

CONTRACT for sale of fur-seal and other skins by the Fouke Fur Company.

WHEREAS the United States of America has and will have under its control certain fur-seal and other skins, the disposal of which is, in accordance with and subject to existing laws, under control of the Secretary of Commerce, as follows:

(a) Fur-seal skins taken at the Pribilof Islands, Alaska, including any undistributed skins due the Governments of Japan and of the Dominion of Canada under the provisions of the North Pacific Sealing Convention of July 7, 1911, (b) Japanese fur-seal skins delivered to the United States by Japan under the provisions of the aforesaid Convention, (c) fox skins taken at the Pribilof Islands, Alaska, and (d) seized or confiscated fur-seal and sea-otter skins;

AND, WHEREAS the Fouke Fur Company, a corporation organized and existing under the laws of the State of Delaware, is authorized to conduct the business of storing, working, dressing, dyeing, machining and selling of fur-seal and other skins;

AND WHEREAS it is deemed for the best interests of the United States of America that the business of handling and selling the aforesaid skins in accordance with the Act of August 24, 1912 (37 Stat. 499), be conducted by the Secretary of Commerce through the agency of the said Fouke Fur Company:

NOW, THEREFORE, this agreement made and entered into this

17th day of March, 1931, by and

between the Secretary of Commerce, acting for and on behalf of the United States of America, party of the first part, and the Fouke Fur Company (hereinafter designated as the company), party of the second part,

WITNESSETH, that for and in consideration of the covenants and agreements hereinafter stated, the Secretary of Commerce will, each year, as promptly as possible after obtaining same, deliver to the company all such skins, and the company will receive and accept same at St. Louis, Missouri, as a consignment from the United States of America, to be sold at public auction on its behalf, upon the terms and conditions as hereinafter set forth.

Freight and Transportation Charges:

1. Freight charges and other expenses involved in the transportation and delivery of said fur-seal and other skins to the company at St. Louis, Missouri, will be advanced by the company when so requested by the Secretary of Commerce, such advancements to be deducted by the company from any proceeds of sales of fur-seal and other skins made under this contract. Fur-seal skins and other skins will be consigned from Seattle, Washington, or other port on the Pacific Coast, to the Fouke Fur Company at St. Louis, Missouri, on Government bill of lading. As the seal skins and other skins so consigned are the property of the United States of America, the amount of any claim for loss or damage to such skins while in transit, and pending their delivery to the Fouke Fur Company at St. Louis, Missouri, will inure

to the benefit of the United States of America.

Processing and Charges:

2. The company shall, prior to their sale, dress, dye, machine and finish all fur-seal skins covered by this contract, other than those withdrawn as not worth such processing and those withdrawn for sale in a salted condition, as hereinafter provided, and for the processing of all said fur seal skins shall receive as compensation therefor and deduct from proceeds of sales of fur-seal and other skins made under this contract amounts in accordance with the following:

The skins taken in any one calendar year shall be considered separately from skins taken in any other calendar year.

For the first 25,000 skins, or fraction thereof, of the catch of each year, at the rate per skin of \$ 12.50.

For the second 25,000 skins, or fraction thereof, of the catch of each year, at the rate per skin of \$ 11.50.

For the third 25,000 skins, or fraction thereof, of the catch of each year, at the rate per skin of \$ 10.50.

For the fourth 25,000 skins, or fraction thereof, of the catch of each year, at the rate per skin of \$ 9.50.

(a) The Secretary of Commerce shall have the right to direct what colors the skins shall be dyed, provided such colors are selected from among those produced or continuously used by the company.

(b) The Secretary of Commerce will select the skins to be processed by the company and may withdraw any skins which, in his judgment, will not, on sale, realize the amount of processing charges

as heretofore fixed. Such withdrawn skins shall be sold by the company at public sale in their raw state, and the company, or any person connected with or affiliated with it, may be a purchaser at such sale. In addition, the Secretary of Commerce reserves the right to sell limited numbers of raw salted fur-seal skins to be selected by him from any skins consigned by him to the company.

(c) Fur-seal skins delivered by the Japanese Government to the United States of America, in accordance with the provisions of the North Pacific Sealing Convention of July 7, 1911, and seized or confiscated fur-seal skins, shall be included in the total of Alaska seals in the calendar year in which they are taken, and included and paid for under the above schedule of prices.

(d) No charge will be made for the dressing, dyeing, machining, and finishing of any skin prior to its sale except as may be authorized by the United States of America.

(e) It is specifically provided that for dressing, dyeing, machining, and finishing fur-seal skins taken in the years 1929 and 1930 the company shall receive payments, to be deducted from proceeds of sales of fur-seal and other skins, as follows:

For the first 35,000 skins taken in 1929.....\$12.50 per skin
For the remaining skins taken in 1929.....\$12.00 per skin
For the first 35,000 skins taken in 1930.....\$12.50 per skin
For the remaining skins taken in 1930.....\$12.00 per skin.

Insurance and Care:

3. (a) When directed by the Secretary of Commerce, the company shall secure insurance covering loss or damage to the skins, at a fair market value thereof, while in transit and pending delivery

thereof to the company at St. Louis, Missouri. The cost of such insurance shall be borne by the United States of America and deducted by the company from the proceeds of the sale of fur-seal and other skins made under this contract. After the receipt of said fur-seal and other skins by the company in St. Louis, Missouri, and while in its possession thereafter until sold as provided herein, they shall be kept insured against loss by fire, theft, flood or tornado, at a fair market value by the company at its own expense and without deduction from the proceeds of any sale of fur-seal and other skins covered by this contract; provided, however, that the cost of insurance of any skins held for any period in excess of six months, by reason of the postponement of any sale, as provided for in paragraph 7(a) of this contract, shall be at the expense of the United States of America and shall be deducted from the proceeds of any sale of fur-seal or other skins made under this contract.

(b) All policies of insurance under this contract shall be made payable to the United States of America and the Fouke Fur Company as their interests may appear. The amount of insurance shall be determined by the Secretary of Commerce from time to time, and such policies shall be approved by him.

(c) All due and customary precautions shall be taken by the company to prevent deterioration of the skins after delivery and before

sale thereof, as provided by this contract. Any and all claims for damages arising out of any contracts made by the Fouke Fur Company for the transportation, care and protection of the seal skins and other skins, pending their sale, shall inure to the benefit of the United States of America.

Company's Employees on Pribilof Islands:

4. On account of the mutual advantages secured by the United States of America and the company in having certain fur-seal skins washed and blubbered at the Pribilof Islands, the company will send to the Pribilof Islands each year such number of its employees as may be requested by the Secretary of Commerce to assist in the washing and blubbering of fur-seal skins and in such other similar work as may be assigned. The wages of such employees while at the islands and while traveling to and from the islands will be paid by the company, their actual and necessary traveling and subsistence expenses while traveling to and from the islands will be borne by the United States of America, and their subsistence and living quarters while at the islands will be furnished by the United States of America. When requested by the Secretary of Commerce, the company will advance to said employees upon submission of proper vouchers the actual and necessary traveling and subsistence expenses incurred by them under authority of letters issued by the Secretary of Commerce authorizing

such travel, and such advancements will be deducted by the company from any proceeds of sales of fur-seal and other skins made under this contract.

Casks and Salt, Sale of:

5. All casks in which fur-seal and other skins are packed, and all salt that may come from such skins, shall, if the same have a salable value, be sold by the company and the full amount of the proceeds shall be accounted for and paid over by the company to the Secretary of Commerce.

Fur-Seal Oil:

6. As fur-seal oil is necessary for the processing of the skins, the company shall have a preference right to purchase for the sole purpose of processing fur-seal skins any fur-seal oil manufactured at the Pribilof Islands that may be available for sale by the United States of America. Oil will not, however, be withheld from sale to other parties pending decision by the company as to its requirements. Oil sold to the company will be delivered f.o.b. Seattle, Washington, in containers which shall become the property of the company, at fair market prices which shall be determined by the Secretary of Commerce.

Sale of Skins:

7(a). The fur-seal and other skins covered by this contract shall be sold by the company at public auction at St. Louis, Missouri,

at such time or times and under such terms and conditions as may be approved by the Secretary of Commerce. The Secretary of Commerce, however, reserves the right to postpone the date of sale or withdraw any or all fur-seal or other skins at any time before the same shall be actually sold. No bid shall be effective unless the bidder pays at least 50% of the purchase price of such skins on the day of sale. No skin shall be delivered until full payment is made. Any sale made for which full payment is not received on the day of sale shall be at the risk of the company.

(b). The company, during the term of this contract, at its own expense and without any deduction from proceeds of sales, cost or charge whatsoever to the United States of America -- by inserting advertisements in the proper technical press and by circulating, distributing, and mailing circulars, bulletins, letters, etc., and by other proper methods -- will advertise the sale of and the quality and advantages of fur-seal skins as dressed, dyed, machined and finished by the said company for the purpose of inducing a more general use of fur-seal skins than prevails at the present time.

Commissions:

8. The company will receive as and for full compensation for all services it may render and all expenses it may incur in connection with the storage, sorting, protecting, insurance and proper care of

all said skins, and advertising and sale thereof (except as otherwise provided in this contract for skins held longer than six months) a commission of $3\frac{1}{2}$ per cent on all sales. The commission on each lot of skins will be computed on the price at which the skins are knocked down to the purchaser less discount taken by purchaser. No commission will be allowed in connection with the sale of any skins for advertisement or other special purpose unless specifically authorized by the Secretary of Commerce. Commissions due the company will be deducted by it from the proceeds of any sale of fur-seal or other skins.

Storage:

9. The company may charge at regular market rates storage for any period during which skins are held in excess of six months by reason of the postponement of any sale, as provided for in paragraph 7(a), such amount to be deducted by the company from any proceeds of sales of fur-seal and other skins made under this contract.

Advancements:

10. The company will, during the term of this contract, advance funds to enable the representatives of the United States of America to pay such compensation for services as shall be fixed by the Secretary of Commerce to persons engaged in killing and skinning foxes and fur-seals and salting and handling the skins, or otherwise employed in connection therewith. The funds shall be advanced at such time, in such amounts, and to such persons or depositories as the Secretary of Commerce may direct. The company will deduct such advances from

any proceeds of sales of fur-seal and other skins made under this contract. The company will, whenever desired by the Secretary of Commerce, assume and pay all necessary expenses, not exceeding in any year 25 per cent of the dressing, dyeing, machining and finishing charges of the preceding year, for supplies, materials, and equipment required in the taking, curing, handling, and shipment of fur-seal and other skins and will deduct such payments from any proceeds of sales of fur-seal and other skins made under this contract.

Accounting:

11(a). The company shall render to the Secretary of Commerce just and proper accounts of any and all sales of said fur-seal and other skins made by it, of all cash discounts allowed, of all commissions charged, and of all advances and other payments or charges that the company is authorized to deduct from proceeds of sales. These accounts shall be in form satisfactory to the Secretary of Commerce and shall contain such detailed and collateral information as he may deem necessary for fiscal and administrative purposes.

(b). The company shall furnish with each account covering a public auction sale of fur-seal skins a statement of the things done in promoting and advancing the sale thereof. The statement shall be accompanied by copies of advertisements, circulars, and any other evidence to establish the amount and character of advertising done.

Time of Settlement:

12. Within one hundred days after each sale the company will

pay to the Secretary of Commerce an amount equal to the total sales price of all skins sold, less deductions allowed in this contract, the company assuming and including in such payment all unpaid balances then due from purchasers.

Bond:

13. The company shall furnish a bond in such sum and with such surety or sureties as shall be satisfactory to the Secretary of Commerce, conditioned upon the faithful performance of each and every covenant and agreement to be performed by the company under the provisions of this contract.

Duration of Contract:

14. This contract shall apply to all skins taken or obtained by the United States of America prior to January 1, 1932, and during each calendar year thereafter, unless and until terminated by either the Secretary of Commerce or the company. After January 1, 1932, this contract may be terminated by either party upon notice in writing given prior to May 1 of any calendar year. Such notice shall be effective and this contract shall terminate on December 31st of such year, except that it shall continue in force as to all skins delivered or in course of delivery to the company prior to the last mentioned date, as to which it shall continue in force under the terms of this contract until the final sale and disposition of such skins.

Subsequent Legislation:

15. It is understood and agreed by the parties hereto that this contract and all the provisions thereof shall be subject to any legislation that may hereafter be enacted by Congress relative to the sub-

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ject-matter hereof, and also to such rules and regulations as may be adopted, from time to time, by the Secretary of Commerce.

Interests:

16. Pursuant to Section 3741 of the Revised Statutes of the United States (U. S. C. Title 41, Sec. 22), it is further agreed that no Member of or Delegate to Congress, or Resident Commissioner, or any officer or employee of the Government or other person whose name is not at this time disclosed, shall be admitted to any share or interest in this contract, or to any benefit to arise therefrom; and that this contract shall be subject in all respects to the provisions of sections 114, 115, and 116 of the Criminal Code of the United States, so far as the same may be applicable.

WITNESS our hand and seals the day and year first above written.

Signed, sealed and delivered
in the presence of

UNITED STATES OF AMERICA

Henry D. Malley

By

R. P. Linn
Secretary of Commerce.

Arthur W. Coombs

THE FOUKE FUR COMPANY, Inc.

By

P. B. Fenke
President.

DEPARTMENT OF JUSTICE
Office of the Solicitor of the
DEPARTMENT OF COMMERCE

3-17-31

Examined and found to comply with
all the requirements of law and to
be correct in form and execution.

J. J. Hara
Att. Solicitor

April 29th, 1933

SUPPLEMENTAL CONTRACT FOR SALE OF FUR-SEAL AND OTHER SKINS
BY THE
FOUKE FUR COMPANY.

WHEREAS, under the contract dated March 17, 1931, by and between the Secretary of Commerce, acting for and on behalf of the United States of America, party of the first part, and the Fouke Fur Company (hereinafter called the Company), party of the second part, the party of the first part has agreed to deliver certain skins to the company, to-wit:

(a) Fur-seal skins taken at the Pribilof Islands, Alaska, including any undistributed skins due the governments of Japan and of the Dominion of Canada under the provisions of the North Pacific Sealing Convention of July 7, 1911; (b) Japanese fur-seal skins delivered to the United States by Japan under the provisions of the aforesaid Convention; (c) Fox skins taken at the Pribilof Islands, Alaska; and (d) seized or confiscated fur-seal and sea-otter skins; and

WHEREAS, the Company has agreed to receive and accept such skins as a consignment from the United States of America, to be sold at public auction under the terms and conditions set forth in the aforementioned contract dated March 17, 1931; and

WHEREAS, due to economic conditions, it has become unprofitable for the party of the first part to dispose of the skins hereinbefore referred to in the manner and under the conditions provided for in the contract aforesaid, dated March 17, 1931; and

WHEREAS, under Paragraph 14 of the aforesaid contract dated March 17, 1931, said contract may be terminated by either party after January 1, 1932, by notice in writing given prior to May 1st of any calendar year, such notice to be effective as of December 31 of such year; and

WHEREAS, the Company has offered to assure to the party of the first part a certain minimum return per seal skin upon the sale of all fur-seal skins sold under the provisions and during the term of said contract as herein modified;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto have agreed to and do hereby modify the aforesaid contract dated March 17, 1931, as follows:

FIRST: Paragraph 2 of the aforesaid contract dated March 17, 1931, entitled "Processing and Charges" is stricken out and in lieu thereof a new paragraph is inserted, reading as follows:

"Processing Charges: 2. The company shall, prior to their sale, dress, dye, machine and finish all fur-seal skins covered by this

contract, except as provided in paragraph 2x below, and other than those withdrawn as not worth such processing and those withdrawn for sale in a salted condition, as hereinafter provided, and for the processing of all said fur-seal skins shall receive as compensation therefor and deduct from proceeds of sales of fur-seal and other skins made under this contract amounts in accordance with the following:

The skins taken in any one calendar year shall be considered separately from skins taken in any other calendar year.

For the first 25,000 skins, or fraction thereof, of the catch of each year, at the rate per skin of \$10.50.

For the second 25,000 skins, or fraction thereof, of the catch of each year, at the rate per skin of \$9.50.

For the third 25,000 skins, or fraction thereof, of the catch of each year, at the rate per skin of \$8.50.

For the fourth 25,000 skins, or fraction thereof, of the catch of each year, at the rate per skin of \$7.50.

(a) The Secretary of Commerce shall have the right to direct what colors the skins shall be dyed, provided such colors are selected from among those produced or continuously used by the company.

(b) The Secretary of Commerce will select the skins to be processed by the company and may withdraw any skins which, in his judgment, will not, on sale, realize the amount of processing charges as heretofore fixed. Such withdrawn skins shall be sold by the company at public sale in their raw state, and the company, or any person con-

nected with or affiliated with it, may be a purchaser at such sale. In addition, the Secretary of Commerce reserves the right to sell limited numbers of raw salted fur-seal skins to be selected by him from any skins consigned by him to the company.

(c) Fur-seal skins delivered by the Japanese Government to the United States of America, in accordance with the provisions of the North Pacific Sealing Convention of July 7, 1911, and seized or confiscated fur-seal skins, shall be included in the total of Alaska seals in the calendar year in which they are taken, and included and paid for under the above schedule of prices.

(d) No charge will be made for the dressing, dyeing, machining, and finishing of any skin prior to its sale except as may be authorized by the United States of America.

All fur-seal skins, except those provided for in paragraph 2x below shall be sold in accordance with the provisions of this contract, and from the proceeds of such sale or sales there shall be paid to the Secretary of Commerce the sum of \$1.35 for each fur-seal skin so sold, irrespective of processing charges, commissions and/or discounts, less advances made by the company in accordance with the provisions of this contract.

Furthermore, the Secretary of Commerce shall receive fifty per centum of the proceeds of sale or sales of all fur-seal skins sold, except those provided for in paragraph 2x below, after deduction of the

processing charges as provided for herein, commissions and discounts, that may be made in accordance with the provisions of this contract, and the sum of \$1.35 per skin; and the balance of the proceeds of such sale or sales of fur-seal skins shall be retained by the company."

SECOND: A new paragraph, entitled "Fur-Seal Skins on Hand on April 30, 1933," is hereby added to the aforesaid contract, dated March 17, 1931, to be numbered 2x, reading as follows:

"2x. All fur-seal skins in possession of the company on April 30, 1933, shall be sold in accordance with the provisions of this contract, and from the proceeds of said sale or sales there shall be paid to the Secretary of Commerce the sum of \$3.35 for each fur-seal skin so sold, irrespective of processing charges, commissions and/or discounts, less advances made by the company in accordance with the provisions of this contract, and the balance of the proceeds of such sale or sales of fur-seal skins shall be retained by the company. Such fur-seal skins shall be sold by the company at public auction in St. Louis, Missouri, at such time or times as may be determined by the company, but in no event later than two years after the date of this supplemental agreement."

to April 29, 1935

THIRD: Paragraph 14 of the aforesaid contract dated March 17, 1931, entitled "Duration of Contract" is stricken out and in lieu thereof a new paragraph is inserted, reading as follows:

"14. This contract shall apply to all skins taken or obtained by

the United States of America prior to January 1, 1936.

The company shall have the option of receiving on consignment for purposes of dressing, dyeing, machining and selling, in accordance with the provisions of this contract, all fur-seal skins as provided for in this contract, taken during the years 1936, 1937, and 1938: Provided, however, such option is subject to the subsequent revocation of the Secretary of Commerce on or before January 1, 1934."

FOURTH: A new paragraph entitled "Fur-Seal Take" is hereby added to the aforesaid contract dated March 17, 1931, to be numbered 2y, reading as follows:

"2y. It is the intention, however, that the number of such fur-seal skins taken and to be delivered to the company shall not exceed the quantity which the fur trade can reasonably absorb."

FIFTH: All the terms and conditions of the aforesaid contract dated March 17, 1931, shall remain in full force and effect except as modified by the provisions of this supplemental contract.

WITNESS our hand and seals the day and year first above written.

Signed, sealed and delivered
in the presence of

Frank M. Bell

Wm. L. Fay

UNITED STATES OF AMERICA

By Samuel C. Hayes
Secretary of Commerce.

THE FOUKE FUR COMPANY, Inc.

By A. B. Fouke
President.

Dec 28 1933

AGREEMENT MODIFYING THE SUPPLEMENTAL CONTRACT

of April 29, 1933,

FOR THE SALE OF FUR-SEAL AND OTHER SKINS

by the

FOUKE FUR COMPANY.

WHEREAS, under date of April 29, 1933, a supplemental contract was entered into by and between the Secretary of Commerce, acting for and on behalf of the United States of America, party of the first part, and the Fouke Fur Company of St. Louis, Missouri (hereinafter called the Company), party of the second part, modifying in certain particulars the contract, dated March 17, 1931, entered into by and between the same parties herein mentioned, for the sale of fur-seal and other skins; and

WHEREAS, said supplemental contract of April 29, 1933, provided, on pages 5 and 6 thereof, that

"14. This contract shall apply to all skins taken or obtained by the United States of America prior to January 1, 1936.

"The company shall have the option of receiving on consignment for purposes of dressing, dyeing, machining and selling, in accordance with the provisions of this contract, all fur-seal skins as provided for in this contract, taken during the years 1936, 1937, and 1938: Provided, however, such option is subject to the subsequent revocation of the Secretary of Commerce on or before January 1, 1934;" and

WHEREAS the company has offered to increase the minimum sum of \$1.35 to be paid the Secretary of Commerce for each fur-seal skin sold, as provided in sub-paragraph (d) on page 4 of the aforesaid

supplemental contract, to \$2.35 per skin for each skin received by the company in the period beginning May 1, 1933, and continuing through December 31, 1935, and to \$3.35 per skin for the skins received by the company in the three years beginning January 1, 1936, and continuing through December 31, 1938, in consideration for the continuing by the said party of the second part of the aforesaid supplemental contract from May 1, 1933, through December 31, 1938; and

WHEREAS it is deemed best for the interests of the United States of America to obtain the aforesaid increases of the minimum guaranteed sum for each skin,

NOW, THEREFORE, this contract made and entered into this 28th day of December, 1933, by and between the Secretary of Commerce, acting for and on behalf of the United States of America, party of the first part, and the Fouke Fur Company, party of the second part,

WITNESSETH, that for and in consideration of the premises and the mutual agreements herein contained, it is agreed by and between the parties hereto that the aforesaid supplemental contract dated April 29, 1933, be and is hereby modified as follows;

FIRST: Sub-paragraph (d), page 4, of the aforesaid supplemental contract is stricken out and in lieu thereof the following is substituted:

"(d) No charge will be made for the dressing, dyeing, machining, and finishing of any skin prior to its sale except as may be authorized by the United States of America.

"All fur-seal skins, except those provided for in paragraph 2x below shall be sold in accordance with the provisions of this contract, and from the proceeds of such sale or sales

there shall be paid to the Secretary of Commerce, for each skin so sold, the minimum sum of \$2.35 per skin for the skins received by the company in the period beginning May 1, 1933, and continuing through December 31, 1935; and the minimum sum of \$3.35 per skin for the skins received by the Company in the three years beginning January 1, 1936, and continuing through December 31, 1938, irrespective of processing charges, commissions and/or discounts, less advances made by the company in accordance with the provisions of this contract.

"Furthermore, the Secretary of Commerce shall receive fifty per centum of the proceeds of sale or sales of all fur-seal skins sold, except those provided for in paragraph 2x below, after deduction of the processing charges as provided for herein, commissions and discounts, that may be made in accordance with the provisions of this contract, and the sums of \$2.35 and \$3.35, respectively, per skin; and the balance of the proceeds of such sale or sales of fur-seal skins shall be retained by the company."

SECOND: Paragraph "14" (2 parts) of article "THIRD," pages 5 and 6 of the aforesaid supplemental contract is stricken out and in lieu thereof the following is substituted:

"14. This contract shall apply to all skins taken or obtained by the United States of America in the period beginning May 1, 1933, and continuing through December 31, 1938."

THIRD: All the terms and conditions of the aforesaid supplemental contract of April 29, 1933, shall remain in full force and effect except as herein modified.

WITNESS our hands and seals the day and year first above written.

Signed, sealed and delivered
in the presence of

Wm. V. Walling
Paul H. Hall

UNITED STATES OF AMERICA

By John D. Cairnes
Acting Secretary of Commerce

THE FOUKE FUR COMPANY, Inc.

By P. B. Fouke
President.