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The Sale of Russian America to the United States

James R. Gibson

Just before dawn on March 30th, 1867 in the Department of State in Washington, D. C. a treaty was signed whereby, in its own words, "his Majesty the Emperor of all the Russias agrees to cede to the United States, by this convention, immediately upon the exchange of the ratifications thereof, all the territory and dominion now possessed by his said Majesty on the continent of America and in the adjacent islands," and "in consideration of the cession aforesaid, the United States agree to pay at the treasury in Washington, within ten months after the exchange of the ratifications of this convention, to the diplomatic representative or other agent of his Majesty the Emperor of all the Russias, duly authorized to receive the same, seven million two hundred thousand dollars in gold." So for two cents per acre the U. S. acquired an area twice the size of Texas for an equal sum (the federal government had assumed the Texan debt of seven and one-half million dollars after annexation in 1845). To Washington's embarrassment, however, the ten-month deadline for payment had to be extended. Ratification was swift, with the Senate approving the Alaska Treaty by a vote of 37 to 2 on April 9th. But appropriation was delayed by prolonged and acrimonious debate in the House of Representatives over the value of President Andrew Johnson's "polar bear garden" and Secretary of State William Seward's "ice-box." The House was miffed at not having been consulted until after ratification by the Senate, and it was also embroiled in the issue of impeachment of the President; upholders of the fraudulent Perkins claim further delayed proceedings. Finally, on July 27th, 1868 amid charges of bribery the appropriation bill cleared Congress and Russian America legally became the Territory of Alaska, although the formal transfer of authority had already taken place at Sitka in the previous October.

Why the United States bought Russian America, and why Russia sold its only overseas colony, are quite different questions, of course. The answers to the former are fairly clear, in spite of American preoccupation with domestic, not foreign, affairs and the abeyance of American expansionist sentiment in the postbellum period. Massachusetts Senator Charles Sumner, Chairman of the Committee on Foreign Relations, contended in his widely acclaimed pro-ratification speech that he and his government were moved by the desire to expand American commerce to the Far North and the Far East ("Not only does the treaty extend the coasting trade of California, Oregon, and Washington Territory northward, but it also extends the base of commerce with China and Japan"); to enlarge American dominion ("With increased size on the map there is increased consciousness of strength, and the heart of the citizen throbs anew as he traces the extending line"), to extend republican

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institutions ("We dismiss one other monarch from the continent"), to pre-empt a British purchase ("Sometimes it is said that Great Britain desires to buy, if Russia will sell"), and to cement American-Russian friendship ("It attests and assures the amity of Russia"). Above all there was Secretary Seward's ambition to aggrandize his country and enhance its "geopolitical centralism" and hopefully to gain popularity within his divided party and improve the stature of President Johnson, who was facing impeachment over his Southern Reconstruction program (and who, incidentally, was "not inclined" to the purchase). An ardent expansionist, Seward saw Alaska as a pincer for squeezing British Columbia into American hands and securing the entire West Coast as a bridgehead for American penetration of Asian markets; should Canada prevail, Alaska would still serve as a commercial drawbridge between Asia and North America.

The reasons for the Russian sale are less certain. In his two-to-three-hour speech, Seward declared that "our population is destined to roll its restless waves to the icy barriers of the north, and to encounter oriental civilization on the shores of the Pacific," and in 1860 he predicted that Russian America and Western Canada would "yet become the outposts of the United States" (George Baker, ed., The Works of William H. Seward [New York: AMS Press Inc., 1972], 3: 409, 4: 333). In a speech at Salem, Oregon in 1869 Seward stated that two of his guiding and steadfast political convictions had been "that if a nation desires to be independent and prosperous, and enjoy peace at home and abroad, it must expand itself commensurately with its resources and advantages" and "that the permanent continuance of European or monarchial government in the American hemisphere would be injurious and dangerous to the United States" (Baker, Works, 5: 572). Seward subsequently rated the Alaska Treaty his foremost achievement.

Recently it has been argued by Howard Kushner that the sale of Russian America was the result of seventy years of pressure by American commercial expansionists who valued the colony's resources, and that from the perspective of the Northwest Coast relations between Russia and the United States during the first two-thirds of the 19th century were characterized more by conflict and rivalry than by amity and cooperation (see Howard I. Kushner, Conflict on the Northwest Coast: American-Russian Rivalry in the Pacific Northwest, 1790-1867 [Westport, Conn.: Greenwood Press, 1975] and "‘Seward’s Folly’?: American Commerce in Russian America and the Alaska Purchase," California Historical Quarterly 54 [1975]: 4-26). This interpretation is questionable on several grounds, however. First of all, Alaska was Russia's to sell, not the United States' to buy; in other words, the choice was Russian, not American, and if Russia chose not to sell, there was really nothing that the U.S. could do about it short of outright seizure, which was unlikely in view of the colony's generally unenviable reputation and the predictable reactions of not only Russia, a friend, but Great Britain, a foe and the preeminent military power. Also, if American pressure on Russian America were so irresistible, why then did the colony not fall into American hands earlier in the century—say during the first or second or even third decade, when the Russian presence was weaker and the American menace (in the form of inshore traders) was greater—rather than later—when the Russian population and fleet were both larger, the American threat (in the
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Senate speech Sumner asserted that the Tsar was motivated by the same factors that had induced Napoleon Bonaparte to dispose of Louisiana: "first, he needed the purchase-money for his treasury; secondly, he was unwilling to leave this distant unguarded territory a prey to Great Britain, in the event of hostilities, which seemed at hand; and, thirdly, he was glad, according to his own remarkable language, 'to establish forever the power of the United States, and give to England a maritime rival that would sooner or later humble her pride.' 5) And Edouard de Stoeckl, the Russian Minister to Washington, in a "very remarkable" memorandum of 1867 to Foreign Minister Prince Alexander Gorchakov, summarized his explanation of the transaction that he had long sought by pointing out that: (a) European colonies in the Americas had inevitably become independent; (b) the Russian-American Company, which had monopolized the administration and exploitation of Alaska since the end of the 18th century by virtue of several twenty-year charters, had failed to develop the territory; (c) non-reciprocity in trade between Russian America and the United States (owing to the company's monopoly) had incurred the displeasure of the latter, while American freebooters threatened the colony; (d) Russian America had proven too remote and too extensive to be effectively defended by the motherland; and (e) Russia's Pacific future lay not in unproductive Alaska but in Amuria, whose

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fertile soil and splendid harbors held more promise and which would be easier to defend. 6)

Traditionally Russia's motives for selling have been attributed to economics, strategy, and politics. Economically it has commonly been argued that Russian America was what the New York World called a "sucked orange"**—an unprofitable and hence dispensable wilderness that was unloaded onto an unsuspecting United States. Unquestionably the Russian-American Company was on the verge of bankruptcy by the middle of the 1860s. The value of a company share on the Russian stock market fell from 500 silver rubles in 1854 to 75 in 1866. 7) By then the company was receiving direct and indirect subsidies from the Tsarist government to the tune of 200,000 rubles annually, which represented more than one-quarter of the company's income. 8) The firm was 1,000,000 rubles in debt, including 725,000 rubles owed to the Russian treasury. 9) From 1862 the company tried to secure a loan in London and St. Petersburg, but in vain.** Its Head Office was forced to conclude "with utter frankness that without money to pay its debts, nothing can save this concern from a complete cessation of operations." 10)

But this financial crisis was hardly surprising, and it arose artificially from governmental interference rather than naturally from any intrinsic worthlessness on the part of Russian America. When the company's third charter expired at the end of 1861, it was not automatically renewed (as had been the case previously) by the Russian government, which struck a review committee and sent two inspectors, State Councillor Sergei Kostlivtsov of the Finance Ministry and Captain Paul Golovin of the Naval Ministry, to tour the colony. Such an inspection had been suggested in 1856 in order to determine the value of the colony in case it were offered for sale and, failing that, to determine what changes, if any, should be made to the company's charter before it was renewed. 11) Upon their return Kostlivtsov and Golovin submitted their findings to the review committee of fourteen bureaucrats, stockholders, and scientists.*** In 1863–1864 the committee issued a lengthy and critical

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9) Ibid.
10) Quoted by ibid., p. 225.

* Actually, American editorial (if not public) opinion largely favored—or at least did not oppose—the purchase (see Richard E. Welch, Jr., "American Public Opinion and the Purchase of Russian America," The American Slavic and East European Review 17 [1958]: 481–94).

** In fact, in 1864 London banking circles offered a loan to the Russian-American Company on the condition that its monopoly be continued, but this the Russian government refused to guarantee.

*** The tenor of the Kostlivtsov-Golovin findings is indicated by the following remark by
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The company countered with a slanted two-volume history of its operations by a shareholder. Noting that the natives of Russian America, especially the Aleuts, had been mistreated and that the colony had been weakly settled and developed, thanks to the immobility of serfdom and the monopolistic complacency of the company, several government departments recommended that the franchise be renewed for another twenty years but that the Aleuts and Creoles (half-breeds) be freed from the obligation of working for the company* and be allowed to live wherever they wished, that the company’s monopoly be limited to the fur trade only, which would be replaced by administration as the firm’s primary duty, that Sitka in the Alaska panhandle and St. Paul’s Harbor on Kodiak Island be opened to free trade, and that the colonial governor be appointed by, and subordinated to, the government, with the colony being transferred from the jurisdiction of the Finance Ministry to that of the Naval Ministry. The government discussed these recommendations and finally, in 1865, offered the company a new charter lasting until 1882 under the new conditions. The Head Office of the company agreed to accept most of the new conditions provided that the government would subsidize it in the amount of 200,000 rubles annually. The government concurred, even offering to cancel the company’s debt to the treasury of 725,000 rubles. But a general meeting of stockholders—the company’s last—rejected the new terms, and the company remained in limbo, existing by virtue of an Imperial degree of 1861 that empowered it to function in accordance with previous privileges.

Golovin, who, en route to Sitka from San Francisco aboard the Tsaritsa in late 1860, blamed a sailor’s death on the lack of a doctor on the company’s ship: “the poor seaman, for want of help, passed from this world to the next, where he will undoubtedly be better off than in the service of the Russian-American Company” [Golovin’s italics] (V. Rimskii-Korsakov, ed., “Iz putevykh pisem P. N. Golovina” [“From the Travel Letters of P. N. Golovin”], Morskoi sbornik 6 (1863): 176). By 1860 the company seems to have fallen into considerable official and public disfavor in the motherland, apparently largely because its exploitation of the natives was out of keeping with the mood in favor of emancipation of the serfs. Mistreatment of the natives became a strong moral argument against the company and one of the main points of criticism of its detractors.

12) Doklad komiteta ob ustroistve russkikh amerikanskikh kolonii [Report of the Committee on the Organization of the Russian-American Colonies] (St. Petersburg: Tipografia Departamenta Vneshnei torgovli, 1863–64), 2 vols. In addition, the Naval Ministry issued a special supplement to its literary organ, Morskoi sbornik [Naval Collection], that was critical of the Russian-American Company’s operations (see Materialy dla istorii russkikh zaselenii po beregam vostochnago okeana [Materials for a History of Russian Settlement on the Shores of the Eastern Ocean] (St. Petersburg: Tipografia Morskogo Ministerstva, 1861).


* In making this recommendation the committee was undoubtedly influenced by the abolition of serfdom in the motherland in 1861.
Meanwhile, the insecurity and criticism had taken their financial toll, so much so that the company was unable to pay dividends in 1862 or 1863, and the value of its shares plummeted. However, before governmental backing became uncertain and publicity became unfavorable the company remained profitable. Grand Duke Constantine, head of the Naval Ministry and younger brother of Tsar Alexander II, exaggerated when he told Foreign Minister Gorchakov in 1857 that “this colony brings us a very small profit.”  

In fact, the Russian-American Company’s profits were still sizable. During the period of the third charter (1841–1861) the Russian population remained small but stable (around 600), and the Aleut population increased slightly.  

By the late 1850s the value of the company’s capital had doubled since the early 1840s, the annual cost of upkeep of the colony had decreased, and the yearly value of the company’s dividends had increased (from 15 to 20 rubles).  

This is not to say that Russian America was thriving, especially by comparison with the rest of the Pacific coast of North America. As De Stoeckl informed Gorchakov in 1860:

The increase in population on the Pacific coast of the United States, resulting from the conquest of California, instilled new life into those lands, which hitherto were deserted, and raised the hope that the trade of our colony would in turn undergo a similar development. But this hope has been largely dashed, and the affairs of the company, as far as I have been informed, are scarcely more flourishing today they were fifteen or twenty years ago.  

Nevertheless, Alaska was still very much in the black. The fur trade, based mainly upon sea otters and fur seals, had stagnated in the wake of the depletion of fur bearers on the Northwest Coast and the loss of fur buyers in China, which was disintegrating under domestic discord and foreign encroachment. But the company adjusted. It tried marketing its furs elsewhere—San Francisco, New York, London. More importantly, it spread its commercial risk by diversifying its activities. By the middle 1850s the company was paying as much attention to the catching of fish, the felling of timber, the cutting of ice, the mining of coal (all for export to the growing markets of California and Hawaii), the hunting of whales, and the importing of tea (from Shanghai into Russia) as it was to the hunting and trading of furs. The tea trade was particularly successful; during the period of the third charter the company derived more revenue from the sale of tea than from the sale of pelts, and it accounted for about one-third of Russia’s imports of Chinese tea.

The company also profited handsomely from the sale of imported goods in Russian America itself. The surcharge on such goods amounted to 77%, and the company’s net profit to 35%, which was ensured by the absence of competition. By 1860 the firm was making more money from this traffic than from the fur trade. Even its fur business was showing signs of recovery, thanks to the replenishment of the sea otter, fur seal, and fox populations by means of strict conservation measures and to the receipt of higher prices for the scarcer skins (for example, the prices paid by the company to the colony’s natives for adult sea otters increased fivefold between 1804 and 1850). From 1839 additional revenue was provided by a series of leases to the Hudson’s Bay Company of the lisière, the mainland panhandle of Alaska. The rent was paid first in land furs and then in pounds sterling. And the company cut costs by improving efficiencies through administrative consolidation and tighter accounting, by importing provisions more cheaply from California in the last half of the 1850s, and by employing more and more Creoles in lieu of costlier Russians.

Thus, by the end of the period of the third charter the Russian-American Company was not in financial straits. It had experienced a slowdown, but that had started long before in the first half of the 1820s. The heyday of the maritime fur trade had been the period of the first charter (1799–1819), when sea otters and fur seals were still plentiful and windfall profits were made. By 1820 the market value of company shares had reached nearly 600 rubles. Thereafter fewer pelts, higher wages, better services, expansion inland, stiffer British competition, and several expensive round-the-world voyages of supply raised costs and lowered profits.* The company was really no better off during the period of the second charter (1820–1840) than during that of the third; if anything, it was worse off but it was not liquidated because it was still needed for non-economic purposes.** Fur exports from Russian America totalled 1,555,000 skins during the first, 900,000 during the second, and 825,000 during the third charter period, and as many sea otters (the most valuable fur bearers) were exported during the third as during the second period. Total company income was even one-third higher for the third than for the second franchise period, thanks to the aforementioned adjustments. It has been said that the period of the first charter was marked by much peltry and little order, the second by less peltry and more order, and the third by little peltry and much order. In other words, from franchise to franchise Russian America’s economic raison d’être be-

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21) Tikhmenev, History, p. 201.
22) Ibid., p. 163.
24) Ibid., pp. 238, 392.
* In fact, the Russian-American Company was nearly bankrupted in the first half of the 1820s by mismanagement on the part of the directors Benedict Kramer and Andrew Severin.
** Indeed, it is doubtful whether colonialism-imperialism has ever been a paying proposition.
came less compelling, and if a time had to be picked when the colony ceased to serve a significant economic purpose, that time would be the first half of the 1820s, when overhunting had almost eradicated the fur bearers, not the last half of the 1850s, when reorientation and consolidation had arrested and even reversed the economic slowdown. It was not until the middle 1860s that critical financial difficulties arose, and these were generated—if not engineered—artificially for political reasons by governmental investigation, accusation, and procrastination.* That is why Foreign Minister Gorchakov had warned in 1856 that a colonial inspection would make it difficult for the Russian-American Company to obtain credit, which was “so necessary in commercial matters,” 26) And, sure enough, after the inspection began the company had difficulty floating a bank loan. Similarly, in 1857 the Russian Foreign Ministry had cautioned that negotiations with the United States should be conducted with “the utmost secrecy in order not to harm the business of the company.” 27) But Russia’s willingness to sell did become known (was deliberately leaked?) and the company’s business suffered accordingly.**

Another economic argument that has often been advanced to explain the Russian relinquishment of Alaska has to do with the desire to replenish the Russian treasury, which had been drained by the Crimean War (1853–1856). Indeed, Russia’s financial resources were severely strained throughout the last half of the 19th century by heavy expenditures on military ventures, railroad construction, and industrialization, and foreign capital was welcomed to compensate—along with state capital—for the feebleness of the Russian entrepreneurial class. At the end of the Crimean conflict Grand Duke Constantine wrote Gorchakov that “because of the straitened condition of state finances...the thought occurred to me that we ought to take advantage of the surplus of money in the treasury of the North American United States and sell them our colony.” 28) The sale price of Russian America, however, was much too small to lighten appreciably the empire’s financial burden. The Russians estimated that the colony was worth at least 7,500,000 silver rubles ($5,000,000) or at most 20,000,000 rubles ($13,333,333).29) The United States initially offered $5,000,000 but eventually paid $7,200,000 in gold. The Russian-American Company received part of this sum as compensation for the loss of its territory. The rest—$6,526,666 or 9,790,000 rubles—went to the Russian treasury, but its share represented only three-fifths of

27) Ibid., annex no. 3.
29) United States, “Papers,” annex no. 2.
*
Demetrius Ned’lkovich, a naval officer in the employ of the Russian-American Company, expressed the prevailing air of uncertainty over the future of the company and its territory when he exclaimed in late 1860 that “God knows what awaits the Company!” (D. I. Ned’lkovich, “Vospominaniiia o puttinghestviy sukim put’em iz Kronshtadta v Novo-Arkhangelsk ...” [“Recollections of an Overland Journey from Cronstadt to New Archangel ...”], State Historical Museum, Division of Written Sources, f. 92, no. 9945/4650, p. 35).
** The value of the company’s shares did not fall until after Kostlivtsov and Golovin had left St. Petersburg for Sitka in 1860 to inspect the colony (Rimskii-Korsakov, “Iz putevykh pisem,” 288).
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the annual budget of one ministry (the Naval Ministry), two-thirds of the government’s annual deficit, and less than one-fortieth of the government’s annual budget. In 1866 Baron Theodore Osten-Saken, an official in the Asiatic Department of the Foreign Ministry, pointed out in a memorandum on the proposed sale of Alaska that “in case the sum which we might receive for our colony were great enough to cover a certain portion of our state debts, then, of course, the temptation would be strong, but a few millions or even a few tens of millions of rubles will hardly be of any state importance in an empire which has about half a billion of annual income and expenditure and more than one and a half billion of debts.” The reasons for the sale of Russian America were not economic.*

The colony was more of a strategic than an economic liability. It had always been undermanned and undersupplied, and it was difficult enough keeping the natives at bay, let alone enemy powers. Indeed, natives attacked the post of Nulato in 1851 and the colonial capital of Sitka (New Archangel) itself in 1855. But it was the Crimean War that underlined the indefensibility of Russian America. Russia’s fledgling Pacific fleet was preoccupied with the Taiping Rebellion of 1850–1865, which threatened to topple the ruling Manchu dynasty of China. Russia’s possessions on both sides of the North Pacific, particularly on the more distant eastern side, lay hopelessly exposed to superior British and French sea power. The Russian-American Company contemplated a fictitious sale of its colony to the ice-trading American-Russian Commercial Company of San Francisco in order to forestall its seizure by the allies.** The British for their part feared that in the event of war the Russians would cede Alaska to the United States rather than see it taken by their prospective Anglo-French enemies, and in that case the Hudson’s Bay Company would be unable to renew its profitable lease on the lisière that expired in 1854. So at the beginning of that year, just before Great Britain and France declared war on Russia, the Russian-American and Hudson’s Bay Companies signed an agreement that exempted the North American territories (but not the shipping) of the two concerns from the hostilities.*** Russia took the precaution of stationing a Siberian Line

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32) See James R. Gibson, Imperial Russia in Frontier America: The Changing Geography of Supply of Russian America, 1784–1867 (New York: Oxford University Press, 1976). * Oleh Gerus has contended that Russian America might well have become even more viable economically if the Russian government had taken a more positive and more imaginative approach to the colony’s potential (see Oleh W. Gerus, “The Russian Withdrawal from Alaska: The Decision to Sell,” Revista de Historia de América 75–76 [1972–1973]: 157–78).

** Although this deal was not consummated, it publicized the possibility of purchasing Russian America.

*** The Russian-American Company circumvented the shipping exclusion by chartering foreign vessels, which flew the flags of their own countries.
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Battalion of some 200 men at Sitka, but they proved unnecessary. The value of the neutrality pact was demonstrated later in the same year when an Anglo-French squadron bombarded Petropavlovsk and Ayan on Siberia's Pacific coast. These attacks underscored Russia's vulnerability in the North Pacific. The Russian navy was simply no match for allied sea power.* As Grand Duke Constantine acknowledged after the war in 1857, "in the event of war with a naval power [i.e., Great Britain] we are not in a position to defend our colony." He reiterated his belief in Russian America's indefensibility in 1866, declaring that "the condition of our colony worsens from day to day, and being so remote from the motherland it is of no importance to Russia, whereas the necessity of defending it will continue to be as difficult and as expensive in the future as it has been in the past." Constantine was, in fact, the most avid high-level proponent of cession, partly because his overtaxed navy was responsible for the protection of colonial waters, as well as sometimes the supply of the colony. Regular patrolling by Russian cruisers did not begin until 1850, when one ship of the Pacific fleet was stationed off Russian America. Constantine, who was put in charge of the Naval Ministry at the height of the Crimean War in 1855, resisted the reinforcement of the colony's naval contingent because of the high cost. Following the Crimean debacle retrenchment and economy were the order of the day in defeated Russia. "I am now looking for ways of reducing our naval appropriation and would like very much to reduce the estimated requirement by one quarter of the total estimated sum," said Constantine to Gorchakov in 1857. The remote exclave of Alaska, difficult and costly to defend, was expendable. In 1864 the Naval Ministry calculated that the deployment of two or three corvettes in Russian-American waters would cost from one to one and one-half million rubles yearly, a sum that was, in its own words, "too burdensome for the annual budgetary estimate of the Naval Ministry." However, "without the maintenance of regular cruising," concluded the review committee, "it is difficult, if not utterly impossible, to support, extend, and consolidate Russian colonization in our American possession." In other words, the colony would have to be sacrificed.

Russia was unable to defend Russian America not only from enemy navies in wartime but also from rival merchant marines in peacetime. Particularly troublesome were American "filibusters"—freewheeling Yankee traders who aggressively and often clandestinely trafficked in a variety of goods and products like Hawaiian sandalwood, Caribbean rum, English firearms, Pacific whales and fur seals, and Cali-

33) Quoted by Okun, "K istorii," p. 216.
37) Quoted by Martynov, "Relations," p. 22.
38) Doklad, 1 : 171.
* In 1853 British outnumbered Russian warships by more than two to one (Ronald J. Jensen, The Alaska Purchase and Russian-American Relations [Seattle and London: University of Washington Press, 1975], p. 4).
fornian tallow and hides with little regard for foreign authority and little restraint from their own government. Ruthless and ingenious traders as well as excellent seamen, these spearheads of American capitalism had long plagued Russian America, as they had New Spain. In the first third of the 19th century they took sea otters along the Northwest Coast under the very noses of the Russians, even trading guns and liquor to the Tlingits and inflaming them against the Tsar’s men; in the second third they dominated whaling in the Okhotsk and Bering Seas and the Gulf of Alaska, which were de jure if not de facto Russian. In the middle 1840s at least 200 foreign whalers, mostly Americans, were hunting these waters; by the middle 1850s there were up to 600. The Russian government could do little but protest these forays, since its navy was not strong enough to patrol effectively all of the offshore waters of its far-flung empire. The protests were equally ineffective, the laissez-faire American government not being prepared to restrict what it considered to be the legitimate and even laudatory business activities of private citizens. De Stoeckl, the head of the Russian Legation in Washington, D. C., asserted in 1860 that:

In case of war this colony will be at the mercy of every hostile power and even in time of peace it is not protected from American freebooters, who are swarming over the Pacific. To the complaints that the Imperial mission in Washington has repeatedly made on this subject, the federal government has invariably replied that it is up to us to take the necessary precautions against these marauders and that the United States cannot undertake surveillance of our shores. These disputes, which are always disagreeable, can to a greater or lesser degree harm the maintenance of good relations between the two countries.

Strategically, then, Russian America was vulnerable and hence disposable. But political considerations were even more important. As Frank Golder, an early American specialist on Russian America, noted, “to the Russian government...Alaska was from the beginning more of a political...problem.” Whereas by the time of the expiration of the third charter the Russian-American Company was still serving its economic purpose, in spite of the indefensibility of its territory, it was no longer serving its political purpose, namely, to facilitate Russian imperialist expansion. As De Stoeckl told Gorchakov in 1860, “from the political standpoint our possession is hardly of even secondary importance.” The company had long operated under the aegis and in the interests of the Russian government. Chartered in 1799 as a private joint-stock venture along the lines of the British East India and Hudson’s Bay Companies, the Russian concern had soon come under increasing state control. By the late 1810s it was a crown corporation, with naval officers serving as governor of Russian America and governmental policy-makers, including the Tsar himself, holding

42) McPherson, “Projected Purchase,” p. 82.
shares. The company was, in its own words, the government's "most loyal, reliable, and conscientious agent, which is indispensable to it in all special cases when it finds it awkward to act in its own name." 43) The political significance of the company's territory was specified by the review committee at the end of the third charter period:

In spite of the small value to us of the American territory in terms of hunting and trading, there are nevertheless political considerations that make its firm retention by us necessary. Only by strengthening our presence in America's north can we consider ourselves masters of the northern part of the Pacific Ocean, the possession of which in many respects bestows great advantages on a powerful state. By virtue of circumstances Russia was prompted to assert its naval presence on the eastern frontier of Siberia; with the subsequent development there of our naval power and—under its protection—our merchant marine, the fate of this borderland will be linked more and more with the interests of our American territory, but only if we succeed in strengthening the Russian element in the latter. Our strong influence on America's north will give us the right to influence in the affairs of this part of the world, which is already of particular importance to the European states; it also offers a means of rapprochement with Japan and enhancement of our power in the Far East in general. Finally, possession of our American colony can be turned to undoubted advantage for the development and strengthening of our navy, giving it the opportunity and the pretext for showing the flag in distant seas equally with other maritime powers and offering it excellent practice for training skilled and experienced seamen.44)

Baron Osten-Saken expressed a similar view. He felt that rivalry between the United States and Great Britain guaranteed the integrity of Russian America, whose real worth should not be judged by the operations of a "lifeless company," and that cession of the colony to the United States would alter the precarious balance of power in the North Pacific by strengthening the American position at the expense of the British and make the United States a closer and stronger rival and even a potential enemy of Russia in the Far East. He concluded that "it would seem that the present generation had a sacred obligation to preserve for the future generations every clod of earth along the coast of an ocean which has world-wide importance." 45)

But Osten-Saken and the review committee were outranked and outargued by Constantine, De Stoeckl, and other influential officials who believed that there was little or no future for the Russian Empire in North America in the face of increasing and encroaching American muscle. To them the United States seemed bound to acquire all of the continent, and Russia was powerless to prevent this manifest destiny. As an anonymous Russian official* put it in 1860:

43) Doklad, 2 : 545.
44) Ibid., 1 : 174-75.
45) United States, "Papers," annex no. 15.
* Probably either Peter Kostromitinov, Russian commercial agent in San Francisco in the 1850s, or Rear Admiral Andrew Popov, commander of Russia's Pacific fleet and, like his commander-in-chief Constantine, an advocate of the sale of Alaska.
Whatever they may say in Europe about the cynicism of the dogma known in the political encyclopedia as the "Monroe Doctrine" or the doctrine of "manifest destiny," anyone who has lived the North American life cannot fail to understand instinctively that this principle is entering more and more into the blood of the people, and that new generations are sucking it in with their mothers' milk and inhaling it with every breath of air. Even one who has not lived in America, if he can free himself for the time being from the conceptions of a Europe long since bound up by artificial conditions, will understand that a people which has developed so rapidly and so successfully was bound to appreciate that the main reason for this development was the absence of the restricting influence of neighbors. These people try to maintain this invaluable advantage by all the means at their disposal and the question of the destruction of the influence of neighbors leads in practice to the principle of not having any.46)

The Russian neighbor and its designs on North America had already been stalled in the middle 1820s, when American and British resistance had compelled the Tsar to revise his 1821 decree that had unilaterally proclaimed Russian dominion as far south as 51° and had closed the Alaskan coast to foreign ships. In the wake of the Monroe Doctrine of 1823 and by conventions in 1824 and 1825 St. Petersburg retreated to 54° 40' and reopened colonial ports and waters, but it still had hopes of expanding its North American beachhead, most hopefully from Fort Ross, which had been established in 1812 just north of San Francisco Bay as a farming base and hunting station. But this exclave failed to prosper and was sold to New Helvetia's John Sutter in 1841. Meanwhile, increasing American and British settlement and exploitation engulfed the intervening Oregon Country. American determination culminated in the acquisition of the lower Columbia in 1846 and upper California in 1848, as well as Texas, and British resolve in the creation of the crown colonies of Vancouver Island in 1849 and British Columbia in 1858. The United States even appeared destined to gain British North America. No imperialist opportunities remained in the continent for Russia, which was rightly preoccupied with weightier European affairs anyway. Indeed, it seemed that Russia would be fortunate to hold Alaska. Eastern Siberia's Governor-General Nicholas Murav'ev, an admirer of the United States and a "continental isolationist" who envisioned Russia's Pacific destiny in Asia rather than in America, put the situation this way in 1853:

Twenty-five years ago the Russian-American Company turned to the government with a request to occupy California, which virtually nobody owned then, and it expressed its fear that this region would soon fall prey to the United States. In St. Petersburg they did not believe this fear and they asserted that this would hardly happen within one hundred years. The company contended that this would occur within twenty-five years, and it has already been more than a year since California became one of the United States. It was impossible to foresee the rapid spread of American dominion in North America, and it was also impossible then to foresee that these states, once ensconced on the Pacific Ocean, would quickly surpass all other naval powers there and would have need of all of the

northwestern coast of America. The sway of the United States over all of North America is so natural that we should not be very sorry that we did not become entrenched in California twenty-five years ago—sooner or later we would have had to cede it; but in ceding peacefully we could have in exchange obtained other advantages from the Americans. Now, however, with the invention and development of railroads it is more evident than ever that the United States will inevitably spread over the whole of North America, and we can expect that sooner or later we will have to cede our North American possession to them [Murav’ev’s italics].

Grand Duke Constantine, likewise a continentalist, concurred, telling Foreign Minister Gorchakov in 1857 that “we should not delude ourselves and we should foresee that the United States, striving constantly to round out its possessions and desiring to dominate North America undividedly, will take the said colony from us and we will be unable to regain it.” In the same year this forecast was reiterated—albeit obliquely—by Admiral Ferdinand Wrangel, a former governor of Russian America, when he advised Gorchakov that the government might even want to sell the colony for less than its full value out of “fears of the future” and “anticipatory prudence” (Wrangel’s italics). So Constantine proposed that Alaska be sold to the American republic, “thereby resolving amicably and for us profitably a question that may otherwise be decided in our disfavor by conquest.”

Also in 1857 it was rumored that some Mormons intended to migrate from the United States to British Columbia or Russian America, whereupon, De Stoeckl feared, Russia would be faced with the alternative of armed resistance or territorial cession. He added that there loomed the possibility that Alaska’s auriferous river bars, which were well known to the Russians, might spark an uncontrollable gold rush that would bring an embarrassing end to the Russian American Company’s rule, just as the Fraser River strike of 1858 had within weeks attracted from 4,000 to 5,000 American goldseekers who helped to overturn the Hudson’s Bay Company’s control of British Columbia and even threatened to wrest the colony from Great Britain in the same way that they had usurped California a decade earlier.

49) United States, “Papers,” annex no. 2.
51) United States, “Papers,” annex no. 4.
52) Ibid., annex no. 43; Miller, “Russian Opinion,” pp. 529–30.
* Constantine also believed that trading firms like the Russian-American and Hudson’s Bay Companies were “not fit” to both administer and exploit territories and peoples. He opined that “the role of merchant and administrator, combined in one person, is not feasible, and such a combination is very harmful to the company’s subject peoples, who suffer greatly from second-rate agents, and from London or St. Petersburg the directors of the company cannot see what is happening...” (United States, Library of Congress, Manuscript Division, “Documents Relating to the Cession of Alaska,” Constantine to Gorchakov, December 7/19, 1857).
traders and Anglican missionaries were already encroaching upon Russian America along the upper Yukon River. De Stoeckl warned Gorchakov of Russian America's precarious political position vis-à-vis the United States in a letter of 1867:

Whatever will be the limits of the confederation of the United States, they will [not] restrain the feverish activity and enterprising spirit of Americans. In their eyes this continent is their patrimony. Their destiny (or manifest destiny, as it is called) is to expand constantly, and in this expansion, which the nation has pursued with as much perseverance as success, adventurers have played the role of capturer on more than one occasion. It was they who little by little overran Texas, which later became a state of the union. New Mexico and some other parts of the south have been acquired in the same way.

It was hoped that the few resources of our colony would protect it from the rapacity of freebooters, but it has been otherwise. The fish and furs and some other products of relative insignificance to our possession, which are certainly not equal to the rich valleys of the Mississippi and Rio Grande or the gold-bearing plains of California, have nevertheless not escaped the lust of Americans.53)

Russia was simply not strong enough to maintain its empire overseas, particularly in the face of growing American might. The belated and halfhearted emancipation of the serfs (1861) and the late and lame industrial revolution (after 1860), plus the conservative and stifling autocracy, meant that Russia was long severely handicapped as a great power by internal economic weakness.

More important to the fate of Russian America than the realignment of political forces in North America was the revision of power relations in Asia and the resultant reorientation of Russian imperialist policy. This shift was prompted by Russia's traumatic defeat in the Crimean War. That struggle, in Lenin's words, "demonstrated the rottenness and impotence of feudal Russia."54 This was to become a recurring leitmotif: a military disaster revealing the economic, military, political, and social backwardness of the ancien régime and inducing overdue reforms in its domestic and foreign policies. Thus, the Crimean War led to Alexander II's "great reforms," including the abolition of serfdom, the Russo-Turkish War of 1877-1878 to economic reforms for the promotion of industrialization, the Russo-Japanese War of 1904-1905 to rural reforms and the creation of a parliament, and the First World


* Rather than remaining diplomatically aloof, De Stoeckl immersed himself in American life. He married a Yankee, and he became a friend of some prominent American expansionists, including California's Senator William Gwin. Captain Golovin met the so-called "baron" in Washington, D.C. in 1860 and remarked: "Stoeckl, who has lived here many years [since 1841], has almost become an American ..." (Rimskii-Korsakov, "Iz putevykh pisem," 151). In the process of becoming Americanized De Stoeckl uncritically accepted American expansionist ideology, and he exaggerated the political ramifications of the clash between Russian and American commercial interests on the Northwest Coast (see Gerus, "Russian Withdrawal," 163-64 and 173-74).
War to revolution. The Crimean conflict, besides producing the heroics of the Light Brigade and Florence Nightingale, ended Russia's dominant role in southeastern Europe, where she had long sought to gain the Straits (the Dardanelles and the Bosporus, which control navigation between the Black and Mediterranean Seas). With the acquisition of Latvia and Lithuania in 1795, Finland in 1809, Bessarabia in 1812, and much of Poland in 1815 Russia had reached her western limits; further expansion was blocked by the other Great Powers. In North America growing American might seemed irresistible. That left Russia's southern frontier across the plump waist of Asia as the only arena of promising imperialist opportunities. And here the decline of two longtime foes eased Russian advancement. In the southwest the disintegration of the Ottoman Empire from the 18th century produced the Eastern Question and facilitated Russian penetration of the Balkans and the Transcaucasus. In the southeast the deterioration of the Manchu dynasty loosened China's suzerain control over the steppe pastur- elands, cultivated oases and valleys, and fabled caravanserais of Western Turkestan (soon to be rendered Russian Turkestan by Gorchakov's "civilizing mission") and her direct control over the reputed bread basket and fur reserve of the Amur River Valley; more importantly, the Amur represented a rapid and cheap routeway between the heart of ice-bound and mountain-rimmed Siberia and the huge, untapped markets of the Orient.\(^5\) Certainly the contiguous Far East of Asia now offered Russia much more—and closer to home—than the overseas Far West of North America, and her eastern policy changed accordingly.

Towards the end of the 18th century Russia had already tried to annex Amur but had been repulsed by the powerful Manchus. By the middle of the 19th century, however, their power had waned in the face of foreign intervention and internal turmoil. The first blow was the Opium War of 1839–1842, caused by Great Britain's attempt to end China's restrictions on foreign trade. The conflict was resolved by the Treaty of Nanking, which opened several Chinese ports to British vessels and surrendered Hong Kong. This was the first of a series of "unequal treaties" imposed upon a hapless China by the Western imperialist powers. As one of them Russia was determined to share in the easy spoils. But she had to proceed carefully in order not to provoke Great Britain, which opposed St. Petersburg's three-pronged thrust into the Balkans, Inner Asia, and the Far East. In the Far Eastern theater the Russian-American Company was now used as a cover to avoid alarming Russia's rivals, masquerading as a private concern to camouflage state aims in the manner of the East India and Hudson's Bay Companies. In 1844 the Russian government ordered the company to reconnoiter the estuary of the Amur River with a view to determining its navigability.\(^6\) This was accomplished in 1849, when Captain-Lieutenant Nevelskoi demonstrated that the river could be entered by sea-going vessels. From 1851 under the forceful direction of Governor-General Murav'ëv, who was granted viceregal powers by the Tsar, the company helped to explore and settle the Amur

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Country. In 1853, on the eve of the Crimean conflict, the government assumed control of the Amur venture, and the company was given jurisdiction of Sakhalin, the island commanding the entrance to the Amur.

Here in what was to become known as the Maritime Territory lay, in the opinion of many Russian statesmen, the empire's Pacific future. De Stoeckl, for example, believed firmly that Russia had its own manifest destiny but on the Asian rather than the American side of the ocean. In 1869 he advised Gorchakov that:

It is on our Asiatic shores that our interests lie and it is there that we should concentrate our energies. There we are on our own ground and have the resources of a vast and rich territory to exploit. We will take our part in the extraordinary activity that is developing in the Pacific; our establishments will rival those of other nations in prosperity and, with the solicitude that our august monarch has shown to the lands along the Amur, we cannot fail to gain in this vast ocean the important position that befits Russia. 57)

De Stoeckl repeated his advice to Gorchakov in 1867, declaring that:

It is in the lands of the Amur and especially in the territories to the south of this river that we must concentrate our resources and energies. These areas are fertile and will readily attract emigrants.* They have magnificent harbors, and the vicinity of Japan and China assures them a profitable commerce. It is here that our power in the Pacific must be based. These areas are contiguous to the empire, and from that they will become even easier to defend. 58)

Grand Duke Constantine agreed, asserting that with respect to Russian America "it is urgent to abandon it by ceding it to the United States and to render all of the government's solicitude to our Amurian possessions, which form an integral part of the empire and which by all accounts offer more resources than the northerly shores of our American possession." 59) Constantine's agreement was critical. Intensely patriotic and energetic, he was one of his ruling brother's ablest and closest advisors. Crimean defeat taught Constantine that the war-torn country must reform and retrench and the far-flung empire must reorganize and consolidate. This became his idee fixe and his country's idee-force. It meant, to Constantine, the abolition of the anachronistic monopoly of the Russian-American Company and the abandonment of its exposed and neglected colony. In 1857 he told Gorchakov that Russia:

must do its utmost to become stronger in its center, in those solidly and natively Russian regions which in nationality and belief constitute its real and main strength, and it must develop the strength of this center in order to retain those extremities that can bring it real benefit. The North American [United] States, following the natural order of things, is bound to strive to possess all of North America and therefore sooner or later they will confront us there, and there is no doubt that they will even acquire our colony without much effort, and we will

60) United States, "Documents," Constantine to Gorchakov, December 7/19, 1857.
* When Alaska was sold in 1867, the Russian government tried to settle as many of the repatriated Russians and Creoles as possible in Amuria.
never be able to regain it.\(^{60}\)

Constantine envisioned both Russia and the United States becoming mighty empires at the expense of their common foe, Great Britain, but within their own continental land masses. Asia was to be Russia’s, and North America the United States’ turf.

Constantine’s *Weltanschauung* was shaped by the geopolitical outlook of his subordinate and friend Murav’ev. Described by the writer Ivan Goncharov as far-sighted, quick-thinking, hyperactive, and daring and a “courageous fighter” against obstacles in his path (including Gorchakov’s Foreign Ministry),\(^{61}\) Murav’ev believed that it was Russia’s Far Eastern frontier, not its European border, that should be reinforced and extended. He expressed his viewpoint in 1853 in a confidential note to Constantine:

I only make bold to say not that the events underway to the south and west of our European borders are unimportant or that war with Turkey, England, and France would not alarm us, but Russia is so strong in its singlemindedness and in its absolute devotion to the Tsar that no danger can threaten it from that side, and its domestic material strength and resources are so solid and great that the longer this war would last, the more terrible it would be for our enemies, especially England, even if they succeeded in inflicting some damage to our towns on the European frontier. But in the Far East our situation is different: Avacha Bay in Kamchatka and the mouth of the Amur (Sungari) and navigation on this river can be taken from Russia by force. Neighboring, populous China, now helpless in its ignorance, can easily become a danger to us under the influence and direction of the English and French, and then Siberia will cease to be Russian; and in Siberia, besides gold, there is space, which is vital to us and is sufficient for all of the excess agricultural population of European Russia for an entire century. The loss of this expanse cannot be recompensed by any victories and conquests in Europe; and in order to keep Siberia it is necessary now to retain and strengthen Kamchatka, Sakhalin, and the mouth of the Amur and navigation on it and to gain a strong influence on neighboring China.\(^{62}\)

Murav’ev was convinced that Russia had to abandon Russian America to the United States and regroup in Asia astride the Amur, the only waterway that linked the Pacific Ocean and the Siberian interior. To him the Pacific and the Amur formed the “natural boundaries” of the empire. And without the Amur Russia would be barred from the Pacific; indeed, the river was regarded as essential to the supply of Siberia’s Pacific coast during the Crimean War. Murav’ev feared that if Russia did not occupy the Amur Valley, Great Britain or the United States would.\(^{63}\) “China and Japan are gradually falling prey to the British and the Americans,” he warned Constantine in 1854.\(^{64}\)

Both men had more fear of British commercial penetration in the Far East than American commercial encroachment in the Pacific Northwest, and they

64) *Commodore Matthew Perry forcibly re-opened Japan in 1854.*
were determined to counter British and French efforts to expand at China’s expense. They wanted their country to become a ranking sea power in the Pacific, with the Amur and Sea of Japan becoming Russia’s Mississippi and Gulf of Mexico.

Murav’ev moved swiftly to resolve the “Amur question” in Russia’s favor. He led three expeditions down the river: in 1854, when he opened it; in 1855, when he defended it; and in 1858, when he acquired it, to borrow the words of his biographer. 65) By the Treaty of Aigun of 1858 Russia gained the left bank of the Amur; two years later the right bank of the tributary Ussuri was won by the Treaty of Peking. Also in 1860 Vladivostok (boastfully meaning “lord of the east”) was founded on Peter the Great Bay; it soon became Russia’s principal port on the Pacific and the home base of its Pacific fleet. Murav’ev, having achieved his ambition to annex Amuria as the locus of Russia’s Pacific strength, retired in 1861 to Paris in failing health but with an ample pension and the honorific and fitting title of Count of the Amur, his surname becoming Murav’ev-Amurskii. China was helpless to resist Russia’s advance, being racked by the internecine Taiping Rebellion.

By the early 1860s, then, the Russian-American Company had fulfilled its political purpose on the Asian side of the Pacific. And on the American side its political role had been usurped by American and British might. Little wonder that the Russian government balked at renewing the company’s franchise, for it no longer needed the venture. All that it needed was a buyer for the company’s territory. The two likeliest customers were the United States and Great Britain, and the United States was the logical choice politically, as well as the only interested party.* As Finance Minister Michael Reuten told Gorchakov in 1861, “the transfer of our colony to the U. S. seems to me to be especially desirable politically.” 66) For one thing, Russia and the United States were on friendly terms, and they shared a common antipathy towards Great Britain. Despite the aggressive enterprise of American skippers in the North Pacific (whose impact had been exaggerated by De Stoeckl), there had been no really serious friction between Russia and the United States. In the words of Tsar Alexander II in 1866, “the Russian and American peoples have no injuries to forget or to remember.” 67) And the United States had sympathized with Russia during the Crimean War. Great Britain, by contrast, vigorously opposed Russian expansion in Eurasia, and she had sympathized with the Polish rebels of 1863 in their vain attempt to become independent of Russia. Relations between the United States and Great Britain had deteriorated during the Civil War (1861–1865), and American expansion in the Pacific Northwest had been

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65) Ibid., p. 527.
* In early 1865 the Russian-American Company offered to either re-lease or sell the “Stikine Territory” (tissiere) to the Hudson’s Bay Company, which chose to rent ( Provincial Archives of Manitoba, Hudson’s Bay Company Archives, F. 29/2, fos. 224–25). The Honorable Company’s interest in the panhandle had declined as the value of its fur trade had fallen (see C. Ian Jackson, “The Stikine Territory Lease and Its Relevance to the Alaska Purchase,” Pacific Historical Review 36 (1967): 289–306).
resisted by Whitehall.

Also, Russia needed a closer ally to help her press for the abrogation of the humiliating terms of the Treaty of Paris of 1856, which had sealed her ignominious defeat in the Crimea by stripping her of part of Bessarabia, neutralizing the Black Sea, and depriving her of any claim to protection of the Orthodox Christians in the empire of the Porte. The United States was seen as that ally. Furthermore, in the eyes of Anglophobic Russia the cession of Alaska to the United States would undermine British power in North America by enhancing the American grip on the Pacific coast at the expense of British North America, and perhaps even provoke a clash between Great Britain and the U.S. In the words of a letter from Karl Marx to Frederick Engels in 1867, “the Russians...are making trouble for the lordly English in the United States.” An American Alaska would sandwich Canada, which was struggling towards nationhood. De Stoeckl acknowledged in 1859 that “if the United States were to become master of our possession [Russian America], British Oregon [Columbia] would be squeezed by the Americans on the north and south and would with difficulty evade aggression on their part.” And Reutern admitted that cession would make the U.S. “a neighbor of the English colonies not only on the south but on the northwest as well.” This, he added, “cannot but result in the strengthening of our friendly relations with the United States and the furthering of the possibility of disagreement between these States and England.” Following the sale Marx asserted that “thereby England is cut off from the sea on one side through the Yankees and the reversion of the whole of British North America to the U. St. is accelerated. That’s the secret of the whole affair!” St. Petersburg was well aware that, in De Stoeckl’s words, “the plan for the cession of our colony, if it is realized, will greatly perturb the British government,” and such perturbation was in Russia’s interests. Gorchakov realized that a weaker British presence in North America would mean a weaker British position in the North Pacific and therefore in the Far East, and it was undoubtedly this prospect that persuaded him to agree to the sale of Russian America to the United States.

The sale of Russia’s only overseas colony, then, was primarily a political and secondarily a strategic decision, not an economic one. In 1854 Secretary of State

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68) Quoted by Okun, “K istorii,” p. 233.
70) Quoted by Okun, “K istorii,” p. 232.
** The move towards local self-government in Russia in the 1860s under zemstvos also may have militated against the retention of Russian America with its small Russian population and weak infrastructure.
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William Marcy and Senator William Gwin informed De Stoeckl that their country might buy Alaska, but the Russian Chargé d'Affaires declined and told them to forget the matter.\(^{74}\) Three years later, when Alaska’s indefensibility had been demonstrated by the Crimean War and Amuria’s promised land had been secured by Murav’ev’s boldness, Grand Duke Constantine proposed to Gorchakov that Russian America be sold. The conservative Foreign Minister, however, who favored a policy of caution and restraint (his *politique de recueillement*), feared that an American purchase at that time would overly antagonize Great Britain so soon after its Crimean victory.\(^{75}\) But the proud Gorchakov (whose forte was his mastery of diplomatic French) had little choice but to execute his sovereign’s reform-minded policies, although his ministry insisted that liquidation of the colony be postponed until the expiration of the Russian-American Company’s franchise at the end of 1861. Meanwhile, De Stoeckl was instructed in 1857 to discreetly plumb American official opinion on the subject; his feelers became concrete and specific in 1859.\(^{76}\) President James Buchanan favored a purchase, but Russia then decided “to postpone this matter until a more favorable time.”\(^{77}\) Such a time was the close of 1861, when the company’s third charter expired and the American presidential election ended; by then, too, the Amur Country had been incorporated into the Russian Empire. But then the Civil War intervened, and Washington was preoccupied with the preservation of the Union and the assertion of federal authority. This “irrepressible conflict” (Seward) worried Russia, since a break between the North and the South would weaken the United States’ stature as a foe of Great Britain, Russia’s arch enemy. De Stoeckl warned Gorchakov that “the disintegration of the United States as a power is a deplorable event. The American confederation has been a counterweight to English might, and in this sense its existence is an element in the worldwide balance of power.”\(^{78}\) Gorchakov himself declared in 1862 that Russia desired “the preservation of the American Union as an undivided nation.”\(^{79}\)

Meanwhile, Russian America was being inspected by Kostlivtsov and Golovin and discussed by the review committee. By now the Russian-American Company had in political terms succeeded in Amuria but failed in Alaska, where, moreover, it was finally losing money in the wake of official prying and stalling. The company could not continue without large subsidies,\(^{\star}\) and for the government to assume control of the colony would cost the Russian treasury at least 250,000 rubles annually, and, as

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\(^{74}\) *Ibid.*, annex no. 8; Golder, “Purchase,” p. 412.

\(^{75}\) Okun, “K istorii,” p. 216.


\(^{77}\) Quoted by *ibid.*, p. 229.

\(^{78}\) Quoted by *ibid.*, p. 230.

\(^{79}\) Quoted by *ibid.*

\(^{\star}\) In fact, Russia feared both Great Britain and the United States, especially the former because it was the stronger of the two powers (particularly in the wake of the enervating American Civil War). So it was in Russia’s best interests to play one off against the other.

\(^{\star\star}\) The Russian-American Company had for some time been receiving various indirect and direct subsidies from the government, e.g., exemption from the customs duties on tea imports and 25 percent of the tariff charges on imports of fur seal and beaver pelts.
the review committee concluded, "the financial resources of the territory could hardly ever be sufficient to repay the cost of its defense or even administration." 80) So the only sensible course was to sell.* With this in mind De Stoeckl returned to Washington in early 1867 from a conclave in St. Petersburg and approached Seward. It was an opportune time, for the Hudson's Bay Company's lease of the lisibere was due to expire on June 1st. Probably in order to save political face the Tsarist government insisted that the negotiations be conducted in such a way as to make it appear that the United States had taken the initiative. Seward gladly complied, for he egotistically wanted all of the credit for the transaction. Seward also insisted on secrecy so that he could present a fait accompli to Congress, which was hostile to the Johnson administration. De Stoeckl agreed, and Russian America became American Alaska.**

Ironically, the Tsar's offer was telegraphed via Cyrus Field's new transatlantic cable, whose successful laying in 1866 aborted Western Union's much longer overland telegraph line linking Russia, Canada, and the United States via Bering Strait; it would have greatly eased Russian management of Alaska and perhaps have prolonged Russian tenure.***

1867, then, was a fateful year in the political geography and history of the lands bordering the North Pacific. On the American side the confederation of the eastern colonies of British North America brought into being the unlikely Dominion of Canada in the face of the bourgeoning United States. The American Union, reconsolidating itself after a searing civil war, hastened the end of the continent's colonial era (and heralded the end of its westward movement) by purchasing Alaska from Tsarist Russia, although Seward's dream of a single republic stretching from the Equator to the North Pole was not realized. On the Asiatic side the Meiji restoration substituted the mikado for the shogun and generated Western reforms that were to transform Japan from a feudal, isolationist state into a modern industrial and military power. And Russia withdrew from the Western Hemisphere to solidify

* It is quite possible that in the upper levels of the Russian government deals were made whereby support for judicial or educational reform, for instance, was promised in return for support for the sale of Russian America.
** The Tsar rewarded De Stoeckl with his "special thanks" and 25,000 rubles (United States, National Archives, Microcopy No. T-495, "Papers Relating to the Cession of Alaska, 1856-67," annex nos. 32–33). The Russian-American Company, on the other hand, lost more than 4,000,000 rubles because the treaty failed to protect fully its interests and property in Alaska (R. V. Makarova, "K istorii likvidatsii Rossiaisko-Amerikanskoi kompanii" ["Concerning the History of the Liquidation of the Russian-American Company"], in Problemy istorii i etnografii Ameriki, ed. Iu. V. Bromlei (Moscow: Izdatel’stvo "Nauka," 1979), p. 272). The company was liquidated in 1881.
*** In 1860 Captain Golovin had complained that "in point of fact our American company does not have regular communication with its colony. This is outrageous but true" [Golovin's italics] (Rimskii-Korsakov, "Iz putevykh pisem," 173). Communication by ship from St. Petersburg to Sitka took from seven to eight months (Doklad komiteta ob ustroistve russkikh amerikanskih kolonii [Report of the Committee on the Organization of the Russian-American Colonies] (St. Petersburg: Tipografiia Departamenta Vneshnei torgovli, 1863–64), 1: 186).
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its newly found position in Asia at the expense of the Chinese. These events had far-reaching and long-lasting consequences, namely, Japan’s rise to power, Canada’s distrust of the United States, and China’s aversion to Russia. Those legacies are still very much with us.

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