

THE KLONDIKE MINES RY. CO.

Prospectus Reaches Dawson—Passenger Fare to Be \$2 to Grand Forks—Freight Charges in Proportion—Will Be Completed 12 Miles by July 1.

One of the most interesting documents that has reached Dawson this winter is the prospectus for the Klondike Mines Railway Company issued by Mr. E. C. Hawkins to prospective investors, a copy of which a gentleman recently returned from the Klondike has kindly placed in the hands of a Nugget representative. The booklet is most comprehensive, the information set out being placed before the readers in a brief, concise form and without the usual verbosity one is accustomed to observe in such documents. Facts and figures are given as to traffic which may be expected, operating expenses and cost of construction which, while doubtless true, are positively startling, and if the intentions of the company are fully carried out mining in the Klondike will receive an impetus, the like of which has never been known before.

The fact of which the Klondike Mines Railway Company is the outcome was made last fall when on September 25 a memorandum of agreement was entered into between the provisional directors, consisting of Thos. O'Brien, J. A. Seybold, W. D. Ross, Llewellyn N. Bate and H. B. McInerney, and E. C. Hawkins, having in view the early construction and operation of a railway between Dawson and the Forks. The directors agreed for the consideration of \$100,000 cash and 2,230 shares of the capital stock of the company of the par value of \$222,000, to furnish the right of way, terminal grounds, etc., and subsequently to hold a meeting in Ottawa for the purpose of transferring to Mr. Hawkins the shares, stock and all rights, title and interest under the charter possessed by them, to elect new officers and pass a by-law changing the head office of the company from Ottawa to Dawson.

The charter acquired by Mr. Hawkins, which is known as the O'Brien charter, is a very liberal one, and under condition of the railway being completed to the Forks, at the junction of Bonanza and Eldorado creeks, before July, 1903, is given the right of way, terminal grounds at Klondike City, 600 feet of water frontage on the Yukon river, station grounds at the Forks, and also the right to own and operate telegraph and telephone lines, water power, electric plants, etc. The route described in the charter allows construction up Bonanza, Eldorado, Dominion, thence down Hunker and the Klondike river, constituting a belt line covering the entire Klondike district. In consideration of the transfer to Mr. Hawkins of the rights and title acquired under the charter, he has agreed to construct, equip and have in operation the first section of the road running from Dawson to the Forks before September 1, 1902, and in compliance with the terms of the agreement has secured subscribers for 2,500 shares of stock and deposited in the Canadian Bank of Commerce at Ottawa \$25,000.

The agreement entered into September 25 was supplemented by a similar contract approved by the board of directors January 10, 1902, in accordance with which a construction company was incorporated and a contract entered into for the building of the road, furnishing the necessary machinery, equipment and all apparatus, the construction company to accept shares of the company's stock in payment therefor. This stock of the par value of \$100 a share is offered to investors at \$80 a share and the belief is ventured that since the road has reached the Forks the stock will be above par. The capital stock for the first section of the road is \$1,000,000, divided into 10,000 shares of \$100 each, is fully paid up and non-assessable.

The statement is also made that arrangements have already been made for the early delivery of all necessary track material and equipment and it is believed the road to the Forks can be put in operation by the latter part of July and a profitable business begun this year.

The railway, to use a common expression, will "fill a long felt want." The summer of '97 the greatest difficulty and expense in regard to transportation in the Klondike has been the transportation of mining machinery and supplies from Dawson to the Klondike and the supplying of the numerous plants with fuel and timber. This difficulty was partially overcome last summer by the construction of wagon roads, but it is a well-known fact that wagon roads, even if constructed in good order, do not

take the place of a thoroughly equipped railway. The larger portion of machinery and supplies shipped to Dawson go up Bonanza for distribution and a very important feature in regard to the railway is the fact that the business awaits its construction just as was the case with the White Pass road. The promoters propose to make such low rates for fuel and freight, as well as passengers, that all competition will be removed and the large number of teams now employed in hauling freight from Dawson will be employed to equal advantage in distributing merchandise and other freight from the end of the railway to the numerous creeks. Mr. Hawkins expresses the belief and hope that the first section of the road will be built by the sale of stock to men directly interested and without the issue of any bonded indebtedness, though an act of parliament authorizing the issuing of bonds to the extent of \$30,000 for each mile constructed should the shareholders prefer to do so and pay interest on the bonds.

As soon as the first section is begun it will be the policy of the company to immediately arrange for extensions from the Forks to an advantageous point on Dominion creek, a distance of 20 or 22 miles, which it is said can be much more cheaply built than the first section.

A splendid outlook for the prosperity of the road is given under the head of earnings and business prospects. One of the principal sources of revenue will be from passenger traffic, as a great part of those engaged in mining and other business make frequent, and in many cases, almost daily trips between Dawson and the Forks. An actual count of the people traveling on foot only on Bonanza from May 2 to May 6, last year, inclusive, from 6 in the morning to 9 in the evening, and at a time when the roads were in their worst condition, gave a daily average of 482 persons. It is a well-known fact, too, that not only would the Bonanza, Eldorado and Dominion creek miners and business people travel over the railway, but those from upper Hunker, Quartz, Sulphur, and the Indian river country would do likewise. In preparing estimates of earnings only a daily average of 300 was considered which, with three trains running daily each way, would only give an average of 50 to the train. In addition to the regular passenger fares a large business will doubtless be done in arranging frequent excursions. The present stage fare to the Forks of \$5 will be reduced to \$2, which upon the basis of the estimate made will produce a yearly revenue from passengers of \$220,000.

Next in importance to the passenger business comes the handling of fuel and mining timbers. The hillsides for miles in the vicinity of the creeks have been practically denuded of timber, and one of the greatest expenses and inconveniences of mining in the past year has been the procuring of fuel and timber at a cost which could be afforded. In hundreds of cases the excessive cost of cordwood consumes nearly all the profits of mining and there are many mines idle today on account of this unavoidable expense. It has become absolutely necessary to provide cheaper fuel and timber for these extensive districts, the supply in the immediate vicinity being exhausted. Last year over 100,000 cords of fuel and timbers were consumed on Eldorado and Bonanza and their tributaries. The railway has placed a rate of \$2 per cord on fuel and upon an estimate of 80,000 cords a revenue from this source of \$160,000 would be had.

Lumber for sluice boxes, cabins and other structures is also an important consideration. The saw mills of Dawson it is said cut about six million feet in a season, about one-third of which is used on the creeks. Two million feet of lumber of all kinds at a rate of \$8 per thousand will produce a revenue of \$16,000.

In 1901 over 32,000 tons of merchandise were delivered in Dawson, and as probably the great majority of that is consumed on the creeks the assumption is made that at least 13,000 tons would be handled by the railway yearly. Merchandise has been classified into two classes, one to be known as "general merchandise," which will bear a rate of \$10 per ton, and the other designated as "first-class," at \$12 per ton, the total revenue from which is estimated at

\$142,000. Further earnings anticipated from mail contracts, express freight, refrigerator freight, etc., is expected to amount to \$97,000, bringing the total estimated yearly earnings up to \$575,000.

No figures are given in the estimates of earnings for the handling of any ore or gravel for the reason that up to the present very little has been accomplished in the way of developing quartz or other metalliferous mines. Due cognizance, however, is taken of the discoveries running from Victoria gulch to the Dome and over to Indian river, which it is believed will eventually prove very valuable. It is also believed that in addition to the ordinary quartz mining yet to be developed there will be in the near future large quantities of the decomposed quartz and schists of the old channels to be worked over by means of machinery which will of necessity be located at some convenient point along the railway. Extensive beds of conglomerates carrying gold values from \$3 to \$12 per ton have been discovered in the vicinity of Indian river, and while but little is at present being done toward their development it is possible that with the construction of the road to Indian river these beds of conglomerates will be found to be workable at a profit.

In regard to the cost of operation and general expenses of the road due consideration has been given to the high standard of wages and salaries obtained here as well as the expensive fuel. One feature, however, in connection with the operation of a railway in the far north is exactly the reverse of what would be considered by those unfamiliar with the climatic conditions. Other means of transportation from the outside world to the Klondike are possible or at least profitable for only a portion of the year; but this road can be operated in the winter as well as in the summer and will not be interfered with by the heavy snowfalls as is the case with the road over the White Pass. The snowfall in the vicinity of Dawson is even very much lighter than it is in Whitehorse and in the construction of the road no expensive snowsheds will be required, although a few sections of snow fencing may be necessary along some of the hillside cuts.

The total expenses of operation, including general expenses, is estimated at \$245,000 which, deducted from the estimated earnings, leaves a surplus of \$330,000 upon a capital stock of \$1,000,000, and it is considered by Hawkins safer to assume that the road will pay an annual dividend of at least 25 per cent.

Mr. Hawkins will arrive in Dawson over the ice next month, the actual work of construction will be begun at the earliest possible opportunity, and the building of the road it is thought will give an impetus to business in general second only to the days of '98.

To Snuff It Out.
New York, Feb. 14.—Liberty's torch is to be put out. The lofty light in the hand of the bronze goddess, standing on Bedloe Island, in upper New York Bay, that has been allowed to grow steadily dimmer since Bartholdi gave the magnificent statue to the United States people, is to be permanently extinguished. Sentiment, it is said, which has kept the beacon burning all these years, can no longer keep it alight, and now the government will snuff it for all time.

News of the contemplated extinguishment of the torch has been received here in the form of a public notice to the mariners sent out by the lighthouse board of the treasury department at Washington. It states that on or about March 1, 1902, the light will be discontinued.

Installed on the island to furnish current for the torch there is a powerful electric plant, but it is unused. A few lamps of small power furnish barely enough illumination so that the beacon can be seen by passing mariners. Lack of a congressional appropriation is said to be the cause for discontinuing the light.

Recognized in Springfield.
New York, Feb. 14.—Laurie Marks, the American bookmaker who was charged with being implicated in the Liverpool bank frauds several months ago, and who was supposed to have committed suicide by jumping from a channel steamer, has been seen, according to a Herald special from Springfield, Mass., in that city. The name of the person alleged to have seen Marks is not made public, but the bookmaker formerly lived at Springfield, where he was well known.

Sunday the Date.
"Backward, turn backward, oh Time, in your flight."
Sergeant-Major Tucker under whose direction the noonday gun is fired at the barracks, has chosen Sunday as the date and hour for setting the time of Dawson back 45 minutes and on that day the gun will be fired 45 minutes later than formerly.

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OLD CREEK MADE NEW

Once Abandoned is Now Born Again.

The Rejuvenation of Rosebud Creek, First Staked in '97, Again Stampeded.

Another old creek has developed into a new one upon which a new discovery has been made and to which a new stampede is now in progress. That which has been born again and is going through the process of rejuvenating is known as Rosebud creek, a tributary of the Yukon entering on the right limit five miles below Ogilvie. In years gone by the creek was made the butt of many a jest at the hands of the vaudeville comedians, Rosebud being coupled with Swede creek and Moosehide as streams which had turned out to be particularly aggregated cases of "frost," but if the statements contained in a sworn affidavit filed in the gold commissioner's office late Tuesday afternoon prove to be true it will no longer be in order to speak of the creek in terms of levity.

Rosebud creek was first stampeded late in the winter of '97 and was staked from one end to the other. In those days of excitement every creek was expected to prove an Eldorado, and pay that did not run as high as an average of 50 cents to the pan was scarcely considered worth wasting ore's time over. So when the few holes that were sunk failed to reveal gold in untold quantities the bulk of the stakers gradually withdrew and finally the creek was entirely abandoned and reverted to the crown, the same as Henderson creek upon which a new discovery was recorded several months ago and which is now yielding good pay.

Angus Gillis and George W. Mitchell are the new locators of Rosebud, their discovery being situated about 12 or 15 miles up the creek from its mouth. They recorded their claim Tuesday afternoon just before the close of the day's business and in their application state that they have sunk six holes to bedrock, four of them being 20 feet deep and two 12 feet. They also drifted 30 feet, taking from the pay gravel from 10 to 15 pans daily which they aver averages 10 cents to the pan. They found one nugget weighing \$4. As usual in cases of joint discovery they were allowed 1500 feet of ground.

Tuesday evening the news of the new find became circulated about town and before it was an hour old a stampede was on. In one party that left there were sixteen men, Dick Brown sent four representatives and many others did likewise. The stampede is expected to return today and quite a rush is anticipated at the recorder's wicket in the gold commissioner's office.

In Wild New York.
New York, Feb. 14.—The fight over the office of sheriff in the heart of the Adirondacks, has developed into a fight of another kind, according to a Herald despatch from Saratoga. At the election last November, Locke, Democrat, was declared elected by the board of supervisors, but Kathan the Republican candidate, carried the matter to the courts, charging frauds and irregularities and the Supreme Court decided in his favor.

Meanwhile Locke had taken possession of the office including the courthouse and jail and refused to obey the court order and surrender to his rival.

Both claimants organized forces to secure the prize and Locke has, it is reported, fortified himself in the county jail, declaring the decision was wrong and will be reversed and he does not propose to give up until the case has been determined by the court of last resort.

Meantime the county, which is inaccessible by railroad, is buried deep in snow, and there are fears that trouble may be precipitated before the state authorities can intervene to enforce the decision of the courts.

War on Bandits.
El Paso, Texas, Feb. 14.—Pursuant to instructions from Governor Otero of New Mexico, the sheriffs of Guadalupe are organizing posses of picked men to hunt down the members of Jack Musgrove's band of bandits which has recently terrorized that region. This means that a war of extermination will be waged against the outlaws and exciting times are expected in that portion of New

Mexico to which the outlaws have retreated. They are said to be in the fastnesses of the wild Captain Mountains.

The governor addressed a strong letter to the sheriffs of the four counties mentioned, urging them to "end the reign of terror in the isolated settlements of Eastern New Mexico, caused by the murdering and pillaging outlaws," and promising that he will recommend to the next legislature that rewards be given those who are instrumental in capturing and convicting the brigands.

Is Now a Capitalist.
Salt Lake, Utah, Feb. 14.—A special to the Tribune from Spokane, Wash., says that Edwin Boyce, head of the Western Federation of Miners, and leader in the recent strikes in Northern Idaho, has become a wealthy man through a rich find recently made in a mine in which he and his wife are interested. Some of the wealthiest mining men in the west are said to have offered a million and a half for the property, but the owners refuse to part with it.

Members of the miners' union are said to be greatly interested in knowing whether Boyce will remain at the head of the order or retire with his new found wealth.

To Build in 'Frisco.
San Francisco, Feb. 14.—The Call states that J. Pierpont Morgan's recent visit to this coast has resulted in the proposed purchase by syndicates in which he is interested of real estate in the business section of this city, on which a fine hotel and many other buildings will be erected. The paper adds that a well-known local architect has been selected to prepare plans for the new structures. The real estate agents mentioned in connection with the matter refuse to discuss the subject.

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