing up the three seasons' work which I personally supervised on St. Paul Island. Note the decrease in working days, and the increase in the number of sealskins taken.

"This is an important point because the fur-seal skin, from June 14 when it arrives, as a rule, up to August 1, is in prime condition. From that date it begins to deteriorate—hence the catch taken by the Alaska Commercial Company every year is a prime one, first to last:

"In 1872 fifty days' work of 71 men secured 75,000 sealskins.

In 1873 forty days' work of 71 men secured 75,000 sealskins.

In 1874 thirty-nine days' work of 84 men secured 90,000 sealskins."

#### *Agriculture and its Possibilities*

"A great many attempts have been made to raise a few of the hardier vegetables, with little success; a little lettuce, a few turnips, a few potatoes as large as walnuts have been grown. There are few insects, the common fly is not present, neither are there mosquitoes. There are blue and white foxes, and the lemmings which are restricted to the island of St. George—none on St. Paul, though it is only 30 miles distant.

"There is no harbor at either of these islands. Ships lie out so far that rats do not swim ashore. Mice were brought ashore in ships' cargoes—hence there are plenty of cats. I did not see a single reptile. The scarcity of fish is due to the presence of seals, but the waters swarm with jelly-fish."

### *Contrast in the Condition of the Inhabitants Under Russian and American Rule*

UP to the time of the transfer of the territory and leasing of the islands to the Alaska Commercial Company, in August, 1870, these native inhabitants all lived in huts or sod-walled and dirt-roofed houses, called "bar-rabkies," partly under ground. Most of these huts were damp, dark, and exceedingly filthy. It seemed to be the policy of the short-sighted Russian management to keep them so, and to treat the natives not near so well as they treated the few hogs and dogs which they brought up here for food and for company. The use of seal fat for fuel caused the deposit upon everything within doors of a thick coat of greasy, black soot, strongly impregnated with a damp, moldy, and indescribably offensive odor. They found along the north shore of St. Paul and at Northeast Point occasional scattered pieces of driftwood, which they used, carefully soaked anew in water if it had dried out, split into little fragments, and, trussing the blubber with it when making their fires, the combination gave rise to a roaring, sputtering blaze. If this driftwood failed them at any time when winter came round they were obliged to huddle together beneath skins in their cold huts, and live or die, as the case might be. But the situation today has changed marvelously. We see here now at St. Paul, and on St. George, in the place of the squalid, filthy habitations of the immediate past, two villages, neat, warm, and contented. Each family lives in a snug frame dwelling; every

house is lined with tarred paper, painted, furnished with a stove, with outhouses, etc., complete; streets laid out, and the foundations of these habitations regularly plotted thereon. There is a large church at St. Paul, and a less pretentious but very creditable structure of the same character on St. George; a hospital on St. Paul, with a full and complete stock of drugs, and skilled physicians on both islands to take care of the people, free of cost. There is a school house on each island, in which teachers are also paid by the company eight months in the year, to instruct the youth, while the Russian Church is sustained entirely by the pious contributions of the natives themselves on these two islands, and sustained well by each other. There are 80 families or 80 houses, on St. Paul, in the village with 20 or 24 such houses to as many families at St. George, and 8 other structures. The large warehouses and salt sheds of the Alaska Commercial Company, built by skillful mechanics, as have been the dwellings just referred to, are also neatly painted; and, taken in combination with the other features, constitute a picture fully equal to the average presentation of any one of our small eastern towns. There is no misery, no downcast, dejected, suffering humanity here today. These Aleuts, who enjoy as the price of their good behavior the sole right to take and skin seals for the company, to the exclusion of all other people, are known to and by their less fortu-