

crepancy or difference he found was as to 559 skins, which, at \$2.62½ tax each, would amount to a total \$1,467.37. This is the only discrepancy found for the whole period the contract has existed, and this, it is stated in Moore's report, was in consequence of the errors of the Government agents on the islands. Mr. Moore was examined by the committee, and corroborated these statements, with other facts which sustain the conclusions of Mr. Bristow. Mr. Goldstone, who testified in behalf of himself as the only prosecutor in this investigation, and claiming to have been entitled to the lease, does not assail the conduct of the company in their performance of the stipulations imposed by the lease. He did assail the integrity of the award to the company, but took no exception to the way in which the company had performed its obligations and fulfilled its contract.

In the absence of any testimony implicating the company in an abuse of its privileges, the committee considered the question whether it was probable the company had an interest sufficient to warrant it in doing so. The agents of the Government on the islands, and at San Francisco, had constant access to and knowledge of the killing, shipping, exportation of the skins taken, and knowing that the Secretary of the Treasury was desirous of availing himself of the first breach of the contract to void the lease, it was not probable the company would incur this result by attempting a fraud, which it was almost certain could not be successfully accomplished without detection. But in addition to this reason it appears doubtful whether, without any limitation in the lease as to the number of the seals to be taken, it was the interest of the company to exceed the number fixed at 100,000. It is certain that to kill more than this number would tend to a rapid decrease of the annual supply and end in the extinction of the animals on those islands long before the expiration of the twenty years that the lease had to run. Every one who is familiar with the fur-seal fisheries knows the effect of an indiscriminate slaughter of these animals. Many proofs of the effect of this course may be found in their history. The reports made to the Government, and all the authorities referring to their habits and nature, go to show this fact in a conclusive manner.

There is another reason why the company would not deem it politic to exceed the 100,000 skins now taken. The sole market for the sale of the skins is London; this is the only place where the art of procuring the fur from the skins is understood and practiced. There this specialty has a monopoly; London has become the exclusive regulator of the fashions which constitute the chief value of this fur. Every art and appliance and much money have been expended in the cultivation of a taste for seal-skin furs, which the Alaska Commercial Company has almost the exclusive control over. It would be unwise to overstock the market, by a production in excess of the limited consumption, governed very much by the presumed superiority and beauty of the fur itself. By placing on sale a larger number of skins than was required, the prices obtained would be lessened, and the popular estimate of this luxury depreciated, so that its present value would be endangered and a change of fashion probably effected, diverting it to some other fur, which might ruin the trade altogether. Therefore, there is little doubt that the company have not exceeded the maximum number stated in the lease. The other requirements of the law, relating to the amount of taxes and rental to be paid, the supplies to the natives, and care of their individual and educational interests, are matters of record, about which no question can be or has been raised. The committee therefore

conclude that the lease has been complied with according to the requirements of the law.

#### CONCLUSION.

The committee were not required by the terms of the resolution under which they pursued this inquiry to report upon the policy or impolicy of the law under which the lease was made. A difference of opinion may be properly entertained on this question. It is quite certain that the Government as such could not perform this trust. All experience teaches that governments are poor factors, and rarely pursue any industry involving the manufacture and sale of products with success or profit. We think Congress acted wisely in rejecting the recommendation of Mr. Boutwell, to conduct this business of seal-catching on Government account, and establishing at these islands a humanitarian institution for the care and moral training of the half-savage natives. The contract, as made, was the best disposition of this interest that could have been made, for it is certain that it has resulted in the receipt of a very large revenue to the Treasury, and in an amelioration of the physical and moral condition of the natives.

When the proposition to purchase the Alaska Territory from Russia was before Congress, the opposition to it was very much based on alleged barrenness and worthlessness of the territory to be acquired. It was supposed that though there might be many political reasons for this addition to the American Pacific possessions, there were not commercial or revenue advantages. The value of those seal islands was not considered at all. Russia had derived but little revenue from them, indeed a sum not sufficient to pay the contingent expenses of maintaining the official authority. Under our system, however, we have a very different result.

The Alaska Commercial Company has paid into the Treasury, in rent and taxes, the enormous aggregate of \$1,722,813.67. (See official statements annexed, marked Appendix C.)

The annual payment is \$262,500 tax, and \$55,000 rental, making an aggregate of \$317,500 every year. This sum is nearly  $4\frac{1}{2}$  per centum interest on the original cost of the whole Territory of Alaska, including the two seal islands referred to. Certainly the Government has no right to reproach itself for a want of mercantile shrewdness in the purchase of this Territory, nor in the prompt advantages which it has been enabled to obtain from it. If the Alaska Commercial Company has found its lease a profitable investment for its capital, the Government has no right to complain so long as its own interests have been well secured and the lessees have faithfully fulfilled all the conditions under which they obtained the franchise.

That the supposed profits of the company should excite the covetousness of others is of course to be expected. A disappointed bidder for the contract naturally feels aggrieved, and to his persevering efforts may be traced all the complaints that have been made; and yet when this person was examined in his own behalf he failed to state any facts which could weaken a confidence in the integrity with which the lessees had performed their agreement. He did impugn the official integrity of Mr. Boutwell as Secretary of the Treasury in making the lease, but failed altogether to state or present any evidence which was justly susceptible of a conclusion that Mr. Boutwell was influenced by corrupt or improper motives. The committee refer to the testimony as conclusive on these

points. They have examined every witness to be procured, whom it was supposed possessed, or alleged to possess, any knowledge which would enable them to reach everything appertaining to this investigation, and have examined all the records and public documents within their reach.

In conclusion they concur in the opinion that the lease with the Alaska Commercial Company was made in pursuance of the law; that it was made in the interest of the United States, and properly granted to the Alaska Commercial Company; that the interest of the United States was properly protected in all the requirements of the law, and that the lessees have faithfully complied with their part of the contract.

With these conclusions they report the following resolution:

Whereas the Committee of Ways and Means, after a full and complete investigation into the law and facts relating to the granting of the lease to the Alaska Commercial Company for the right to take fur-seals on the islands of Saint Paul and Saint George, report that they find that the lease aforesaid was made in accordance with the act approved July 1, 1870, and has been complied with on the part of the lessees, and is for the advantage of the United States: Therefore,

*Resolved*, That in the opinion of this House there is no just ground of complaint against the Alaska Commercial Company or the officers of the Government who were intrusted under the law with the power to make, and see to the performance of, the lease aforesaid, and that it is entitled to the enjoyment of the franchise so long as it faithfully performs all the requirements and stipulations of the law and contract under which it holds its rights, and so long as the act shall remain in force.

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#### APPENDIX A.

[Letter of Henry W. Elliot, May 24, 1876.]

SMITHSONIAN INSTITUTION,  
Washington, May 24, 1876.

SIR: I respectfully beg leave to present the following *facts relative to the oil of the fur-seal* for much has been said and reiterated in regard to the waste of a large amount of seal-oil annually upon the seal-islands of Alaska. So much stress indeed has been laid upon this item, that, with your permission, I think it proper that the following facts bearing upon this subject should be submitted to the committee, of which you are chairman, having this matter of the seal-islands under consideration.

First. The *quantity* that can be saved from the carcasses of the hundred thousand young male fur-seals annually killed on the Pribilov Islands for their skins has been grossly overestimated; this excessive estimation being based upon the assumption that the young *fur-seal* is an animal similar in character to the *hair-seal* of commerce, and from which the seal-oil of the English trade is derived. This is wrong in fact, for, unlike the *hair-seal*, the young *fur-seal* is but sparingly supplied with surplus fat. Its restless, active nature on land and in the water forbids any such accumulation of blubber which is so characteristic of its sluggish relations, the *hair-seal*, *sea-elephant*, and *walrus*.

The fat or blubber of the class of fur-seals which are annually killed on the seal-islands is found as an envelope to the body between the skin and the flesh, being thin and light over the posterior parts, and not quite an inch in depth over the shoulders, where this deposit is twice as great as elsewhere on the body.

A careful series of experiments on the ground has demonstrated the fact that the average yield of oil from the carcasses of the classes of seals killed on the Pribilov Islands (two, three, and four year old males) is at the rate of *half a gallon per seal*.