

YUKON ROYALTY QUESTION.

Montreal Daily Star Says It Is Reproach to Government.

Advocates the Establishment of an Assay Office for Dawson, Where Gold Can Be Exchanged.

The Montreal Daily Star has the following to say regarding the Yukon royalty question:

The future historian of Canada, in chronicling the events transpiring in this country during the Laurier regime, will probably refer to the gold discoveries in the Yukon as being most worthy of notice in consideration of the great opportunities which were thereby opened up to Canadian enterprise and development. In perhaps no other feature of its policy has the Liberal government so egregiously failed in its duties to the people of this country.

Passing by for the occasion the scandals which have sprung from the administration of the country, let us consider the effect of the 10 per cent royalty.

Under the present conditions, of the \$730,000 collected in 1898, which was less than 5 per cent of the total gold exportation, the principal contributor was the honest miner, although he was assisted somewhat, doubtless, by stock companies, and mine owners who feared to take any chance of confiscation. Now, the miner who leads a hard life is certainly entitled to consideration at the hands of the government. It is no wonder that he becomes discouraged with a country which puts a heavy handicap upon his labor. The present heavy royalty has largely the effect of either making him a perjurer or driving him from the country to seek elsewhere conditions which are not so oppressive. If he goes, as has been the case in many instances in the Yukon, with him also goes royalty and revenue of every kind. If his lot is made easy, he will develop the country, and trade and revenue will consequently increase.

The shrewdness and foresight which has marked the American government's appreciation of the Yukon situation is in striking contrast to the lack of statecraft displayed by the Liberal administration. When the gold discoveries were made known to the world, the authorities at Washington made haste to establish an assay office at Seattle for the purchase of gold as it came from the Yukon. The certificates issued by this department were made payable either in Seattle or other cities in the United States, as desired, without any charge for exchange. The result has abundantly justified the step from an American standpoint. The city of Seattle is today being built up by the millions of gold which annually pass Vancouver on the way to the United States assay office at Seattle. Exchanged for money, goods are purchased in that city and carried back past Vancouver in American vessels to Skagway en route to Dawson. As some 90 per cent of the gold going into the Yukon are brought to the Pacific coast from the east, the farmers, merchants, and manufacturers of Eastern Canada can form some idea of the millions of money annually lost to them under the present policy of the Liberal government.

When the provincial government of British Columbia a year ago attempted to divert some of this trade by guaranteeing the assay certificates of offices established at Vancouver and Victoria, it was found that on account of necessary charges for exportation of the gold, and exchange, these certificates were at a disadvantage compared with Seattle assay values. It was demonstrated that even were the assay offices in these cities on a par with Seattle, the gold could not be had, because fully 75 per cent of those coming out with gold dust were Americans who make Seattle their headquarters. These miners would wait several days longer at Skagway for an American boat sailing direct to Seattle in preference to going by a British vessel to a British Columbia port. A premium is actually placed on this wholesale exportation of gold to Seattle, because gold dust at Dawson under existing conditions, is sold at such a discount from its real value that the expense of taking a trip out to the coast is paid for by the difference obtained by selling the precious metal at the Seattle assay office.

That it is the government's duty to carefully examine its position on this subject must be apparent to every one who would see Canada reap as much as possible for Canadians from the wealth of the northern gold fields. It has been suggested to tax the gold as it leaves the country rather than the miner who

digests it, if thereby trade could be promoted and the necessary revenue for administration obtained. For, where the dust is exchanged, there the money will be spent; and the Yukon miner does not generally trouble himself searching for low prices. If an assay office were established by the Canadian government at Dawson for the exchange of gold dust for currency, there would certainly not be the same inducement for the miner to leave Dawson for Seattle or elsewhere. Merchants and commercial travellers could then meet and do business in Dawson and much of the trade now going to Seattle could be captured by Canadians.

By the abolition of the present 10 per cent royalty and the establishment of a government assay office in Dawson for the purchase of gold dust, making liable to confiscation any gold being taken out of the country without the appointed fees being paid, a great burden would be lifted from the shoulders of the miners. The gold could be exchanged for Canadian bank notes, and sufficient deducted to pay royalty, maintenance, transportation and insurance on the gold. If the miner, on the other hand, wishes to take the gold out he would have to go to the assay office and pay the charges just the same. This would result in most of the precious metal being sold in Dawson. And the mine coming out would not have so much inducement to pass Canadian cities. Indeed, having Canadian notes and drafts he would be drawn to Canadian ports where his money would be received at par.

Western merchants are fully alive to the golden opportunity which Canadians, under the present government are missing, and the Vancouver Board of Trade has passed a strong resolution appealing to the Dominion government for the abolition of the obnoxious royalty and the establishment of a government assay office at Dawson.

Chilkoot Railway Again.

Like mad dog scares, the question of the building of a railroad through or under the Chilkoot pass bobs up regularly every few weeks. The latest is a confidential assertion that it will become a reality very soon. The Alaskan at July 11th says:

The engineer's corps will start upon the survey and permanent location of the line of the Lynn Canal Shore Line railway this morning. John H. Diers and Elias Ruud will be in charge of the work and will have ample assistance. The company's officers say that by the time the survey shall have been completed the work of actual construction will commence.

Shortly after the commencement of the work on the shore line work will also be commenced on the Chilkoot Pass railway.

L. D. Kinney, who is still the moving spirit in the various Chilkoot propositions, says everything looks well and by the 1st of September, there will be from 500 to 1000 men at work on the line of the railroad that is to climb Chilkoot's craggy heights. In speaking of the matter yesterday at his hotel, he said:

"I could not ask that our affairs be in better shape than now. We have completed the organization of the Lynn Canal Shore line, and the Chilkoot Pass Railway Company was organized some time ago. The next company to organize, the proposed incorporators of which are all ready, is the Arctic Construction Company. The old tunnel company has been merged in the Chilkoot company, and the Arctic Construction Co. will have the contract to do all the construction work from Skagway to the summit, including the tunnel. This company will be organized as soon as I get below.

"A prominent and well-known railroad builder will have charge of the work. He will commence at four places. The first gang will commence at Skagway, the second at Dyea, the third at the canyon and the fourth at the tunnel. There will be employed in all from 500 to 1000 men and all will be at work in less than 60 days.

"Of course we are expecting the British Columbia parliament to grant a franchise to the company to Lake Bennett, but our operations do not depend upon any such contingency. A way will be found to get rail competition at the head of Yukon navigation. Over that we are not alarmed. We will crowd our work irrespective of the action of the British Columbia parliament.

"Things should be looking much brighter in your town within the next few weeks."

Private dining rooms at the Holborn. The Holborn Cafe for delicacies.

Shindler has bicycle sundries; wood rims, inner tubes, ball bearings, spokes, bells, cyclometers, toe clips, graphite, etc. Wheels to rent by the hour.

Fresh eggs just arrived. Mohr & Wilkens.

THE NOME BEACH A FROST.

The Tundra Is a Delusion and a Snare.

The Town Is Only a Bubble and Thousands Are Endeavoring to Get Away as Soon as Possible.

George W. Hazen, a Portland lawyer, arrived in Skagway yesterday from Nome. He came south to Juneau on the Farallon, Capt. Roberts, and then came to Skagway on the Topeka. Mr. Hazen is a cousin to Dr. I. H. Moore of this city, and will remain here a few days visiting. He says:

"I went to Nome with the rush of this spring, was there two weeks and then came back together with 50 other men on the Farallon. The Farallon has proceeded to the Sound.

"The Nome beach is a frost, the tundra a joke, the creeks limited, shallow and not phenomenal and the town a bubble. There are fully 25,000 people in the city of Nome, and already the tide of disgusted argonauts are beginning to flow back this way. The camp can only support about 3000 people.

"Men are not making much on the beach, and tons of machinery taken there will never be so much as removed from the beach. The Farallon brought back a large boiler which was not even taken from the vessel. People are beginning to realize what a great will o' the wisp they have chased. Experienced Alaskans and miners who have followed the excitements up and down the coast for years are displeased. I know one man who has been chasing the allurements of mining camps of the slope for 40 years, who states he never saw such a stampede fake as that of Nome. It is the belief no honest man would let his friend go there.

"For two and a half miles the beach is strewn with all manner of gold machines conceivable. For hundreds of yards the people are encamped on a narrow strip of sea beach, and dare not move forward for fear of the tide, or backward for fear of the owners of lots behind them making them buy the lots at fabulous prices or decamp. Those who owned the lots in the early part of the season and through the winter petitioned to have the beach cleared of campers. Their motive was simply to make people buy their lots. The strip on which the newcomers camped was so thickly covered with tents that it is an unbroken city of canvas with guy ropes intertwining with one another at every step.

"Everyone has an outfit and no one is suffering for food, but when I left 1500 people were walking the streets without a place to sleep. They simply sat about the streets and slept in their clothes.

"The health of the town was in a deplorable condition. There were thirty cases of smallpox, and fever and pneumonia were common. A pesthouse was built back on the tundra for the smallpox patients.

"Up to the time I left funerals had averaged three a day, and there had been six murders and two suicides. Two of the murders were over disputes as to lots."—Alaskan.

Yukon Agriculture.

A stalk of oats was left at the Nugget office this morning by Col. McGregor that was grown by Jack Kirk in his front yard. The seed was taken from the mouth of Wilson's little race horse by Jack on the Queen's birthday and planted by him the same evening. The stalk is 2½ feet long and bears a heavy head of grain. Whether its speed in growing is due to its having been taken from the mouth of a fast horse or to the Yukon soil is a question that might properly come before a debating society.

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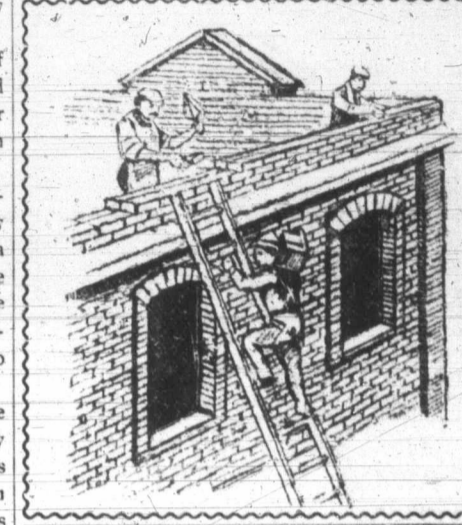
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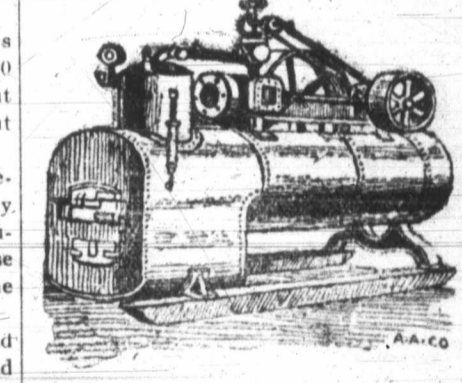
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