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Memorandum of steps taken by Hutchinson, Kohl & Co. to get possession of the gold mill and personal property of the old Russian American Company of Alaska. LIBRARY 433

The following statement is given to Judge Wickersham today by Henry W. Elliott, who relates it as given to him in turn by ^yHarvard M. Hutchinson, the founder of Hutchinson-Kohl & Co.

Mr. H. M. Hutchinson was a native of New Hampshire, and early in '60, or '61, came to the city of Baltimore with his brother, to enter into the business of making tin and sheet iron kettles, pans and cups for army use as a specialty. He also made iron ^{cooking} stoves and ^{ranges: they} built up quite an extensive business which is still to this day, carried on in the name of "Hutchinson Brothers" by the surviving partner, his brother, Elias Hutchinson. The war ending in '65, business slackened up, and Mr. Hutchinson accepted the invitation of an old army friend, with whom he had acquaintance and dealings in a business way, Gen. A. J. Rou^sseau, who had been appointed Commissioner to receive the Territory of Alaska from the Russian authorities there, in 1867. Hutchinson accompanied Rou^sseau, sailing from New York in June or July, 1867, by way of the Isthmus, to San Francisco.

Hutchinson's idea was to invest a small sum of money in some business on the Pacific coast; but where, he did not himself, have any preconceived idea of what that business would be, or was to be.

On his arrival in San Francisco he parted from General Rousseau temporarily, since arrangements were not completed for the transfer of Alaska, and in the course of his looking over the field he became acquainted with Louis Sloss, of Sacramento, a large dealer in hides,^{and wool,} with his principal place of business at Sacramento, and a branch office in San Francisco. He made known his idea of investment in some paying business to Sloss, and was told by him,^{when} speaking of Rousseau's trip to Alaska, which was to be made by the General,^{(Sloss?),} that a friend of his^s of Portland, told him that there was a chance to invest profitably in the purchase of the accumulated Russian supplies up at Sitka. That the Old Russian American Company was going out of business, of course, and they were to have a large amount of merchandise of all kinds for sale, which had accumulated in the magazines and warehouses at Sitka and Kodiak during the last ten or fifteen years, largely tea,^{cloth;} salt, copper, and such.

Sloss and Hutchinson conceived the idea of going up there, and buying these supplies. They went to Portland where they met this man who had posted Sloss, - Boscowitz, who was a fur dealer^{and} who had been buying furs from the Hudson Bay Company and the old Russian American Company, and who had in that way, become acquainted with what the old Russian American Company had in its stores.

Meeting Boscowitz, they then went from there to Victoria, by way of the Columbia river, and at Victoria, Boscowitz introduced Hutchinson to Capt. Wm Kohl, who was also known to Sloss, and there they agreed upon a combination whereby Kohl was to put in his vessel, the "Fideliter", a small iron screw vessel of about three hundred tons, and Sloss and Hutchinson to put in about fifteen or twenty thousand dollars apiece, in cash. Sloss very likely represented other sums of which I have no knowledge ^(Wessexmans?) [Washburn]. Nevertheless, they formed a company then and there, in Victoria, in August, 1867, before going up to Sitka as "Hutchinson, Kohl & Co." The idea was to bid for, and buy all they could from the Russian sale which was to take place as soon as the transfer of the territory was made. They left there for Sitka late in August, and found quite a large number of adventurers like themselves, ahead of them, anchored about the harbor. They called on General Maxutof, the Russian general manager of the old Russian Company, and Governor of the territory. He met them on the afternoon of their arrival, and invited them up to his rooms in the "Castle" on the hill, and, by three o'clock the following morning, Hutchinson, Kohl & Company had possession of all the stores, supplies, stations buildings, ships, - everything - plus the good will of the old Russian American Company!

They got that possession by accepting every offer made to them without questioning the value of the property which Maksutof had to sell. Every item they accepted at his valuation, without question or any attempt to cut down the price. When the deal was completed, Maksutof said: "Gentlemen, you are the only men that are 'white', that I have met since I have been authorized to sell this property. You are the only men who have not attempted to 'Jew me down' to 'beat me out', and cut my prices. You have treated me like gentlemen, and I appreciate it: and, as proof of my appreciation, I am going to tell you something. You see these men around here, your countrymen, ~~well-~~ ^{before you,} ^{skill} they have been up here, and they are [^] here trying to beat me down, to form combinations by which I won't get half what I have been asking you for. They think there is gold in the country here. They think there are valuable mines of gold and fine timber. They are fools. There is nothing of the kind. But there is something they do not know a thing about, and I am going to tell you how to profit by it. Up here in Bering sea, in the magazines on the seal islands there are sixty or seventy thousand skins, which will be salted down and ready to ship by the end of next November. They are not in this list of property which I have given you, because they are not yet taken

"and nobody is supposed to know they are to be taken and will be taken:but they are there. Nobody knows anything about it. You go up there, and get them, early next spring. You can have them for a dollar a piece. They are worth three, or four, or five dollars, some of them."

When General Rougéau took possession on the tenth or twentieth of October following, formally, of the Territory of Alaska from the hands of Prince Maksutof, nobody knew until then, that Hutchinson, Kohl & Co, had made this bargain and were really in possession of all the personal property of the Russian American Co.. They knew it an hour after the American flag was run up, but not until then.

In the meantime the weather, of course, forbid any one going up in the winter to get these skins and nobody knew anything about it. Hutchinson, Kohl & Co. were busy freighting their stuff down to Portland and San Francisco with the "Fideliter".

Mr. Hutchinson's statement to me of the gross outlay for this merchandise of the old Russian American Company was somewhere between \$340,000 and \$350,000 cash. The money was raised in San Francisco in January, or February, 1868, and the gold paid over the counter of the Bank of California to Maksutof.

As soon as Maksutof had made this deal of

August, 1867, one ^{Custer} Capt. ⁱ Nebaum, who had been in the employ of the Russian American Company as a vessel master, and who had navigated the company's vessels to the seal islands, and back, for a good many years, and ^{who} was familiar with the whole business of securing the seal skins, was introduced to Hutchinson and Sloss by Maksutof as a good man to handle that end of the business for them, and who could show them how to reach the seal islands early in the following spring, and safely bring the skins away. ⁱ Nebaum was then, and there, taken in with Hutchinson, Kohl & Co., and made a partner; and, in the following March, (late in March or early in April), he sailed from Victoria in command of the "Fideliter" with Capt. Kohl and Mr. Hutchinson, for the seal islands of Alaska.

Instead of going directly to the islands, they went up to Sitka, and were delayed in going in and getting out for ten days, or two weeks, and then, from there, they went direct to the islands and arrived about the end of April, 1868. When they arrived they found, to their astonishment, Capt. Eben ezer Morgan, of New London Connecticut, had landed there on March 8th, ^{with the whaler "Feru",} and had taken possession of the island by flashing a Masonic membership ^{certificate} in some Royal Scottish Temple on the Russian Agent. - ^{Simon} Teneen ^{vi} Melidov [Meaning "pleasant to see"]. While, of course, the credentials of Maksutof were not questioned,

7

Morgan drew up his men, and threatened to fight. He said that he had as much right to the land there, as Hutchinson, and that he did not care anything about the rules, but that he had staked out the rookeries under the homestead act, and was going to hold them. He had really staked out the rookeries! Of course, there were no seals there, ^{then, so early in the season,} but he knew they would come. Well, they finally agreed to compromise, and take Morgan into the company; and, so the firm was enlarged then and there by the addition of Capt. Morgan and his associates. - Augustus Williams, of New London, and George H. Chappel, whalers, of New London. They went to sealing at the opening of the ^{June 14, 10.} season. Hutchinson took a deep interest in the business, and personally visited all the rookeries; watched the coming of the seals, and then, when the killing began, followed the killing gangs with old Capt. Morgan, who had had some experience in rookeries in the Antarctic, (which was what brought him up there so early to these islands). When they closed their seasons work that summer, they had taken on St. Paul's island nearly three hundred thousand seals! Two other parties had landed, but they were shunted over to St. George, and told ^{that} there was "no room here", and so the ugly faces of the Hutchinson crowd drove them over to St. George. They were the "John Parrot people", of San Francisco, (a rich banker down there, who had

outfitted a schooner, and put it in charge of William H. Ennis, who had been with Kennicott up the Yukon river. Ennis, ^{in 1867,} had heard of these islands but that was all. He knew nothing about them.) So these people, (the 'John Parrot' interests), sealed on St. George Island without any molestation from the Hutchinson people, all through the season, and they took about 80,000 seals.

As they rounded up their work, and left the islands in August, on the 'Fideliter' and the whaling barke 'Peru', fairly loaded down to the ^{wa}gunnels with seal skins, they joined forces with Parrot, and his people in San Francisco, ^{They} and agreed that next year that there would be such a swarm of vessels up there that there would not be a seal for any of them, and that something had to be done: and that unless the government created a reservation to restrict the sealing there, there would not be anything left in another year. That everybody in San Francisco would know what they got, what they had done, and the reports would go out everywhere that there were millions of seals: and that there would be a rush up there which would clean everything out. So Hutchinson agreed to take Parrot in with them. If they could get a law passed which would create a government reservation by Congress, and then lease the islands to the

corporation as the Russians had managed it. At first they had to get the Government to stop all killing. Therefore, the Parrot people came in, and Mr. Alfred Greenwald came in as a party to the combination. ~~Mr~~ ^{chin} Hutchinson Kohl & Co., represented the general ^{combined} Parrot interests.

Also, in the meantime, they had enlisted ^{for} the interests of the company, General John F. Miller ^{(as Collector of the Port, San Fco).} who agreed to resign his position and take charge ^{as President,} of the business of the corporation for them. When ^(in Washington, Nov. 1868,) Hutchinson and Sloss got over here, they found that Mr. Boutwell, then Secretary of the Treasury, had made up his mind that he would not lease the islands; that he was in favor of having a government reservation, and have the government manage the business entirely; ^{and Hutchinson} Sloss, at once dropped all attempt to have a leasing bill drafted, and drawn, and united with the interests Secretary Boutwell favored, and, on the 4th of March, 1869, a joint resolution was adopted declaring the fur seal islands a government reservation; ^{it} and prohibited all sealing or killing except to allow the killing of a few seal that season, for food for the natives. Then Mr. Hutchinson set to work to overcome the opposition of Boutwell to the leasing bill. It was a long, tedious fight which was prolonged from the 1st of December, 1869, to the 1st of July 1870, when the leasing act became a law.

ALASKA
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on Commerce, (House and Senate)

Boutwell personally went to the Committee, and opposed the bill, but the arguments made by ^{Gen. Miller, Secs} ~~Wagoner~~ and Hutchinson prevailed, and the bill became a law on the 1st of July, 1870; and, I think, on the 2d or 3d of August, the lease was drawn, and Hutchinson, Kohl & Co, which had been organized late in 1869, or early in 1870, with General John F. Miller as president, under the name of the "Alaska Commercial Company," of 310 Sansome Street, San Francisco, secured the lease.

When these men got their lease in 1870, it was too late ^{in the year} for them to take the skins which their contract allowed them to take, because it is impracticable to seal there in November; they contented themselves with outfitting for the next seasons work, and shipping up supplies, and stores, and taking possession under the terms of their lease about the 10th or 15th of August, 1870. That year, they killed only three or four thousand ^{Seals.} They made no attempt to kill that year in any considerable number, and began the regular sealing of taking 100,000 in June, 1871, and every year there after, except two years, to the end of their lease in 1889, twenty years later, they took 100,000 seals each year.

Possowitz does not appear as one of the incorporators, or share holders of the Alaska Commercial Company. The reason, so far as I have been able to understand it, without any direct word from

either Mr. Sloss, or Mr. Hutchinson, was that they did not think he was an honest man or a good associate. He later appears during the session of the Paris tribunal, ^{in 1892-93,} as one who had been very actively engaged in the business of pelagic sealing and buying British ^{seeking} vessels with "dummies".

Hutchinson and Nebaum, and Capt. Kohl were the only members of the corporation that had ever visited the islands during the period of the lease.

Mr. Hutchinson died in 1882 of nephritis. He was a man of the most engaging personality; and, indeed, it is, ^{chiefly} to his personality that the leasing bill was passed over Secretary Boutwell's bitter personal antagonism. His experience on the islands gave him an opportunity to speak intelligently, and he was a natural orator and diplomat, and being physically, a very handsome man of about five feet, *nine inches*, ~~and~~ weighing about 188 or 200 pounds.

Louis Sloss was a medium sized Jew, with a frank, engaging address, and prided himself on never misrepresenting or misleading anybody. He often would go out into the counting room, when his subordinates were arguing with a man who was overcharging them, and jobbing him in the accounts, and order the account paid in full, saying as he did so, "I believe the man is overcharging us, but pay him, and never have anything more to do with him." He also said

to me one day, just before I went up to the islands in 1876, on a confidential mission for his company. Mr. Elliott, there are three kinds of Jews,—white Jews, Jews, and God-damn-Jews. I have said enough haven't I." I said, "I understand you. I think from what I saw of Mr. Sloss, heard of Mr. Sloss, and know of Mr. Sloss, that he was a "white Jew"; and the remarkable agreement between Hutchinson, Sloss and Miller on all questions that I ever heard them discuss, also impressed me with the idea that they were all "white" men. They seemed to have a perfect community of purpose. Of course, there was a good deal of evil, ^{envious, and untruthful relation published} ~~stories~~ ^{company's} ~~cut~~ about the question of the ~~Harrison G. Otis~~ business.

I am lead to make this remark because in 1881, the general manager of the company, on the islands, got into a bitter controversy with the treasury agent in charge. Mr. Harrison G. Otis, who is now the proprietor of the "Los Angeles Sunday Times". Major Otis was the Government agent ~~in~~ ^{and} charge (1881-1884) and McIntyre was the company's manager on the island. This argument grew out of the question of the control of the killing. McIntyre claimed that he had complete control of the killing on the grounds, which Otis claimed was under his jurisdiction. Otis was the "General special agent in charge" of the killing of the souls there, under the Treasury Department.

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McIntyre was the general manager of the company on the islands and had entire charge of the business on the island. They clashed, and it gave them ^{the Company} a great deal of concern. They did not want the matter brought over to Washington, knowing it would make trouble in the Department and get on the floor of the House, and make more trouble which they did not like. They knew they would be misrepresented, and they asked me to arbitrate the thing for them. They said if McIntyre was being imposed upon, they would fight for him. If he was not being imposed upon, they were willing to have him retired. They brought all the papers to me. — Mr. ^{Genable, the President, and the} Greenhall, ^A counsel for the company, General Jeffries, and Mr. Hutchinson. I had never ^{seen} ~~seen~~ Major Otis. I only knew him as being the official in charge, but never had any communication with him whatever. The papers were all brought to me at the Smithsonian, and they asked me to umpire the case. I decided in favor of Major Otis. Then they asked me to make a memorandum of it in writing in consultation with the company, and General Jeffries, which I did. I soon received a letter from Mr. Sloss saying that they had perfect confidence in the matter ^{as being settled so,} and although they thought that McIntyre was right, yet they believed I had judged properly, and they had given McIntyre a vacation for ^{three} ~~fifteen~~ years, or during the term of ~~the~~ ~~lease~~ Mr. Otis' office

I found on looking into the thing that while McIntyre was ^{technically} right, yet theoretically, he was wrong. That if his ground was sustained, ^{then} the Secretary of the Treasury would no longer be in control, and that some worthless or mischievous agent of the company could do both his employer, and the government a great deal of harm.

During this period of the exploitation of the seal islands by the Alaska Commercial Company in 1868, up to the day that I was selected by Prof. Baird to go to the seal islands in 1872, I had never, strange as it may seem, ever heard of such a thing, and did not know anything about the seal islands: ~~and~~ therefore, I did not know what arguments were made by Hutchinson, Miller and Sloss before the ^{Senate and House} Committees, and Secretary Boutwell. Secretary Boutwell did personally, tell me in 1872, how bitterly he had opposed the bill, and how bitterly he still regarded the whole business. He told me that up in his house, one evening on H Street, N.W. Washington, D.C. in October 1873. He tried hard to get President Grant to veto the bill, leasing the islands, and would have succeeded in doing so, had it not been for the influence of General Miller, who was an old army associate during the civil war,

With regard to the business of the Alaska Commercial Company when they assumed the whole charge of the old Russian Company, October 10, 1867, I never thought it amounted to much outside of the Seal Island lease.

the goods and chattels of

They did take possession of all ^{the} old Russian American Company as per their purchase bill of sale. They did continue the business of trapping and hunting as conducted at those posts. There was no merchandise ^{or trade} in 1871, and 1872 ^{outside of the seal islands,} of any dignificance. Whatever goods those ^{native and our own} people wanted up there any time prior to that, they brought in their own vessels. They were going up there and coming out on their own vessels; ^{our people} ~~they~~ located nowhere; established no posts, because there was nothing doing. All I know about their business was incidental. Outside of the seal islands there was no profit in it for them. In those days there was no canning or salting of salmon for commercial purposes. No man knew anything about agriculture. Nobody suggested it, nobody thought about it, and I don't think that any business of any kind was done by the Alaska Commercial Company, except by them ~~xxx~~ ^{as they} possibly bid on some mail route, ^{or} steamship line up to Sitka, Kodiak, -to St. Michael. I dont think they did any business of any kind until the canning of salmon began. Then I dont think they did any ~~big~~ ^{the land fur} real business, except ~~salting~~ ^{and} skins, until the Klondike rush came in 1897: and the beginning of salmon canning by 1884-86, at Warbuck.