

Only on Monday

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Papers delivered before the Chit-Chat Club

By FRANK H. SLOSS

SAN FRANCISCO:

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Of Shoes and Ships and Sealing

FEBRUARY 1966

“‘*The time has come,*’ *the Walrus said,*
‘*To talk of many things*
Of shoes and ships and sealing wax—
Of cabbages and kings—
And why the sea is boiling hot—
And whether pigs have wings.’”

LEWIS CARROLL, *Through the Looking-Glass*

In 1867 the United States rather reluctantly bought Alaska from Russia, and then to its disgrace did nothing whatever to provide even a skeleton of law or civil administration for the inhabitants. Over the greater part of the vast territory, the resulting anarchy was mitigated mainly by the presence of a private commercial enterprise, operating out of San Francisco, which supplied the chief elements of stability. In fact, though not in theory, there were a good many years in which San Francisco could more truly be called the seat of Alaska's government than Sitka, Juneau, or Washington, for the decisions most vital to the well-being of the territory were being made just five blocks east of this spot, at 310 Sansome Street, the home office of the Alaska Commercial Company.

I must confess that I take a personal interest in the story of the Alaska Commercial Company because my grandfather, Louis Sloss, was one of its founders and guiding spirits and its first president. Still, I venture to hope that you will find the tale worth listening to as I tell it this evening.

On October 18, 1867, a ceremony took place at New Archangel, thereafter called Sitka, to mark the formal transfer of the sovereignty of Russian America to the United States. It is re-enacted each year, and the anniversary is celebrated joyously as a holiday throughout the State of Alaska. But the original event provoked more tears than cheers.

Russian America was the domain of the Russian American Company, whose Chief Manager, by the terms of its Charter, was also Governor of the Province. The first of these Chief Managers and Governors, the great Alexander Baranof, had founded New Archangel and established it as the capital. By 1867 it had become a cultivated little city of 2500 people. The Governor and his lady presided over a miniature replica of the Imperial Court at Saint Petersburg, with such amenities as music and theater. There

was a busy and efficient harbor, with the best shipyards on the Pacific Coast; there was a Cathedral, ornamented with splendid European works of religious art. To the inhabitants, the news, first that Saint Petersburg had refused to renew the Company's charter on acceptable terms, and then that it had decided to wash its hands of the whole affair and sell the colony to the United States, was stark tragedy.

To Prince Dmitri Maksoutoff, the last Governor, fell the unwelcome task of presiding over the liquidation. A member of Russia's oldest nobility, he was also a man of great courage and scrupulous integrity. Fortunately he had some acquaintance with America and with the English language; indeed his first wife had been the daughter of an Englishman. After her death he had remarried and had brought his beautiful young Princess to New Archangel, where she added grace and gaiety to the life of the Court. His orders were to stand by until commissioners appointed by the two governments arrived for the transfer.

In preparation, the Prince methodically went over the ledgers showing the assets of the Russian American Company, which was also the government. He carefully divided the items into three categories. Those whose purpose was primarily governmental, such as the Governor's official residence, still called Baranof's Castle, and the school and hospital buildings, went with the territory, and would belong to the United States. The second list enumerated the commercial properties—trading posts scattered along the south coast, on out to the Aleutian Islands, and thence up to St. Michael on the Bering Sea near the mouths of the Yukon; warehouses with rich stocks of furs, silks, tea and copper; merchant ships. These items he proposed to sell on behalf of the stockholders of the Company. The third category he omitted from both lists; he had not yet decided quite what to do with it, for its very existence was not generally known, and approached the status of a state secret. Then he waited.

It was a long wait, for the commissioners were to proceed by steamer from the East Coast to the Isthmus of Panama and thence to San Francisco, where they would in due course be picked up by a naval vessel assigned to carry them to Sitka in suitable state. To relieve the tedium of the voyage the American commissioner, General Lovell Rousseau, persuaded one of his close friends, a Baltimore business man named Hayward M. Hutchinson, to come along as far as San Francisco. The suggestion appealed to Hutchinson, for his last business venture, that of supplying cooking utensils to the Union armies, had ended with the end of the Civil War, and he

was looking for new opportunities, perhaps in the West. On the trip he listened eagerly to everything Rousseau was able to tell him about Alaska. He landed in San Francisco full of interest in that newest of frontiers, and anxious to find others who might share his enthusiasm. Among the men he met was Louis Sloss. How this meeting came about is not known, but its consequences are history.

Louis Sloss had come to America from his native Bavaria as a young immigrant in 1845, and had crossed the plains and mountains to California in 1849. By 1867 he was the head of a merchandising firm dealing mainly in hides and furs, but with many side-lines throughout the West. Ebulient, gregarious and imaginative, he was always quick to interest himself in a new business prospect. Fortunately, perhaps, he was linked in close partnership with a man of similar background but different temperament—the quiet, reserved Lewis Gerstle. There were family ties, too, for the two men had married sisters. Sloss was more likely to appear as the traveler and negotiator, and Gerstle as the draftsman of carefully phrased letters; in either case, one was speaking for both.

By the time of his historic first meeting with Hutchinson, Sloss had undoubtedly heard much talk about Alaska, for commercial circles in San Francisco were buzzing with rumors about quick profits to be made by buying Russian-American assets at cheap prices; many a speculator had already set off for Sitka in that hope. Hutchinson and Sloss decided to investigate first. Sloss was acquainted with an experienced fur trader in Portland named Leopold Boscowitz, who might know more about the North; Hutchinson and Sloss went to Portland to see him. He, in turn, had another name to suggest—that of William Kohl, a ship-builder and ship-owner who had conducted extensive dealings with the Russians. The three hastened to Victoria, B.C., to talk to Kohl. In the ensuing four-way discussions at Victoria, the nucleus of what was to be the Alaska Commercial Company was formed. Hutchinson and Kohl were designated on behalf of the group to go on to Sitka and to buy, in the name of Hutchinson, Kohl & Company, whatever of value they could get.

Hutchinson and Kohl arrived only a short time ahead of the commissioners, and found that quiet New Archangel had been invaded by a bustling swarm of Americans. Some were the merchants from San Francisco, eager to buy the commercial properties on Prince Maksoutoff's second list. One of these San Francisco groups believed that it had the inside track, for it had maintained commercial dealings with Russian America since as early

as 1851, when it undertook to transport by ship from Alaska the one commodity freely available there and greatly desired but utterly unobtainable in pioneer San Francisco. (I am tempted at this point to pause to let you guess what commodity it was, for I have stumped a good many people with the riddle. The answer is ice.) The Prince had received all comers but reserved his final answer. Hutchinson and Kohl were able to arrange one interview with him.

Finally, on the morning of October 18, the ship bearing the commissioners arrived. The ceremony was quickly scheduled for three o'clock that afternoon. Everyone assembled in front of Baranof's Castle, with soldiers of both countries drawn up in formation, and officials and spectators standing around. First the Imperial Russian flag was to be lowered. It became entangled in the ropes and refused to budge. A marine was hoisted aloft to cut the flag loose; its fragments fluttered on to the bayonets of the American troops. At this grim omen, the overwrought young Princess Maksoutova fell in a faint. The ceremony was rapidly completed by the raising of the Stars and Stripes, this time without incident. No festivities followed, despite the good will then prevailing between the two countries; the emotions of many present were too painful.

Later that same afternoon, Prince Maksoutoff made his long-awaited announcement. The commercial assets of the Russian American Company had been sold, not to the old ice company nor to any of the other bargain-hunters who had pursued him so persistently, but to the unknown newcomers, Hutchinson, Kohl & Company. There were amazement and anger on many sides, but the Prince stood firm. Only later did he state his reason, which was simple. He had been determined to enable every stockholder to receive the par value of his shares, and had set his selling price accordingly. Everyone else had tried to haggle; Hutchinson and Kohl accepted his figure of \$350,000 at once, and were ready to pay it in gold coin. "You have treated me like gentlemen," was his way of putting it.

Indeed, so taken was Maksoutoff with Hutchinson and Kohl and their way of doing business that he reached another decision: to disclose to them the secret of his third list and to make them and their associates its beneficiaries. The revelation was one that might well stir the blood of anyone with the pioneer's impulse to seek fortune in remote places.

Many hundreds of miles west of Sitka, well concealed by the winter storms and summer fogs of the Bering Sea, lie two tiny groups of barren islands—the Pribilofs, which passed to the United States as part of Alaska,

and the Komandorskis, which remained Russian territory. These islands, and these alone, were the summer breeding grounds of the fur seals, whose pelts were prized above all others save those of the sea otter, which had become increasingly scarce. Seals could be taken while swimming at sea, but pelagic sealing, as it came to be known, was hideously destructive, for it involved the indiscriminate killing of animals whose fur might or might not be usable and of males and females. Furthermore, the killing of a swimming female took three lives, for while in the sea the mother was always carrying her unborn pup and nursing her last, and no mother seal will adopt another's orphan. On the islands, however, young male seals could be selected and killed efficiently and even humanely, without risking the extermination of the herds, and with the possibility of enormous profit. To Hutchinson, Kohl & Company, Prince Maksoutoff now sold, at low prices, the Russian American Company's buildings and equipment on the seal islands, with a supply of sealskins already on hand, and with the opportunity to employ the Aleut inhabitants skilled in the craft. In addition, he recommended to them the sea captain most experienced in navigating those dangerous and little-known waters—a Finn named Gustave Niebaum, who quickly became and long remained a principal officer and a major stockholder. Finally, the Prince was willing to accompany the buyers to the islands the following spring and to put them into possession personally.

During the interim, Hutchinson, Kohl & Company devoted itself to taking over the operation of those of the Russian American Company's stations that were accessible in winter, notably the posts at Unalaska and Kodiak, which were older settlements than New Archangel itself. At the same time, the surplus stocks in the Sitka warehouses were shipped south for disposal, as Sitka had become untenable as a place of residence or business. Washington had sent one, and only one, civilian official—a treasury agent charged with the collection of customs duties. But it sent soldiers, and then more soldiers, until there was a garrison of 500, although the Russians had maintained order throughout the entire province with a mere 270. The soldiers were a riotous, undisciplined lot, commanded by an ineffectual and indifferent general. Only once, when they attempted to loot the treasures of the Cathedral, was punishment meted out. Otherwise drunkenness, pillage and rape went unchecked. Before long, almost everyone free to leave Sitka was gone. The docks and the shipyards disintegrated; Baranof's Castle burned down and was not rebuilt. The gloomy forebodings of the Princess had been amply warranted.

The military occupation, however, never went beyond that southeastern extension of Alaska that is called the Panhandle. Happier conditions were in store for Northern Alaska, the great central land mass with its appendant clusters and chains of islands, to which our scene now shifts.

In May, 1868, Prince Maksoutoff, Mr. Hutchinson and Captain Niebaum duly set out for the Pribilofs, not expecting nor desiring to meet anyone there but the employees and the seals. To their dismay, three other expeditions appeared—two, a Morgan party and a Chapell party, hailing from New London, Connecticut, and one backed by John Parrott, a San Francisco banker. Bitter words were exchanged, but nothing worse. The outsiders could not dispute Hutchinson's claim to the buildings and equipment, but they could and did deny that anyone had any right to prevent them from landing on the islands and killing seals there or offshore. And yet, unregulated slaughter would ultimately lead to extinction.

The upshot was an agreement to join forces and to seek an exclusive leasehold on behalf of the combination. On September 18, 1868, the Alaska Commercial Company was incorporated under California law, and immediately bought the assets of Hutchinson, Kohl & Company. Most of the names on the original stockholders' list are by now familiar to you—those of Hutchinson, Kohl, Sloss, Gerstle, Boscowitz and Niebaum. Additional shares were promptly issued to Morgan, Chapell, Parrott and a few of their associates.

Louis Sloss, the president, soon set out for the East Coast, taking his wife and four children with him, for he planned to stay for the winter. His purpose was to promote the enactment of the necessary enabling legislation by Congress. At the end of February, a fifth child was born in New York, becoming through this set of circumstances the only one of the Slosses of his generation who was not a native Californian. That accident of birth did not, however, blight the child's career, for he was destined to rise to the ultimate distinction, among others, of membership in the Chit-Chat Club. He was, incidentally, my father.

In Washington, Louis Sloss made progress up to a point. He was good at hobnobbing with senators and congressmen, especially around the poker table, where he took care not to win too much. He gained a good many supporters, but not enough; adjournment came without action. By then he had concluded that his cause was hampered by having a Jew as its spokesman. He therefore resigned the presidency of the Company in favor of John F. Miller, a former Civil War general and future United States

Senator who was *persona grata* among those who looked askance at a Sloss. At the next session Miller took over the task and brought it to completion, and on July 1, 1870 "An Act to Prevent the Extermination of Fur-bearing Animals in Alaska" was signed by President Grant.

With that major hurdle overcome, events moved swiftly. Under authority of the Act, the Secretary of the Treasury advertised for bids for a lease of the Pribilofs, reserving, however, the discretion to award the contract, not necessarily to the highest bidder, but to the one best qualified in his judgment to carry out its terms. The Alaska Commercial Company's bid was not the highest. It did, however, contain an agreement to match any higher bid, and the Company urged the argument that it was in the best position to perform, since it already owned the plant and equipment. The Secretary was persuaded, and signed the lease to the Company on August 3, 1870.

The salient provisions of this historic document can be summarized briefly. The lease was to run for twenty years. The Company agreed to pay an annual rental of \$55,000, and a special tax of \$2.62½ for each seal-skin taken and shipped. Not more than 100,000 seals per year, and no females or pups, could be killed, and the time, place and manner of killing were carefully prescribed in the interest of conservation. As to the native inhabitants, the Company obligated itself to maintain schools for the children and to abide by other regulations for their well-being.

With the action of the United States as a precedent and with the good offices of Prince Maksoutoff, a parallel lease for the less important but still valuable Komandorski Islands was quickly obtained from the Russian government. One novel requirement was imposed: there must be a Russian subject appointed as Saint Petersburg representative, with his name included in that of the firm. For this purpose the old firm name was resurrected and lengthened to Hutchinson, Kohl, Maksoutoff & Co.; it received the Russian lease and promptly designated the Alaska Commercial Company as its operating agent. The post of Saint Petersburg representative was a salaried sinecure, but it no doubt afforded a welcome opportunity to award some financial reciprocation to the Prince for the benefits he had conferred. Nevertheless he withdrew after a year or two, and Louis Sloss then made the longest of his business trips—a voyage half way around the world to select a successor acceptable to the Russian authorities. That episode is the origin of a memorable anecdote that has come down in family tradition. In Saint Petersburg, my grandfather had extensive dealings with

an official in high favor with the Czarist government who had been born a Jew, and who must necessarily have embraced Orthodox Christianity to be where he was. When they had come to know each other well enough, my grandfather asked him why he had decided to change his religion. His answer was this bitterly cynical epigram: "When I was a Jew I suffered for my God; now I've got a God who suffered for me."

Within a couple of years the sealskin operation had become a brilliant success. The Company began by greatly improving the conditions of the natives; for the first time they were given adequate housing, fuel and food all the year round and the free services of a resident doctor. Improved methods of taking and curing the skins enabled them to earn more money, and the Company's stores offered them goods ranging from serviceable shoes to musical instruments at or below San Francisco retail prices regardless of transportation costs. At the other end, the Company made arrangements for shipping the furs from San Francisco to London because London had the world's best dyers of fur, and General Miller toured the fashion salons of Paris to stimulate interest in the product. The returns were spectacular. Over a twenty-year period the Company paid dividends totalling over \$1,000 for each \$100 share, producing an average return of 50% a year on the invested capital. The United States Treasury profited too; in direct payments under the lease and its extension the government collected well over ten million dollars—three million more than it had paid for all of Alaska. The measures to conserve the seal herd also worked well, and probably would have prevented depletion had it not been for the increasing menace of pelagic sealing; that was only ended many years later by a four-power treaty. It must be conceded, however, that the seals, had they been consulted, might have entered a dissenting opinion about the benefits of the contract. If you are interested in an account of the situation from the seal's point of view, I commend to your attention Kipling's imaginative, moving and meticulously accurate tale "The White Seal," which you will find in one of the two *Jungle Books*.

The Company's undertaking to operate schools in the islands ran into unforeseen complications. There had been schools before, but the language of instruction was Russian, and the natives were reluctant to change. The Company of course regarded it as its plain duty to inculcate sound Americanism in good English. The solution was ingenious and enterprising. The native chief agreed to a compromise; the schools could be conducted half the day in Russian and the other half in English. The Company then sent the chief's son, already proficient in Russian, to New England for further

education, and brought him back as principal. Furthermore, the Company itself published a bilingual *Russo-American Primer* for use in the schools. Happily there is a copy of this curious production extant in the Alaska Historical Library at Juneau, where I recently had the chance to examine it and to have parts of it reproduced. Let us smile tolerantly at the blatancy of some of its rather fanciful pro-American propaganda. The first reading lesson is preceded by an illustration which, on close inspection, can be identified as a picture of the Grand Hotel in San Francisco. The text that follows solemnly assures the reader that this is a typical home built by the ordinary thrifty, industrious American. I am fond, too, of the third lesson, a little disquisition on whisky, ending with the simple sentence: "Good people never take the poison."

On the Pribilofs, the Company had an official status of a sort, which entitled it to see itself as a quasi-governmental instrumentality, obligated to treat the inhabitants with benevolent paternalism. Elsewhere in its enormous area of operations, embracing ninety posts stretching from Vladivostok in Siberia across the breadth of Alaska to Dawson in the Canadian Yukon, it was technically a mere private commercial enterprise, but the same patterns of thought and action were followed. It may be this circumstance that gives the Company, when viewed in retrospect, a claim to historic greatness morally as well as materially.

At Unalaska, home port of the sea otter fleet, there was no duty to provide free medical care, but it was done. At the isolated interior trading posts, where the land furs trapped by Russians, halfbreeds and natives were bartered for staple American merchandise, the Company had no contract and received no subsidy for carrying and delivering the mails, but that was done too. Extending hospitality, material aid, and encouragement to clergymen and missionaries of all sects was part of the day's work, and they traveled free on the Company's fleet of ocean steamers and river boats. The Company was not a bank, but it held the savings of its employees and others on deposit at interest, and later acted as custodian of the gold dust of the prospectors. It had no diplomatic credentials from the State Department, but when it worked its way up the Yukon and found the Hudson's Bay Company operating a post at Fort Yukon well inside the Alaska border, it made arrangements to have Hudson's Bay withdraw and to take over the station. It was not a public utility, but its steam plants supplied the first electricity distributed in the interior. When, at long last, Washington got around to sending a judge to the brawling Yukon Valley but neglected to appropriate or forward his salary or those of his attachés,

it was the Company that temporarily financed the establishment of law and order.

Perhaps the attitude is best exemplified by a single piece of internal Company correspondence, never intended for publication; it only came to light accidentally years later. It reads as follows:

Mr. M. Lorenz,
Agent St. Michael, Alaska.

San Francisco, May 7th 1886

Dear Sir,

We have been informed that a large number of miners have already started to the Yukon and Stewart River mines, it is probable that many others will be attracted to that section of the territory in consequence of the supposed existence of rich diggings in that district. Considering that the companies station at St. Michael is the nearest source of supply, an extra amount of groceries and provisions has been sent to you to meet the possible demand likely to be made upon you during the coming winter.

It must not be understood however, that the shipment referred to is made for the purpose of realizing profits beyond the regular schedule of prices heretofore established, our object is simply to avoid any possible suffering which the large increase of population insufficiently provided with articles of food might occasion. Hence you are directed to store these supplies as a reserve to meet the probable contingency herein indicated, and in that case dispose of the same to actual consumers only, and in such quantities as will enable you to relieve the wants and necessities of each and every person that may have occasion to ask for it. In this connection we deem it particularly necessary to say to you, that traders in the employ of the company, or such others as draw their supplies from the stores of the company, doing business on their own account, must not be permitted to charge excessive profits, otherwise all business relations with such parties must cease, as the company cannot permit itself to be made an instrument of oppression towards anyone that they may come in contact with.

It is useless to add, that in a case of absolute poverty and want, the person or persons placed in that unfortunate condition should be promptly furnished the means of subsistence without pay, simply reporting such facts at your earliest convenience to the home office.

Asking your strict compliance with the foregoing instructions, which we hope will be carried out with due discretion on your part,

I am with kind regards to yourself and Mrs. Lorenz,

Yours truly,
LEWIS GERSTLE, *Pres.*

Let it not be supposed, however, that the Company was universally admired. On the contrary, it was the target of unceasing vilification. The denunciations emanated from many sources. They started with the disgruntled business rivals—the unsuccessful hagglers at Sitka and bidders at Washington. They gained strength from those to whom any monopoly was inherently odious, and those to whom a partly Jewish concern having international connections was *ipso facto* sinister. A particularly bitter attack came from one of the earliest federally appointed governors of Alaska, who was dismayed on taking office to find so much of the essence of administrative power firmly held by a private corporation far better financed than he for its exercise. The charges covered a wide range: irregularity in obtaining the seal contract, excessive killing of seals, mistreatment of natives, exploitation through exorbitant prices, lobbying to block wholesome legislation for Alaska. All were thoroughly and repeatedly inquired into. Treasury agent after treasury agent, scientist after scientist, came to inspect and report, and there were two full-dress Congressional investigations. The result was always the same: full vindication of the Company, usually with a retraction by the accuser. But retractions never catch up with slander, and it is easy to discredit a vindication by stating (without proof) that it too was procured by improper influence, so the sniping went right on. In asserting, as I do, that the accusations were groundless, I am not succumbing to my desire to believe it; I am following the conclusion of practically every competent historian, from the earliest to the latest. The dean of them all, Hubert Howe Bancroft, in his *History of Alaska* written while the controversy was hot, carefully sifts the evidence in an earnest effort to find just what fire had produced so much smoke. He concludes, almost plaintively, with these words: “What there is to be pleaded against them save perhaps their success as a business association . . . the reader will judge from the statements that I have laid before him.” The newest history touching on the subject, Chevigny’s *Russian America*, has this to say: “The Alaska Commercial Company has been bitterly denounced, but most historians seem to think it ran its house well. . . . Its part of the country was given a prosperity and an order utterly lacking elsewhere.”

In 1890 the Company suffered its first severe reverse. The seal lease was up for renewal, and another concern submitted a higher bid. This time any argument against taking the highest bid would have been folly, so the Company accepted the result gracefully, sold the plant to its successor, and withdrew from the seal trade. The Eastern stockholders and the suc-

cessors of Hutchinson and Kohl and the Parrott interests flew into a panic, and clamored to sell their shares. All were bought by Captain Niebaum and the members of the Sloss-Gerstle group, who retained faith in Alaska's economic destiny. From that time on, they and their families were the only stockholders.

With the seal concession gone and competition increasing, the Company had to tighten its belt; for sixteen years there were no dividends paid, but the venture ultimately became profitable again, though on a more modest scale. Meanwhile, there was one moment of renewed glory—the Klondike gold rush. For those of the prospectors willing to take the longer but less hazardous all-water route, the Company supplied comfortable and even luxurious ocean and river transportation, with a handbook of information and advice for gold-seekers thrown in. A fleet of palatial stern-wheel river boats on the Mississippi model was built for the Company at Louisville, knocked down for transportation to the mouth of the Yukon, reassembled, and put into service between St. Michael and Dawson. The boats were named in honor of the ladies of the owners' families, beginning with the *Sarab* for Mrs. Sloss, the *Hannah* for Mrs. Gerstle, the *Susie* for Mrs. Niebaum. Once again the Alaska Commercial Company, acting in the grand manner, was part of world news.

The later years of the Company's career are less romantic, and I shall pass over them rapidly. By 1914 the existence of a British-built railway from Skagway over the White Pass to the headwaters of the Yukon, and the prospective construction of the Alaska Railroad from Seward on the south coast to Fairbanks in the interior, made the outlook for an independent river boat enterprise seem doubtful, and perhaps someone was prophetic enough to foresee the impact of the airplane. The shipping lines, which had been transferred to a subsidiary named Northern Navigation Company, were sold to the proprietors of the White Pass & Yukon Railway. Another subsidiary, Northern Commercial Company, had taken over most of the merchandising properties, and in 1922 they too were sold, but with no break in policy, for the buyers were a group of the Company's own employees, proud of their affiliation with the old Company and determined to carry on in the same tradition. They and their families still operate the Northern Commercial Company, but the headquarters are now in Seattle. Two stations were retained by Alaska Commercial itself—one at the scene of the oldest of the Russian settlements, Unalaska, and the other at neighboring Dutch Harbor—partly, perhaps, for sentimental reasons

and partly to give the home office enough to do to justify the retention of three faithful employees. Finally, in 1940, those two posts passed to Northern Commercial as well, and it fell to me as a junior member of my father's law firm to initiate the legal steps for the final liquidation of the Alaska Commercial Company after seventy eventful years.

My tale is ended; it is merely a small slice of history. But history leaves its marks on the land, for those who know where to look for them.

Travel to Alaska today, and you will encounter the Northern Commercial Company wherever you go. In remote Indian villages its house flag flies over the one general store and trading post; in the larger cities like Anchorage and Fairbanks its emblem designates the leading metropolitan department store. Even the Panhandle has been reinvaded, not for general merchandising, but for specialized operations like supplying marine engines, parts and service in a region of few roads but countless waterways.

But you need not journey so far; five blocks will suffice. At California and Sansome there stands the building erected to house the Alaska Commercial Company's office after the old headquarters had been destroyed in 1906. Despite its corner location, it still bears the historic address 310 Sansome Street, and the words "Alaska Commercial Building" are embossed on the stone of the facade. Look more closely, and you will notice that the builders ornamented the structure with visual symbols of the Company's activities. There are sculptured seals over the doorway and icicles on a row of exterior panels. One of the cornices is punctuated with heads of walrus linked by lengths of coiled ship's cable; another features polar bear heads. Hundreds pass the building each day, ignoring the decorations or, perhaps, thinking them absurdly old-fashioned in this era of remorselessly rectilinear architecture. To me, however, they are eloquent, and perhaps they will have a new meaning for you who have listened to me this evening.

Postscript to *Of Shoes and Ships and Sealing*

In the summer of 1965, my wife and I went to Alaska, partly as tourists and partly as pilgrims, for I wanted to pay a pious visit to the scene of the activities of the ancestral business enterprise. I delved a bit into archives in libraries there and chatted with people acquainted with Alaskan history. When I returned, I put what I had learned and what I had known before about the Alaska Commercial Company into this paper, and thought that would be the end of it. It was only the beginning. I have since been drawn into much more research on the subject. Some of its fruits occur later in this

volume, some have appeared elsewhere, and some, I hope, are still to come.

In this paper, there is a detailed account of how the predecessor firm of Hutchinson, Kohl and Company was formed and got its start. The account is quite wrong. It was the accepted story when I wrote it, but dogged sleuthing by my friend Professor Richard A. Pierce of Queen's University in Canada later revealed that it could not have happened that way. He and I then constructed a new version consistent with the facts he had unearthed, and "The Hutchinson, Kohl Story: A Fresh Look," a collaborative effort, appeared in the *Pacific Northwest Quarterly* for January 1971. A later article of mine in the July 1977 issue of the same *Quarterly*, called "Who Owned the Alaska Commercial Company?," enlarges on what I had told the Club about the identity of the early stockholders and brings the career of the successor company in Alaska up to date.

These corrections, however, do not change the main outlines of the Company's story, which remains a striking episode in the history of the American West. But the Alaska Commercial Building, so eloquently (I hoped) described in the last paragraph of my essay, is no more. It was demolished a few years ago to make room for the imposing headquarters of a Japanese bank. Lovers of the old building, however, can find a bit of solace in the preservation by the new owners of some of the sculptured walrus heads, which are displayed along the California Street facade with a plaque explaining their origin.

Locus Sigilli

OCTOBER 1972

By the generous custom of the Chit-Chat Club, the writer of an essay may, if he likes, choose a title that conceals his subject. This time I have stretched that privilege beyond all legitimate bounds, for my title is more than a screen; it is a hoax, and, still worse, a hoax based on a pun. I ought to grovel in shame, instead of which I cannot resist smiling at my own feeble jest.

The classicists and the lawyers among you will have recognized *locus sigilli* as a Latin expression meaning "the place of the seal." It refers, of course, to the spot on a formal document at which a distinctive device is affixed or impressed to attest its authenticity. But the seals of which I shall speak are not of that kind; they are animals. Specifically, they are members of the species known scientifically as *Callorhinus ursinus* and colloquially as the Alaska fur seal. And the one spot on earth that is preeminently the place of that seal is the Island of St. Paul, largest of the Pribilof group in the Bering Sea. There, during the summer months, these seals congregate, as the scientist Victor B. Scheffer writes in his admirable book *The Year of the Seal*, "in numbers so great that a man crouching on a cliff top above a rookery can count tens of thousands. Nowhere else in the world, I think, could he see so many mammals from one vantage point, unless perhaps at the entrance to Carlsbad Caverns, New Mexico, where the bats in flight come pouring forth at dusk to feed."

St. Paul Island was first visited in 1787 by the Russian navigator Gerasim Pribilof—an event of momentous historic, scientific and commercial consequences. It was visited in July 1971 by me—an event of no consequence at all. But to me the visit was a memorable experience—so much so that I propose, in this paper, to try to convey to you the attraction that drew me irresistibly to seek out the place of the seal, and my impressions once I finally got there.

When Pribilof discovered the islands that were given his name, it was the fur seals that had guided him there. The seal rookeries of the Commander Islands, much farther west in what has remained Siberian territory, were already known, but other seals in even larger numbers were observed at sea swimming toward an unknown destination. By following them, Pribilof reached first the smaller island of St. George, and then St. Paul itself, both in what are now Alaskan waters. He found no human inhabitants, nor any evidence that men had ever lived there. The seal herd was in its

pristine state, before the depredations of its only important enemy had begun. To contemplate its size staggers the imagination. Today, having escaped extermination at least twice, the Pribilof herd is considered to be in excellent condition at about a million and a half members. The original number may have been twice as large. There is no poetic exaggeration in Kipling's ringing line: "The beaches of Lukannon—two million voices strong!"

Confronted with an apparently inexhaustible supply of valuable animals, the Russians at first engaged in thoughtless and ruthless massacre. Later, when they noticed a decline in the herd, they wisely began to institute restrictions that have been refined and improved upon for over a hundred years under both Russian and American rule. But for that circumstance, the Northern fur seals might have shared the fate of their distant cousins in the Antarctic, which had been hunted to the verge of extinction by the middle of the nineteenth century. As it is, carefully controlled taking of seals on the Pribilofs persists as a government operation to the present day, and is commonly pointed to as an outstanding example of humane and intelligent management of a valuable wildlife resource. To explain how this works, I must tell you a little about the extraordinary habits and life cycle of the fur seals.

The crucial fact is that the fur seals are intensely polygamous. The breeding males are formidable creatures, several hundred pounds in weight and quite ferocious in disposition. Every season, they are the first to crawl up out of the sea. Each of them establishes his own area on the rocky beach, which he will defend against all challengers. When the much smaller females arrive a month or so later, each of the beachmasters, as they are called, seizes and keeps as many of them as he can hold by combat against his fellows. The number of females in one bull's harem may run to fifty or more. From the time at which she matures, the female lives through a repetitive annual cycle. She hauls up out of the sea and becomes the prize of some beachmaster. Shortly, she gives birth to the pup conceived the year before. Within a week after that, she comes in heat and is impregnated again; that astonishing feat is possible because nature has equipped her with a double uterus. All summer, she nurses her last pup while nurturing the new life within her, so that three lives depend on her survival. Any extensive killing of females threatens the maintenance of the herd.

On the survival value of the males, the practice of polygamy has the opposite effect. Only a small fraction of them—the strongest and most pug-

nacious—will ever become beachmasters. The rest will never breed at all; as far as the preservation of the species goes, they are expendable. Furthermore, the young adult males—bachelors, as they are called—are excluded from the parts of the beaches occupied by the active harems, and congregate by themselves in separate areas of their own. That makes it easy to round up a number of them with a minimum of disturbance, to drive them to a secluded spot, and to dispatch each of them quickly and efficiently by a single blow on the head with a heavy club. So long as the killing is carefully confined to bachelors, and is so restricted in numbers as to leave an ample supply of males for future breeding purposes, there is no reason to doubt that the practice could continue forever. The present condition of stability, however, has been reached only after many fluctuations and tribulations.

The first threat, of course, had been the initial onslaught of the Russian fur-hunters. To help in the work, they recruited—kidnapped would be a more accurate word—natives from the Aleutian Islands, whom they established in one village on St. Paul and another on St. George. Remarkably, the settlements endured, and the descendants of those Aleuts have become in a sense the hereditary guardians of the Pribilof seal herd. When some wise Russian official perceived the need to stop the killing of females, the natives were given that order, so forcefully that the prohibition became a taboo almost as sacred as the teachings of the Russian Orthodox Church, to which they became and still remain devotedly attached. There were other conservation measures too. As a result, when Alaska was bought from Russia by the United States in 1867, the seal herd not only had survived, but constituted by far the most valuable item in the acquisition.

It was the transfer of sovereignty that brought on the Pribilof herd's next crisis. The withdrawal of the Russians left a total lack of legal and administrative authority, and the United States government was slow to act in filling the void. During the interregnum, St. Paul became a scene of sharp conflict in which seals, as usual, were the chief victims.

The departing Russians, and particularly the last Governor, Prince Dmitrii Maksutov, had tried to provide for a smooth transition. Perplexed and importuned by numerous bargain-hunting speculators, he had finally sold the great bulk of the Russian American Company's commercial assets to one buyer, a Baltimorean named Hayward M. Hutchinson, operating with capital raised in San Francisco. Had the Prince intended to throw in

the Pribilof seal operation as part of the purchase? Perhaps not, as he had already permitted one of the Company's former ship's officers, Captain Gustave Niebaum, to sail to St. Paul and pick up a cargo of sealskins for disposal in San Francisco. When, however, Hutchinson then united with his San Francisco backers and others to form the firm of Hutchinson, Kohl and Company, and when Niebaum promptly joined forces with them, there was no longer any doubt that the resulting combination had for practical purposes become the authorized successor to the fur-trading operations of the Russian American Company at St. Paul as well as elsewhere in Alaska. Certainly Maksutov so viewed it; in May 1868 he actually escorted Hutchinson to St. Paul to put him into possession of the plant and to present him to the villagers as their new boss.

Hutchinson and his associates, however, had not reckoned with the zeal and enterprise of Williams, Haven & Co., whalers and sealers of New London, Connecticut. Fresh from triumphs of slaughter at Mas Afuero and other Southern seal rookeries, the heads of that firm were not disposed to let new openings in the North slip through their fingers. The moment the purchase of Alaska was assured, without taking the time to send a ship around the Horn, they dispatched one of their experienced sea-captains, Ebenezer Morgan, by steamer via Panama to Honolulu, where he took command of a vessel that was already in the Pacific and hastened to St. Paul. Arriving in March 1868, he purported to take possession by flashing an official-looking Masonic certificate in the faces of the bewildered inhabitants and by staking out the empty seal rookeries as if they had been mining claims. Then he sailed away, but not for long.

Soon after Hutchinson had come in May to take over, Morgan reappeared with a burly gang of experienced sealers, claiming priority. Hostilities between the two groups were narrowly averted by an agreement to work side by side at St. Paul that summer, dividing the rookeries on the island between themselves and driving all other comers away by a show of force. Hutchinson encouraged his native sealers to respect the traditional restrictions, but Morgan's imported professionals killed indiscriminately. The total slaughter was enormous—possibly 250,000 seals in a single summer at St. Paul alone, without taking account of other expeditions, notably that of Parrott & Co. of San Francisco, that were forcibly exiled to St. George and killed another 100,000 there.

Word of these wild doings filtered back to Washington, and before the grim summer of 1868 was over Congress had acted to prohibit all killing

of fur seals in Alaska. A second law enacted early in 1869 declared St. Paul and St. George to be special reservations, closed to all visitors except by governmental leave. There ensued an intense political struggle in Washington for the right of access to the islands and the seals. By mid-1870, Congress had been persuaded that the safest way to prevent repetitions of the calamitous conflicts of 1868 was to authorize an exclusive lease of the islands to a single firm, under rigid control with regard both to the amount and manner of killing and to the proper treatment of the native population. Meanwhile, the Hutchinson, Kohl and the Williams, Haven forces, once at each other's throats, had united in the ownership of stock in the newly formed Alaska Commercial Company, and the Parrott interests were also admitted to participation. No matter how loudly their rivals screamed "monopoly" and "favoritism," their combined claims to prior rights, together with their skillful political maneuvering, culminated in a twenty-year lease to the Alaska Commercial Company. Although the Company's privileges and highly profitable position never ceased to be a subject of sharp controversy, history has rendered a favorable verdict; the Company is rather generally credited with having conducted itself ably, conscientiously and benevolently. The seal herd and its native custodians seemed to have finally entered upon a stable and prosperous period.

Quite the opposite turned out to be true. Before long, the seals were facing the greatest danger that had ever confronted them. That was the rise of pelagic sealing, which is the killing of seals at sea by shooting them from boats. From the point of view of any animal-lover or conservationist it is an intolerable practice, for it is both cruel and wasteful. The shooter aims and fires without knowing the victim's sex; if it happens to be female, three lives may be lost in the hope of salvaging one pelt. Besides, the animal, regardless of its sex, may be wounded and go off to die elsewhere, or if its body is recovered its fur may not be in usable condition. It has been estimated that for each skin actually sent to market by the pelagic sealers, an average of ten seals had died.

Pelagic sealers in significant numbers first appeared around 1880. Obviously their operations menaced not only the seals, but also the Alaska Commercial Company and, after 1890 when its lease expired, its successor lessee, as well as the federal government, which derived handsome revenues under the leases. The United States made vigorous efforts to stamp out the practice, but thirty years were to pass before the result was achieved.

It was easy enough to pass federal laws that would effectively keep Americans from taking seals at sea. But then Canadian vessels turned up, in increasing numbers. The United States proceeded to seize some of them for violating American law, and promptly became embroiled with Great Britain in a diplomatic crisis. It did our government no good to maintain that under international law the Bering Sea fell in the category of closed waters, or that because the seals breed and are born on American soil they are American property wherever found just as a straying herd of domestic cattle would be. Both arguments flew in the face of the sacred principle of the freedom of the seas, for which the British were quite prepared to fight if need be. Finally the question was submitted to international arbitration in Paris. The report of the proceedings occupies sixteen thick volumes, but the outcome was disastrously simple. While piously deploring the effects of pelagic sealing and recommending some innocuous regulations, the tribunal sustained Great Britain on all essential points. The Canadians, to be joined shortly by the Japanese, were free to carry on pelagic sealing without effective restraint.

There remained one avenue: to negotiate an international agreement. With one minor and temporary exception, only the United States and Russia owned any seal-breeding areas. They, in this connection, were the "have" nations, while Canada and Japan were the "have-nots." How about paying them off? The idea seemed fanciful when first proposed, but it was ultimately accepted. By a four-power treaty signed at Washington in 1911, it was agreed that of the skins of seals killed on the American and Russian islands, fixed percentages would be delivered, without charge, to the Canadian and Japanese governments; in return, Canada and Japan would forbid their nationals to take seals at sea. And that is in essence the arrangement that remains in force today.

It happened in the nick of time. The Pribilof seal herd had all but vanished; it was probably down to between 100,000 and 200,000 by 1911. Whether it would ever recover sufficiently to make the treaty meaningful remained to be seen. Fortunately it did, and fairly rapidly. The United States helped the process by discontinuing all land killing after the second lease expired in 1910 and resuming it only when recovery had been assured, and then strictly as a government operation—no more private companies as lessees or occupants. And that status too still prevails.

St. Paul Island, then, has had an eventful history. It has also, until very recently, possessed the lure of the forbidden. When I first visited Alaska in

1965, I looked into the possibility of including the Pribilofs in my itinerary. I learned that the government did not welcome casual visitors or provide tourist facilities for them; permission was needed. I had no official status or scientific attainments. What qualifications could I have claimed? None but an abiding love of Kipling's story *The White Seal* and a family connection with the long defunct Alaska Commercial Company. Not enough, I concluded.

Then, in 1970, *The Year of the Seal* appeared, and of course I read it avidly. My eyes opened wide when I saw several references to planeloads of tourists from Anchorage as regular features of the July scene at St. Paul. Apparently Pribilof tours now existed. No doubt, I assumed, they would be widely advertised, and alluring folders with colored photographs and detailed schedules would be readily available at travel agencies.

Not a bit of it. I found nobody in San Francisco who had even heard of such a thing. All I managed to find out was that one must write to Reeve Aleutian Airways at Anchorage. In response one receives a mimeographed sheet, from which it is possible to glean this much information: between mid-June and mid-August, once a week only, Reeve operates a two-day tour to St. Paul. It leaves Anchorage early one morning and returns late the following afternoon. Reservations can be made at a stated price, which will include lodging, meals and sightseeing while at St. Paul. Knowing no more than that, one takes it or leaves it. I took it, although the vagueness gave the project an air of mystery.

Only as the trip unfolded did the mystery begin to clear. The government has, indeed, opened the door to tourists, but only a crack. It does not want swarms of people around, frightening the seals, bothering the workmen, and defacing the landscape. Reeve, largely a mail and cargo carrier anyhow, is quite happy to cooperate by doing nothing to promote the tour; if you want it you must seek it out. But once Reeve's DC-6 has left Anchorage, the attitude changes abruptly. "All right, you've come, for whatever reason," Reeve's people seem to be saying, "and now we're going to turn ourselves inside out to make it worth your while." They begin by educating you. You are handed a simple but attractive little folder called "Your Pribilof Tour Guide" and another entitled "Romance of the Pribilof Fur Seals." These are rapidly followed by check lists of the birds and wildflowers found on the islands. The plane pauses at Cold Bay and does not reach St. Paul until mid-afternoon, so you have ample time for your homework.

You may consider yourself fortunate if the constant fog has lifted sufficiently to permit you to land at all. (Once down, the plane will stay overnight, and will depart the next day regardless.) Down you come on to an unpaved airstrip; its gravel surface is of a vivid dark-red color that you will also find on the roads and wherever there is exposed rock or soil; it contrasts strikingly with the brilliant green of the thick mat of grasses and lichens that covers the gently rolling countryside. As you emerge from the plane, you look around, from force of habit, to see what the airport building looks like. There isn't any. You are led straight to a waiting bus, which is in a rather extreme state of dilapidation. But it runs, even though every minor up-grade sounds as if it might be the last. Better still, the heater works, and is already extremely welcome after even a brief exposure to the chill, damp, penetrating wind. Best of all, the driver is an amiable and well-informed young biologist, who will diligently guide, shepherd and instruct the members of the tour for the next twenty-four hours. Without him and his bus you would be helpless indeed, for you will find no taxis or rental autos. Off you go in his care to the clean, white, orderly village that looks not a bit like an Alaska native settlement but like an exceptionally well-built and well-kept company town. There you settle in at the local hotel, government-owned but Aleut-operated, which turns out to be modest but entirely adequate and refreshingly free of tourist commercialism; not a curio, souvenir, or picture postcard to be bought. Nor, for that matter, a drop of liquor.

From this point, the tours are likely to differ from week to week; the guide tailors each one to fit the interests of the members. Our party happened to include no bird-watchers, but there were two delightful and indomitable ladies who were avid collectors of plant specimens. All of us, however, agreed that we would like to go first to a seal rookery, and we set out for the one such spot to which tourists were being admitted that year. We bundled up, left the bus, and trudged across a grassy plain toward the ocean. The first evidence of the proximity of the seals was a powerful stench. Next the noise became noticeable. And then came the climax—the edge of the cliff, with the whole panorama of the seal community spread out before our eyes. Several harems within close range—the vicious-looking bulls watchfully erect, many sleek brown females leaning toward them adoringly or at least submissively, other females swimming skillfully and gracefully in the tumultuous surf, clusters of small black new-born pups lying on the rocks. It was all there, just as I had read about it and imagined

it, and it was real. And then a look far up the coast, along the sweep of a gently curving beach crammed with seals, more seals, and still more seals—more than one can well conceive without seeing the spectacle. Lukanin, the guide had called that beach. And suddenly the familiar line of verse flashed back into my mind: “The beaches of Lukannon—two million voices strong!” Even Kipling had never actually seen them—and now I had. I could not suppress a feeling of elation.

An early family-style dinner at the hotel, an evening ride in the bus to see the birds and the wildflowers, and then I was confronted with the moment of decision. Did I or did I not want to be awakened at 4:15 A.M. and go out at dawn to observe what was euphemistically called the “seal harvest”—meaning, of course, the killing? Would the sight be unbearably bloody and gruesome? Might I become the central figure in an incident like the one that once befell one of our most eminent members at a meeting of this club? The guide reassured me: most people did not get upset, and I need not get close or even leave the bus unless I wanted to. Besides, I had come too far to shrink back at that stage. Yes, I would go.

At daybreak, our bus, with only three aboard out of the dozen or so tourists in our group, followed the trucks of the Aleut operators through the eerie semi-darkness to the day's chosen spot. Soon a large pod of rounded-up bachelor seals—perhaps 300 of them—appeared, frisking and milling about, looking quite unconcerned. From this collection a smaller number—about 15—was detached and gently urged toward the waiting clubbers, and the work was under way. It was visible from the bus, but at a considerable distance. And then, almost to my own surprise, I found myself descending from the bus and slowly inching closer and closer to the action. There was a fascination about the process, and I was not finding it horrifying.

Other observers, I know, have come to different conclusions, but I saw no indication that the animals experienced any fear or endured any pain. Every now and then, at the last moment a particular seal was rejected by the sealers and released. Whenever that happened, it did not dash off as a frightened animal would; it placidly watched the proceedings with no awareness of their grim significance. Nor was there time for any physical suffering; one quick blow and it was over.

In this and other respects, the skill and precision of the workers are astounding. At times one thinks of a factory assembly line; at others it does not seem too far-fetched to be reminded of a ballet. With the utmost

rhythm, grace and economy of motion, skins and carcasses are separated, laid neatly on the ground in parallel rows, and then transferred to trucks. Whatever animal refuse remains can safely be left for the birds; they will clean it up to the last scrap.

How about the native workers? Have they been brutalized by generations of this employment, or do they remain the gentle, kindly folk their ancestors were? I shall answer that question with an anecdote. At one time that morning we were watching a pod of bachelors guarded by a single native herder. We had in our party a professional photographer, who was busily dashing about shooting from various angles; I was standing in one spot and easily approached. The native walked up to me, extending a hand that contained a yellow film carton and some metal foil. "Please," he said quietly, "please ask that man not to litter our island."

If the killing of seals at St. Paul is to continue, I do not see how it could be done better. And it seems to me that it should continue. Not only because it produces an annual revenue of five million dollars to the government; we could afford to relinquish that. Nor even because it provides the livelihood of several hundred natives; other employment could perhaps be found for them. But because the Pribilof quota of killed seals supplies most of the ransom, paid to Canada and Japan, that protects the whole species from the horrors of pelagic sealing. If you think what is happening is bad, remember that the alternative is infinitely worse.

The rest of the tour is quickly told. A visit to the processing plant, where the skins go through some preliminary operations and are barreled for shipment. A stop at the by-products plant, where the carcasses are ground into meal to be used, ironically enough, as feed for mink, and thus recycled for the production of another luxury fur. A steep climb to the Russian Orthodox Church, which dominates the village geographically as well as spiritually. Lunch at the hotel; the final busride to the airstrip; and off and away for Cold Bay and Anchorage. And then, during the return flight, one last loving attention from Reeve Aleutian Airways—a wallet-size card for each of the tour members, certifying that he was there. Of all the credentials that I carry about with me, I think of that one as the least valuable—and the most valued.

Postscript to *Locus Sigilli*

In 1971 I had searched in vain for seductively illustrated folders advertising Pribilof Island tours. By 1974 they had blossomed in the travel agencies,

and the excursions they described had become longer and more frequent. I suspect that tourism has now become a conspicuous presence on St. Paul Island. I'm glad I got there first.

By a decision rendered only last June, the United States Indian Claims Commission awarded the impressive sum of \$11,200,000 to the Aleut communities of St. Paul and St. George Islands. This is calculated to compensate for what it is said that they—or rather their ancestors—failed to receive from the government and its lessees between 1870 and 1946. The details of the calculation and its underlying assumptions are startling.

It is assumed, although the text of the laws does not say so, that the Acts of Congress of 1870 and 1910 obligated the government to see to it that the natives received *both* fair compensation for their work in the seal harvest *and* the necessities of life gratis. It is also assumed, contrary to many prior government findings, that they were in fact held in a state of abject misery. The rest is a breath-taking exhibition of the art of juggling hypothetical figures.

You first compute what this number of workers, half of them classed as skilled and half as unskilled, would have earned had they been continuously employed throughout the 76 years at the wage rates prevailing in the eastern United States. You then raise the figure by 45% because prices and wages are higher in remote areas. With that premium, the hypothetical worker would presumably have been quite able to buy the necessities of life for himself. You nevertheless go on and add what it would have cost to provide adequate housing, fuel, food, clothing, household furnishings, water, sanitation and education free of charge. By now you have worked your way up to over fifteen million dollars. You then subtract the four million dollars that were actually spent on them, and *voilà!* Justice has been done.

How this huge award will be used and what effect it will have on the two tiny communities of only a few hundred souls remain to be seen.