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SENATOR COLE AND THE PURCHASE OF ALASKA*

In 1839, the Russian-American Company sublet to the Hudson's Bay Company for fur-trading purposes the entire mainland of Russian America (or Alaska) from Cape Spencer to the British line.¹ This lease had been renewed from time to time, and would expire again in June, 1867.

Two years before this time, in 1865, Louis Goldstone,² an American citizen, but latterly a fur-dealer of Victoria, B. C., learned that the Russians were not over anxious to accommodate the Hudson's Bay Company with a new lease, or renewal, and that the chances of an American company to succeed to it were better than those of any British concern.

What led Goldstone to believe all this is not known. However, he was moved to action by the report and shortly afterwards sent two schooners on a cruise throughout the Alexander Archipelago to gather such information as would enable him to "make bids with proper foresight and knowledge, and act with suitable discretion on the premises." He was well pleased with the prospects of financial success, and shortly departed with his maps, etc., to California to enlist aid for his enterprise.

Here he succeeded in inducing several persons of note to join him in the venture, including John F. Miller, collector of the Port of San Francisco, Eugene Sullivan, afterwards holder of the same office, Louis Sloss, a capitalist, and Judge E. Burke,

* Mr. Farrar has been peculiarly fortunate in the quality of source materials used in this article. Former United States Senator Cornelius Cole, notwithstanding his advanced age of one hundred and one years, has shown that he is not only willing but abundantly able to answer from his own memory a number of questions pertinent to the purchase of Russian America by the United States. By this article and by former contributions to this *Quarterly*,—"Joseph Lane McDonald and the Purchase of Alaska" (April, 1921,) and "The Background of the Purchase of Alaska" (April, 1922.)—Mr. Farrar has gone far toward dispelling the traditional mystery surrounding the reasons for the purchase of Alaska. He has shown that in the diplomatic triumph of March 30, 1867, however intricate or involved it may have been, the main question had been urged on and kept alive by a series of negotiations by ambitious fur traders. It is true that such negotiations are more sordid than the formerly accepted theory that the purchase was simply a reward for Russia's friendship during the Civil War; but nevertheless the bearing on the main question of those preliminary dickerings must now be acknowledged.—EDITOR.

¹ On the subject of the lease see, *Canadian Archives*, Vol. IX, part 2 (1915), p. 794.
² *House Report*, 44th Cong., 1st Sess., Doc. 623, p. 121, serial number 1712.

the latter a brother-in-law to Senator Cornelius Cole.³ It is not known that any legal organization was perfected or that any capital stock, other than promotion money, was subscribed.

At first the project embraced only the sublease; however, after repeated discussions led by the imaginative Goldstone, the promoters agreed, if successful in obtaining the sublease, to make a bid for all the country exploited by the Russian company, which included besides the Alaska mainland, the Pribilof, Aleutian, Commander and Kurile islands, the two last being a part of Kamchatka, in Asia. In other words, the promoters were ready, if permitted, to succeed to all the economic privileges enjoyed since 1799 by the Russian-American Company.

The person selected to broach the subject to the Russians was Cornelius Cole, senator-elect from California. One of the earliest letters⁴ addressed to him by the company has come down to us. It is dated April 10, 1866, and was written either by Goldstone or Sullivan, the president of the concern:

"There is at the present time a good chance to organize a fur trading company to trade between the United States and the Russian possessions in America, and as the charter formerly granted to the Hudson Bay Company has expired, this would be the opportune moment to start in. * * * I should think by a little management this charter could be obtained from the Russian Government for ourselves, as I do not think they are very willing to renew the charter of the Hudson Bay Company, especially if the company should pay to the Russian Government 5 percent of the gross proceeds of their transactions, and also aid in civilizing and ameliorating the condition of the Indians by employing missionaries, if required by the Russian Government. For the faithful performance of the above we ask a charter for the term of twenty-five years, to be renewed for the same length of time if the Russian Government finds the company deserving. The charter to invest us with the right of trading in all the country between the British-American line and the Russian archipelago. * * * Remember, we wish for the same charter as was formerly granted to the Hudson Bay Company, and we offer in return more than they did."

Inasmuch as the Russian ambassador, Baron Edouard de Stoeckl, had left for his own country in October, 1866, before these proceedings were well enough under way to be taken up

³ Cornelius Cole to Victor J. Farrar, Sept. 10, 1923.

⁴ "Sumner's Speech" in *House Executive Report*, 40th Cong., 2nd Ses., Doc. 177, pp. 124-189, serial number 1339.

officially, the business was carried on by correspondence with Cassius M. Clay, American Minister at St. Petersburg. Clay and Cole had never met, but both were members of the National Republican Committee and each knew of the other. Clay's letter, received sometime in February, 1867, was favorable to the Californians, although it promised nothing definite. Unfortunately it has been lost, or mislaid, and is not available for study. We have, however, the following extract of a letter from Ambassador Clay on the same subject, reproduced in "Sumner's Speech." It is dated February 1, 1867, at St. Petersburg, and sounds as if it might be a portion of the missing letter.⁵

"The Russian Government has already ceded away its rights in Russian America for a term of years, and the Russo-American Company tells me that they have been in correspondence with the Hudson Bay Company about a renewal of the lease for another term of twenty-five or thirty years. Until he receives a definite answer he cannot enter into negotiations with us or your California company. My opinion is that if he can get off with the Hudson Bay Company he will do so, when we can make some arrangements with the Russo-American Company."

Since the Russian ambassador was at this moment returning to the United States, Senator Cole was referred to him for further negotiations. Stoeckl arrived in New York City about February 1st, but as the Congress was not to convene until March, he did not come directly to Washington. It was not until March that the two gentlemen met.

Senator Cole gives us a graphic account of the two interviews—the one so hopeful; the other so disappointing. Unfortunately we do not possess the precise dates of these interviews, but they were both within the month of March, one early in, and the other just prior to the 23rd.⁶

"On going East, I called on the Baron and found him already advised of my application and very friendly toward the enterprise. The Baron's power was that of a minister plenipotentiary and he was able to talk with authority on the subject. After full and free consultations with the Baron, I regarded the matter as in effect settled in favor of the San Francisco Company and I so informed them. It went so far that two Russians were named, one representing the Russian interests and the other the interests of the Russian Fur Company to go to San Francisco

⁵ *Ibid.*

⁶ *Memoirs of Cornelius Cole*, chapter 33. Cornelius Cole to Victor J. Farrar, Sept. 10, 1923.

and perhaps to Sitka on the business. The Baron treated the matter as concluded in terms, but to be carried out in detail when the Russian Company's franchise expired. But the charter of the Company in possession would not expire for some little time and so the closing up of matters with the San Francisco Company remained suspended for a while."

Regarding Baron Stoeckl's change of front, his determination to sell, not lease, and his urbane hint of compensation for having disappointed the company—the Senator has left us the following:

"It was during this period that the scheme for the sale out-and-out of the territory was hatched up. I cannot say where the proposition for the transfer of the country originated, but not with me directly, as has been stated. Of course it was the result of negotiations about the fur business. It is my opinion that the suggestion of sale came from St. Petersburg, through Baron Stoeckl. I first heard of it from him. He disclosed the project to me at my house in Washington, where he came with maps to talk the matter over evidently thinking the movement would be a disappointment to the San Francisco company and to me as its representative. I expressed no dissatisfaction with the change of program, but the Baron was nevertheless impressed with the idea that it must be a disappointment and proposed to palliate matters; but his courtesy was declined, and nothing ever came of it."

Stoeckl's complete change of front toward the Californians is interesting, and the question naturally arises, why did he promise so much and two weeks later go back completely on his word. From Sumner's Speech and Golder's researches⁷ in Russia, we know that the Tzar had come to a decision to sell the year previous, and that Stoeckl, on the very day he gave Cole the promise of a franchise had in his pocket the commission to sell.

This is probably explained by Golder's researches. According to him Stoeckl wanted Seward to make the offer of purchase. By getting the Californians greatly interested in the country and then turning them down coldly he hoped that Seward would propose the purchase as an alternative. And this is what Seward did.

Just how the offer of sale came about between Seward and Stoeckl is not clear. On this point there is a conflict of statement. Sumner, who is not aware of the Cole-Stoeckl interviews

⁷ Frank A. Golder, "The Purchase of Alaska" in *The American Historical Review*, Vol. XXV, No. 3 (April, 1920), pp. 411-425.

in March, tells us that Stoeckl, immediately upon his arrival in Washington, went directly to the State Department and there made the offer as the solution to the trading difficulties which had recently arisen. According to Cole, Stoeckl busied himself first with the California franchise or lease and then approached Seward with the offer of purchase, as described above, and this arrangement fits in better with the Golder researches.

At any rate, the offer was quickly made, and as quickly accepted regardless of who made it.

Before March 23rd the first draft of the Treaty had been made. On that date Seward wrote Stoeckl that the Russian possessions must be transferred free of all encumbrance, as set forth in Article 6. Evidently this was the only serious hitch so far in the whole proceedings. In return Seward agreed to add the sum of \$200,000 to the purchase price. This was accepted by Stoeckl. On the 25th the final draft was ready and was cabled to the Emperor for his approval at the expense of the United States. On the 28th the Emperor cabled his acceptance, the message reaching Washington on the 29th. During the night of March 29-30 the treaty was signed and on the following day transmitted to the Senate for ratification.

It is interesting to know that the disappointed Californians did not fare so badly after all. They became the nucleus of the famous Alaska Commercial Co. which in 1870 received a 20-year monopoly of the Pribilof islands. Shortly afterwards the Russian government leased the Commander islands to them. John F. Miller became the first president of the organization, which position was later filled by Louis Sloss. Goldstone, however, did not fare so well. Either the company let him out, or he fell out for reasons of his own, and we find him later identified with the bitterest opponents of the company.

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