

AUGUST 8, 1948

## ALASKAN MIDAS

By JOSEPH HEARST

**E**VERYONE in Alaska knows Austin E. Lathrop as "Cap." The casual visitor in the territory gets the impression he might also be called Mr. Alaska. He is a grizzled, 83-year-old sourdough who came here 53 years ago, liked what he saw and remained to become the first homegrown multimillionaire.

He owns radio stations, the farthest north daily newspaper in the United States, a coal mine, banks, real estate, motion picture theaters, bowling alleys, an apartment house, and first mortgages that earn 8 per cent interest, the legal rate in Alaska. There have been others who made fortunes in Alaska but most of them went back to enjoy their wealth. Cap stayed, reinvested in Alaska, and built for permanency.

No one ever looked less the part of a millionaire than Lathrop as he stands before his modern concrete and steel apartment house in Fairbanks, scanning the street for oldtimers to pass the time of day with. A bettered felt hat sets far back on his thick thatch of white hair, and if he has just come in from his coal mine he may be wearing shoe packs and a work-worn leather mackinaw.

Lathrop considers new hats and suits an extravagance, but he didn't hesitate to put a million dollars into a new theater or a quarter of a million into the most modern equipment for the transmitter of his radio station.

This is money that Lathrop, at his age, probably never will see a full return on. When the million dollar 4th Avenue theater was opened in Anchorage in 1947 an associate pointed to the marble slab before the ticket booth.

"Cap, when that marble is worn down about an inch by the passage of change you'll have gotten about half of your investment out of this place," he remarked.

"I guess that's right, but I probably won't be around to see the day," Lathrop responded. Then he grinned, pointed to the beautiful lobby, its thick carpeting and striking murals and added: "But it sure is a beauty, isn't it?"

Most of the millions made in Alaska have come from gold mining, furs, or fish. Lathrop never panned for gold, trapped for fur, or made a dime out of fish. His one venture into the

fish canning industry, didn't pan out well, and he'd rather not talk about it. Not that he hasn't had failures. He went broke twice, but that was years ago. As he tells friends, he's on the top shelf now, but he knows what the bottom looks like.

Lathrop is a rugged product of a rugged era that seems to have passed. He was brought up on hard work and he still enjoys it. He looks as little like an octogenarian as he does a man of wealth. He isn't sure that the present generation will work hard enough to get as much out of Alaska's rugged life as he has.

"People work by the watch these days," he says. "When I was getting started we didn't have a whistle to tell you when to start and stop. You had a job and you did it, and the hours didn't count. A thief could have



Lathrop outside the door of his office in Fairbanks. Note list of enterprises.

At right: Lathrop's million dollar 4th. Av. Theater in Anchorage.



Austin E.  
(Cap)  
Lathrop

Tribune photos  
by  
Russell V. Hines

met a sea captain named Kelly who told him of a couple of crazy fellows who wanted to hire a boat to get them to Alaska and the newly discovered gold fields. Lathrop had no money but his credit was good. He found a boat, the L. J. Perry, a 115-foot steam schooner and he and Kelly were in business together.

The Perry carried freight and gold seekers from Seattle to Dyes and Shagway, from where they made the trip to Dawson over Chilkoot and White Passes. Eventually Lathrop and Kelly parted company and Lathrop got another boat, sailed it and acquired the title of Cap. It was on one of these trips that he heard of Indians cleaning their guns with oil that seeped from the ground in Alaska.

That story set the stage for his second financial drubbing. He took oil samples to California, got financial backing and prepared to drill for oil. But Congress, prodded by established coal and oil interests in the United States and by demands for national conservation of natural resources, withdrew a great portion of the territory from public exploitation. That ended his dream of wealth from oil and put him on the bench again.

Lathrop sized up the Alaska picture and picked Cordova for his next venture. In that town, thru which the Guggenheims were to move millions of dollars worth of copper from the Kennecott mines, he started anew as a drayman with a double-ender sled and a horse. He shoveled and hauled coal, moved lumber and got the job of carrying bodies from the town out to the burying ground.

His companion on these trips to the cemetery was the Rev. Eustace P. Ziegler, a young Episcopalian minister who later quit the pulpit and became one of the Northwest's best known artists. A few years ago Ziegler recaptured those days in an oil painting that now hangs in Cap's apartment in Fairbanks and is one of his prized possessions. It shows the two men seated on the coffin as the horse drags the sled along the trail to the cemetery.

Lathrop soon had more than one double-ender sled, for his drayage business boomed along with the business of the copper mines. He was made a director of the bank—he's now the president—but that position didn't keep him from hauling coal in person. And in Cordova he built his first motion picture theater. It was a step that has proved to be the chief source of his wealth.

It is something of a paradox that Cap Lathrop, whose greatest pleasure is in hard work, thought of providing entertain-

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stolen my bed and I wouldn't have missed it."

Lathrop was born on a farm in Michigan and at 15 he had his own team and was hauling timber to the sawmills. He arrived in Seattle in 1893 a few days after a fire had all but razed that town. He pitched his tent, went into business as a contractor and at 25 was known as the "boy contractor" of the Pacific Northwest. His reputation won him a contract to build a railroad near Seattle.

About the time he completed the job and the first trains were operated the panic of '93 swept the country and Lathrop was broke for the first time in his budding career.

A period followed in which Cap took advantage of every free lunch counter in Seattle's saloons and in one of these he

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ment for others. It is doubtful if he ever sat thru an entire show at any of his theaters. If he did he probably was dozing peacefully long before the final fadeout. But when he saw how handsomely the Cordova theater paid off, he built another theater in Anchorage and a third in Fairbanks. Later he added another and larger theater in Fairbanks and capped his chain with the big million dollar venture in Anchorage.

Cap is very proud of his new Anchorage theater with its panels of Honduras walnut but he probably takes greater pride in the Empress in Fairbanks, the first concrete building erected there. It was built in 90 days in 1926.

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"Folks thought I was crazy, and as I listened to them I wasn't sure but what I was," he recalled. "There wasn't much here then but frame shacks and most of the people went Outside in the winter. I thought that maybe if they had some entertainment they would stay. But when the materials arrived everyone told me concrete would buckle and crack in the winter months; that I couldn't put such weight on permafrost ground. I guess I might have backed out, but I already had two carloads of materials on hand."

Lathrop recalls that for the next seven years engineers from the postoffice department came

to Fairbanks each summer and went over the walls of the theater looking for cracks and checks and other signs that the winter freeze and spring thaws were about to bring the building tumbling down.

"Finally they decided that concrete could be used here, and so they built a modern steel and concrete federal building," he said. "Then other businessmen began to see that we could have something other than frame buildings."

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A few years ago fire broke out in the business section of Fairbanks and appeared certain to sweep the main business blocks. The concrete Empress theater stood in the path of the flames. Lathrop climbed to the roof of the theater and watched the fire eat its way toward his building, reach it and die out. He was a very proud man when he returned to the street and received the thanks of those who saw that his building had saved the town.

Lathrop got into the theater business deliberately, but he was shoved into the business of coal mining, banking, and newspapering. A friend owned the coal mine at Sumtana. He wasn't doing so well and Cap advanced him money to meet the payroll. This happened so often that Cap finally decided he had better see what was going on. He bought control, got the business on a paying basis and soon discovered that the mine had become probably his greatest interest in life.

The mine produces about 120,000 tons annually. It provides



for the commercial and household needs of Fairbanks, the stockpiles of the air force camps, and feeds the fires that generate the power for the giant gold digging operations of the United States Smelting, Refining and Mining Co., near Fairbanks.

Lathrop's entrance into banking came about in much the same way. He had to get in to protect his money. The newspaper publishing role was a little different. The Fairbanks News-Miner had been a daily publication almost since the days the town was founded but the owner, tired of trying to cope

with high costs, was ready to throw in the sponge. Businessmen came to Lathrop and asked him to buy the plant. Reluctantly he agreed.

When Lathrop looked over his new property, he was disgusted with the ramshackle building and the aged machinery. He called in his Seattle architects and told them what he wanted.

He ordered a four-story building, which cost about \$500,000. The first floor houses the newspaper offices and plant and also the offices of the Lathrop company, a holding organization where harried auditors strive to

keep the accounts of Lathrop's varied enterprises in order.

The second and third floors are apartments, finished in Philippine mahogany and complete with electric stoves and refrigerators and tiled baths. These latter items are state-of-the-art luxuries but in Alaska they are luxuries.

The fourth floor houses Lathrop's 10,000 watt radio station, KPAR. Cap doesn't know much about radio, he says, and his greatest interest in the station are the letters that come from isolated persons thanking him for making the music and the news available to them.

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He has reserved for his own use a small apartment in his building. There are three beds in it, and most nights the other two are occupied by old friends in from the hills and unable to find a vacant room. Some nights, if Cap is late getting in, he finds all three beds occupied. When that happens he usually walks across the street to the hotel, makes himself comfortable in a lobby chair, and dozes until he figures he can go home, shave and change into his other suit without disturbing his visitors.

Lathrop has been a widower for many years. In his Seattle days he had his cap set for a young Seattle girl, but that romance went on the rocks when the girl's parents didn't consider him a very good financial risk for their daughter. Later he married a widow. His stepdaughter of that marriage and a distant relative or two in the east are his only kinfolk.

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