5-4-1888


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Recommended Citation
50TH CONGRESS, 1st Session.  

HOUSE OF REPRESENTATIVES.  


ALASKA SEAL AND FUR COMPANY.  

LETTER  
FROM  
THE SECRETARY OF THE INTERIOR,  
TRANSMITTING  
The annual report of the governor of Alaska upon the operations of the Alaska Seal and Fur Company.  

MAY 4, 1888.—Referred to the Committee on Merchant Marine and Fisheries and ordered to be printed.  

DEPARTMENT OF THE INTERIOR,  
Washington, May 2, 1888.  

SIR: I have the honor to transmit herewith a report to Congress by the governor of Alaska of the result of his inquiry into the operations of the Alaska Seal and Fur Company (Alaska Commercial Company), as required of him by section 5 of the act of May 17, 1884, entitled “An act providing a civil government for Alaska.”  

Very respectfully,  
WM. F. VILAS,  
Secretary.  

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.  

SIR: Section 5 of the act of May 17, 1884, entitled “An act to create a civil government for Alaska,” provides:  

The governor appointed under the provisions of this act shall from time to time inquire into the operations of the Alaska Seal and Fur Company, and shall annually report to Congress the result of said inquiries and any and all violations by said company of the agreement existing between the United States and said company.  

A perhaps inexcusably careless reading of the above-quoted provision of the law led me to infer that unless the inquiries which it enjoins resulted in the disclosure of some violation by the Alaska Seal and Fur Company (Alaska Commercial Company) of its agreement with the Government, it would not be incumbent upon the governor to submit a report to Congress.
In 1865, when I had been in the Territory less than three months, I submitted to Congress a statement of the difficulty which stood in the way of making such inquiries as the law contemplates, and in 1886, acting in accordance with my understanding of the requirements of the statute, I made no report to Congress, and should not now do so, but that a more careful study of the clause quoted satisfies me that it is my duty to submit “the result of such inquiries” as I have been able to institute, even though it does not show any violation by the company of its express agreement with the Government.

In this connection I desire to say that I embodied in my annual report to the President for the year 1887, the result of inquiries as extended and as thorough as I was able under the circumstances to make them, during a period of two years, into the operations of the said company. The result of such inquiries, which will be found in my last annual report, pages 31 to 34, inclusive, should have been, I am now convinced, reported to Congress, and are for that reason herewith appended.

As partially showing the character of the evidence upon which my conclusions were based, I respectfully refer the House to appendix A of my report to the President, pages 41 to 48, and to the annexed copy of affidavit, which is submitted as part of this report.

Very respectfully,

A. P. Swineford,
Governor of Alaska.

The Speaker of the House of Representatives.

APPENDIX.

The fur trade of Alaska is practically monopolized by the Alaska Commercial Company, a non-resident corporation, which does not confine its operations to the seal islands leased to it by the Government, but holds and possesses most of the Aleutian chain and the greater part of the main-land as a principality of its own, over which it exercises unbounded sway and control. Clothed by the Government with a monopoly of the seal-fur trade, by which it has profited to the extent of many millions, it has, octopus-like, thrown out its great tentacles and gathered to itself about all there is of value in the fur trade of the whole Territory. It has, by the power of its great wealth, driven away all competition, and reduced the native population, wherever its operations are not supervised by the Government officials, to a condition of helpless dependence, if not absolute and abject slavery.

Unhampered by a healthy competition, it offers, and compels acceptance by the natives, on pain of starvation, such beggarly prices for their peltry that it manages invariably to keep them in its debt and at its mercy. In order to more effectually monopolize the trade in furs, it at one time marked and mutilated the coin of the United States, and refused to receive any other from the natives in payment for goods necessary to their comfort and well-being. Its insatiable greed is such that it is not content with robbing the poor native in the price it sets upon the product of his dangerous toil, but it robs him also in the exorbitant prices it exacts for the goods given in exchange. And there is no appeal; no alternative. There are no other trading stations in all that vast section, and the natives must pay the price asked and accept that which is offered—the first 100 per cent. advance on the amount at which the same goods are sold to the whites, and the last low enough to add still another 100 per cent. to the company's profit. As, for instance, there is no timber on the Aleutian Islands, and the native who goes out to hunt the sea-otter has no time to provide himself with fuel by gathering drift-wood from the shores, as many are able to do, he must have fuel for the winter, and the company generously takes his sea-otter skins at half their real cash value and pays him in coal at $40 per ton—coal of the same quality as that which it sells to the few white residents at $20. The native who dares to sell his furs for cash to others than the agents of the company finds that his money has no purchasing power at perhaps the only trading station within a distance of several hundred miles, and is thus starved into submission.
While all this and much more is true concerning its treatment of the native people, instances are not lacking where it has a boycotted and driven away from the islands Government officials who, intent upon the honest, faithful discharge of their duties, have incurred the displeasure or refused to do the bidding of its agents. In fact it possesses the power to compel compliance with its every exaction, and wherever it has obtained a foot hold neither white man nor native can do more than eke out a miserable existence save by its sufferance. Without mail communication other than that supplied by the corporation which is its master, the native people of the sections thus dominated are effectually walled in by the great waters which lie between them and the most advanced outskirts of trade and civilization, and in the absence of all competition are forced to sell their furs at whatever rates the agents of the company may be pleased to offer, and accept payment in goods at prices which no community of people not entirely helpless could or would tolerate. (See Appendix A.)

Its paid agents and lobbyists are kept at the national capital to oppose any and every effort that may be made to promote the welfare of Alaska through such legislation as will encourage immigration and the enlistment of capital in the development of the natural wealth hidden away in her forests, streams, and mountains; its every aim and effort is in the direction of prolonging its existence and strengthening its tyrannical hold by a blocking of the wheels of progress; and to its pernicious influence is due the fact that Alaska is not to-day largely populated with an industrious, enterprising, prosperous people; that millions, where there are now only hundreds, have not long ere this been invested in the development of her many varied and, as I honestly believe, incomparably great resources. I have positive information of flagrant violations of the law and executive orders in relation to the importation and sale of breech-loading fire-arms by its agents; its oppression and robbery of the natives is notorious. The partial responsibility of the Government, at least for the wrongs to which the inoffensive native people of Aleutian Islands and the whole of northwestern Alaska have been and are still being subjected, can not be ignored or denied.

If it can not legally be rescinded, the lease to and contract with this company ought not to be renewed. It is not, in my opinion, necessary to the preservation of seal life or the seal-fur industry that the islands on which the rookeries are located should be leased to any corporation or individual, but if it be held that I am wrong in that regard, then I do not hesitate to aver that it would be better for Alaska, better for the Government, above all better for the enslaved Aleuts that every fur seal in Alaskan waters should be exterminated at one fell swoop, than that such a blighting monopoly should be perpetuated.

It is manifestly the duty of the Government to protect the weak against the strong, to shield the poor and helpless from wrong and oppression; yet here we have thousands of the latter class, who by solemn treaty stipulation were guarantied enjoyment of “all the rights, advantages, and immunities of citizens of the United States” practically enslaved, and a professedly free and liberal Government not only creating but actually protecting their oppressions, and that, too, against a restless spirit of enterprise, which, unhindered, would people the best portions of Alaska with a thrifty population and add untold millions to the wealth of the nation, untold millions to those which are now derived from the sale of furs.

I have said that the leasing of the seal islands is not necessary to the preservation of the industry; neither is it, as so persistently claimed, and as I was at first inclined to believe, essential that a fur-seal monopoly should be maintained in order to secure the largest revenue to the Government. Manifestly, the natives of the seal and adjoining islands have the first and best right to profit by an industry which may truly be said to have come to them by inheritance. They are not Indians, but a peaceful, honest people of much natural intelligence, and capable of transacting business for themselves. They can nearly all read and write in their own or the Russian language, and if most of the younger men and women on St. Paul or St. George are not fairly well educated in English the fault can only be accounted for on the theory that the Alaska Commercial Company has not complied faithfully with that provision of its contract which requires it to maintain schools on those islands for at least eight months in each year.

Instead of practically enslaving them by farming out to others that which is theirs by right of inheritance, it seems to me that the Government should secure to them at least their share of the wealth, and that its duty is to protect and, if possible, perpetuate the seal fisheries for their benefit, and not in the almost exclusive interest of organized greed and corporate monopoly.

To accomplish this it is only necessary that regulations be promulgated by the proper Department prohibiting the killing of seals on the islands of St. Paul and St. George by any but natives, prescribing the number that may be killed in each year, the mode of killing, and imposing all the other restrictions now in force. It would require no greater number of agents to supervise the killing by natives than are now employed to watch and guard the interests of the Government, if as many. The skins
could then be sold in open market by the natives themselves in the presence of or by
a Government agent acting in their behalf, and whose duty it should be made to
collect from purchasers a Government tax of not less than $5 on each skin sold. By such
a plan a much larger permanent revenue would be assured to the Government, the
natives secured in the free enjoyment of their rights, and a monopoly wholly inimical to
the best interests of the Territory shorn of a large part of its tyrannical power.
Conceived (as there is abundant evidence to show) 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 rests 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.

The mortality rate as compared to the number of births, furnished me by the au-
thorities of the Greco-Russian Church, indicates the gradual extinction of the native
people, particularly the Aleuts, on Unalaska Island, the population of which was
1,065 in 1882; 326 deaths have since been recorded, while there have been only 158
births. During the past summer an epidemic carried off a large number of the peo-
ple at Belkofsky and on the Shumagin Islands. A very heavy rate of mortality is also
reported from Kenai and Bristol Bay, occasioned by pulmonary diseases to which the
natives, owing to exposure and want of proper precaution, are generally subject.

In my opinion, if some effective measures are not taken to ameliorate their condi-
tion, the complete extinction of the native inhabitants of the Aleutian Islands and on
some parts of the mainland will be a question of comparatively short time only. A
removal of the disabilities imposed by the grinding monopoly which has destroyed
their every ambition and made them reckless of lives scarely worth the living would
give them new hope and tend to an indefinite prolongation of their existence as a
people. The civil government is powerless in the premises, having as yet been una-
ble, by reason of the absence of mail communication or means of transportation, to
extend to them the poor protection of its qualified, limited, and

STATE OF CALIFORNIA,
City and County of San Francisco, ss:

Isaac Anderson, being duly sworn, deposes and says: That he is over twenty-one
years of age, a citizen of the United States and a resident of San Francisco, State of
California; that for the past seven years he has been in the employ of the Alaska
Commercial Company in Alaska Territory, and for the past year and a half a deputy
United States marshal at Unalaska, in the district of Alaska; that these employ-
ments have enabled him to become familiar with the methods used by the managing
agent of said company in transacting its business with the natives of Alaska, and in
the performance of justice at Unalaska in hindering and preventing Federal officers
in the performance of their duty.

That he is aware that many appeals have been made to the public and the Govern-
ment of a general character concerning the practices, abuses, and usurpation of
authority and treatment of the natives of Alaska, and for the benefit of whom it may
concern he makes the following statement, from personal knowledge and belief, as
aptly illustrating the methods of conducting business in the Unalaska court, as in-
fluenced by the managing agent of the Alaska Commercial Company, Rudolph
Newman, and of other matters pertinent thereto; that he does not do so because he has
any grievance to present or enemies to punish, but from a sense of duty toward those
who are shut out from all intercourse with the outside world.

Deponent says that the person who is now acting, and has been for about one and
a half years, as United States commissioner at Unalaska is one Joseph B. Johnston,
who has never qualified as such officer by taking the oath of office in the Territory,
as required by the act of Congress approved May 17, 1884, nor has he given bond in
the court at Sitka to the United States for the proper performance of the duties of
commissioner, as is required by said act; that on or about May 13, 1887, one Ola J.
Nelson, a white resident in the district of Unalaska, brought suit against John
Gardiner, another resident of Unga, also in the district, for the sum of $1,000 due him
on a contract; that suit was entered before Commissioner Joseph B. Johnston, the
resident representative of the Government at Unalaska, who was aware that under
the laws governing the Territory he had no jurisdiction over the case, which should
have been referred to the United States district court at Sitka, said commissioner's
powers extending only to the adjudication of claims not exceeding $250; that after
consulting with Rudolph Neuman, the Alaska Commercial Company's agent, and A. C. Barry, the collector of customs, and deliberately acting with their connivance and advice, said Johnston issued four summonses of $250 each, ordering the appearance of Gardiner before the court, thus splitting the original claim of C.

Affiant further says that on or about the middle of June last the revenue-steamer Bear brought one Charles Hastings to Oonalaska, charged with committing murder, and who was placed in affiant's custody as United States deputy marshal; that on the following day said prisoner was taken before said Commissioner Johnston, and who stated that his principal witness was at Morzovia, and that he wished him sent for; that said Commissioner Johnston told the prisoner that he would send for the witness in the presence of this affiant, and remanded him to the custody of affiant; that a few days thereafter, with the connivance of said Neuman and others, said prisoner was sent by said Commissioner Johnston to work in a mine owned by said Neuman, without the knowledge, consent, or authority of this affiant; that upon re-examining with said commissioner about the matter, he replied: "That's none of your business. I have a right to send him where I please." Said prisoner was still at work in the mine when affiant departed for Sitka on August 26, 1857.

Affiant further says that upon his arrival at Sitka he found that Commissioner Johnston had not forwarded a single record of any legal proceedings he had taken.

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at Ounalaska, and also that there is not a single record of any fees collected by him to be found on the court files at Sitka.

Deponent further says that when Fuller, the accused murderer of Archbishop Seghers, was brought to Ounalaska and placed in his custody, August 24, 1887, and was sent to Sitka for trial, without any hearing or examination by said commissioner, he applied to Commissioner Johnston for the archbishop's personal effects for delivery to the United States marshal at Sitka, the proper custodian of such property, but the said commissioner refused to deliver them to this affiant to send to said court. That he has personal knowledge that said Commissioner Johnston sold a breech-loading rifle to a native, one Ivan Diakonoff, April 26, 1887, in express violation of the orders of the Secretary of the Treasury and of the governor of the Territory, which instructions had been shown to said commissioner by this affiant; that said commissioner treated said orders of the governor of Alaska and the Secretary of the Treasury with contempt, and permitted said Diakonoff to take the said gun on board the schooner Mattie Turner, belonging to the Alaska Commercial Company, and proceed to the well-known otter-hunting grounds.

Deponent further says that when certain vessels were seized in July and August, 1886, and were brought to Ounalaska by the United States revenue-cutter Corvis, said seizures were separated, the seal-skins being taken from the vessels and deposited in the warehouse of the Alaska Commercial Company, nominally in the custody of this affiant, but actually in the possession of the Alaska Commercial Company; that they were stored in an inclosed space in the warehouse of said company, properly sealed with a large iron seal, which this affiant received an order from the United States marshal at Sitka, dated April 23, 1887, to ship the skins, 2,062 in number, to the care of the United States marshal at San Francisco, Cal., this affiant applied to the said Agent Neuman for permission to ship the skins on the company's steamer Dora, and requested to be informed when he would be in readiness to receive them on board, to which request said Neuman assented; and that subsequently, and to affiant's surprise, on going to the warehouse, he found that the seals, seventeen in number, protecting the fur-seal skins, had been broken, and about one-half of the seal-skins packed in barrels; and that when he demonstrated at such conduct, and attempted to give instructions as to the marking of the packages for their proper identification, he was grossly insulted by said Neuman's employés, and told that affiant was meddling in things that did not concern him; that said Commissioner Johnston, who was acting in concert with and under the influence of said Neuman, insolently demanded copies of the instructions from the United States marshal, which affiant refused to make, but offered to let them read the instructions, and to give written request, as an officer of the United States, for the shipment of the skins; that upon this refusal Commissioner Johnston violently assaulted affiant, aided by said Neuman and one of his assistants.

Deponent further says that during the past fishing season fifteen vessels were seized in Behring Sea and taken to Ounalaska, having about 12,000 fur-seal skins on board, which were taken out and stored in the warehouse of the Alaska Commercial Company, without any good reason therefor. That deponent proposed to have the said skins placed in the Government warehouse, where they could be properly handled, protected, and cared for, but affiant's suggestions were objected to.

Affiant further represents that he was prevented from counting the said seal-skins taken from said vessels, or of having anything to say or do with regard to their custody, and that when he attempted to do so he was insulted, and on a previous occasion one of the employés of the said Neuman drew a revolver upon this affiant.

Deponent further says that he was instructed by the United States marshal of Alaska to prepare and forward each month statements exhibiting the cost and disbursements attending the care and custody of said seal-skins in warehouse; that in order to comply with said request affiant asked Superintendent Neuman to give him an itemized account thereof; that said Neuman sent him a bill for $64.66 for the month of August; that when this bill was presented either to the claimants of the skins or the Government of the United States, the said claimants either defrauded the claimants of the skins or the Government of the United States.

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Deponent says that previous to his appointment as United States deputy marshal he had no controversy with the company's agents, and was always treated with respect by them; but that soon after receiving said appointment a conflict of authority
arose between them whenever he attempted to protect the Government's interests or perform his duty as an officer of the Government; and, further, that he does not believe an official of the United States can properly perform his duty at any place in Alaska where the Alaska Commercial Company has any interest without incurring its displeasure and coming into open hostility with its agents.

Deponent further says he resigned his office of United States deputy marshal in consequence of being obstructed in his official duty by the agent of the Alaska Commercial Company and the United States commissioner, and that he could not act by reason of such interference.

Affiant further declares and says that large quantities of villainous extracts, compounded of alcohol and vile substances and marked "Bay Rum," "J. J. Mack's Extract," etc., are shipped to Unalaska on vessels owned by the Alaska Commercial Company, and sold or given to the natives for the purpose of intoxicating them at certain times when the company's agents wish to cheat and defraud the hunters out of their seal and otter skins and other articles of traffic; that said drinks are landed at Unalaska by permission of the deputy collector of customs thereat, and there disposed of or shipped to other stations for like purposes.

That beer, porter, whisky, wines, and other liquors are plentiful at Unalaska, which is often given to natives, and in some instances it has been sold by the barrel, and that the most indescribable and wretched exhibitions of human depravity are produced by a vile drink called "quass," manufactured extensively all over the district, and in some instances it is made at Unalaska at the instigation and connivance of said company's agent and dealt out to the natives at said agent's office.

Affiant further says that it is a common practice among the company's agents to sell or loan breech-loading fire-arms to the natives, well knowing that the use or value is so long as any member of the family remain in existence, and are held over them for the purpose of enabling the company's agents to better control and influence them.

Affiant further says that it is within his knowledge that vassalage, demoralization, and crime are increasing among the natives at the company's stations in the Aleutian group of islands, where the company had undisputed control; that the natives are rapidly dying off from drunkenness and consequent exposure; that all rivalry in trade has been broken up by force or by purchase, where rival interests are too great to be dealt with in such manner, that said agent may, by impoverishing and oppressing the natives, derive large profits in procuring their peltries for insignificant sums or in exchange for other commodities at extravagantly high prices, and that the wretched Aleutens being in a condition of vassalage, cut off from any communication with other places, are powerless to protect themselves and their families from insult and degradation inflicted upon them, and that said United States commissioner, instead of preventing these immoralities, encourages by his own example their continuance.

Affiant further says he also has knowledge that it has been the custom of the Alaska Commercial Company to ship to their agents in Alaska large quantities of worthless tobacco which is sold to the natives, and that he believes, and that it is generally believed by well-informed persons in Alaska, that the use of said tobacco and said vile compounds produces mental aberration, intoxication, and great mortality among said natives; that vice and immorality are practiced and encouraged among the natives by the company's agents; that said agents encourage intoxication among priests of the Greek church that they may better carry on their debauches and adultery with the ignorant native women; that the dwellings of the company's general agents at Unalaska are frequently the scenes of lawless brutality and shocking outrages upon the defenseless and helpless women; that the wretched Aleutens, being in a condition of vassalage, cut off from any communication with other places, are powerless to protect themselves and their families from insult and degradation inflicted upon them, and that said United States commissioner, instead of preventing these immoralities, encourages by his own example their continuance.

Deponent further says he knows confidently that three years ago one J. W. Armsworthy, a small trader at Belkofsky station, owed a small bill to the Alaska Commercial Company's agent; that instead of demanding the money the company's vessel was sent to Belkofsky from Unalaska with a deputy marshal who demanded payment and also marshal's fees amounting to as much more as the bill; that said debtor offered to pay the bill, which was refused unless the fees charged were also paid, whereupon said Armsworthy's store was broken into, himself arrested, put in double irons, placed on the company's vessel, carried about to different stations, and finally to Unalaska, where he was charged with resisting an officer then taken on board the company's steamer Dora, placed in irons, taken to San Francisco, 2,100 miles distant, then sent to Sitka, nearly 2,000 miles farther, and there re-
Mr. Isaac Anderson,  
Deputy U. S. Marshal, District of Alaska:

Sir: The position you offered me and the salary at $30 per month as watchman of the several prize vessels in your charge is very suitable to me, as I have nothing in the world to do at present or any way to earn a living, as I am not able to hunt. But I am very sorry and regret very much to say that I dare not accept your offer, as the agent, Mr. E. Neuman, of Alaska Commercial Company, is against it, and do not like or wish me to do so. Reason why, I do not know, except that he must rule us Alaska people.

You well understand that his power around here is supreme, so it will not do for me or, in fact, for any of us Alaska people to subject ourselves to his vengeance which will be sure to fall upon us if we do anything against his will, as our very existence depends entirely upon him and his store. Besides, my boy is at Belkofsky and he will probably refuse him a passage over here, as he already gave me to understand that much if I accept the position you offer me. His many promises are seldom fulfilled, but his power is such that all of us Alaska people are the company’s slaves and must abide by their agents’ decision, and I will have to do so in this case, but with an earnest faith that the American public will some day understand fully that slavery is yet carried on in their dominions and in full blast, at least in this part of Alaska.

I am, sir, yours, very respectfully,

P. Pauloff

ISAAC ANDERSON,  
Late Deputy U. S. Marshal, District of Alaska.

Subscribed and sworn to before me this 17th day of December, A.D. 1887.  
JNO. F. LYONS,  
Notary Public.