

preserving Russian America at all.<sup>19</sup> The challenge was easily visible: the steady advance of American interests in the direction of Alaska. By 1812, the colony had signed a contract for food with John Jacob Astor's Columbia River enterprise; though the contract did not survive the War of 1812, the portents were ominous regarding the colony's ability to sustain itself. After 1815, Yankee merchants were back in such numbers as to bring forth a Russian ukase (decree) in 1821 excluding foreigners from Russian America. The resulting pressure upon the American government from such leading mercantile houses as Bryant and Sturgis was substantial, and in 1824 Secretary of State Adams in effect obtained abrogation of the ukase: already protection of American interests in the northwest was an important political issue, and in drafting the Monroe Doctrine, Adams clearly had an eye on Russia in the northwest as much as on the Spanish and Portuguese in the southern hemisphere.<sup>20</sup>

Until 1834, American trade in Russian waters was alarmingly uncontrolled. Payment was often in fur seal pelts until the decline of the herd brought a shift after 1829 to letters of credit upon the Russian-American Company itself. In 1834, Russia again attempted to close its colonies to American traders and once again was unsuccessful: for the second time, Russia was given a hint of potential conflict over the question. Fur traders were by now joined with other interests, for in the 1830s American whaling in Russian waters had increased substantially and in the 1850s it proved the mainstay for an otherwise declining whaling industry. Whaling focused New England's attention upon Russian America. Meanwhile the Baranov spirit of enterprise had gone, and the company had become "a stodgy, overstaffed, and inefficient concern,"<sup>21</sup> entering a quarter-century of decline and retreat. In 1839, the Hudson's Bay Company was given a lease for Alaska panhandle fur-hunting, giving British interests full control over the land fur trade. In 1841, Fort Ross was sold to Capt. John Sutter, as the company withdrew to its Kamchatka and Okhotsk interests. At times ice, mines, fish, timber, and even whaling were temporary substitutes for furs, and in 1852, in an optimistic search for profits from the California gold rush, a Russian commercial agency and vice-consulate was established in San Francisco – only to be closed down in 1861.

As Russia retreated, the United States advanced. Above all, after the 1840s, new and substantial west coast interests based upon San Francisco looked northwards; gold was potentially available in places other than California's Sierra Nevada. In 1851, the American-Russian Commercial Company (not to be confused with the Russian-American Company) was organized to carry basic supplies to Russia's colony (the Hudson's Bay Company, successor to Astor's contract, having failed to satisfy Russia). Within three years this new company, which included a number of leading San Francisco entrepreneurs, had contracted to

carry coal and ice from Alaska and to be the chief supplier in the other direction.<sup>22</sup> Ice alone was a major item; by the coming of the Civil War, the company was importing 3,000 tons a year. Western and eastern sectional interests in the United States were now ready to join – a combination personified by the connection between William McKendree Gwin, formerly Andrew Jackson's personal secretary and senator from California in 1849, and William Henry Seward, who as secretary of state would negotiate the purchase of Alaska. By 1854, the first approaches had been made to Russia to buy the entire colony.

Although the Civil War did delay negotiations, future American expansion to Alaskan waters already appeared likely. Despite some reluctance to sell in Russia, authorities there realized that if the colony were not sold it might be seized. Although Alaska was in better financial condition in the 1860s than it had been in the 1840s, Fort Ross had been sold and feeding the colonists remained a problem, the more so as fur resources (and thus income) were dwindling. The desire for American friendship, strengthened by American commercial contacts during the Crimean War, was coupled with the real fear that, if gold should be discovered in Alaska (as was predicted and probable), there would be no holding Americans back: it would be 1849 in California all over again.

In the United States, too, there was opposition, some of it substantial, towards expenditure of \$7,200,000 for "Walrussia," but it has been argued persuasively by Howard I. Kushner that there were real and powerful interests in the United States in support of the purchase, interests diverted not at all by the Civil War. Though superficially "a case of fallibility of international intelligence,"<sup>23</sup> in which each power supposed it was doing the other a favor – the United States by buying an expensive liability, and Russia by selling a property much valued by the purchaser – in reality the vision of Seward and Gwin was shared fairly widely, even if a few palms had to be greased in the final congressional vote.

Nor were the fur seals forgotten. Already at the end of the Civil War, Lewis Goldstone, an American merchant living in Victoria, was thinking of establishing a company based upon San Francisco which would replace the Hudson's Bay Company as lessee of Russian land fur enterprises.<sup>24</sup> He had the ear of a group of important San Francisco men (most of them unconnected with the American-Russian Commercial Company), headed by Gen. John F. Miller, collector of customs, Louis Sloss, a leading merchant, and Cornelius Cole, who had read law in Seward's office and was now senator from California. Even before the purchase of Alaska, this group had at considerable expense sent two schooners to survey Alaskan prospects and had opened negotiations not only for the land fur concession but for all the fur op-

erations of the Russian-American Company, including the Pribilof and Commander islands. The purchase of the entire colony by the United States was no reason to abandon the idea; on the contrary, a rush now commenced to be the first new "owners" – that is, American citizens – to reach the Pribilofs and their seals.

There were two ways of going at this. One was to negotiate with the outgoing Russian-American Company to take over their commercial property, for purchase of the colony did not include such capital goods. The other was simply to set sail at once for the seals, without a care for any Russian property rights. Both methods were tried with varying degrees of success, producing a year of vast confusion regarding use and ownership of the seals.<sup>25</sup>

The principal agent in the first, more diplomatic approach was Hayward M. Hutchinson, a Baltimore businessman who had done well selling cooking equipment to the Union Army, but now was seeking new opportunities. His friendship with Gen. Lovell H. Rousseau, named by Secretary of State Seward as American commissioner to receive the transfer of Alaska at Sitka, brought Hutchinson to San Francisco in the same vessel and no doubt directed his thoughts northward. In San Francisco, Hutchinson reached an arrangement for financial backing with Louis Sloss and Lewis Gerstle. Sloss, born in Bavaria in 1823, came west with the gold rush and settled in Sacramento, where he conducted a successful grocery business with his lifelong partner Gerstle (an association cemented by the fact that the men married two sisters). Moving to San Francisco in 1861 or 1862, the partners established a profitable business in wool, hides, shipping, and other interests; though Sloss was usually the negotiator for the firm, one could always speak for both.

Sloss had already participated in the ice trade with Goldstone (later a determined opponent of Sloss's Alaska interests). It is not surprising that Hutchinson contacted him. When Hutchinson reached Sitka in late 1867, it was with considerable backing. In December, after Alaska had been formally handed over, Hutchinson negotiated the purchase of most of the Russian-American Company's property for \$350,000. Less than a year later, the Alaska Commercial Company was to assume the same assets at a book value of \$1,729,000. Prince Dimitrii Petrovich Maksutov, the last Russian governor, probably had orders to sell and get out as quickly as possible (since he had visited San Francisco in 1861 and 1864 in connection with the ice trade, he probably knew Sloss as well).

Hutchinson's purchase did not include the fur seals or the Pribilof Islands as such but only company facilities on St. Paul and St. George – and presumably the "good will" of the Aleut inhabitants (as will be seen, the term is a misnomer in this connection). Maksutov also had

80,000 pelts in storage for sale. First to buy was an Oregon fur trader, Leopold Boscowitz. Boscowitz, probably a British subject (though he had lived in San Francisco), with his brothers conducted a fur business second in the northwest only to that of the Hudson's Bay Company. He now bought the best 16,000 pelts at 40 cents each, selling them at Victoria for \$2-3 each.

Boscowitz was not the only potential buyer. At Sitka he encountered Capt. William Kohl, a Victoria shipbuilder of Pennsylvania Dutch origin, California '49er, and shipowner on the San Francisco-Sacramento run before moving to Victoria in the 1860s (and presumably known to Sloss and Gerstle from his earlier days). Kohl had taken his coastal steamer *Fideliter*<sup>26</sup> to San Francisco in 1867 ready to receive the horde of immigrants who naturally would wish to rush to Alaska. None came; a disappointed Kohl steamed for Sitka to seek other opportunities. His shipping interest would merge nicely with Boscowitz's furs.

Still another player was Capt. Gustav Niebaum, a tall, blond-bearded Finn in his thirties who had captained Russian-American Company steamers for several years.<sup>27</sup> Hearing of the sale of the colony, he rushed to buy an elderly brig, the *Constantine*, from Maksutov, with every intention of bringing off the skins he knew to be on the Pribilofs. Making no secret of his intentions, he soon reached an agreement with Kohl and Hutchinson, though precisely when and how is not clear. His experience of the islands made him invaluable, and in return the others offered capital and contacts.

In November 1867, the *Constantine* was in Sitka; in mid-December, she sailed for the Pribilofs. Niebaum was allowed to land since he knew the chief Aleuts: "I was the first American who ever landed on St. Paul's Island – I claim the honor of doing that."<sup>28</sup> He retrieved 30,000 skins (the difference between Maksutov's 80,000 and Boscowitz's 16,000 is more than double that, an unexplained discrepancy which might have resulted from spoiled discards), left a man in charge of native hunters to carry on sealing operations the following summer, and departed to deliver his skins to fur dealer August Wasserman in San Francisco in March for forwarding to Europe.

By this time a formal merger of the several interests had taken place. In January 1868 the independent operations of Boscowitz-Kohl and Hutchinson joined together in establishing the Hutchinson, Kohl Company. Its six directors represented the various contributors: Hutchinson held the Alaska properties; Boscowitz had experience in the northwest fur business, and Kohl in shipping; Sloss and Gerstle represented San Francisco financial backing; and Wasserman possessed links with the world fur market. Niebaum, upon his later arrival, was also given a partnership – he above all knew the Pribilofs – bringing the total to seven. The arrangement was complex, however, since Sloss and Gerstle

p. 106 at the same time became partners in Wasserman and Company.<sup>29</sup> In any case, the holdings were entirely reorganized in October of the same year into the Alaska Commercial Company (ACC), now with five directors (then called trustees) representing a considerably larger number of shareholders as will be made clear: Sloss (president), Wasserman (vice-president), Gerstle, Kohl, and Boscowitz. The ACC at that time agreed to buy out Hutchinson, Kohl for the \$1,729,000 over a thirty-month period (the agreement was later renegotiated).<sup>30</sup>

The reorganization is explained by the need to take into account other competitors who were not prepared to permit Hutchinson, Kohl to control the main wealth of Alaska without a struggle. Niebaum found this to his cost, when, after returning immediately to Sitka in the *Constantine* in late March he hurried on to the Pribilofs in the *Fideliter* (more capable of mastering spring ice conditions than his own brig). To his surprised displeasure, he found that in his absence others had staked out claims on the seal beaches, though it was still too early for the seals to arrive. As Niebaum remembered the event many years later:

When we came up to the seal islands we found a little schooner had come ashore from Honolulu – had managed to get through the ice and run ashore there and they had succeeded in bulldozing [*sic*] my partner, a German, and got possession of the houses and one thing and another and had pulled up all of our permanent stakes and they were going to put him off the island and finally to save something he made a proposal to them and they promised to give him one quarter of the catch they would get there that year. When we came back about two weeks after that we had to lay out in the ice and we could not get in but when we did we of course smashed the whole agreement.<sup>31</sup>

The schooner was actually tender to the whaling bark *Peru* (190 tons), just arrived from Honolulu, and now standing off and on. Her arrival was no accident. The *Peru* was owned by Williams, Haven and Company of New London, an important firm in whaling and sealing.<sup>32</sup> The head of this firm was Thomas W. Williams, who with his partner Henry P. Haven had opened up Pacific whaling for New London, even establishing an agency in Hawaii in the care of his son, Charles Augustus Williams (later himself senior partner and mayor of New London). When news of the impending purchase of Alaska began to circulate Williams senior and another partner, Capt. Ebenezer "Rattler" Morgan, long a successful whaling master (among other accomplishments, he had commanded the first steam whaler), recognized the great potential of the fur seals. Morgan and yet another partner, Richard H. Chappell, raced by steamer to Panama and by packet to Hawaii. Quickly and quietly outfitting the *Peru*, then in harbor there, Morgan rushed on to the Pribilofs, arriving before Niebaum's own early voyage from San

p. 107 Francisco and Sitka (Chappell meanwhile headed for San Francisco to look after that end of Williams, Haven's operations). Morgan's nickname of "Rattler" was deserved; he was a millionaire when he died.<sup>33</sup>

Morgan was not the man to be dismissed as casually as Niebaum remembered. After the two parties had come to blows more than once over control of the critical beaches, they managed to reach a compromise division of the spoils, a compromise all the more necessary since with the seals there arrived still more human competitors. These were now ward off by Niebaum and Morgan in concert, though in some cases newcomers were absorbed into their own gangs. Most simply went off to St. George, such as the 100-ton schooner *Caldera*, owned by John Parrott and Company of San Francisco.<sup>34</sup> Parrott, a Virginian, had been U.S. consul at Mazatlan and during the gold rush founded the first important local bank in San Francisco, after which he expanded his interests in other directions. Parrott was, like the principals of the American-Russian Commercial Company, to be an ardent opponent of Hutchinson, Kohl – until he too was brought into the Alaska Commercial Company.

Through the summer season of 1868 the seals were slaughtered in numbers far greater than the Russians had taken for decades, to a total of some 250,000 on St. Paul alone. Despite a later claim that only bachelors were taken the slaughter was indiscriminate, males, females, and pups all killed as they were encountered. The scene was as lawless as any gold rush in its early days. The various parties had taken control of the Russian barracks, along with the prettiest Aleut girls, and were living in "debauchery," according to William Dall, a coastal survey employee who arrived on St. George in September 1868 in a schooner belonging to the Pioneer American Fur Company, another would-be San Francisco sealing concern. Pioneer was a bit late; Hutchinson, Kohl men had seized three Pioneer employees and "tied them neck and heels and left them all night in one of the salt houses" to reflect on the dangers of interloping.<sup>35</sup>

Obviously there was as yet no official American presence on the islands. A force of 150 troops had arrived at Sitka in October 1867 under a General Jeff Davis (no relation to the Confederate leader), but none were sent on to the Pribilofs; given their lawless behavior at Sitka, their participation would not have improved matters at St. Paul or St. George. Only after the height of the killing season had passed did a United States Revenue Marine officer, Capt. J. W. White, arrive in the screw steamer *Lincoln* (which he had brought round the Horn in 1865). White also remembered events many years later, in particular his fear that if all the seals were killed – a likely prospect the way things were going – the natives would probably starve in the coming winter. "So to bring the natives to their senses and what I considered common

justice, I took possession and stopped the killing of the seals on both islands, seized and destroyed all the whiskey, made everyone settle up with the natives, in provisions, flour, etc., then called the natives together and in the presence of the White people told them the result and why I had done this, then ordered them to arrest any white man found killing seals, by my orders and I would sustain them."<sup>36</sup>

The intervention was perhaps critical in saving the herd, since White, with the assistance of stop-gap congressional legislation, permitted no killing at all in 1869 except by natives for their own food. White spent the next three seasons on St. Paul, recommending to Washington in the meantime that the Pribilofs be made a native reserve which, properly administered, could pay not only for itself but also for the whole of Alaska for many years to come. Meanwhile the financial organization of the sealing had also passed to a larger stage.

Niebaum and Morgan both sailed for San Francisco after the season of 1868 was over. Perhaps they reached more than an ad hoc agreement on St. Paul; in any case, an offer was made to Morgan and Chappell, on behalf of Williams, Haven, to amalgamate their Pacific sealing interests with Hutchinson, Kohl. A similar offer was made to John Parrott and Company. Both accepted, and the Alaska Commercial Company was born. One reason for haste was the undoubted hostility of J.M. Oppenheim, the major fur-processing firm of London, which had a contract to process skins for the Russian-American Company, and which claimed the entire harvest of 1867 under that contract. A young agent, Emil Teichmann, had been sent from Oppenheim's New York office to Alaska in 1868 to guard Oppenheim's interests.<sup>37</sup>

Even if they knew nothing of Teichmann's mission (Teichmann reached Sitka, and they were probably aware of his intent), the seven original partners of the ACC, together with Morgan and Chappell, realized that the expanded amalgamation would facilitate the next logical step: to persuade authorities in Washington to yield monopoly control to their new concern, at once enriching themselves and preventing the otherwise certain total extermination of the Pribilof fur seals. To this end, a several-pronged attack was mounted.

One ploy was to bring in yet another partner, this time as president of the ACC, in the person of the collector of customs for the San Francisco district, Gen. John F. Miller, already encountered in the ice business.<sup>38</sup> Miller was a Civil War veteran (noted especially for heroism in the defense of Nashville) and a good friend of President Andrew Johnson and Vice-President Schuyler Colfax. In addition, Miller played a vital role in favoring the company's interests through his customs connections: customs regulations were the only American laws immediately affecting Alaska until Congress passed special legislation, and when Congress acted with the Alaska Customs Act of 1868 to prohibit the

sale of arms and alcohol, it was the Treasury's customs officials who would do the policing. Miller now joined the company, and his former subordinates could hope likewise to share in the largesse, particularly if it came to the attention of the ACC that they had given the company preferential treatment. The ACC's board was also reorganized, with Miller as president (at \$8,000, subsequently \$10,000, per annum); Gerstle as vice-president, replacing Sloss who now looked after the firm's interests in Washington, D.C.; H.P. Haven and R.H. Chapell for Williams, Haven; and John Parrott. Other stockholders included Williams, Haven, Morgan, Tiburcio Parrott (son of John), Jacob Greenbaum or Greenebaum (Gerstle's brother-in-law), and S. and D. Willets, Quaker owners of a whaling and chandlery firm of New York which had long been associated with Williams, Haven.<sup>39</sup>

The 20,000 shares were divided after some shuffling, 56 per cent to Hutchinson, Kohl owners, 29 per cent to Williams, Haven, and 15 per cent to Parrott, each group dividing its share block to its own satisfaction. It is important to note that while a considerable share of the company's profits went to San Francisco owners, nearly a third went east to New England. Enemies of the company charged that it was predominantly Jewish, but in fact only five of the eighteen listed owners in 1872 were Jews. (The charge perhaps stemmed from a mistaken belief that because both Kohl and Niebaum had German-sounding names they were members of the same German-Jewish society as Sloss, Gerstle, Greenbaum and Wassermann.) This point is ably defended by Frank H. Sloss, a descendant and historian of the company, but Louis Sloss and Gerstle were the commanding figures in the company's management, and by the end of the century only Niebaum in addition to the Gerstle, Sloss, and Greenwald (Simon Greenwald was an early associate of Hutchinson, Kohl) families held any shares at all.<sup>40</sup>

Reorganization, even the inclusion of Miller, did not guarantee the company's future, and as soon as the ACC was established Hutchinson and Sloss travelled to Washington, D.C., to exert their influence, supplemented with cash gifts, to obtain monopoly control of the seal herd. Times were right in the "gilded age" of unfettered capitalism. In this case, widespread corruption was joined with righteous advice from all sides that some action should be taken to prevent the herd's extinction, though not all agreed that the ACC should be its guardian. But Hutchinson, Sloss and Miller had the contacts (Sloss, for example, was close to William M. Stewart, Nevada's senator);<sup>41</sup> their company had obvious experience in the Pribilofs, a hold on the Russian-American Company's property, and claim to a five-year "contract" with the Aleut workers on the island.<sup>42</sup> The result, in mid-July 1870, was legislation authorizing the Treasury Department to grant an exclusive lease. More than a dozen bids were now tendered. A twenty-year lease was granted to the ACC,

by no means the high bidder.<sup>43</sup> Clearly bids mattered less than influence; also, the company had offered to match the fees suggested by the highest bidder. The secretary of the treasury argued that he had exercised the discretion permitted by Congress: the act had not required that the top bidder be chosen.

The lease, dated 3 August 1870 and signed by Miller on behalf of the company, stipulated that no more than 100,000 seals would be taken each year (75,000 from St. Paul, 25,000 from St. George); seals would be killed only in the months of June-July, and September-October (in August the immature male pelts are worth less since the animals are moulting), none at sea, and none with guns – and only males over one year of age.<sup>44</sup> In return for this right, the ACC agreed to pay \$55,000 for its lease each year, and \$2.625 for each pelt shipped (compared to the 1869 selling price of \$4.00 gold in San Francisco and \$6.50–7.50 in London),<sup>45</sup> and 55 cents for each gallon of seal oil. The company also agreed to supply the Aleuts with 25,000 dried salmon (which soon became salted salmon, then corned beef in cans), sixty cords of firewood, and sufficient salt and barrels for the curing of meat. The Aleuts were also to have a school at company expense, but the company was to see to it that they would not be supplied with alcohol. Not specified in the lease, but soon company policy in any case, was the payment to Aleut workers of 40 cents for each skin for their labor (the money was paid into a common "seal fund" for later distribution, much as the Russians had done). The company also came to provide for widows and orphans, recognized the authority of the local chiefs, and gave free housing and medical care.

Though it was not the 99-year concession for which the ACC directors had hoped, a twenty years' lease on sealing was certainly a valuable right, and the company got to work at once. The take for 1870 was only 23,733 (the lease had been granted rather late in the season), but the average annual kill over the life of the lease was 93,090 seals taken for skins and another 9,727 for food, putting the total near the 100,000 limit (see table 2). Killing and counting were all done under the supervision of agents of the Fur Seal Service, a branch of the Treasury Department given responsibility for the herd under the 1868 act.<sup>46</sup>

The relationship between company and government was generally harmonious on the islands. The first treasury agent, H.H. McIntyre, was a firm believer in the ability of the herd to sustain an annual kill of 100,000 (the Russians in their last years had considered 75,000 the most which could be taken safely each year). McIntyre was told in his first year to permit the taking of seals only as absolutely necessary for food and clothing – a limit he interpreted most generously to the total of 85,901 skins, dividing the pelts equally between Williams, Haven, and Hutchinson, Kohl (White's recollection that no skins were taken

TABLE 2  
Harvest and Dividends, Alaska Commercial Company, 1870–1892

Year	Skins Taken	Rental and Skin Tax	Dividend Per \$100 Share (20,000 issued)	Total Dividend Paid
1870	23,773	\$ 101,080	–	–
1871	102,960	322,863	–	–
1872	108,819	307,181	\$ 10.00	\$ 200,000
1873	109,117	356,610	10.00	200,000
1874	110,585	317,495	17.00	340,000
1875	106,460	317,584	37.50	750,000
1876	94,657	219,156	17.50	350,000
1877	84,310	253,256	10.00	200,000
1878	109,323	317,448	45.00	900,000
1879	110,511	317,400	85.00	1,700,000
1880	105,718	317,595	100.00	2,000,000
1881	105,063	316,886	90.00	1,800,000
1882	99,812	317,295	47.50	950,000
1883	79,509	251,875	42.50	850,000
1884	105,434	317,400	45.00	900,000
1885	105,024	317,490	35.00	700,000
1886	104,521	317,453	65.00	1,300,000
1887	105,760	317,500	55.00	1,100,000
1888	103,304	317,500	50.00	1,000,000
1889	102,617	317,500	75.00	1,500,000
1890	28,859	–	–	–
	2,006,136	\$6,010,566	\$ 837,000	\$16,740,000
		(lease cancelled)		
1890			115.00 paid	2,300,000
1891			70.00 from	1,400,000
1892			50.00 surplus	910,000
(no dividends 1893–1908)			\$1,072.00	\$22,450,000
		\$5,975,253 rental and skin tax		
		3,625,000 import duties on skins finished in London		
		550,000 fees on skins taken in Commander Islands		
		\$10,150,253 total paid U.S.A.		
		(7,500,000 purchase price of Alaska)		

Sources: Fur seals taken: Francis Riley, *Fur Seal Industry of the Pribilof Islands, 1786–1965*, 4; payment to U.S. Government: George Rogers, "An Economic Analysis of the Pribilof Islands, 1870–1946," 26; dividends: Gerstle Mack, *Lewis and Hannah Gerstle*, 41–2.

is rather at fault in this regard). It is no surprise to find that by his second killing season on St. Paul, McIntyre had left government employ and was now the local superintendent for the ACC, a position which he continued to hold until almost the expiration of the lease.<sup>47</sup>

McIntyre's several successors, for the most part, similarly supported company operations. They were, after all, dependent upon the company's people (normally about a dozen on St. Paul, with another four

on St. George), for companionship and upon the company's transport for contact with civilization in Unalaska, Sitka, or San Francisco. The Pribilof agency was not the remote exile it might appear: it was quite well paid (the senior agent received \$10 a day, his assistants \$6-8) and wielded considerable power. It was a patronage post, and the agents over the years were a very mixed lot. All had in common a total lack of experience in sealing and an equally unfortunate dearth of instructions from their seniors. Dorothy Jones, in her several studies of the islands in the last half of the nineteenth century, blames the government, not the company, for the subservient position of the Aleuts: "In effect, while the company treated the Aleuts like other American workers, government agents treated them like Russian serfs in forcing them to labor without pay. It was the agents of a democratic government, not of a private profit-making company, that imposed this violation." Jones had overlooked the fact that company supervisors and government agents each needed the other to perpetuate the system, and without orders to the contrary, it was only natural for both to continue to operate in a way that the older hands on the islands advised was customary.<sup>48</sup>

Little changed, for example, in the method of taking the seals. At dawn (or what passed for summer dawn in such high latitudes) of the chosen day, Aleuts ran along the beach between the seals and the sea, awakening and turning the confused animals away from the water. Bachelor males, grouped inland, were herded slowly to the killing ground. "Pods" were treated carefully to avoid overheating and allowed frequent pauses in the half-mile drive; they were not killed in the rookery itself to avoid disturbing the entire herd. Native foremen culled out and drove back those of the wrong age or with less valuable scarred skins: the company paid tax by the skin and therefore wanted the best 100,000 skins available.<sup>49</sup>

The killing took place at 6 or 7 A.M. Each man was equipped with an oak or hickory club, 5-6 feet long. At the foreman's order, the seals were clubbed in the head, crushing the thin skull bones. They were then stabbed in the heart and allowed to bleed. Though other methods have been tried more than once, the use of clubs was - and is - regarded as the fastest and most humane method of killing, just as with harp seals. As David Starr Jordan, the well-known biologist, wrote in 1912: "The processes of driving and killing the seals are simple and humane, comparing, both in their nature and effect upon the animals, to the ordinary processes by which the domestic animals supplying food and clothing to man are handled."<sup>50</sup>

The carcasses tend to heat rapidly after death and quickly become "stagy," that is, the hair comes out in patches; it is necessary to deal with the skins at once. The carcass therefore was laid out with flippers cut loose for the skinner to detach the pelt - a skilled operation requiring

frequent whetting of skinning knives and taking about four minutes for each seal. Clubbing and skinning were done by the most expert first-class workers; "sticking" in the heart and "flipping" by the less skilled second-class or beginners; the classes were paid at different levels in the eventual distribution of the "seal fund."

Although occasional attempts were made to find a use for the carcasses, in general they were simply left where they fell, to rot - another reason for not killing the seals on the beaches - and a different killing ground was used each year on a three-year rotation. One observer explained the effect of 75,000 such bodies burning up through the snow at the Lukannon grounds: "the odor along by the end of May was terrific punishment to my olafactories, and continued so for several weeks until my sense of smell became blunted and callous to such stench by long familiarity."<sup>51</sup>

After a careful count, the skins were carried to the salt houses, placed in layers with the flesh side up, salted, and left to cure for a week, at which point they were uncovered, resalted (this time with the flesh down), and left another week or more. When properly cured, they were tied flesh side together in bundles of two (each bundle weighing 12-15 pounds) and stored. At the end of the season, they were taken by small boat to a waiting ship and transported to San Francisco, where they were packed in barrels for the overland journey to New York and onward to auction in London. Although after the 1820s some skins were processed for caps in the United States - whether of Alaskan or South American furs, purchased in London, is unclear<sup>52</sup> - the market for furs to be worked in the United States remained small, and by far the majority of skins were shipped to London until World War I. Well before that time a substantial demand had developed in America for fashionable sealskin wraps, but the dying and finishing was almost all done abroad. Oil was never an important factor: an oil works operated on St. Paul in the 1870s, but the absence of labor to operate it at the peak season when the blubber was available, coupled with customs duty on oil, transportation costs to San Francisco, and a low U.S. market price meant that the plant was insufficiently profitable to maintain.<sup>53</sup>

Sealskins, however, were profitable indeed. In its first year of operation, 1872, the ACC paid \$10 per share in dividends, and soon went on to greater things (see table 2, averaging over an eighteen-year period (1872-1889) a dividend of \$46.50 per face value \$100 share. Explanation of this incredible rate of return is not hard to find. The price for Pribilof skins at the London auctions of the C.M. Lampson Company averaged \$14.67 over the entire twenty-year lease, and brought \$17.04 each in the last three years. The 1,840,364 skins sold by the company (the difference between sale figures and the harvest of table 2 is due to

\* a current  
June 1871  
President

discards, etc.) thus produced approximately \$27,800,000, from which had to be deducted fees (lease and royalty) to the United States government of just over \$6,000,000 (21.6 per cent), wages to the Aleuts (under \$1,000,000 or 3.3 per cent), and a small overhead composed of salaries of company people on the islands and in San Francisco, the firm's impressive headquarters at 310 Sansom Street, and – the largest figure – transport of the skins, all of which totalled under \$1,000,000 over the twenty years. In other words, roughly 28 per cent of gross return went for expenses, and the entire remainder was profit. A low-investment, low-overhead operation produced net profits of \$18,102,140, or just under an average \$1,000,000 a year. The risk was small, the labor force immobile, the market assured, and monopoly enforced at law: even in the age of the "robber barons" this was success to end all successes.<sup>54</sup>

And there was more. In 1871, Hutchinson, Kohl, Maksutov and Company was created to obtain a Russian lease for the Commanders and Robben Island (Maksutov was the obligatory Russian partner required by Tsarist law). The lease, also for twenty years, required the company (after 1874, renamed Hutchinson, Kohl, Philippeus Company), to pay an annual fee of 5,000 rubles (about \$4,000), a tax of two rubles a skin (\$1.50), and wages of a half-ruble a skin. Since this company immediately made the ACC its sole agent for management and processing, the latter now had a monopoly on all northern fur seals save for the few which bred on the Kuriles (in 1875 Russia traded the Kuriles to Japan in exchange for the southern half of Sakhalin). The first few years of this contract were disappointing, since these islands had been badly oversealed between 1867 and 1871 – perhaps by disappointed rivals of the ACC – but from 1871 to 1891 they produced overall 769,863 skins – 38,500 a year. Though Russian skins commanded a lower price than the more luxuriant Pribilof skins (Russian skins were sold in a spring London auction, Pribilof skins in October), this subsidiary contract produced additional useful income, as did some 4,000 otter skins taken by the company, worth \$60–100 each, together with sundry fox skins, land furs, etc., upon which to calculate the company's total profit.<sup>55</sup>

There was of course some payment to the United States. The tax of \$2.625 per skin produced over the lifetime of the ACC lease about \$6 million, not quite the equivalent of the purchase price of Alaska – though if to this figure is added the income produced from excise taxes upon finished skins imported from London (the U.S. government would have received this money in any case, whatever the original source of the pelts), more than the purchase price was earned back. Still, \$6 million was roughly six times the cost of all the services and programs

paid for by the United States, according to Henry Wood Elliot, a man of no small importance in the fur seal story as will be seen.<sup>56</sup>

But what of the Aleuts? As George Rogers has written, "This human resource was managed very much as another renewable resource, the objective being to maintain a suitable and efficient workforce to meet the needs of the harvest." The Aleuts were paid a basic piece-rate of 40 cents a skin with additional minute sums for bundling (1 cent a bundle) and other tasks, in addition to the lease-mandated supplies and seals killed for food. Although the total sum of wages paid of under \$1,000,000 for twenty years was exceptionally small even for the era as a percentage of return, nevertheless the Aleuts compared to the average American worker did not come off badly, even though goods purchased with their pay had to be bought at the company store which was permitted a maximum 25 per cent markup over San Francisco prices. Aleut money not immediately spent after division of the "seal fund" was set aside in company-held savings, on which the ACC paid 4 per cent per annum: \$40,000 stood in that account at the end of the lease. In addition, as promised, the company provided free housing and medical care.<sup>57</sup>

The company's policies, at least in the instructions issued to its agents, showed the best intentions. President Miller wrote in 1872:

It is important that the utmost care be taken to see that the natives are kindly and liberally treated; that friendly relations between them and all our employees constantly exist, and that no injustice, even in the smallest degree, be done them; that the free schools are maintained; that no interference with their local government or religion be practiced, and that they are constantly treated as people having the same rights, privileges and immunities as all citizens of the United States enjoy.

All efforts to elevate them in the scale of civilization should be encouraged.<sup>58</sup>

The picture is easily conjured up of eager Aleut response:

Through the years, the Company sold them increasingly American types of store goods. The men loved bowler and derby hats, beautiful ties and waistcoats. The women loved to study fashion pictures in Harper's Monthly at the stores and to order San Francisco gowns and hats and cloaks or materials to sew their own stylish garments.<sup>59</sup>

All true, but also all misleading if left at that. In fact, the Aleuts were a captive population, and some of the apparently altruistic concessions of the company were designed to keep them that way. Health services, for example, meaning particularly a doctor for each island, were an

inexpensive investment to maintain a dwindling labor force, already too small for peak season needs. Between 1867 and 1890 the population of Aleuts on the Pribilofs fell from 422 to 303, a decline of 28 per cent, resulting from the excess of deaths (of which the rate was high) over births. The company blamed insanitary conditions and worked to build sanitary housing. But that housing was probably a negative health factor: the turf-roofed half-underground *barabaras* which the Aleuts had previously used were the result of long adaptation to the climate and resources of the islands. When the company, with government approval, destroyed these homes, it moved Aleuts into wooden houses which could no longer be heated by seal blubber lamps but required instead coal or driftwood, often in short supply. Nor was free housing much of a concession: had the company allowed the Aleuts to build or buy their own houses, a vested right or interest would have been created which, at a later date, might have proved to be very troublesome.<sup>60</sup>

Regulations of all types insured that there was little escape. The government controlled and often prohibited movement from the islands and allowed no visitors not equipped with advance government approval. Refusal to work for the company (sealing) or the government (construction, unloading of supplies) was punished by the agent. No freedom of trade was permitted; no vessels were allowed to touch at the islands. No free use of funds was allowed either; the Aleuts were paid not in cash but in credit, and the agent limited what each could spend. The government, like the company, had pledged noninterference in traditional institutions but soon found the Aleut chiefs tiresome and began to appoint and remove them at pleasure, insuring more amenable leadership. The company punished no one, but the government did whatever was necessary, particularly using reduction in pay grades for sealers as a penalty for idleness, absence from school, abuse (or use) of alcohol, even simple disrespect.<sup>61</sup> The relationship is reminiscent of that between the Spanish Inquisition – which burned no heretics – and the civil government, which always did what was asked.

Samples from the logs and other documents collected by Dorothy Jones demonstrate a wide range of sanctions, from leg irons or threats of exile to interference in the marriage arrangements of private individuals, or the preannounced search of the Aleuts' (actually, the company's) houses. Always the most common crime was the brewing of *quass*, an alcoholic beverage made from anything which would ferment, and official logs are full of references to denial of molasses, sugar, raisins, preserves, even sugar cookies to the Aleuts in penalty for consuming one of the many formulations of the stuff. Bay rum and cologne were equally consumed until the company stopped their import. "Raw quas," wrote one agent, "takes rank as the most villainous compound that ever traversed the human gullet, making the drinker not only drunk,

but sick also, and unfits him for work, even after the stupor has passed off."<sup>62</sup> This agent cut off the sugar supply, at which point the sealers in the midst of the June slaughter threw down their clubs with an ultimatum: "No sugar, no seals will be." The agent refused to make any concession and ordered another gang of men up from Unalaska, an action that broke the back of the strike.

Mr. Gavitt [St. George agent] ... explained to me that he found the story of *quass* under the floor [of Aleut homes] was not true, by going to the houses and tearing up the carpet and opening the trapdoor where it was supposed to be and he found none secreted there.

There had been one occasion when three of them went aboard a vessel and got some [alcohol] from a cook ... We had them up to the police court and tried and fined them \$10 apiece.

Kerric Tarakanoff on the street drunk. Called him to government house and put him in irons.

Alex Galaktionoff ... goes to St. George to find a wife and with the distinct understanding that he is to find one before returning. If he gets married he is to return next spring – if not he is to seal over there.

Mr. Redpath [company manager] reported that Peter Krukoff was saucy to him. Peter was ordered to do some work and report to me.

Complaints made about Widow Popoff being saucy to a passerby. I sent word to keep her mouth closed or I would let her live in some other part of town more out of the way.

Shortly after I got there ... I called up the priest and the men and told them the state of affairs [alleged immorality] was very bad and they must correct it or that the government would send them to the Aleutian Islands to live on codfish; that this government could not afford to have such a black spot in existence.<sup>63</sup>

In short, the Aleuts in comparison to the inhabitants of the continental United States were not badly off economically during the period of the ACC lease, but were very badly off indeed from the standpoint of the theoretical rights and privileges of a democratic society. But from the outset it was agreed that the Aleuts were inhabitants of a preserve under government control, and this put them in limbo: neither "citizens" with the right to vote (in this Miller was misinformed), nor Indians and thus "wards" of the government. Though occasional petitions against these conditions emerged from the islands, in practice there was no real means of appeal. The only resistance possible was refusal to work or to attend school, and both had their penalties. The school represented a special



problem; after initial enthusiasm, the Aleuts soon came to see it for what it was, at least in part: a determined attack on the Aleut and Russian languages and traditions, which were prohibited in the school.<sup>64</sup>

Though the Aleuts had little choice but to remain silent on the whole, the ACC had its critics from the very beginning, not least of which were the disappointed bidders for the lease. There was also still J.A. Oppenheim and Company. When Hutchinson, Kohl won the first struggle for the skins, Oppenheim's San Francisco agent, one Agapius Honcharenko (a Ukrainian and a Russian Orthodox priest) with the help of anti-ACC elements organized a critical weekly newspaper, the *Alaska Herald*, which for some years mixed fact with fiction in its incessant attack upon the ACC for profiteering, smuggling of seals over the legal limit, and so on. Parrott and Company, along with the Pioneer American Fur Company, petitioned Congress against Hutchinson, Kohl, and then in May of 1869 formed, with several other firms, the Alaska Traders Protective Association to mobilize the attack – though it was undermined by the subsequent union of Parrott with the ACC. The goal was to force cancellation of the lease and opening of the seal market to any and all bidders. Interestingly, a petition from the American-Russian Commercial Company to Congress was prescient enough in 1869 to warn that any monopoly company “would have a kind of feudal sway over the natives.” Several California newspapers joined the hue and cry, but, given the quick financial success of the ACC, it was all to little avail.<sup>65</sup>

Still another major attack was mounted in the mid-1870s by a coalition of opponents formed into an Anti-Monopoly Association. Arousing national attention with its charges, the association managed to provoke a congressional investigation by the House Committee on Ways and Means, only to have the committee conclude that the charges were unsubstantiated. In the process, Robert Desty, chief writer for the *Alaska Herald*, felt obliged to retract all his criticism (perhaps because he was a French citizen and was promised – or threatened with – a speedy return to the land of his birth). Desty maintained that he had been duped by Hocharenko, who had dictated what he claimed were translations from the original Russian of various Aleut petitions and complaints. The *Herald* now closed, its life and death clouded in obscurity.<sup>66</sup>

The ACC lived in relative peace for another decade, until the 1885 appointment of Alfred P. Swineford as governor of Alaska. A political appointee from Michigan, Swineford launched an impassioned assault upon the company in his annual report for 1887: “Conceived ... in corruption, born in iniquity, and nurtured and grown strong and insolent on ill-gotten gains wrung from a hapless and helpless people, this giant monopoly, which lies like a blighting curse upon the progress

and welfare of this great Territory, should be shorn of its corruptly secured, much-abused franchise with no more delay than may be absolutely necessary.” Swineford modified his charges after his first visit to the Pribilofs in 1888, but he did not reverse his opinion that the lease should be cancelled. For the ACC, Swineford, who does not appear to have possessed significant political influence, was simply another storm to be weathered.<sup>67</sup>

Ironically, while many of the charges levelled against the ACC were implausible – smuggling of extra skins, for example, would be hard to conceal given the considerable number of people who counted them in and out each time they were handled from slaughter to processing (particularly at the annual London sales, the only major market) – yet the very real basis for severe criticism was overlooked almost entirely until after the lease had been cancelled. The issue was simple to raise, nearly impossible to answer: how large was the seal herd? Though many estimates were made, most remained no more than that until the coming of Henry Wood Elliott to the Pribilofs in 1872.

Elliott, born in 1846, visited Alaska in the 1860s with Union Telegraph and U.S. Geodetic Survey expeditions, but he now arrived at the Pribilofs as a special Treasury agent sent to study the seals. His qualifications included a mysterious position in the Smithsonian Institution (he had certainly been a clerk and artist there, but he also claimed to have been private secretary to Joseph Henry, the Smithsonian's first director, although no such position is mentioned in the Smithsonian archives). But from his first glimpse of the seals, he became committed, and from 1872 until his death in 1930 remained a vocal, forceful, emotional, and influential spokesman for the seals (but never for the Aleuts, though he married one). Unfortunately, his effectiveness was forever handicapped by his arrogant assumption of infallibility in the one aspect that mattered above all – the size of the herd.<sup>68</sup>

In his census of 1872, Elliott had no trouble in assessing the herd, though most men would have found the task as bewilderingly impossible as counting an active hive of bees from simple observation. Elliott assumed that each seal required “2 feet square” (meaning two square feet, not 2' × 2'), a very small space indeed, on rookeries which he calculated to include a total of 6,300,000 square feet. This gave him a calculation of 3,193,670 seals, to which he added 1,500,000 nonbreeding seals, for a total population of at least 4,700,000. Elliott's pride, and conceit became locked to this “imperative and instinctive natural law of distribution.”<sup>69</sup> As he wrote in a lengthy study of Alaska published in 1887 (and of which the bulk actually concerns the Pribilofs):

There is no more difficulty in surveying these seal-margins during this week or ten days in July than there is in drawing sights along and around the curbs

of a stone fence surrounding a field. The breeding seals remain perfectly quiet under your eyes all over the rookery and almost within your touch ... There is not the least difficulty in making such surveys, and in making them correctly.<sup>70</sup>

How a scientist could make such a claim defies explanation. Far closer to reality is the description of G.C.L. Bertram, written in 1950:

So close-packed are the few great rookeries, so great are the size differences between new-born pups and aged harem bulls, so continuous the confusion and movement of cows and young males to and from the sea, indeed so fantastic the crowding and biologically ordained commotion, that no one can do better than say that probably there are between two and four million animals in the herd.<sup>71</sup>

Elliott had indeed added in his 1887 claims that his calculations were "not systematic ... and my estimate for them is purely a matter of my individual judgment," though he meant this qualification mainly for his addition of 1,500,000 *holluschickie*, stragglers or bachelors. Twenty years later he was inclined to forget that admission: his figures, he wrote in the *North American Review* in 1907, "have never been successfully denied as to sense or accuracy by any man, and they never will be."<sup>72</sup>

"Never" is a word to be used with circumspection. Alas for Elliott's reputation, his estimate was greatly inflated. Seals need considerably more space, for the group is nothing so compact as Elliott assumed: six square feet per animal would be a closer approximation. Moreover, the rookeries, as studied by Karl Kenyon in 1948 (and in other studies), were more on the order of 3,500,000 square feet. Given his double error, Elliott's guess was about 300 per cent too high. Unlike Columbus, who first set sail for the Indies on the basis of a similar miscalculation, Elliott never saw cause to doubt his own figures through his periodic visits (1872-6), nor did the agents on the islands: the fourth census of 1886 reported a seal population of 4,768,430 with the astonishing precision which was now commonplace, though no actual, thorough physical enumeration had occurred.<sup>73</sup>

But in the summer of 1890, after a hiatus of fourteen years, Elliott returned to the Pribilofs, only to discover that the total number of seals on the rookery beaches were at best some 20 per cent of his earlier census. Outraged, he accused the company of destroying the breeding capacity of the males by driving them to the slaughter grounds - his assumption being that even those allowed to go free were so adversely affected that their capacity to breed was forever destroyed. This hasty and biologically absurd conclusion brought bewildered astonishment in Washington. In the opinion of his superiors, Elliott clearly had been smitten by some form of insanity - whether temporary or permanent

made no difference - as evident in his numbers as in his causal reasoning. His report was quickly pigeonholed and withheld from publication, and he himself was sacked - but not silenced - in April 1891. Elliott had a fine capacity for making enemies in any case, and his marriage in 1872 to Alexandra Melovidov, an attractive and intelligent "Creole" (the term used for Aleut-Russians; her father was a Russian official), did him no good among racially biased administrators who frowned on any fraternizing with the Aleuts, let alone marriage.<sup>74</sup> Elliott, for his part, came fairly soon to admit that pelagic sealing - taking seals at sea - probably had also played a considerable role in the reduction of the herd, as indeed it had, as will be shown in the next chapter.

The most amazing part of the story, however, is the failure of anyone connected with the islands to report in any meaningful way the decline of the herd in the last decade of the lease to the ACC. For all his idiosyncratic methods and conclusions, Elliott did prove vital in awakening the Treasury Department to the danger of the collapse of the herd from over-exploitation, even without pelagic sealing. The last point must be stressed, for pelagic sealing thoroughly complicated the problem of measuring the herd's size and, therefore, the maximum sustainable yield (a term not then in use). One conclusion is unchallengeable: the combination of land sealing at the ACC rate and uncontrolled pelagic sealing doomed the herd unless something was done, and quickly.

The signs of the herd's decay were there for those who wanted to see; serious blame attaches to both company and government for failure to pay attention. In the last eight years of the lease, according to Gerstle Mack (who from the family association implied by his first name had access to private correspondence of some of the directors), the ACC was already culling seals from beaches not normally used for this purpose because of their distance from the killing grounds. Similarly, to the normal take of three- and four-year-old bachelors, the company was adding less valuable two-year-olds, even yearlings, to reach its quota. In 1889, half those killed were two-year-olds and 25 per cent yearlings - a development that was legal but ominous.<sup>75</sup> Leon Sloss, son of the director, who acted for the ACC on the island, testified in 1902 that the size of average pelts was declining steadily. A simple but indicative measure was the number which fit into a cask (always the same size) for shipment: 47.5 in 1885, 50.5 in 1886, 55.5 in 1888, and 60 in the last year of the lease.<sup>76</sup> And yet, astoundingly, agents on the islands continued to report that the herd was increasing. Not until the summer of 1889, the last under the ACC's lease, did agent Charles J. Goff send in a report so alarming that it inspired the Treasury to send Elliott as special investigator, with the results just described.

The ACC's lease was not renewed, and there was certainly just cause. Yet just cause had nothing to do with nonrenewal: Elliott's new and

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shocking census was not made until July of 1890. The previous March, when the lease expired, the Treasury Department negotiated a different contract with another concern – the North American Commercial Company, a new group not to be confused with others with similar names (one of the complexities of Alaskan history) discussed in this chapter. The ACC thus passes out of our story, though the company continued for some years to operate its other Alaskan interests.

The fur seals had created some rich men, and made others already well off richer yet. Though some, like Kohl and Niebaum, preferred a quiet if luxurious ranch life, others continued to be prominent in Washington, where Hutchinson died in 1883, still the company's representative, and where Miller similarly expired three years later during his term as senator from California, or in San Francisco, where Sloss and Gerstle turned their attention to such enterprises as the San Francisco-San Joaquin Railway, the North American Navigation Company (whose steamers ran to Panama in competition with those of Southern Pacific), the Union Trust, and the California Hawaii Sugar Company. Both served as treasurers of the infant University of California (Berkeley). Williams and Haven and their New London Associates will be encountered again in connection with the elephant seal industry. Commercially, the ACC had been an outrageous success: it remained to be seen whether the NACC would have such great good fortune.

## CHAPTER FIVE

### *Pacific Rivals, 1890-1911*

*And oh, the marvel of it! the marvel of it! That  
tiny men should live and breathe and work and  
drive so frail a contrivance of wood and cloth  
through so tremendous an elemental strife!*

Jack London, *The Sea Wolf*

Given the ACC's miraculous production of massive profit from minimal investment, its position should have been unassailable as it set about applying for renewal of its lease in 1890 – unassailable, that is, so long as the problem of seal numbers did not arise. But 1890 was not 1870, and despite the wealth and influence of Gerstle and Sloss, there were other men of wealth and influence equally interested in the furs of Alaska and even better placed to obtain preferential treatment in 1890. The North American Commercial Company did, it is true, tender a higher bid that year than the ACC, but a higher bid only partly explains the sudden abandonment of the ACC's twenty years of proven experience. The country as a whole was fast developing, and such prizes could no longer be the province of a few San Francisco merchants; the game was much more likely to be played out at a national level.<sup>1</sup>

Two of the half-dozen dominant figures in the NACC were of that caliber. Darius Ogden Mills, NACC vice-president, was exceedingly wealthy by virtue of various California interests and was father-in-law of Whitelaw Reid, a powerful leader of the Republican party (he would run for national office in 1892 as vice-presidential candidate to President