

Lee-Metford ammunition has not been issued except for the Glacier Creek trouble and on the return of the party was returned into the sergeant major's store.

A further supply should be forwarded next season in view of the proposed new posts.

CRIME.

There have been few crimes committed in this district during the past year. Of these the most serious was giving liquor to Indians, a warrant was issued but the accused party was not to be found. It is supposed he has gone to Circle City, Alaska. The other cases were, one of wife-beating and a few petty larcenies committed on the creeks. The Indian trouble at Pelly referred to in my report of last year has gone no further. With such a large number of men coming into the country every spring, of necessity, there is a certain percentage of criminals amongst them. Having no means of learning their past record, it is impossible to pick them out until such a time as a crime is committed. This element is increasing, and will increase. It is noticed, however, that through the fear of Canadian law and its enforcement by the small police detachment here many continue their journey a couple of hundred miles down the river to Circle City. At the present time we have a lunatic in the guard room, who gives us a great deal of trouble.

MINING.

The running of the boundary line last winter determined the fact that gold-bearing creeks which hitherto were supposed to be in American territory are wholly, or in part, in Canada. The two principal ones being Miller and Glacier. Notice was sent the miners that these, as well as certain other creeks specified in the notice, were in Canada and subject to her jurisdiction and laws. This was cheerfully accepted and mining regulations adhered to and all the necessary government fees paid.

A few miners denied Canada's jurisdiction and right to collect fees, on the ground that there was no joint survey and a possibility of error in the work. However, I went up to Miller and Glacier Creeks and all dues were paid without any trouble, except that of a hard trip, but as all trips in this country are of that nature, it was part of the bargain. On Glacier Creek, a number of the miners undertook to run matters in accordance with their ideas of justice and set themselves up as the law of the land. The trouble ended however by the Canadian law being carried out. A special report of this case has been already made.

As far as I can learn the amount of gold taken out this season is about \$300,000 or 17,647 oz., chiefly from Miller and Glacier Creeks. This is a slight increase on last year. The average cost of refining and coining dust is \$5 per \$1,000 at the U. S. Government mints at San Francisco and Helena.

In August of this year a rich discovery of coarse gold was made by one George Carmack on Bonanza Creek, a tributary to the Klondike or Trondec River which flows into the Yukon River about 50 miles from here, entering from the south-east. His prospect showed \$3 to the pan. As usual such a prospect created a stampede for the new diggings. Men left their old claims and with a blanket, axe and a few hardtack prospected on the new creek, staked, and registered their claims which in all cases gave better prospects than any other heretofore. Many old miners state that this creek is fully as rich as any found in California in the early days. New creeks are being found daily, all prospecting well. Three hundred and thirty-eight claims have been registered to date and there still remain about 150 to be entered.

The country between Hunker Creek and McQuesten River which empties into the Stewart River, is full of small creeks and gulches which on being prospected have all given good results. It is probable that the gold belt will in time be found to extend from the Klondike to the Cassiar and that the whole of this to the Divide will prove to be rich in gold. Without doubt before long rich quartz will be found, but not worked until some means of transporting the necessary heavy machinery is provided and supplies can be got in at reasonable cost. The gold-