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REPORT ON WHITE PASS AND YUKON

Proceedings at Annual Meeting of Railway Company Held in London

OUTLOOK CONSIDERED CHEERFUL

Accounts Show Increased Revenue and Increased Expenditure—Permanency of Mining Camps

The ninth ordinary general meeting of the White Pass & Yukon Railway Company, Ltd., was held in London, England, on Nov. 12, Charles Colin Macrae, chairman of the company, presiding.

The secretary, W. H. P. Stevens, having read the notice convening the meeting and the report of the auditors,

The chairman said: Gentlemen, it is with very much pleasure that I rise to address you on this occasion, because I have to deal with the results of the year that has been eminently satisfactory. As I said last year, Mr. Graves as usual had taken the wind out of my sails by telling you at the close of the remarks which I made concerning the operations of the year then passed, with his inside knowledge, that the year now under review was going to be a good one. It is now going to be my endeavor to arouse a faded interest by telling you of the things accomplished, and that his prophecy regarding the operations of the year 1905 had been fulfilled. As a matter of fact, the year 1905, with which alone at this meeting we are concerned, was an eminently prosperous and satisfactory one for the White Pass & Yukon Railway company. To prove that, if you will bear with me for a short time, I will go through the duty of referring you to the figures which we have presented. If you will turn to the accounts that we have submitted, and take first of all the profit and loss account, I will give you a few figures, by way of comparison, which will fully bear out the conclusion that I have indicated.

On the credit side of the profit and loss account you will see that the dividend on shares of the local companies amounted to £98,000 odd. That compares with the figures in the previous year of only £70,000, so that you see at once that there is a gain on what is really our source of income—dividends received from the local companies—of £28,000. (Applause.) Taking the other side of the account, I am happy to say that the comparison is just as satisfactory, because while, on the one hand, on the credit side you have a large increase in revenue, on the debit side, I am happy to say that every item is lower than the corresponding items in the accounts for the previous year. (Hear, hear.) I will begin with the directors' and trustees' fees, which show a decrease of £400. Then management and London charges show a diminution of about £1,700. (Hear, hear.) Income tax is much higher this year, but that, of course, is on the average of years, and is owing to our having a larger revenue to deal with. The loss on exchange is again an advantage on this year, and the profit carried to the balance sheet is, of course, very much larger indeed. The only item in that account that requires explanation is the new item, "commission for extension of 6 per cent mortgage debentures," but perhaps you will allow me to postpone my observations I have to make upon that until I deal with that transaction in some of the general remarks which I will address to you before I sit down. I am happy to say that the result, as compared with the corresponding items in the previous year, is that there is a reduction of £3,551 in expenses, making, with the gain in revenue, a surplus on profit and loss of £32,036, as compared with the result shown in the previous year. (Applause.)

The Balance Sheet

I will now deal with a few of the items in the balance sheet. Turning to the credit side, it is with great pleasure that I note that the balance due from the local companies—which is the first item—is reduced from £95,000 odd, at which it stood in the previous year, to £48,000. That is most satisfactory. It is very nearly a 50 per cent reduction. Then the sinking fund investment is, of course, very much increased owing to the charges made each year. It has gone up from £69,000, at which it stood in the previous year, to £84,960, after adding the charges made out of revenue of this year for the full sinking fund of the next year. The balance forward, and that is, after all, the most important thing to you, is £14,765, against £11,544 carried forward last year, so that in every respect you see these accounts are a great improvement. There is a very large gain in revenue; there is a substantial decrease in expenditure. There is the full dividend paid, and there is a larger carry forward. Of course, what I am most pleased to see is that the full dividend has been paid out of the earnings of the year without having recourse to the balance that you have always carried forward from the first year of your undertaking. (Applause.) In other words, looked at from the point of view of the accounts, nothing could be in a sounder, healthier or more satisfactory condition than your enterprise, the White Pass & Yukon Railway company, and if you are assured of its stability it is in every respect a cheap investment, a good investment, and one which you can go to sleep upon. Now comes the question which is always the one which presents itself to you, and that is as to the stability of the investment. With your permission I will, before I address myself to general questions, just give you a few figures regarding the operations and workings of the different divisions of your services in the year 1905—that is, the year with which we are dealing. The figures, of course, for the current year are given in Mr. Graves' report, attached to the report that we submit to you, but the comparisons obviously are not given there, and if I am not wearying you I will give them to you. They are most instructive. Here are a few comparisons of the figures as compared with those in the previous year. Now, as regards the rail division, which is the first one dealt with, we carried 14,000 passengers in 1905, as against 11,700 in 1904, and we carried 34,000 tons of freight, against 33,000 tons in the previous year. On the river division we carried 7,600 passengers, as against 6,800, and we carried 29,000 tons of freight, as against 26,000 tons in the previous year.

Most Satisfactory Feature

I will now deal with the revenue, a feature which is always of most interest to me, and to all railway men. In looking at what we always call Mr. Graves' figures we get the net income, and that is to my mind the most important point—our net income—and I will tell you what I mean after explaining the figures. The revenues were as follows: The gross revenue of those traffic works out at $1,770,000 for 1905, as against $1,729,000 for the year 1904—not a very great difference, for you will observe that the increase is only about $40,000; but the net revenue works out at $734,000 for this year, as against $600,000—$598,000 to be exact—in the previous year. In other words, you will see that, although there is only a gain of $40,000 in the gross revenue, Mr. Graves makes a gain of $136,000 in the net income. (Applause.) That, of course, is to me, or to anybody who understands about railway management, by far and away the most satisfactory feature of the whole thing, because it shows that the business is being worked with economy, and that those savings have been effected without in any way affecting the efficiency of the service. It is very easy to affect savings in connection with any mode of traction, such as railways, trams, or anything else, by starving the service, and probably many of my hearers are familiar with cases in this country where you suffer from this state of things, but when you are connected with an undertaking the revenue from which is always increasing, and when you find your passengers and freight increasing, while at the same time you find your expenses diminishing, then you are interested in a satisfactory undertaking. It is an ideal position—reduced expenditure without diminished efficiency—and for that state of affairs we have to thank our local staff, regarding whom I shall have a word to say before I sit down, and more particularly and pre-eminently my friend Mr. Graves. (Applause.) Now, I have done with that very dull matter of figures, and I will only now detain you with a few words regarding the general position. I have on the two previous occasions when I have had the honor of addressing you given you my views, for what they are worth, on the question to which I have already referred—namely, the probable stability of your undertaking, on which, of course, depends its security as an investment.

Stability of Undertaking

I have told you in previous years in some detail how I arrived at the conclusions which I had then formed, and I do not propose this year anyhow to repeat myself, or to add substantially anything to what I then said. But I will say this, that with a year's added experience my belief in the stability of the undertaking is not one whit lessened, but is, on the contrary, confirmed and strengthened—strengthened by what, in some respects, on a mere first and hasty glance, might be deemed discouraging features—namely, the shifting and moving of populations, with a reduction of population at certain points served by our railway. Closer investigation, however, shows that that does not mean a passing away, but a redistribution, as you may say, of the population. I do not propose to anticipate what I shall have to say, if I live until this time next year, regarding the operations of the year that we are now in, but the experience of this year—1905—shows you that that fact to which I have alluded has not diminished the volume of your traffic either in numbers or in freight carried; and that, of course, is the absolute, conclusive answer to any misgivings which might arise in consequence of the shifting of the centres of population. Of course, we are all perfectly aware that the answer to the question that is passing through my mind rests ultimately on the permanency of the Yukon territory, or so much of it as you can reach, as a mineral-producing country; and as regards that all the evidence which comes forward year by year and month by month tends to confirm the opinion expressed to me before I consented to accept the chairmanship of this country, that it is not a mere flash in the pan, but is a solid industry which, having regard to the immensely rich nature of this territory, will last throughout our time—will, in fact, take generations and generations to develop, much more to exhaust. In confirmation of that just allow me to read one sentence in the report of Mr. Graves, who, with his local knowledge, sums up the whole position in that one sentence. He says: "The year 1905 was marked by greater progress in the development of the mineral resources of the Yukon territory and Alaska than any previous year since the discovery of the Klondike goldfields." And so it goes on. I shall not weary you by enlarging in the theme, but I say that to the best of my conviction, knowledge and information, there is no reason whatever why anybody should hesitate to invest in the securities of this company from any fear as to the permanency of its business.

Navigation Bonds Extended

There is one other general subject upon which I want to say a few words. In our report we have alluded to the very important operation which was carried through in the year under review—the extension of your 6 per cent navigation debentures. That was a matter that naturally gave your board very great concern and anxiety. I confess that it was with very great reluctance that I personally—and I know I am only expressing the views of my colleagues—consented last year to paying a 5 per cent dividend before some provision had been made for the redemption of this large sum of no less than £255,000 of second debentures falling due in five years, namely, at the end of 1910; but after much discussion we gave way on that occasion, persuaded by the very same sanguine reports and estimates given to us by Mr. Graves and our advisers as regards the subject of which I have just been speaking—the future prosperity of the territory traversed by your railway, and, consequent upon that, of your railway and river service. As I said before, those statements of opinion have been fully justified, and nothing has occurred to cause us to doubt or to feel less confidence in the opinions so expressed. Nevertheless, I must say that personally, after having done it, I felt uneasy. I kept turning it over in my mind and asking myself what we were going to do to meet that payment of £255,000 at the end of 1910. Obviously, if you were not going to do a very imprudent thing and take your chance of the state of the markets and of the state of your credit as a company as to either getting your bondholders to agree to a conversion and taking fresh bond in lieu of the existing one or actually raising the sum required—I say that if you were not going to do that, leaving everything till the last moment and taking your chance of finding yourself in a sufficiently favorable position to finance such an operation as that when you had to meet the payment, there was only one other thing to be done, and that was to make immediate provision—either by there and then beginning to lay by the money to meet the liability falling due in five years' time, or to get that liability in some way or other postponed until you would be in a better position to meet it. As to the first alternative, I may say it was one from which we were not prepared to shrink if the other could not have been arranged. I would have asked your consent to it, and I do not believe you would have refused, though I may say that, if you had, I should have ceased to occupy this chair. I should have asked you to go without your dividends until you had out of the revenue accumulated a sum sufficient to meet your liabilities. That, as I say, was one alternative. It was an honest thing to do, but it would have been most disagreeable, for it would have evoked your going without dividends altogether during five or six years in order to meet your debts, and that was the last thing we should have wished or invited you to do.

We therefore conceived the plan of endeavoring to obtain the consent of the debenture holders to the postponement of the redemption of their bonds on terms which gave them a quid pro quo. I am happy to state that that operation—a large one—was carried out satisfactorily, with the result that you are now absolutely free from any anxiety on that subject. I hope you approve of that. (Applause.) I think it is an exceedingly wise thing to have done in your interests. It certainly puts the company now and for a long time to come on an absolutely sound and healthy financial basis. You will have observed that, in consideration of that, we paid a commission of 5 per cent to your commercial managers. It had not occurred to me that we might do that when I thought the thing out in the first instance, but when they undertook and offered to underwrite the whole thing, I had to consider what was a reasonable sum to offer for such a service, and I say without hesitation that to get that £255,000 of debentures dealt with in that way on a guarantee of practically the underwriting of the whole amount, it was very cheaply done at 5 per cent, such payment to be spread over four years and to include all the expenses of the transaction; in fact, I consider it remarkably cheap. (Hear, hear.) So onerous was the undertaking that I understand from the commercial managers that in order to enable them to carry it out they had themselves and with the help of their friends to provide for £100,000 of the bonds being bought in the market at par plus the interest accrued thereon. The price of the bonds, not, as you know, owing to anything in connection with their intrinsic merits, but as a result of general depression in the market, is only 97-99. It was not, therefore, all jam for them. That is really a very sound piece of business for us and one upon which you, as shareholders, have reason to congratulate yourselves. I think you will approve of what we have done in the matter. (Hear, hear.)

Services of the Staff

The only other subject to which I propose to allude before sitting down has reference to the thanks which I hope you will convey through me to your staff—to the people who achieve these results for us. In previous years I have spoken in strong and glowing terms—the best of my command—of the nature of the work done by these gentlemen; but really the more I hear of it the more strongly I would wish to express my appreciation of the noble services they render. If we can send them a word of encouragement I am sure it will be greatly welcomed by them. I am sure, therefore, you will permit me on your behalf to express your appreciation in no half-hearted way, giving them our cordial thanks for the good services they render us. (Applause.) I beg to move, "That the report and accounts presented to this meeting be received and adopted."

Hon. Sydney Carr Glyn, vice-chairman, in seconding the motion, said it was not necessary for him to do this in otherwise than a formal manner in view of the interesting speech the chairman has just delivered and the equally interesting statement which Mr. Graves would be making at a later stage of the meeting.

The motion was put and carried unanimously without discussion.

The chairman next moved, "That a final dividend for the year ended 30th June, 1906, of 3 per cent (6s per share), making 5 per cent for the year, be declared, and that such dividend be payable on the 15th day of January, 1907, to those persons whose names are registered on the books of the company as shareholders of the company on the 1st day of January, 1907."

J. Dugdale seconded the motion, and it was carried.

The Hon. S. Carr Glyn next moved the re-election of C. C. MacRae and E. F. North as directors of the company, expressing the hope that the shareholders would mark their appreciation of the great services rendered by these gentlemen in passing the resolution with unanimity.

This motion was seconded by Mr. Dugdale, and carried unanimously.

E. F. North thanked the meeting on behalf of the chairman and himself for the confidence they had shown by their vote. He would take the opportunity of saying for the chairman what that gentleman could not say for himself—namely, that it would be impossible for them to have a chairman in charge of their affairs who took a keener and more intelligent interest in every detail connected with the undertaking. Mr. MacRae was himself a shareholder and was thus looking closely after the interests to which the shareholders in general wished him to give his attention. With regard to himself (the speaker) he was, so to speak, a junior, but he could only say that they should have the best efforts he could put forward on their behalf. He, like those whom he was addressing, was a shareholder himself, and was as keen to have everything right as it was possible for a man to be.

The chairman then asked Mr. Graves to address the meeting.

Current Yearly Traffic

S. H. Graves (president of the local companies): Mr. Chairman, Ladies and Gentlemen—Before proceeding to the business portion of the short speech which you have learned to expect from me each year, permit me, on behalf of the staff and employees, to acknowledge the kindly appreciation of their services expressed in the chairman's speech. I am sure that every man on the payrolls would confirm me, if he were here, in telling you how much this appreciation counts for in their work. The chairman has explained to you the features involved in the accounts now submitted to you, and he has done it so lucidly that I should feel nervous about attempting to follow him were it not for the fact that it is my privilege every year to some extent to lift the curtain and give you a peep into the future. In the interest of this performance you have so far been charitable to the performer, and I hope that this year you will be equally good-natured. What I have to tell you deals in a necessarily incomplete manner with the working of the local companies for the current year, so far as it has gone. When the year has been completed and the final results transferred from the books of the local companies to yours, in due course, a year from now, the chairman will tell you all about it. But meanwhile I can now tell you something upon two points that are of interest to you—namely, as to the traffic and the mining developments of this year. So far as the traffic is concerned, our passenger business has shown a satisfactory expansion, but, on the other hand, there has been a slight temporary decrease in our goods tonnage, due to special circumstances, which I had better explain in order to prevent you jumping to the conclusion that our business is falling off. You all remember the destruction of San Francisco by earthquake and fire last April, but probably few of you could have realized that this calamity would have such an effect upon our revenue as to have proved to be the case. This has arisen in two ways. In the first place, a large proportion of our spring merchandise traffic has heretofore originated in San Francisco, where a great many Dawson people spend their winters and arrange their spring shipments, and, of course, this year we lost all this early traffic, as there was no time to arrange elsewhere. The figures themselves will explain better than words what this loss was. In 1905 we had 49,598 tons on bond waiting the opening of navigation; this year we had only 1,948 tons. The difference just about equals the total falling off in our tonnage. So that this alone is sufficient to account for the reduction, and you will realize its temporary nature when you remember that before navigation opens next season the situation will have had time to adjust itself. In the second place, I should explain that this spring we had contracted for the carriage of upwards of 1,500 tons of mining machinery, etc., the plans and drawings for which were destroyed by the fire at San Francisco and could not be duplicated in time to get the machinery ready for shipment this season. But it will all go forward as soon as next season opens.

This traffic is therefore merely postponed till next season, not lost. With the general merchandise already alluded to and this machinery, we may say that but for the destruction of San Francisco our tonnage this year would have shown an increase instead of a decrease. Apart altogether from our loss of traffic caused by the destruction of San Francisco, there was another reason, also temporary in its nature, which operated to reduce our tonnage. The country which we serve is, as you know, in the transition stage from hand to machine mining methods, and of these latter dredging is at present the most important. A great number of dredges were wanted for shipment this season, but the makers were so blocked with orders for the Panama canal that only four large new dredges could be delivered on Yukon orders in time for this season's shipment.

The remainder, like the San Francisco machinery, will go forward next season. But for the manufacturers' inability to fill these orders, our tonnage this year would have been largely increased. But it simply means all the more for next year. I think with this explanation you will agree that I am warranted in describing the reduction in our tonnage this year as being merely temporary. This reduction, however, has been largely offset by reductions in this year's working expenses, so that in the absence of any unforeseen circumstances between now and the close of the year, our net figures will not, I hope, fall very far short of last year's, which, you will remember, showed a satisfactory increase on those of the previous year.

Mining Development

Having now dealt with the salient features of the current season's traffic, it only remains for me to tell you something as to the season's mining development of the country from which we derive our revenue, and upon which our future prosperity depends. And as regards this subject, I am fortunately under no necessity to qualify or explain anything. I told you last year that the developments for 1905 were more important and promising than those of any previous year. Well, the possibilities of 1905 have become the accomplished fact of 1906, while even greater possibilities have been disclosed as to the future. Dealing first with placer mining, which still largely predominates over quartz, new life has been infused throughout the Yukon valley by the advent of the largest mining development company in the world today—the Guggenheim Exploration company. This company has this year commenced operations on a considerable scale in the Atlin district, and on a gigantic scale in the Klondike. The heads of the company visited both camps personally last summer, and were so pleased and favorably impressed that before leaving the country they authorized fresh operations on a still larger scale. These people have in their first year sprung into the position of our largest shippers, and our relations with them from the start have been marked by such friendly feeling as makes it a pleasure to do business with them. The lead given by the operations of the Guggenheim Exploration company has not merely given new life and confidence to the Yukon mining interests, but has greatly facilitated the securing of the necessary capital by smaller operators, not alone in the Klondike and Atlin, but also in other districts, such as Forty-mile and Stewart River. The result is universal activity, and in every direction from Atlin on the east to the Tanana valley, some 1,500 miles to the north and west, one hears of arrangements being made for installing machine mining plants next season. So much for placer mining development. Now, as regards quartz mining, further development has proved the existence of large and valuable ore bodies in the Windy Arm district, and the necessary capital has been secured for working some of the properties on a large scale. Two more aerial tramways have been installed for carrying the ore down the mountain sides to the lake, but were not completed till too late in the season for any considerable ore shipments, though some ore has been shipped. New and important discoveries of similar ore carrying gold, silver and galena or lead, in paying quantities, have been made near Toochi lake, to the south of the Windy Arm district and in the Watson valley, to the north of it, and the indications are that large ore bodies exist in both directions. The effect of these new discoveries is to enormously extend the known ore district along our railway line. This district is now known to extend from near Log Cabin clear through to Whitehorse, a distance of about 80 miles. But this is not the only important ore development which has taken place along our line this year. At Whitehorse there has been renewed activity on some of the larger copper properties, where fresh capital has been attracted. Some of the properties have passed into the hands of men who have not merely the capital, but also the skill and experience necessary for their development on a large and scientific basis, and a great deal of work has already been done this season to put these properties on an ore-shipping basis, and some shipments have been made late in the season, while the prospects are for work on a still larger scale next season.

New Era of Mining Activity

You will see, therefore, that we appear to have crossed the threshold of a new era of activity in both placer and quartz mining throughout the entire country served by the White Pass & Yukon route. (Applause.)

The chairman said the observations made by Mr. Graves had not only been interesting, but also instructive in the highest degree. It was really most encouraging that a man who was not of an optimistic turn of mind, but who was face to face with the facts, should speak as Mr. Graves had done at each of these meetings. It was with the greatest possible pleasure that they welcomed him among them. (Hear, hear.) He had only just returned after arduous labors on the other side, and unfortunately at the moment he was not in the best of health, indeed it was at considerable self-sacrifice and contrary to the advice of his medical attendant that he was attending that meeting. He had never failed, however, to be at his post in far larger and more important matters than that. (Applause.) The chairman added, for the information of the shareholders, that a series of views illustrating the company's line and the country through which it passed, was being shown at the present time at the Alhambra.

Messrs. Woodthorpe, Bevan & Co. were then re-appointed auditors, and a cordial vote of thanks to the chairman and directors, as well as to the officials and staff, closed the proceedings.

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Filberts, per lb.	25c
Shelled Almonds, per lb.	50c
Jordan Almonds, per lb.	75c
Malaga Raisins, clusters, per lb.	35c
extra large clusters, per lb.	60c
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Californian Raisins, fancy box, 2 lbs.	50c
Figs, per box	25c
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Hallowi Dates, per lb.	10c
Crystalized Fruits, per box	25c., 50c., 75c
Crystalized Glace Cherries, per lb.	75c
Crystalized Anjelica, per lb.	75c
Bon Bons, in fancy boxes	25c., 50c., 75c., $1
Cranberries, per lb.	20c
Pure Cinnamon, per ¼ lb. package	10c
Pure Allspice, per ¼ lb. package	10c
Pure Cloves, per ¼ lb. package	10c
Pure mixed Pastry Spice, per ¼ lb. package	10c
Pure Nutmeg, per tin	20c
Pure Mace, per tin	20c
Mincemeat, ready to use, per lb.	15c
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Old Dry Sherry, per bottle	1.50
French Brandy, per bottle	1.00
Glenlivet Scotch Whisky, per bottle	85
Lager Beer, per doz. bottles	1.50
Silver Spring Ale, per dozen bottles	1.50
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Gilbey's Strathmill Whisky (6 years old), per bottle	$1.00
Gilbey's Spey Royal Whisky (10 years old), per bottle	1.25
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Gilbey's Castle Montilla Sherry, per bottle	1.25
Gilbey's Plymouth and Dry Gin, per bottle	1.00
Gilbey's Cognac Brandy—L'or extraildu vin, per bottle	2.00

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PELAGIC SEALING IS A KNOTTY PROBLEM

Negotiations Between Canada and United States Do Not Indicate Settlement

The settlement of the pelagic sealing question is still in the distant future according to advices received here. The trend of the negotiations which have mostly been carried on at Washington between the retiring British plenipotentiary, Sir H. M. Durand, and the United States secretary of state, Hon. Elihu Root, have been toward having the Victoria sealers relinquish such rights as they possess in the industry in consideration of compensation involving the purchase of the schooners, their outfits and the payment of recompense for the loss of the business to those whose money has been invested therein. It has also been reported that Canada will be given an interest in the catches of the lessees of the seal islands. Concessions on other pending questions between the two countries were also proposed. Canada, however, has represented to the British government that the rights of the Dominion in Bering sea are regarded as a national asset, and while not opposed to a reasonable adjustment, is not anxious to give up the interests held on the basis of the concessions thus far tentatively proposed. This question will be one to be taken up by the new plenipotentiary who will take the place of Sir H. M. Durand at Washington.

A Washington despatch says the report of Edwin W. Sims, solicitor of the department of commerce and labor who was sent to the Pribyloff islands to report on conditions there, has been published. Among other recommendations "Mr. Sims advises that a revenue cutter cruise along the Alaskan coast from May 1 to the latter part of June, during the closed season and follow the seal herd in its northward course to the Pribilof islands.

"Mr. Sims urges that the laws be strengthened so as to enable the revenue cutters to seize and fire on any trespassing vessel having seals or seal skins or the paraphernalia for taking them. He suggests that the islands of St. Paul and St. George be equipped with a few small cannon, but does not think a permanent military guard necessary.

"The despatch says:

"The Japanese pelagic sealing fleet, which was reported in Bering sea during the summer, consisted of at least sixteen vessels, each of which carried a crew of thirty men and from five to seven small boats for sealing. It was only when the crews of the schooners landed, or attempted to land, that the federal agents were able to make arrests and those of the Japanese who were killed belonged to parties that were caught red handed.

"These statements are made to Secretary Metcalf by Edwin W. Sims, who at that time was solicitor of the department of commerce and labor, but now United States district attorney at Chicago, of the seal poaching by Japanese on the Pribilof islands early last summer, which resulted in the killing of five of the Japanese raiders, the wounding of two and the capture of a total of twelve prisoners.

"Mr. Sims reports that the Japanese fleet took thousands of seals within the territorial waters of the United States surrounding the Pribilof islands during the summer. He says the seal herd is disappearing rapidly.

"Chief Agent Lembkey and two native guards captured six men and a boat on July 16, says Mr. Sims, practically without resistance. The men claimed they came ashore for water. They had, however, all the instruments necessary for the killing and skinning of seals.

NEGOTIATING FOR THEMIS.

It is expected that in a few days an announcement will be made as to whether the steamer Themis is to be sent on a voyage to Acapulco with a cargo of railway ties from the Fraser river sawmills. The Themis is now on her way north to Prince of Wales Island, for a cargo of ore. Negotiations are now progressing for a charter of the Themis from Mackenzie Bros. for the trip.

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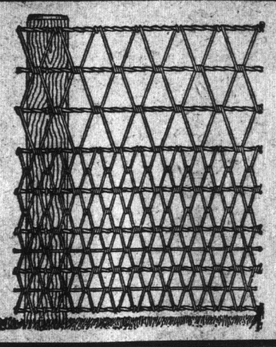

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