

this very restriction has been of great advantage to the company in that way, and any disturbance of it will be a great disadvantage and a great loss, because it will disturb the value.

Q. Then, if I understand you, the effect of increased production of those skins would be to depress the price, so that you would receive no more for 120,000 than for 100,000?—A. We would probably make much less money. If we overran it to any appreciable extent, it would certainly knock the price down, and it would do it because it disturbs the present equilibrium, so to speak.

Q. Is not the consumption of those skins on the increase?—A. I think it is. I don't know how far it will increase, nor how long it will go on. It will go out of fashion in some countries and come into fashion in others, but the furriers will undoubtedly take care of that and try to find a demand for all these skins. But if the supply was variable they would not know what to depend upon.

Q. What would be the effect upon the seals themselves to largely increase the catching of them?—A. I suppose the rookeries on Saint Paul and Saint George would stand the killing of a larger number. There are various opinions about that. I think, however, it is safer to continue to take about the number that we are taking now. I would not increase it, not yet awhile. The seals are increasing, according to information received from our own people; I have never been on the islands myself. That is, the females are increasing. We do not kill females, but only males, and the natural result would be an increase. My information is that they are increasing.

Q. Have you seen a pamphlet that General Howard has transmitted to the War Department reflecting very severely upon the management of the natives, and on your principles of proscription and intolerance as against the people?—A. I have seen it, sir, a long time ago.

Q. What have you to say upon that subject?—A. Well, I don't want to use too strong expressions, but—

Mr. HILL. Say exactly what it is.

A. Well, sir, it is a lie from beginning to end. There is a lie in nearly every line of it; there is scarcely any truth in it. Wherever it attempts to make a statement of facts it misstates them. A great part of it is a reprint from certain articles that were printed in a little paper published in San Francisco by one Poncherenko, a Russian Tartar. I don't know how he got to San Francisco. He was once attached to the Russian legation in Greece as a chorister. They always take a priest with them, and a chorister, and he was a consul, and for a reason he was not allowed to go back to Russia, (the Russian consul told me the reason, which I don't care to repeat;) but this fellow established a little paper called the Alaska Herald in 1868, and this pamphlet contains the substance of articles that he used to publish about Hutchinson, Kohl & Company, and after the lease was granted he published many articles against the Alaska Commercial Company. This is a sort of compilation, with some additions, of the libels that that fellow used to publish every two weeks against the company.

Q. What have you to say in reply to the charge of this pamphlet? (indicating pamphlet;) I believe it is anonymous.—A. Well, it purports to have been published by the Anti-Monopoly Association of the Pacific coast, Charles Leisch, secretary. I don't know of any such association on the Pacific coast. I could not find it. I tried to find it.

Q. What have you to say in reply to that part of the pamphlet which professes to give an account of the condition of the people there; your selling them whisky, your oppressions, and your refusal or omission to

carry out that portion of the law which requires you to look after those people, and to exercise a kind of paternal government for their moral improvement?—A. I say that those statements are entirely false from beginning to end; that the company on the seal islands found those people burrowing in the ground, living in a sort of caves in the ground, in their own filth and squalor and disease, and we began, as soon as we got this lease, the construction of dwelling-houses for them. We have gone on until we have constructed a good, substantial, comfortable dwelling-house for every family on both islands. We have built on Saint Paul Island sixty-four dwelling-houses for the native families, and on Saint George something over twenty. There is one for each family. They are all above ground, and the houses are as good as the average houses that mechanics live in in your city. They are warm, lined inside, filled in between the lining and the weather-boarding. We give each one a stove. We charge them no rent for those houses at all; we make no charge for keeping them in repair. We have taught these people all we could of the benefits of civilization; have tried to enlighten them; we have maintained schools on the islands regularly; we have hired teachers. We have kept a physician on each island, a regular graduate of a medical college, all the time, with medicines free of charge; no charge for medical attendance upon the people; we forbid the doctor's receiving any gratuity from the people whatever. They have surgical instruments of all kinds there, so that if a man is sick or hurt or injured he can have the best kind of medical attention at once. We sell goods as cheap as retailers sell them in San Francisco. Our instructions are, that in no case shall there be more than twenty-five per cent. added to the wholesale cost in San Francisco. We make nothing at all out of the goods that we sell them. Flour we sell actually on Saint George Island cheaper than we buy it in San Francisco. The reason of that is that the price was established there a long time ago, and those people would think it was a sort of imposition if we changed the price. The price was established when flour was low, and we used to give them that black flour. We give them now excellent wheat flour, of good enough quality for anybody; as good as I want. The cloth, all that we send there, is of good quality. We have done this because it was to our interest to do it. They are our laborers, and we want them to be in a condition to labor. We desire to improve their condition in every way. They make better laborers and they are better satisfied. It is our interest in every respect to do this, and we have done it; and all these stories about their being maltreated in any way are all false; there is not a word of truth in them. I challenge the whole world to show an example equal to this corporation in its humane treatment of its laborers.

Q. What is the number of the native population on the islands?—A. It is about 370. There are certain families there that have no male protector, no person to labor, and we support those people free of charge.

Q. Has there been an increase or a decrease of the population since your contract went into existence?—A. I don't think it has increased or decreased. The total population of the two islands is put down here in Moore's report as 348. I suppose that is correct.

Q. What other employments are there on the islands except what your company furnishes?—A. None.

Q. You employ all the male population in your business?—A. Yes, sir. They work during the sealing season. For two months they work pretty well; they make good wages. They are quite prosperous; they have saved up a considerable amount of money. We taught them to

save their earnings, and we act as a sort of savings-bank for them. They do not know anything about the San Francisco Savings Bank, although we explained the matter to them; and they prefer to deposit their savings with the company, and we consented to take them, and we are paying them interest. I believe this report of Mr. Moore's, on page 13, gives the amounts correctly. In Saint Paul eighty natives are credited with \$34,715.24, and the church with \$7,969.17, making a total of \$42,684.41. In Saint George, twenty-four natives are credited with \$6,623.96, and the church with \$2,006.91, making a total of \$8,630.87.

Q. Have they any religious worship on the islands?—A. Yes; there is a church on each island, a Greek Catholic church, established there by the old Russian American Company.

Q. Are there any other denominations?—A. No, sir.

Q. There is no interference by your company with their religious views?—A. No, sir; we do not interfere with their religious ceremonies or teachings at all; we have never attempted to change them or influence them in their religion. We have encouraged the church in every possible way. We have assisted them in building the churches there.

Q. You say you have established schools there; are those schools taught in English?—A. Yes, sir.

Q. Do the natives readily send their children to those schools?—A. At first they did; but they do not now. They have got an idea that by learning English they will lose the Russian; that is to say, they will not be able to perform the rites and ceremonies of their church. They are an intensely religious people; it is their whole life, and the ceremonies of the church are in the Russian language, and the older people are rather opposing the teaching of English on the islands for that reason, that it interferes with the performance of the church ceremonies; but a good many of them go to school, and some of them are learning something. But it is a hard job, our people say, to teach them anything. We have tried very hard. In one of those schools, there was a Mrs. Fish keeping school; she was the wife of an officer of the Signal Service Bureau; she is a very intelligent lady, highly educated, and we put the school in her charge. She tried it on this Kindergarten system, which was found to be very good with the smaller children. We have done everything we could to make progress, I am informed.

COMMITTEE OF WAYS AND MEANS,
February 26, 1876.

By Mr. WOOD:

Question. In the contract which you made with the Treasury Department, it is provided that you were to pay 62½ cents for each seal taken and shipped; has your company complied with that?—Answer. Yes, sir.

Q. What modification, if any, has been made in the contract by the Treasury Department since it was made?—A. The contract provides that we shall pay 55 cents for each gallon of seal-oil taken and shipped from the islands, I believe; I do not recollect the exact language. The oil is not worth 55 cents; we could not sell it for that in any market. We did not, therefore, take it; we were not obliged under the contract to take any oil, and so we did not take any. The Secretary of the Treasury seeing this, finally concluded to modify the contract and give us the privilege of taking the oil by paying the natives 10 cents a gallon for trying it out.

Q. The Secretary did modify the contract in that regard?—A. Yes, sir.

Q. Did he do that in pursuance of any new legislation, or in pursuance of power, as he esteemed it, under the contract?—A. There was no legislation authorizing it. In the first place there was no such thing authorized in the act as a tax on seal-oil. It got into the contract by a trick, in the first place, by the people who made a proposition of that sort. It was done to affect the mind of the Secretary in letting the contract. They represented to him, as you see in Goldstone's bid, that they could take two hundred thousand gallons of seal-oil per year and pay 55 cents a gallon for the privilege of taking it, when everybody who knew anything about the price knew that it was not worth over 40 cents, and nobody can try out the oil for less than 25 cents a gallon.

Q. Then, as I understand you, that was one of the modifications of the contract?—A. Yes, sir.

Q. The Secretary, instead of demanding 55 cents for each gallon obtained from seals, in the wording of the contract omitted that requirement?—A. Yes, sir; and even now it does not pay to take the oil.

Q. Then, as I understand you, the Secretary modified the contract in that regard?—A. Yes, sir.

Q. And you have not paid the 55 cents a gallon on the oil taken?—A. I do not think we have paid any tax on oil. I do not think we ever shipped any oil except in very small quantities; there may have been a few barrels. I may say we have never paid any tax.

Q. Has the contract been altered or modified in any regard since you had it?—A. In regard to the fire-wood; we were obliged to give the natives sixty cords of fire-wood, and we have given them sixty tons of coal instead, by agreement of the Secretary of the Treasury. We have substituted tons of coal for cords of fire-wood.

Q. Was there any other modification that you recollect?—A. I do not know of any other.

Q. Was there not a modification made in reference to the quantity of skins you could take from each island?—A. That was done by act of Congress. There has been a change in the number taken from each island. We were allowed to take 75,000 seals on Saint Paul and 25,000 on Saint George. It has since been modified by authority of Congress so that we take 90,000 on Saint Paul and 10,000 on Saint George.

Q. That is the only other modification?—A. That is the only other modification that I know of.

Q. Then the contract would stand, with reference to certain provisions, obligatory upon your company; but I want to ask you specifically in regard to each provision, as to whether your company has complied with the contract; for instance, you were to furnish, free of charge to the inhabitants of Saint Paul and Saint George, 25,000 dried salmon; have you done that?—A. We have complied with that, substantially; the Government officers there desired us to substitute salt for dried. The natives prefer it, and we did as they requested. We furnished the equivalent of 25,000 dried salmon.

Q. The natives, then, preferred the salt salmon?—A. Yes, sir; they preferred the salt salmon.

Q. The only difference was between the salt and the dried?—A. Yes, sir.

Q. But that did not affect the value of them?—A. No, sir; in fact, I suppose the salt salmon is the most valuable; at least, they preferred it.

Q. For the fire-wood, as I understand, you substituted coal?—A. Yes, sir; and we delivered it regularly every year.

Q. And the salt?—A. The salt in barrels.

Q. I understood you to say, yesterday, that the school provision you complied with.—A. We have complied with that strictly.

Q. It has been stated to us personally that you have not done that.—A. We have done it.

Q. You have maintained a school upon each island?—A. Yes, sir.

Q. Ever since you had the contract?—A. Yes, sir.

Q. The schools are maintained, I suppose, during the eight months of each year when you take no seals?—A. Yes, sir; when we are not busy sealing.

Q. Have you killed any seals during any other months than June, July, September, and October?—A. No, sir.

Q. Have you used fire-arms?—A. No, sir; we do not allow the use of fire-arms at all during the sealing season.

Q. Has your company ever sold any fire-arms to the natives?—A. I think there were a few taken up there by authority of the Secretary of the Treasury at one time; but it was a long time ago. None have been taken recently.

Q. Was there not an attempt made to procure a modification of the contract with reference to that, through the instrumentality of the President?—A. No, sir; there was some discussion as to the modification of the provision about sending fire-arms into other parts of Alaska. It has been a mooted question, but not on the seal-islands.

Q. As I understand it, your contract did not give you any rights outside of the islands?—A. No, sir; not in that contract at all; this discussion arose about the general fur business in the Territory. We have had no contest about fire-arms on the seal-islands.

Q. Do you esteem that the contract gives you exclusive control of those islands in every other regard except that which limits the killing of the seals?—A. We consider that we have a lease on those islands—have a right to the seals.

Q. Do you think there is anything in that contract that gives you any other authority over those islands than those rights which are specifically declared in the body of the contract itself?—A. No, sir; we do not claim that.

Q. Have you attempted to exercise any such authority?—A. I know of no such attempt having been made.

Q. Has your company, or its agents on those islands, attempted to exclude the free admission of others to the islands?—A. No, sir; we have never excluded anybody from the islands—have never attempted to. There has been no occasion to do so.

Q. It has been stated in this report sent to the War Department by General Howard, to which reference was made yesterday, that you exercised a species of despotism over the natives, bringing them under subjection to your authority; that they were denied all civil rights except such as you chose to administer. What truth is there in that?—A. That statement is unqualifiedly false in every particular. We have never exercised or made any attempts at an exercise of despotism of any sort. The people there are as free as any people in the world. That question was asked me by Mr. Moore when he was making his investigation, and I answered it, and his report answers that very clearly. The people there are free to labor or not to labor as they see fit. We do not compel anybody to work unless he wants to work, and they leave the islands whenever they choose. We have never refused to give them passage

in our vessels away from the islands when they wished to go. We have always taken any natives in our vessels when they wanted to go at any time. We have never interfered in their religion or their government. They have a tribal organization there and govern themselves, and we have never permitted the slightest interference in their government, religion, or liberty in any way whatever.

Q. Have you ever remonstrated with the collector of the port of San Francisco against clearing any vessels for those islands from that port?—A. No, sir.

Q. Are there any other vessels except your own that go to those islands from San Francisco?—A. No, sir; no other vessels go there except ours and Government vessels.

Q. I want to get your construction of that contract. Suppose that a merchant in San Francisco should fit out a vessel with ordinary supplies of merchandise to sell to those people, and should register for that purpose and propose to supply them at a less price than you do, is there anything to prevent that?—A. We should claim that that would interfere with us.

Q. On what grounds?—A. On the ground that any disturbance upon the island has a tendency to drive away the seals. The fewer people we have there and the fewer vessels, the better. As to persons coming there to sell goods to the natives, considering the relations existing between the natives and the company, I do not know that we have a right to exclude people from going there under the terms of our lease; but I should claim the right to do it. That would be a legal question, perhaps, and I do not know how it would be decided.

Q. As I understand you, then, you infer from the nature of your contract with the Government giving you certain privileges there, you would feel, in order to carry out its provisions, and derive your profits from the contract, that it would be your duty to interfere with outside parties coming there?—A. I think no one has a right to interfere with our business.

Q. You would, no doubt, have a right to exclude persons going there to take seals; but you calculate not only upon the monopoly of the seals but a monopoly of the labor of the island, and of course all the profits derived from the necessary supplies required for the people to keep them in comfortable condition? I want to get what your views are, and what the views of your company have been.—A. Nobody has ever attempted or proposed any such thing.

Q. No such case has arisen?—A. No such case has arisen, and it is not likely that any such case would arise; because, if we thought any person was attempting to establish himself there and undertake to undersell us to get the trade away from the natives, there could be only one purpose: it would not be a purpose to make money, but it would be a purpose to do us an injury, and we would put our goods down still lower; no one could make any money even at our prices.

Q. No such case has arisen, and therefore there can be no question raised as to your practice?—A. No, sir.

Q. I will ask you what you would esteem it your duty to do if such a contingency should arise?—A. If the contingency should arise we would meet it. I am not prepared to say just now what we would do, but we claim that no one has a right to interfere with us to our detriment. We pay for the privilege, and we claim that we have a lease to those islands.

Q. Were you asked yesterday as to the amount of revenue that you had paid since your contract with the Government?—A. No, sir; I think not. I do not know the amount exactly that we have paid. I

have not got it. We have paid all the law and lease require. It has been over a million and half of dollars that we have paid into the Treasury. You can ascertain that from the Secretary of the Treasury.

Q. All that you have paid is from the skins and nothing from the oil?—A. We have paid nothing on the oil.

Q. Can you tell me what amount of money your company has expended in the erection of school-houses and the conduct of schools?—A. I could not tell the amount. We have school-houses there in which schools are held.

Q. What amount of wages do you pay the natives who are employed, and how are they employed?—A. We pay the natives 40 cents for taking each skin, and we pay them for other labor a dollar a day. There is an account kept between each native on a sort of a pass-book with the company, and whenever they want money they can have it, but they keep a sort of running account with the company.

Q. The compensation is 40 cents a skin, and a dollar a day in addition?—A. No, sir; a dollar a day for other work. For instance, we employ them at other labor, such as grading streets.

Q. How do you pay them, in money or in supplies?—A. Sometimes in money. If they desire the money, they can have it. We send the money to the island for circulation; there is a considerable quantity there; but they generally keep an account with the agent, and get supplies on a sort of running account at the store.

Q. In your letter you speak of your books and your accounts. Have you them with you?—A. No, sir; I have not. The books of the company are very large and voluminous, and are in San Francisco, in the office of the company.

Q. According to the papers forwarded to us, the Secretary of the Treasury last summer employed a Mr. Moore to make an examination of them?—A. Yes, sir.

Q. And I suppose that from his report we may get many facts. We would like very much indeed to have those books, if practicable.—A. We can send the books here, if the committee desire it. Of course it is a great inconvenience to the company to part with its books, as business is constantly going on, but if the committee desire it, we will send the books here.

Q. How long would it take, in case we conclude that we require them, to supply them to us, with some expert who would properly explain them on your behalf?—A. They could arrive here in from seven to ten days after notice.

By Mr. HILL :

Q. Your contract is for the lease of the two islands, Saint Paul and Saint George; what is the size of Saint Paul?—A. The exact size of Saint Paul is given in some of the documents; I think it is about fifteen miles long, and six wide.

Q. What is the size of Saint George?—A. It is about one-third as large.

Q. Saint Paul is the island where the seals chiefly establish their rookeries?—A. Yes, sir.

Q. How many skins can a native take per day?—A. A man will take a hundred easy enough.

Q. You pay him forty cents a skin?—A. Yes, sir; that price was fixed by the Secretary of the Treasury.

Q. What do you get for your raw skins?—A. There are various grades of them; some bring a good deal more than others. They bring