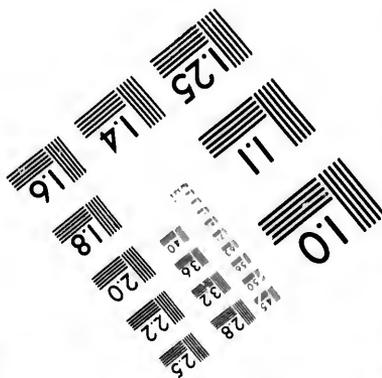
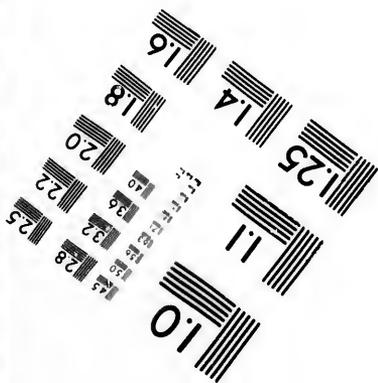
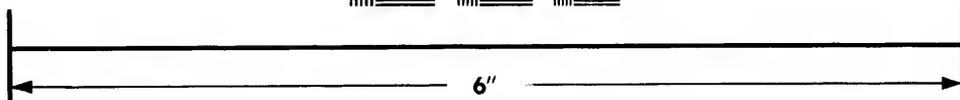
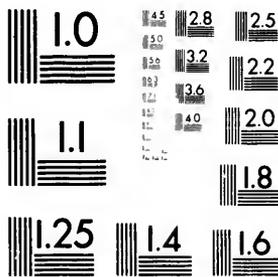


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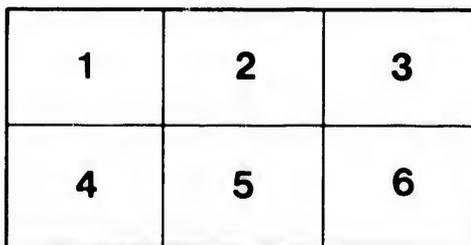
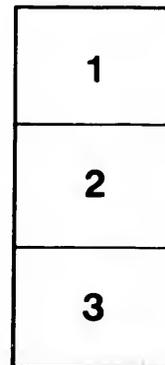
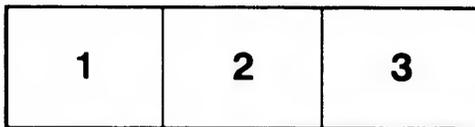
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BULLETIN  
OF THE  
DEPARTMENT OF LABOR.

No. 19.

WASHINGTON.

NOVEMBER, 1898.

**THE ALASKAN GOLD FIELDS AND THE OPPORTUNITIES THEY  
OFFER FOR CAPITAL AND LABOR.**

BY SAM. C. DUNHAM.

[Bulletin No. 16, the issue for May, 1898, contained an article under the above title by Mr. Samuel C. Dunham, an agent of this Department, giving the results of a personal investigation in the mining districts of the Yukon Valley and adjoining territory. Mr. Dunham has since returned to Washington, and supplements his former statement with the following report of his later investigations from January 8 to August 1, 1898. He acknowledges his indebtedness to Mr. John D. McGillivray for valuable information.—C. D. W.]

The ice in the Yukon broke at Circle City on May 12, but the river at that point was not free of running ice until the 19th, when small boats began to arrive from upriver points. This date found the community with food supplies sufficient to last until the arrival of the first steamboats, although there was a scarcity of some articles, such as canned fruits and condensed milk. Moose meat was scarce during the early part of the winter, and sold as high as \$2 per pound, but later it became plentiful, selling as low as 50 cents per pound. On January 10 there were about 200 people in the town, but a month later the population had increased to 350 through arrivals from Fort Yukon and Dawson, while at the break-up of the river there were less than 150 people there, large numbers having departed in March for Dawson and many having gone to the Birch Creek mines to prepare for summer work.

About 350 men passed the greater part of the winter at Fort Yukon, and many of these were engaged a large portion of the time in cutting wood for the two commercial companies. They received \$5 per cord,

and cut about 6,500 cords. Eighteen men from Fort Yukon spent two or three months in prospecting on the Upper Porcupine and Salmon rivers, returning in April or May, and reporting that nothing had been found. A party of twelve went to the southward on a prospecting trip in the Beaver River country, and had not returned up to June 27. It is therefore impossible to verify the current rumors relative to rich strikes on that stream and its tributaries. Twenty-one went to the headwaters of the Gens de Large River, a stream emptying into the Yukon from the north about 30 miles below Fort Yukon, and from there crossed over to the headwaters of the Koyukuk. They reported that good prospects were found on numerous tributaries of the Koyukuk, but no ground of unusual richness was found. The diggings are about 400 miles from the mouth of the stream, and can be reached by small steamers. During the latter part of the winter a few men left Fort Yukon for Minook, and a large number went to Circle City and Dawson, so that by June 6 there were but ninety people, exclusive of Indians, in the town, and all but ten or twelve of these left for upriver points during June.

There was considerable sickness at Fort Yukon, and the small hospital was full nearly all winter, three deaths occurring. There were fifteen men who were too old or feeble to work, their ages ranging from 55 to 70 years. Much sickness prevailed among the Indians, principally of a pulmonary character, and there were nineteen deaths between August 1, 1897, and June 1, 1898.

A record of the temperature last winter and spring at Fort Yukon, which is just within the Arctic Circle, shows that the average temperature for December was 8 degrees below zero; January, 24 degrees below; February, 29 degrees below; March, 6 degrees above; April, 36 degrees above; May, 49 degrees above. The coldest day was January 16, when the thermometer registered 62 degrees below zero. The longest period of continuous low temperature was from February 14 to 23, inclusive, the thermometer showing for the ten days the following readings below zero: 40, 48, 52, 52½, 42, 52½, 54, 42, 56, 38. While dwellers in more salubrious climates will no doubt read these figures with a shiver, the old-timers are unanimous in saying that the winter of 1897-98 was the mildest ever known in Northern Alaska. Be this as it may, the weather on the Yukon last winter, on account of the dryness of the atmosphere and the absence of winds, was almost uniformly pleasant. A temperature of 50 degrees below zero there brings no more discomfort than 30 degrees below in the Dakotas. The writer has experienced far more disagreeable weather in Minnesota and Montana than that which prevailed last winter at Circle City.

The principal interest in mining on the Yukon still centers in the Klondike district, but there was considerable activity during the winter on the American side. A number of stampedes from Dawson to the Forty Mile, American Creek, and Seventy Mile districts occurred, and all of the old creeks in those districts were restaked, while many

new creeks were located and to some extent prospected. The most notable developments were on streams near the head of Forty Mile, the best results being shown by Chicken Creek, which enters Forty Mile about 125 miles from its mouth. Discovery claim on Chicken Creek is reported to have produced \$70,000 during the season, only five men being employed. Dome Creek, in American territory, has shown \$4 to the pan. Large areas of placer ground on Forty Mile and its tributaries were located in 20-acre claims for hydraulic purposes, quite a number of associations of eight persons taking up 160-acre tracts, as they are allowed to do under the United States mining laws. Many claims thus relocated have in the past produced from \$6 to \$10 per day to the man, but were abandoned for the richer ground on the Klondike, and it is the opinion of experts that large returns will be obtained under hydraulic processes. Several companies have made contracts for the introduction of hydraulic machinery, and it is probable that during the season of 1899 a thorough test will be made of the possibilities in this direction. The output for the past season is estimated at \$200,000. Several hundred men ascended Forty Mile during the spring, and in the latter part of June prospectors were passing up the stream at the rate of fifty per day. As most of those entering the district are practical miners and fairly well outfitted, it is safe to predict that Forty Mile will show a large output as the result of the coming season's work.

The American Creek district was thoroughly prospected last winter and a great deal of development work was done, but it was impossible to secure any accurate data in regard to the output. It is reported that some claims yielded 3 ounces per day to the man. Several claims have been sold at prices ranging from \$5,000 to \$15,000. At the mouth of Mission Creek, of which stream American Creek is a tributary, a town known as Eagle City has sprung up during the past few months, and on June 25 there were about 300 people there, living principally in tents. A number of substantial log houses have been built, and many more are in course of construction. This is the natural distributing point for the Forty Mile district, there being a short portage over a low divide, and the mines at the head of Seventy Mile can also be reached from American Creek. The commercial companies are establishing trading posts at Eagle City with a view of supplying the American Creek, Forty Mile, and Seventy Mile diggings. Capt. P. H. Ray, U. S. A., located a military reservation at Eagle City in February last, and has recommended the establishment of a post there.

Much prospecting and some development work have been done in the Seventy Mile district. Over forty new creeks have been staked, the locations numbering over a thousand. A few sales are reported at small prices. Old timers have great faith in the future of Seventy Mile, and hundreds of men will try their luck in the district the coming year. A town site has been located at the mouth of Seventy Mile Creek, and the place is known as Star City. A number of buildings were in course

of construction there June 25 and the town contained a population of about 250.

The Birch Creek district, for which Circle City is the distributing point, still maintains its position as the richest and most productive gold field on the American side. A score or more of the owners of Birch Creek claims returned from Dawson during the winter and worked their properties in a limited way, the scarcity of miners and supplies making it impossible to operate the mines to their full capacity. Early in June the owners of two adjoining claims on Mastodon Creek sent requisitions to their agents in Circle City for 200 miners for summer work, but they were able to secure the services of only 8 or 10 men. At that time about 350 men were at work in the district, and it is estimated that the output will reach \$500,000, half of this product coming from Mastodon. Eagle Creek has produced some dumps which washed up \$2.50 to the bucket or 50 cents to the pan. A rich discovery was made during the winter on the North (or Miller) Fork of Eagle Creek, prospects showing as high as \$2 to the pan. Many 20-acre claims have been located in the district for hydraulic purposes, and a number of properties have been bonded, sales of this nature having been made at prices ranging from \$5,000 to \$40,000. Wages remain at \$1 per hour.

Coal Creek, 50 miles above Circle City, was thoroughly prospected during the winter, and was staked for 30 miles. While no large pay was found, the creek promises well for hydraulic operations. This statement is also true of many creeks in the American Creek and Seventy Mile districts.

On April 16 a discovery was made on Jefferson Creek, a small stream coming into the Yukon from the eastward about 4 miles above Circle City. The discovery was made about 8 miles from the mouth of the creek, 13 cents being found in the first pan washed. A stampede immediately followed, and within two days the creek was staked from its mouth to its source, a distance of 16 miles, and many of the tributaries were also staked. Some attempt has been made to boom this creek, but up to June 25 no pay had been found, although a shaft had been sunk to bed rock, the prospectors employed in this work reporting that they did not find a color.

About twenty Birch Creek miners left the district in midwinter on a prospecting trip to the Tanana River, whence marvelous tales of rich placer ground have come for several years. They struck the stream about 150 miles southwest of Circle City, and sank several holes to bed rock, but found nothing. It is reported that a party of prospectors who reached the headwaters of the Tanana by way of Forty Mile Creek found good pay on several small creeks, but these reports lack confirmation.

The Minook district shows very satisfactory developments as the result of last winter's work. Three or four steamboats, having several

hundred passengers aboard, were caught in the ice last fall in that vicinity, and a town known as Rampart City sprang up at the mouth of Minook Creek, about 50 miles above the Tanana. The town, which is well built, had a population during the winter of four or five hundred, many of whom thoroughly prospected quite a number of the principal creeks in the district. No ground of value has been opened up on Minook Creek. Little Minook, which enters Minook Creek about 8 miles from the Yukon, has proved to be the best creek in the district. There are about thirty claims on the creek, each 1,000 feet in length, and most of them paid wages. From No. 6 to No 10, inclusive, the claims are rich, so far as developed. No. 8 produced \$30,000 from 45 feet of ground. This output was the result of five months' work by two men. Nos. 6 and 9 are also very rich. On Hunter Creek, 2 miles nearer the Yukon, coarse gold has been found all along the creek. Two men on No. 1, above Discovery, shoveled in for a short time from the rim rock, 10 feet above the bed of the creek, and averaged \$20 each per day for the time employed. There is pay in the benches along Hunter Creek. Quail Creek, which is near the head of Hunter Creek, was discovered late in the season, and 15 or 20 men are working there. The ground is shallow, making good summer diggings. Prospects running from 25 to 40 cents to the pan have been found. On Julia, Leonora, Miller, Hoosier, Gold Pan, and Chapman creeks, all of which run into Minook parallel with Little Minook, coarse gold has been found. The claims have not been worked, but simply represented. About April 10, 1898, a discovery was made on the hillside above No. 9, on Little Minook, and within a few days \$1.60 to the pan was obtained. There was immediately a stampede, and the hilltops between Little Minook and the Yukon were all staked. This formation is similar to that on the hills between Eldorado Creek and Skookum Gulch in the Klondike district. It is supposed to be an old river bed or glacier channel, and can be distinctly traced for miles by the bowlders and the gravel shown on the surface. With a crude rocker \$67.50 was taken out in six hours, and the hillside claims have yielded nuggets weighing from \$4 to \$8 each. Work is being prosecuted there now. The claims are 1,000 by 660 feet. Surface water is utilized in the spring for washing up the dumps. Minook gold is coarse and very pure, the returns of the Seattle assay office showing that it mints \$19.50 per ounce. The largest nugget taken out in the Minook district during the winter weighed \$184. A great many nuggets were found, the owner of No. 8 on Little Minook having taken out \$3,500 in nuggets weighing from \$6 to \$60 each. There are a great many creeks in the district which have not been staked or prospected. Several quartz locations have been recorded, but they have not been proved to be of value. The ore is refractory, selected specimens assaying as high as \$200 per ton. There is plenty of wood on every creek for cabins and firewood, while there is an abundance of water and sufficient grade for sluicing. The

total output for the district for the season was between \$100,000 and \$120,000. On Russian Creek, which enters the Yukon about 4 miles below Rampart City, good prospects have been found, running from 15 to 30 cents to the pan.

As predicted in the former report, there was no serious shortage of supplies in Dawson during the winter, although many articles of luxury were exhausted long before the opening of the river. Condensed milk sold for \$3 per can; tobacco, \$5 to \$10 per pound; coal oil, \$40 per gallon, and whisky, \$40 to \$75 per gallon. A representative of the Alaska Commercial Company made the following statement:

Flour sold as high as \$180 per sack of 50 pounds, a great deal being sold for from \$50 to \$150 per sack. A large number of men who had good outfits sold them and went out over the ice, and this greatly relieved the situation as to the food supply. We asked the miners to let us keep as much food as they could spare in order that we might help out others; so, from time to time, we had some supplies for cases where there was actual need. A man could buy from us a sack of flour for \$6 and go outside and sell it for \$150. There was the greatest inducement to rascality. The police could not arrest a man and confine him for the reason that they could not feed him at the barracks. They could not punish a man for stealing. Up to the time of the break up of the ice flour sold as high as \$60 per sack, although it sold on the gulches in March as low as \$30. During the winter moose meat was obtainable at \$1 to \$1.25 per pound. Beef lasted till spring, when some of it had to be thrown away; price, \$1 per pound. Mutton lasted nearly all winter, and sold uniformly at \$1 per pound. In my opinion the difficulties in regard to the food supply will be twenty times more serious this year than last, and unless immediate steps are taken to get the destitute people out of the country the Government will be obliged to issue rations to at least 10,000 people at Fort Yukon and St. Michaels during the coming winter.

Firewood cost \$40 per cord during the winter as a rule, as high as \$60 and \$75 being paid in special cases.

Nails sold for \$5 per pound.

Small boats began to arrive from the lakes during the second week in May, bringing down large quantities of fresh vegetables, eggs, and fruit, as well as many other articles of luxury.

Oranges and lemons sold as rapidly as they could be hauled out for \$1.50 apiece, while apples met a ready sale at \$1 apiece. As late as June 12 oranges sold for 75 cents apiece, lemons and apples bringing 50 cents. On June 24 oranges cost 50 cents apiece and lemons \$3 per dozen.

The first eggs brought down the river sold for \$18 per dozen. Within a week they dropped to \$10; on June 10 they were selling for \$3, and on June 15 they could be bought for \$1.50, but their quality was not guaranteed.

Oysters, on the opening of navigation, sold for \$20 per can, and on June 25 cost \$10.

Canned roast beef sold at \$1.40 per pound; moose meat, \$1.75 per

pound; ham, \$1.75 per pound; fresh sausage, \$1.25 per pound; fresh fish, \$1.25 per pound; sugar, \$1 per pound; condensed milk, \$1.50 per can; salt, 50 cents per pound; lobster (one-half pound can), \$3; fresh onions, \$1.50 per pound; potatoes, \$1 per pound; canned butter (2½ pounds), \$10; canned tomatoes, \$3.

As late as June 25 tobacco was selling at retail for from \$5 to \$7.50 per pound; cigars, \$25 per 100, and cigarettes, 50 cents per package.

On the above date flour sold on the river bank for from \$3 to \$6 a sack; bacon, 25 to 40 cents per pound; granulated potatoes, 35 to 50 cents per pound; butter, \$1 per pound. These abnormally low prices were due to the fact that the sellers had become disgusted with the situation and were anxious to leave the country.

During the latter part of the winter there was a whisky famine, what little stock there was being in the hands of a few saloon keepers, who charged \$1 per drink. The first liquor to reach Dawson from upriver was 100 gallons of brandy, which sold for \$75 per gallon. A favored individual, who had a permit for the entry of 2,000 gallons of whisky, arrived in Dawson early in May, and within an hour sold his cargo in bulk for \$45 per gallon. He subsequently assured his friends that after paying all fees and legitimate expenses he had cleared by his venture the sum of \$60,000. This supply was consumed within a few days. On June 8 the steamer *May West* arrived from below with 16 barrels of whisky, which was retailed by several saloons at \$1 per drink. The steamer *Weare*, which arrived on June 11, brought up from Fort Yukon 47 barrels of whisky and high wines and several tons of case liquors. The whisky was immediately distributed among the numerous saloon keepers, in accordance with orders placed by them, and within a few hours a score of saloons were running in full blast and selling whisky at the old price of 50 cents a drink. The price charged for the liquor by the commercial company was \$25 per gallon. One saloon keeper, whose allotment was 5 barrels, turned his purchase over to another dealer for \$37.50 per gallon, stating, as he received payment, that while he was grateful to the company for its kindness in selling him such a liberal supply, his duty to his customers required him to make the sacrifice, he having provided his bar from other sources with a better grade of whisky.

Large profits were made in clothing and all lines of furnishing goods brought down the river. Ordinary sack suits, which sell in the States for from \$10 to \$20, brought from \$50 to \$80 in Dawson; hats, which sell outside for \$1.50 at retail, sold for \$7; cowboy hats, costing \$3 at retail in the States, sold for \$10; shirts, which could be purchased outside for 75 cents, were disposed of readily for \$6; and \$3 shoes sold for \$15. Two men, who brought in a selected stock of merchandise weighing about 10 tons, sold their cargo in bulk to local dealers for \$65,000, making a profit on the transaction of \$48,000.

Notwithstanding the immense profits, amounting in many cases to

respectable fortunes, made by the more fortunate speculators, a very large proportion of those engaged in the enterprises enumerated above made but little, if any, profit, while many met with actual loss owing to the fact that the market was greatly overstocked with the lines of goods they brought in. Moreover, a number of boats loaded with merchandise were wrecked in Thirty-Mile River and at the rapids, and the owners suffered a total loss of their cargoes. So the statement made in the former report still holds good, that while this field of enterprise yields enormous returns in case of success, the difficulties and risks are so great that conservative men who know the conditions are loath to enter it.

One restaurant kept open almost continuously during the winter, with the following bill of fare tacked on the wall: "Bowl of soup, \$1; mush and milk, \$1.25; dish of canned corn, \$1.25; dish of canned tomatoes, \$2; stewed fruit, \$1.25; slice of pie, 75 cents; doughnuts, pie, or sandwich, with coffee or tea, \$1.25; beans, coffee, and bread, \$2; plain steak, \$3.50; porterhouse steak, \$5." After small boats began to arrive in May restaurants were opened on every hand, and on June 20 seventeen were running in Dawson, the charge for a regular meal being \$2.50. Meals consisted of bread and butter, coffee, soup, fish, a small moose steak or stew, a potato, eggs, and pudding or pie. A porterhouse steak ordered by the card cost \$5; poached eggs on toast, \$2; hot cakes and maple sirup, \$1. A leading restaurant, having a seating capacity of thirty-two, employed three cooks, one of whom received \$100 per week, and the others \$1 per hour. Four waiters (two men and two women) were employed on the day shift and two on the night shift—wages of the men, \$50 per week, the women receiving \$100 per month. Dishwashers and yard men received \$5 per day. All employees were boarded by the restaurant, but were required to lodge themselves. The rental of the building, which is a canvas structure 20 by 40 feet in size, was \$900 per month.

The wine card of a leading restaurant for June 20 read as follows: "Champagne, \$20 per pint, \$40 per quart; sherry \$15 per pint, \$25 per quart; claret, \$15 per pint, \$25 per quart; ale, \$5 per bottle; half-and-half, \$5 per bottle; mineral water, \$3 per bottle." Notwithstanding the high figures appearing on a Dawson wine card, it is quite as frequently consulted as the more elaborate wine card of a first-class restaurant in our large cities.

Lodging in bunk rooms, containing from 12 to 24 bunks, costs \$1.50 per night. A single room costs from \$3 to \$8 per night. In order to secure a night's lodging it is necessary to make application forty-eight hours in advance, and the application must be accompanied by the cash.

The leading gambling house and dance hall employs three bartenders, two weighers, a bookkeeper, and a porter. Bartenders receive \$15 per day; the bookkeeper, \$17.50; weighers, \$15; and the porter, \$10. In the

gambling department, one man at the crap game, one man at the roulette wheel, four faro dealers, one weigher, and two stud-poker dealers receive \$20 a day each. In the dance hall twelve women are employed at \$50 per week and 25 per cent commission on all drinks and cigars sold through their blandishments. Three musicians receive \$17.50 per day each. The establishment pays \$10 a barrel for water, using two barrels a day.

The proprietor of the leading saloon states that his receipts for the first three days after his "grand opening" in March amounted to \$15,000, and the average daily bar receipts from April 1 to June 20 were over \$2,000.

The Pavilion (a variety theater and dance hall) opened about the middle of June, and the bar receipts the first night were \$12,200. The theater had three actors and six actresses under engagement, at \$150 each per week. Eight girls are employed in the dance hall, their compensation being 25 per cent commission on drinks and cigars consumed by their partners. As champagne sells in this establishment for \$40 a pint, and is frequently called for, their earnings are large, even measured by Klondike standards, one girl stating that her commissions for the first week amounted to \$750.

The one tinsmith in Dawson did a large business during the winter, principally in the manufacture of stoves, over 600 having been made, ranging in price from \$40 to \$75. Quite a number of ranges were made; a range constructed of No. 16 iron, 5 by 3 feet, costing \$300, and a pastry oven with a capacity of 72 loaves costing \$560. This establishment sells a Yale night-lock for \$6 and a pair of door butts for \$16. From five to ten workmen were constantly employed during the winter, at \$1.50 per hour. The charge for outside work has been increased from \$2 to \$3 per hour.

The principal firm of contractors and builders on June 20 had twelve men employed in the shop on various kinds of woodwork, at wages ranging from \$10 to \$17 per day. Skilled woodworkers receive \$17, carpenters \$15, and laborers \$10 per day, ten hours constituting a day's work. The charge for outside work is \$20 per day. This firm charges \$250 for a poling boat 24 by 4 feet in size.

Three tailor shops were running full of orders June 20. They charge \$135 for a sack suit and \$150 for a dress suit, and pay their workmen \$1.50 per hour.

On the same date four barber shops were in operation, employing from two to five barbers each. The prices are as follows: Shaving, \$1; hair cutting, \$1.50; shampooing, \$1.50; baths, \$2.50. A barber receives 65 per cent of the receipts of his chair, making from \$15 to \$40 per day.

The four laundries in operation charge 50 cents each for washing undershirts, 75 cents for overshirts, and \$1.50 for white shirts, and pay their help \$1 per hour.

Three sawmills, running day and night at their full capacity, produce

about 800 feet per hour each. Rough lumber now costs \$150 per thousand, as against \$140 last year, a like increase having been made in the price of other grades of product. The increase in price was caused by the scarcity of logs. Wages remain the same as last year. A sawmill has been erected on Bonanza and another at the mouth of Bear Creek.

Three or four typewriter operators keep fairly busy, charging 50 cents per folio and 25 cents for duplicates.

During the winter newspapers brought in over the trail found a ready sale at \$2 apiece. On June 13 a news stand displayed for sale newspapers and periodicals as follows: New York Journal and World, April 13; San Francisco Call, May 6; Seattle Post-Intelligencer, May 8; Puck, April 6; Judge, April 9; Harper's Weekly and Leslie's Weekly, April 7; Scribner's and Cosmopolitan for April. The price of the magazines, Puck and Judge, and the Journal and World was \$1 each, while the weeklies and other papers sold for 75 cents each.

Large sums of money were made by packers at Dawson during the winter. Twelve head of horses wintered there and were used successfully in sledding supplies to the mines. One packer who worked five horses states that he cleared \$25,000 as the result of his winter's work, although he had to pay as high as \$1 per pound for feed and \$1,200 per ton for hay. This is in marked contrast with the experience of the unfortunate packer whose disastrous journey to Circle City last fall was described in the former report, and it may be interesting to state here that the three horses constituting the remnant of his pack-train returned to Dawson in March, making the trip over the ice in nineteen days and drawing 950 pounds each on sleds. On June 25 they were in excellent condition, and had been for some weeks earning \$200 a day for their owner.

Just before the breaking up of the ice on the Klondike the rates for freighting reached the highest point ever paid on the Yukon, as high as \$600 per thousand feet being charged for hauling lumber to 36 Eldorado, 17 miles from Dawson. On June 20 the rates for packing to The Forks (13 miles) was 40 cents per pound, 10 cents greater than last year, while packers receive the same wages, \$250 to \$300 per month and board. Feed is scarcer than last year, oats costing from 30 to 50 cents per pound. Hay is shipped from Seattle, and has sold this summer as low as \$250 per ton, the prevailing price being \$350 per ton.

During the spring a great many horses and mules were brought down the river in scows, and on June 25 there were between 200 and 300 head in the district, nearly all being used in packing to the mines and in prospecting. Prices ranged from \$250 to \$750 per head. At the above date there were ten 2-horse teams at work in Dawson, hauling lumber, etc., the charge for services being \$10 per hour, and all the teams were working ten or twelve hours a day. Drivers received \$300 per month and board.

Considerable attention is being paid to vegetable gardening in the

vicinity of Dawson. One man has 7 acres planted in potatoes, rutabagas, cabbage, lettuce, and radishes. He had three men employed in June at \$1.50 per hour each, and stated that he expected to make a small fortune from his garden this season.

On June 11 the Yukon Midnight Sun, the first newspaper printed in Dawson, made its appearance. It is a three-column, eight-page sheet, published weekly at \$15 per year; single copy, 50 cents. On the 16th the first number of the Klondike Nugget was issued. It is a four-column folio, issued weekly, the subscription price being \$16 per year; single copy, 50 cents. Each office employs two printers, their wages being \$1.50 per hour or \$2 per thousand ems. Up to the 20th of June between twenty-five and thirty printers had applied at the two offices for employment. The job-printing department of each office was full of orders, the charge for letter heads, billheads, and business cards being \$35 per 1,000, and for sixteenth-sheet posters, \$25 per 100. On June 25 four or five men were on the ground who announced that they had printing plants on the way, and it is probable that before the close of the summer there will be six or seven printing offices running in Dawson.

Building operations in Dawson were quite active during the spring, and on June 25 the front street, which in October last contained but a score of scattered buildings, presented for four or five blocks a solid line of substantial structures, quite a number of which cost from \$20,000 to \$30,000 each, while between two and three hundred residences had been built on the hills overlooking the town. Dressed lumber is very largely taking the place of logs in the construction of buildings.

There was great activity in the Dawson real-estate market all winter, prices steadily advancing. Property on the front street, centrally located, increased in value from \$500 to \$1,000 per front foot within two months during the latter part of the winter, and many sales were made. Residence lots near the hospital, at the lower end of town, were worth from \$250 to \$2,000, the latter price having been paid for lots on high ground near the springs. The size of residence lots in this section is 50 by 60 feet. Lots on back streets, in the flat, sell for from \$100 to \$1,000, according to location. The prices of business property on back streets fluctuated greatly. A lot 50 by 100 feet on Second avenue (the second street from the river), which sold in May for \$10,000, could have been purchased on June 25 for \$5,000. This sudden depreciation in values is attributed by property owners to the action of the Canadian authorities in leasing the river front to a syndicate for building purposes. A strip of land on the river bank, 1,050 feet in length and varying in width from 50 feet down to a point, has been appropriated as a Government reservation and leased for \$30,000 per year. The lessees charge a ground rent of \$8, \$10, and \$12 per front foot per month, the rental varying according to the depth of the lot. This

entire tract has been solidly built up, being occupied by restaurants, small stores, laundries, etc., and yields to the lessees a gross income of about \$10,000 per month.

The Alaska Commercial Company and the North American Transportation and Trading Company, working in harmony, on June 1 adopted a new scale of prices for Dawson. The price of flour was advanced from \$12 to \$16 per hundred pounds; bacon, from 40 to 50 cents per pound; ham, from 45 to 60 cents; coffee, from 50 to 75 cents; canned corned beef, tongue, etc., from 50 to 75 cents per can; canned sausage, from 75 cents to \$1, and other food supplies in like proportion. The price of shovels and axes was increased from \$3 to \$4; nails, from 20 to 25 cents per pound; coal oil, from \$6 to \$8 per 5-gallon can; candles, from \$6 to \$8 per box; gum boots, from \$12 to \$20 per pair; whisky, from \$17 to \$25 per gallon. The average increase on staples is 33½ per cent, and on luxuries, 50 per cent. With but slight modifications, these prices have been adopted by both companies at all points on the river. The representative of the Alaska Commercial Company at Dawson states that the advance in prices will not seriously affect the working miner, as he will be given the advantage over the ordinary purchaser of a discount on his year's outfit which will make its cost but little more than under the old scale of prices.

Early in June the Canadian Bank of Commerce and the Bank of British North America established branches in Dawson, which are now actively engaged in a general banking business. The banks are putting large amounts of bank notes in circulation through the purchase of gold dust and in the ordinary course of business. During the first eight days after it opened its doors the Canadian Bank of Commerce purchased \$1,500,000 worth of gold dust. Dust is accepted at \$14 per ounce, the depositor receiving the balance, less deductions, after assay. The charge for exchange is 1 per cent. The new system is a great relief and accommodation to the public, as the cost of exchange previous to the establishment of the banks ranged from \$75 to \$100 per \$1,000. Gold dust is still the circulating medium in general use, and there is much complaint of unfairness in weighing, many of the smaller dealers using heavy weights, which give them an advantage over the purchaser of from 10 to 20 per cent; but this condition will soon be a thing of the past.

The North American Transportation and Trading Company accepts gold for shipment to Seattle at 2½ per cent per \$1,000 for expressage and 2½ per cent per \$1,000 for insurance. The Alaska Commercial Company accepts gold for shipment only as far as St. Michaels, charging 2 per cent for expressage and insurance to that point. Since the establishment of the banks neither company issues drafts.

Complaint is heard on all sides at Dawson in regard to the mining regulations in force in the district. At different times during the past year four sets of regulations have been in force, all radically differing,

especially as to the size of claims, and as a consequence the records are badly confused, rendering it necessary to suspend locations on some creeks. The fault does not seem to lie with the gold commissioner, who is a conscientious officer and has made every effort to accommodate the public, but is attributable to the fact that the regulations are formulated in Ottawa by officials who are ignorant of local conditions, the gold commissioner having no discretion in their enforcement. The principal complaint is directed against the royalty of 10 per cent charged on the output of the mines, and many mine owners have announced that they will simply represent their properties during the coming winter or until such time as the royalty shall be declared off or modified. They feel that the royalty is a discrimination against the producer, the speculator who purchases a claim for the purpose of reselling it escaping taxation.

Under the regulations in force June 25 creek claims are limited to 250 feet along the general course of the stream. The discoverer is allowed to locate 500 feet. "Every alternate ten claims shall be reserved for the Government of Canada—that is to say, when a claim is located, the discoverer's and nine additional claims adjoining each other and numbered consecutively will be open for registration. Then the next ten claims, of 250 feet each, will be reserved for the Government, and so on."

A royalty of 10 per cent on the gold mined is levied and collected on the gross output of each claim, the sum of \$2,500 being deducted from the gross annual output of a claim when estimating the amount upon which royalty is to be calculated.

The gold commissioner's fees are as follows: Miner's license, \$10; location notice, \$15; transfer, \$2; mortgage, \$2; partnership agreement, \$5.

The duties of the mine inspectors are to exercise a general supervision of locations, to see that the law in regard to representation is obeyed, and to collect royalty. When a discovery is made on a new creek, the locator is required to report to an inspector, who visits the creek, if easily accessible, to ascertain whether gold has been discovered. If the creek is at a great distance, the inspector takes the affidavits of the locator and others as to the fact of discovery.

Up to June 23 over 3,000 free miner's licenses had been issued, and at that date they were being issued at the rate of forty per day. A miner's license gives the holder the privilege of cutting timber for his own use, for mining purposes, the building of boats, the construction of cabins, etc. Timber berths are granted to manufacturers of lumber. These are disposed of at Ottawa, through the department of the interior. A bonus of not less than \$250 per square mile is charged, and a stumpage of \$2 per 1,000 feet is collected. Berths shall not be less than 1 mile in breadth and shall not exceed 5 square miles in extent. Not more than five berths of 5 square miles each shall be

issued to any one person in the provisional district of the Yukon. The yearly license is renewable. The holder has the right to all timber for firewood or any other purpose. All timber within 3 miles of Dawson has been reserved for the use of people who desire to cut their own wood, those without a miner's license being charged a stumpage of 25 cents per cord. All of the accessible timber lands along the Lewes and Yukon rivers, from the head of Lake Lindeman to the boundary line, below Forty Mile, have been taken up by sawmill owners and speculators.

A charge of 50 cents per ton is made for the privilege of cutting hay.

While, as stated, there is much ill-feeling in regard to the mining regulations in force in the district, the administration of the civil and criminal laws gives general satisfaction. Hon. Thomas H. McGuire, the justice for the Yukon district, prepared the following statement relative to the local government and the functions of his court:

The Canadian Government has been very anxious, from the beginning of gold mining in their territory along the Yukon, to provide for the security of life and property and the preservation of peace and order. At first the population was sparse and scattered, and it was thought that the presence of a police force and officers having magisterial functions would be sufficient, until it could be seen to what extent gold might be found and whether any considerable influx of miners would take place. In the Northwest Territories there had been for many years a quasi-military force, known as the Northwest mounted police, composed of picked men, the commissioned officers being chosen with special reference to their fitness for the mixed military and police duty to be performed by the force. From this police force the Government, in 1895, selected an experienced and tried officer, Inspector Charles Constantine, who in 1894 had been sent out to the Yukon and had made a report on the state of things in the district, and sent him in command of twenty men to establish a police post at Forty Mile, which was then the center of the Canadian mining territory. Captain Constantine and Inspector Strickland and these twenty men came to Forty Mile and built a post now known as Fort Constantine. Both officers had magisterial powers, which in Canada are limited to dealing with criminal matters. As to some offenses, they had jurisdiction to try and punish; as to more serious cases, they could hold a preliminary inquiry, and if they deemed the evidence sufficient, commit the accused for trial by a competent court. They had no civil jurisdiction except in case of disputes between masters and servants, as to their hiring, or wages, or desertion of employment.

During 1895 and 1896 the police not only dealt with the various offenses brought before them, but from the necessity of the case and the absence of a civil court, frequently dealt with matters belonging more properly to a civil court. These were chiefly disputes over the possession of chattel property, or as to the equitable division of partnership effects, such as food and boats, for persons who had agreed to prospect and mine in partnership very often fell out on the way and decided to separate. In these cases the officers when appealed to would endeavor to act as arbitrators between the angry disputants, and generally succeeded in effecting a fairly satisfactory arrangement. These rather informal proceedings had some advantages not possessed by proceedings in an ordinary court; they cost the parties

nothing, and were prompt and without delay. This mode of dealing with both crimes and disputes seems to have given very general satisfaction, for Captain Constantine was a fair and just man and his decisions were generally accepted as impartial. When, however, the discovery of the rich finds on Bonanza and Eldorado set the world on fire and caused such an extraordinary rush of prospectors and miners to the Klondike, it became necessary that a regular court of civil and criminal jurisdiction should be established. Such a court already existed in the eastern portion of the territories, having jurisdiction generally throughout the province, but so far no judge had been assigned to reside and administer justice in the Yukon region. The Government accordingly selected from among the judges of that court Mr. Justice McGuire, with instructions to establish a court at Dawson. A clerk of the court, a sheriff, and a crown prosecutor were appointed, and a new district entitled the judicial district of Yukon created. The new court officials arrived in Dawson in February, 1898, and at once addressed themselves to the organization of court work, first dealing with certain prisoners committed to jail awaiting trial. By the Northwest Territories act certain offenses, such as assaults, including aggravated cases, stealing of property not exceeding \$200 in value, and a few others, can be tried by the judge alone without a jury. As to all other crimes, with the consent of the prisoner, they can be heard and disposed of by the judge alone, but the prisoner is entitled in these cases to a trial by jury. The jury panel is composed of persons chosen by the judge, from whom six are balloted, the prisoner having the usual rights of challenge peremptory and for cause. So far no prisoner has asked for a jury, preferring to leave his case to the adjudication of the judge alone. This practice permits of prompt disposal of offenders. There are no regular fixed times for the sitting of the court; it in fact sits every day but Sunday, and whenever the prosecution and defense are ready the trial takes place. In case of nonagreement as to a date, this is fixed by the judge after hearing counsel for the prisoner.

The procedure in civil cases is very simple, being based on and adapted from the judicature act in England. A writ of summons, with a statement of claim in ordinary language, is served on defendant, who has ten days within which to file an appearance and six days further to put in his defense, which is a simple statement in unambiguous terms, of the facts or law relied upon. After the close of the pleadings, on application by the plaintiff and on notice to the defendant, a day for trial is fixed by the judge. In all civil actions where the claim is ex contractu and does not exceed \$1,000, and in actions in tort not exceeding \$500, the parties are not entitled to a jury; in all other cases either party may demand a jury of six, selected as in criminal cases. No regular times for the sittings of court to try causes generally are fixed, but each case is tried as soon as the parties are or ought to be ready.

The sheriff is at present Superintendent Constantine, the officer in command of the police. The police are employed in executing warrants and summoning witnesses in criminal causes, and generally in carrying into effect the decisions of the court.

Owing to the nature of mining business, the large interests involved, and the frequent necessity for immediate action, a liberal use is made of the procedure by way of injunction, with or without the appointment of a receiver. Where the circumstances warrant it, the summons to the other side to show cause why an injunction should not issue

contains an interim injunction until the return day of the summons, usually the second or third day after service.

The population and conditions in Alaska are very similar to those in Yukon, and a similar mode of administering civil and criminal law there would be as suitable as it has been on this side of the boundary line. A military officer or officers, selected with regard to his or their coolness and judicial cast of mind, and supported by a sufficient force of men, would very satisfactorily enforce law and order in the sparsely settled portions or in the smaller mining camps. When the growth of population has sufficiently increased a court of general civil and criminal jurisdiction, sitting at some central point, would be required.

It has been impossible to secure satisfactory data relative to the output of gold for the Klondike district. Many of the miners refuse to give any information whatever as to the yield of their mines, referring inquirers to the office of the gold commissioner, where it was learned that up to June 24 nearly \$500,000 had been collected in royalties, indicating a gross output thus accounted for of nearly \$5,000,000. At that date the clean ups were practically completed, the officials stating that they would probably collect royalty on \$2,000,000 more during the summer. There has, without doubt, been considerable evasion of the royalty, and it is probable that for this reason \$500,000 will be unaccounted for, while the claims and lays which have produced \$2,500 or less, and which are therefore exempt from taxation, have probably produced \$1,000,000. The bankers and the agents of the commercial companies, who have the best means of knowing the facts, practically agree in placing the output for the season at \$9,000,000, and they divide this aggregate among the creeks as follows: Eldorado, \$4,000,000; Bonanza, \$3,000,000; Hunker and Bear, \$1,000,000; Dominion, Sulphur, and all other creeks, \$1,000,000. (a) Many enthusiastic writers in newspapers and company prospectuses have placed the probable yield of the Klondike mines for the season at from \$20,000,000 to \$30,000,000, but no intelligent man on the ground who is acquainted with conditions has placed the figure above \$12,000,000. The mint returns and statements of private purchasers show that about \$2,750,000 in gold dust was received from the Yukon up to August 1, less than \$300,000 of this amount coming from points on the river below the Klondike, and it is estimated by the mint officials that \$4,000,000 more will be received by the close of navigation. This would leave in the Klondike district fully \$3,000,000 of the past season's product, in addition to the \$1,500,000 or \$2,000,000 held over from last year. It is probable that a much larger amount than that estimated by the mint officials will be brought out, but it is safe to say that at least \$3,000,000 in gold dust will be retained in the district as a circulating medium

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<sup>a</sup>The mint returns and reports from private melters and refiners show that on November 1 the total receipts of gold from the Yukon since July 1 had amounted to \$10,055,270. These figures indicate that the estimate given in the text is probably \$2,000,000 below the actual output.

and for investment in mining properties and business enterprises. The fact that money commands from 5 to 10 per cent interest per month will have an important effect in keeping gold dust in the country. The returns from the Seattle assay office show that Eldorado gold mints from \$14.70 to \$15.60 per ounce and Bonanza from \$15.60 to \$17 per ounce.

While the output as here stated must prove disappointing to many people on the outside who have invested in Klondike properties, and who have been led by alluring prospectuses to believe that it would be three or four times as great as it really was, the production is remarkable when the adverse conditions are considered. Owing to the scarcity of provisions, many men who were anxious to work were unable to do so, and it is probable that at no one time during the season were there more than 2,000 men at work, while less than 1,000 made full time for the working period of about six months. This would indicate a production of over \$9,000 to the man—a most extraordinary yield, and one which was probably never equaled in any other placer mining district in the world.

There have been no new developments during the winter in the vicinity of Dawson worthy of special mention, except on Dominion and Sulphur creeks and in the bench claims at the mouth of French Gulch. A great many stampedes occurred, and up to June 23 the number of recorded claims in the district had increased to nearly 9,000, as against 1,000 October 1, 1897. A large number of bench claims were located, there being on June 23, approximately, 300 such claims on Eldorado, 300 on Bonanza, 50 on French Gulch, 30 from Little Skookum over to Eldorado, and 15 on Sulphur Creek. As the result of inquiry among intelligent operators and conservative mining experts, it is possible to make a detailed statement relative to the season's developments and the character of the various creeks:

Eldorado forks at claim No. 47, where Chief Gulch comes in from the southeast. Good prospects have been found above the forks, but no mines have been proved. From 38 to 47 little has been done, but that portion of the creek may be as good as the rest. All below 38 is known to be good. In one respect Eldorado is better than any creek ever worked in the district, or in any other part of the world; that is, all the claims from the mouth up to 38 that have been prospected at all have proved to be very rich, and uniformly rich. There is not a claim in the 4 miles that is not worth \$200,000, and few of them are worth as little as that, some being worth a great deal more.

On Bonanza the last winter's work was done largely by layholders. The fact that the owners gave their claims out on lays is a pretty good indication that they had not proved the value of their claims or they would not have given a lease at 50 per cent. Many layholders complain that they made only wages or but little more, and in some cases less. This is particularly true of Bonanza below Discovery,

where many lays were abandoned during the winter; yet on a number of claims a long distance down Bonanza, as far as 60 below Discovery, it is claimed that very good pay was taken out. Some of these representations may be caused by a desire to boom values; but in other cases it is pretty certain that very good claims have been proved. The best claims on lower Bonanza are not, at best, one-half as rich as the ordinary claims on Eldorado. On upper Bonanza, in the 20's and 30's, very rich pay has been found—in many cases nearly, if not quite, as good as in some of the Eldorado claims. From a little below Discovery to about 40 above Discovery on Bonanza a large proportion of the claims have been proved to be rich. This is about the same number of claims that have been proved on Eldorado up to Chief Gulch. Bonanza is much wider than Eldorado, and consequently has not been as thoroughly prospected as the latter, and as far as known the profits of working would not be much more than one-third as much as the profits of Eldorado claims. Bonanza is more spotted than Eldorado, where the pay is confined in a narrow channel.

Hunker Creek is much like Bonanza so far as the developments show, being spotted. From Discovery down to about 40 below nearly all the claims that have been exploited to any extent have proved to be as rich as, if not richer than, the average good claims on Bonanza from Discovery up. Below 40 to the mouth and above Discovery very little work has been done. Lower Hunker is very wide, and offers good opportunities for hydraulic mining, if feasible methods of hydraulic mining can be brought into use.

Bear Creek, from 19 above to 19 below Discovery, has six or eight claims that have been worked and have turned out very well, comparing favorably with good Hunker and Bonanza claims, but nothing like as rich as Eldorado claims. The remainder of Bear Creek has not been prospected.

Gold Bottom Creek has one or two good claims, and others are likely to be found.

All Gold Creek is proving better than was generally expected last year.

Monte Cristo, Fox, Examiner, Mosquito, Klondike Bar, Alki, O'Neil's, Lindow, Leotta, Lucky, Independence, Victoria, Quigley, Nugget, Magnet, Adams, Hester, French, Montana, and Gauvin creeks have all been located their full length, and there has been considerable speculation in the properties on those creeks during the past winter; but no reports of rich discoveries on them have been received in Dawson, and if any rich prospects had been found they would have been reported. It is safe to say, therefore, that while the creeks may turn out well, they have not been proved as yet. The fact that they have not been proved is no indication that there may not be rich claims on them. So far, on none of the creeks, except the four or five rich ones, have any claims been proved of value except very near the mouth of a

few of them; for example, the first two claims on Skookum, a branch of Bonanza, have been proved to be quite rich. So it is with a number of other of these creeks; but farther up, while good prospects have been found in a number of cases, no claims to compare with even the good, average Bonanza claims have been proved. People have taken claims on these tributaries or "pups" to the States for the purpose of selling them, representing that they are as valuable as claims on the main creek. So far as known, none of these claims on pups, except at or near the mouth, have been proved to be of value. It would be unwise for anyone outside to buy claims on any of these creeks except upon the reports of experts after examination.

Along the hillsides from No 6 Eldorado, across a low divide into Skookum, across Skookum and Little Skookum, but lower down on Little Skookum, and down into Bonanza, are some extraordinarily rich bench claims. In most cases the pay lies within three or four feet of the surface. The nuggets found here are unworn, showing they have moved but a short distance; in fact, they are less worn than the nuggets found in Eldorado and Bonanza. Many of the shafts sunk in this territory have uncovered very little pay, and the total number of claims that pay well is very small compared with the total number located; but further prospecting may and very probably will develop a great many more claims that will pay very well, even under present methods of working. At any rate, enough has been shown by the shafts sunk where the poorest pay has been found to indicate that in time, with cheaper methods of working the hillsides, hundreds of acres will pay enormous profits. Some modification of the California method of hydraulic mining can probably be introduced here.

On the hillside below the junction of French Gulch and Eldorado six or eight very rich claims have been worked during the past few months. These claims were discovered about the 1st of March. They are nearly all on the rim; that is, where the gravel is thin. Some deep shafts have been sunk farther back, and many shafts have been sunk all the way to bed rock for half a mile or so below French Gulch without finding as rich pay as they have been looking for. They have always found gold, however. The shafts have all shown that there are splendid opportunities for the introduction of cheaper methods.

On Bonanza, at three or four points just below the junction of pups, are other bench claims, not as rich as those of French Gulch or Skookum, but still rich enough to pay for rocking. So far, in nearly every case, the rich bench claims that have been found are near the rim of the bed rock as it begins to slope from the deep overcovering of gravel and other covering at the beginning of the steep declivity, and are just below the junction of a small creek with a big, rich creek. Many of these bench claims are as much as 300 feet in elevation above the bottom of the main creek, on the brow of the hill.

The following statement relative to the bench claims in the Klondike district was furnished by a surveyor of the Dominion Government who has given much attention to the subject:

The bench claims of the Klondike district have probably been more of a surprise to the average miner than the creek claims of Eldorado and Bonanza. During the early summer of 1897 a certain amount of excitement was created among the newcomers by the discovery and successful working of isolated spots on Bonanza that could hardly be termed true benches, but that were more of the nature of hillside claims. Then came the location of benches on Eldorado, on muck banks and slides which covered the creek-claim pay, under a law that provided that the creek-claim extended only from base to base of the hill, without regard to the lay of the bed rock. It was not until a prospector in September, 1897, struck his pick into the hillside adjoining the mouth of Skookum Gulch that the true richness and nature of the bench claims of the Klondike were demonstrated. Although the surface of this man's ground was a steep hillside, he had struck the lip of a terrace of bed rock, and on tunneling into the hill he found that the bed rock was level with a large mass of gravel overlying it. His first "color" was a \$20 nugget, and he is said to have taken out \$1,100 in one day with the aid of a rocker. Numerous claims were immediately located in the vicinity, but as none of them were worked for some time the strike gradually came to be looked upon as a pocket. Later in the season, however, a hole was sunk farther up the hill from the original discovery, and another on the Eldorado side of the hill, and good pay was struck on a higher terrace than that on which the original discovery was made. The usual excitement followed, and miners began to prospect in earnest. Little Skookum benches were the next ones struck, and then came the discovery of the extraordinarily rich French Gulch benches and the Adams Gulch benches. All these strikes were at a vastly higher level than anyone had expected to find gold, and from the character of these bench diggings people have been led to discard the pocket theory in favor of others that agree more closely with the conditions under which the pay has been found. Taking all the conditions into consideration, it seems reasonable to suppose that the gold was originally deposited at a much higher level than that of the present creek beds, and that the creeks have gradually eroded the bed rock and crosscut or sluiced down the pay to its present level in the gulches. Whether similar benches will be struck in the Indian River district remains to be demonstrated. Reports have reached Dawson of strikes in that district, but the formation of the country there does not encourage the belief that anything similar to Eldorado and Bonanza benches will be found in that district.

The hills on either side of the gulches have a gradual slope from the summits to the creek beds, and as far as a superficial examination of the ground can determine there is no sign of any terrace formation similar to that on Eldorado and Bonanza; but the face of the country is so covered with rock slides, muck, and debris of every description that a superficial survey of the ground is inadequate to give any idea of the lay of the bed rock, the great determining factor in runs of gold. The theory most favorably received as to the original factor in the deposit of gold is that it is due to glacial action, the character of the gravel on the hills confirming that theory, it appearing to have much more of a glacial than of a river origin. The probability is that bench diggings will continue to be found for the next ten years, and each new

strike is liable to be more of a surprise than the last one, and eventually for hydraulic companies the hills may prove to be a vastly better working proposition than the gulches, owing to the latter having so little grade that it is difficult to obtain fall enough for dump. Once the water can be brought on to the benches from the creeks (and this can not be until the latter are worked out), an enormous amount of gold will be taken from the hillsides, and the world will probably be more surprised than ever at the wealth of the Klondike.

On the Indian River side two creeks have so far proved of value, Dominion and Sulphur, which head very close together near one of the domes, then spread, and finally join before entering Indian River, about 25 miles below. Dominion has been proved, as far as indications go, to be as rich as Bonanza, and probably richer, from a little below Upper Discovery (so called) to some distance below Lower Discovery. Altogether 326 claims have been located on Dominion, or about 30 miles. From some little distance below Lower Discovery Dominion has not been prospected, yet it has been boomed for the whole distance. Between the two Discoveries and for some distance on either side (about 4 miles) exceedingly good prospects have been found, and claims range in value at about \$50,000, as against \$25,000 in February. Some claims have been proved to be worth more than the prices offered. Two claims above Upper Discovery were recently purchased by one of the most conservative operators in the district for \$40,000 each. It may be said that so far as proved Dominion shows up better than did Bonanza a year ago.

On Sulphur, from about 40 above to 32 below Discovery (nearly 7 miles), hardly a shaft has been sunk that has not shown very good pay, and claims in this territory are held at from \$20,000 to \$40,000, sales having recently been made on this basis. A claim just below Discovery which was offered for \$6,000 in April could not be bought in June for \$30,000. The creek is narrow and the pay somewhat confined, and it can be easily worked. It is about the same as the other creeks in depth. Owners on Sulphur and upper Dominion who are not in need of money are holding their properties, believing they will turn out as rich as claims on Eldorado.

Eureka Creek comes into Indian River from the other side. While some prospecting has been done, no sensational reports have reached Dawson, and although claims are held at good prices the developments have caused no boom.

Quartz Creek, which also runs into Indian River, has never been prospected to any extent. It is a large creek and may turn out well, but so far no pay has been found.

Cariboo, Calder, and Ophir lie in the same neighborhood, but have not been prospected to any extent, and no rich pay has been found on them.

Gold Run, a branch of Dominion, lately reports good prospects, and is so situated that it is believed that good pay certainly will be found

in it. It heads in the divide between Sulphur and Dominion and runs into Dominion.

All other creeks in the Indian River district have been fully located, but so far, except in some cases on claims near the junction of the main stream, show no indications of rich claims. They may be rich, but they have not been prospected.

Of the creeks flowing into the Yukon immediately below Dawson, Moosehide is the most favorably situated, being but 3 miles from town. Good enough pay has been found in the gravel to warrant the belief that the creek can be worked profitably under some modification of existing hydraulic methods. Colorado and Deadwood have simply been stamped and located, no prospecting having as yet been done.

On all of the streams in the Henderson Creek district considerable energy has been expended in locating, but very little in prospecting. While there may be rich pay on Henderson Creek and some other streams in the district, so far nothing but good, ordinary wages diggings have been found.

Most of the creeks entering the Yukon above Dawson are remembered only by the people who stamped them. Very little work has been done on any of them, and no good prospects are reported. There may be rich pay in all of them, but no work has been done to prove whether they are valuable or not.

During the winter two men who had been cutting wood on the island just below the mouth of Enslay Creek, 10 miles above Dawson, sunk a shaft to bed rock and found pay. They went through 12 feet of muck and 25 feet of gravel—round, washed gravel deposited by the Yukon. Rich pay was found in the seams of the bed rock. They found small pay, consisting of fine gold, in the gravel, but irregularly distributed. Bed rock was reached just before warm weather set in, and little drifting could be done on account of the inflow of water; consequently it was not proved whether pay was continuous or only spotted. As high as \$8 was found in a single pan, the dirt being taken from a bed-rock seam. The island was given the name of Monte Cristo. Considerable excitement was caused by this discovery, and all the islands for 15 or 20 miles above and below Dawson were quickly staked. Owing to the ruling of the gold commissioner, that claims might not be recorded in any locality until gold had been proven to exist there, most of these locations have been abandoned, because at that time warm weather was coming on and it was impossible to sink shafts. That there is considerable gold in the gravel and on the bed rock on these islands—in fact, in the bed of the whole Yukon in the vicinity of Dawson—there can be no doubt. An island such as Monte Cristo has some advantages for working, as the current of the river can be utilized for raising water, pumping, and hoisting gravel. If the pay should be proved continuous throughout the island as in the shaft sunk, it will pay very well to work it.

Considerable attention has been given to the subject of dredging for gold in the river and creek beds, but there are so many opportunities for the investment of capital where there is a greater certainty of return, and so much ground that is not taken up where it is known that there is pay and where it is known that hydraulic methods, etc., can be used to advantage, that it will probably be some time before dredging in the river bed will be resorted to. Ultimately dredging will be done, but only after considerable experimenting has been done to show where there is good pay in the beds of the streams and also after cost of working has been reduced, because dredging can not be done unless the cost is low, for the simple reason that dredges can not handle large quantities of gravel as compared with hydraulic appliances. It would cost a great deal to bring in dredges, and there would be a large risk in such enterprises. There are certainly great opportunities for dredging in the Yukon and its tributaries, but it will probably not be extensively undertaken for the present, as there are many problems to be solved; moreover, the seasons are short, and it is not known to a certainty that the bed of the river is not frozen to such an extent that it will be impossible to work it at all.

Eventually there will be great opportunities for hydraulic operations in the Klondike district. Eldorado and Bonanza creeks have been butchered so far by drifting and the subsequent sluicing in summer time of the dumps, and yet not one-quarter of the gold has been taken out. Only the richer spots have been worked, and no attempt has been made to work any except the very rich spots. The result is that to-day both of those creeks are ruined in many places for a continuation of the present methods of work. On Eldorado many rich spots are left, where it is known that there are small beds of gravel containing all the way from \$5,000 to \$50,000, which can not be worked, except at great expense, by drifting or even by summer sluicing. The mine owners all admit that the only way to obtain the gold from any of these claims is through some systematic method by which all the gold-bearing gravel and bed rock may be handled and the tailings disposed of. About half of the richer claims on Eldorado have been "gophered;" the other half will probably be next winter, and after that there will be left on that creek, within the limits of the creek claims, more gold than will have been taken out. That this will be mined in time there can be little question. The same may be said of Bonanza in a general way and in different proportion. Some parts of Bonanza that are known to be rich have not been touched. Ultimately all of the creeks upon which work has been done so far will be worked by some sluicing method, probably some modification of hydraulic mining such as that in vogue in California. This can be done only by capital, for to obtain a sufficient quantity of water for hydraulic mining the supply must be brought from the upper Klondike in flumes, a distance of from 50 to 80 miles. When this is done the cost of working should not exceed at the most per cubic yard what

may now be obtained from the poorest gravel in the bed of any of the streams which have been located. There are probably 1,000 miles of creeks in the district which will then pay to work, while at the present time and under present methods, with the cost of supplies and labor what it is, there are not over 400 claims, or 40 miles of creeks, in the district which, so far as developed, will pay to work. Further, at the present time not more than from 50 to 150 feet in width of the richest part of any creek will pay to work, while under new methods the entire width of the creek bed, from 200 to 1,000 feet, will pay; and more than that, the hillsides, extending up on either side of the creek, will pay as well as the creek bed itself, for the cost of working will be small. This means that where one square yard will now pay, a hundred square yards will pay under cheaper methods. The cost of moving gravel per cubic yard up to the present time has varied from about \$4 to \$15. The cost of moving gravel by hydraulic methods in use in California and other Western States varies from 2 to 10 cents, or in some cases somewhat more, per cubic yard. Very little gravel in all the creeks which have been located so far in the district will pay less than \$1 per cubic yard, and there is no reason why the cost of working should be anywhere near that figure. This leaves an immense margin of profit, for in many cases whole claims will yield in their pay channel of 100 feet or more over \$100 per cubic yard. It is true that hydraulic mining can be conducted on the Yukon for but a few months in the year, but the season in which water was obtainable in California and Montana in the palmy days in many districts and on many of the richest and best mines was no longer than the season would be on the Yukon. It will be impossible, on account of the formation of the soil, to bring water in ditches, and fluming will have to be resorted to. This will increase the expense considerably, because good timber for fluming is somewhat scarce. Generally speaking, it may be said, however, that the pay in the gravel is so great that the expense of fluming will be more than counterbalanced.

Some problems have been suggested with reference to uncovering the ground by removing the muck, moss, etc., but it has been demonstrated that there is but little difficulty to be encountered in this respect. A much greater difficulty arises from the fact that in very few of the creeks on the Yukon is the grade sufficient for direct sluicing with hydraulic giants. Heavy grade for the sluice boxes will be required, for the reason that the gravel is so angular in shape, very few rounded pebbles being found. As a consequence, it will be necessary to do hydraulic mining on nearly all the creeks by means of hydraulic elevators such as are used in California. This, of course, will add somewhat to the cost of working. On the Alaska side, in the Forty Mile and some of the Birch Creek diggings, the grade is greater and the gravel looser, and sluicing can be more easily done.

A company known as the Klondike Government Concession, Limited,

has obtained control of 3 miles of the lower end of Hunker Creek for hydraulic purposes. The valley of Hunker Creek is very broad, being nearly a mile wide at the lower end. The company has a twenty-one years' cession. It is proposed to bring water from the Klondike River at a point probably 40 miles above the mouth of Hunker. The bringing in of flumes and the opening up of hydraulic mining in any case must be undertaken by capitalists, because the initial outlay will be heavy.

Wages in Dawson in most lines of employment remain the same as last year. There was no regular scale of wages in the mines during the winter. On October 20 the miners on Eldorado and Bonanza struck against the reduction of wages from \$1.50 to \$1 per hour, and resumed work November 14, under a compromise which fixed the rate at \$1.25 per hour. A large proportion of the miners worked all winter at that rate, but many received only \$1 per hour, while a few were paid the old rate of \$1.50. Early in May, at the beginning of the clean up, the mine owners voluntarily restored wages to the old rate of \$1.50 per hour, and this rate prevailed on all the creeks through the season. Bed-rock men in many instances were paid from \$2 to \$2.50 per hour.

There was a great deal of sickness in Dawson and on the gulches during the winter, and there were sixty patients in the hospital June 15, most of whom were suffering from scurvy. Dr. J. J. Chambers, of Dawson, furnished the following statement relative to this much-dreaded disease:

Scurvy was very prevalent during the winter. Most of the cases were among newcomers. A large proportion of those who came into the country last year were men of sedentary vocations—clerks, doctors, lawyers, etc.—who had as a rule led quiet and regular lives. Suddenly they were thrown into a condition of intense excitement, entering a phase of life entirely new to them. For weeks they had but little sleep and ate their meals irregularly. When they reached Skagway or Dyea they found themselves in the midst of the mad rush for the Klondike, and on account of the high rate for packing were forced, through lack of means, to pack their outfits to the lakes. The reports of those going out that food was scarce here and that there was danger of starvation created a high nervous tension that was killing in its effects. Nearly all underwent great physical hardships, packing loads on their backs for long distances, without proper food, over almost impassable trails, often carrying packs which they could not have lifted under normal conditions. The situation was analogous to that which is seen at a fire, where men will rush into the burning building and with apparent ease carry out heavy articles of furniture, which they could not move except under intense excitement. This strain lasted from sixty to ninety days, and when they got to Dawson the "stampeding" had commenced, and they went on trips to distant creeks for the purpose of staking claims. They would start out with two or three days' provisions on a trip that could not possibly be made in less than four or five days. Being strangers and not wishing to impose upon the hospitality of miners along the trail, they would go two or three days with insufficient food, lying outdoors at night without proper bedding. Then the river froze up and the food panic followed, and they realized their condition

and became "homesick," the worst disease with which we have to cope. None of them were making fortunes, as they had hoped to do, the more fortunate, at best, selling a claim here and there for a few hundred dollars or working a few months at \$1 or \$1.50 per hour, which means as a rule only \$6 or \$8 per day. Naturally they became despondent. Their food was in many cases insufficient and lacking in variety. Many had never cooked before in their lives, and as they were forced to prepare their own food, they simplified matters by confining themselves to a few articles, with the result that their blood was soon in an impoverished condition, which rendered them peculiarly susceptible to disease. The popular notion that scurvy is the result of a diet of bacon, the lack of exercise, and uncleanness is not correct, if we may judge by the cases that developed here last winter. Many men who were particularly cleanly in their personal habits and who took plenty of exercise and had an ample supply of fruits and fresh meats were taken down with scurvy in its worst form, and some of them died. It is probable that fully 10 per cent of the newcomers were affected by scurvy in greater or less degree, while the oldtimers were practically exempt from its ravages. In all cases the liver and spleen were affected more or less; sometimes the bladder was affected, and frequently the prostate gland was involved. Patients often passed blood from the urinary organs and bowels, and in many cases bled from the gums, but when the bowels were attacked the gums were affected but slightly.

During the winter there were many cases of a serious throat and lung affection, resulting from the gases formed by burning in the mines, and there were several deaths from this cause.

No attempt has been made to improve the condition of the Dawson townsite by the construction of drains, and as a consequence the greater portion of the flat between the river and the hills is a bog, which forms a natural breeding ground for malarial fever and pestilential diseases. On June 25 there were about seventy patients in the hospital, a large proportion of the cases being fever and scurvy. Dysentery was prevalent throughout the town, many newcomers suffering severely and a number of deaths being reported from this complaint. The supply of wholesome drinking water is insufficient for the large population, the only sources being two or three springs on the hill at the lower end of the town and the Klondike, a mile or more from the center of population. Many of the people take their drinking water direct from the Yukon, and nearly all who depend on this source of supply are attacked by dysentery. Water from the springs costs 10 cents a gallon delivered in town, some of the saloons paying as high as \$10 a barrel for it.

The charge for hospital accommodations is \$5 per day, medical attendance costing the patient \$5 per visit and special charges being made for surgery. The records of the hospital show that since it was opened on August 20, 1897, it has taken care of 293 patients. Of these, 104 had scurvy, 25 fever, 25 dysentery, and 13 pneumonia. Of the 28 deaths recorded, 9 were from fever, 7 from pneumonia, and 4 from scurvy. The hospital receives its principal support from subscriptions, there being in June about 600 subscribers who pay an annual fee of 3 ounces of gold (\$48). Subscribers are entitled to the privileges of the hospital

in case of sickness. Nonsubscribers are required to pay \$5 per day, as stated, and the physician's fee makes the cost to the patient \$10 per day.

According to the best information obtainable, about one hundred deaths occurred in the district between October 1, 1897, and June 25, 1898.

On June 25 there were about seventy-five physicians in Dawson, and they were still coming. Ten or twelve were actively engaged in practice. Fees have been reduced since last year from \$17 to \$10 per visit. The charge for office consultation is \$8.50, the patient buying his own medicine, prescriptions costing from \$2.50 to \$7.50. So far as could be learned by careful inquiry, this is the only instance in which there has been a reduction in charges for professional or other services on the Klondike.

The river broke at Dawson on May 8, and as the ice moved out it was followed by thousands of people in small boats who had been waiting at the lakes for the opening of navigation. Over two thousand people arrived in town from the upper river in one day. During the first three weeks in June five or six steamboats arrived from below, bringing four or five hundred people who had been forced to spend the winter at various points on the lower river, and by June 25 there were probably 15,000 people in Dawson, two-thirds of whom were living in tents or occupying their boats at night. At that date the river bank for a distance of two miles was so thickly lined with small boats that it was impossible for new arrivals to find a landing place, and they were obliged to go to points still farther away from the center of town, while it was exceedingly difficult to find a place to pitch a tent, as all available camping ground was already occupied. All small boats going down the river are required to register at the customs station at Lake Tagish, and are given a number. On June 18 the register showed that 7,200 boats had passed the station, and it was estimated that on an average each boat contained five passengers. While at the above date the great rush was over, boats were still passing the station in considerable numbers, and it is probable that by August 1, 40,000 people had left the lakes for the gold fields. A very large proportion of this vast number stopped temporarily at various points on the upper river for the purpose of prospecting, it being estimated by the captain of a small steamboat which ascended the Stewart River on June 19, that between 5,000 and 6,000 had gone up that stream at the date named. Eventually, and before the river closes, practically all those now on the upper river and its tributaries will reach Dawson, where they will greatly aggravate the difficulties which confront the authorities. The mounted police stationed on the lakes during the winter adopted the rule that no one should be allowed to go down the river with an outfit of less than 1,000 pounds, but latterly this rule was not strictly enforced, and, as a consequence, probably one-half of those who passed through the lakes were inadequately equipped with food supplies. Thousands of this improvident

class are practically penniless, and even if the commercial companies succeed in getting sufficient food supplies into the country, many will suffer for the necessaries of life. Compared with the increase in population, the opportunities for employment for wages are even more limited than they were last year, for the reason that there have been no new developments in the district worthy of note, except on Dominion and Sulphur creeks, while, as already stated, many of the owners of rich claims on Eldorado and Bonanza have announced that they will not work their properties next winter unless the royalty is declared off. Many men seem to have broken up their homes in the States with the idea of making permanent homes on the Yukon, taking their families with them, and on June 25 there were fully 1,000 women and children in the town. In walking along the river front scores of women, leading their little children by the hand, were encountered in the throng, and the scene reminded one of the concourse at a county fair. The thoughtful observer could see nothing in the immediate future for the majority of these unhappy people but want and misery. Already the Canadian authorities had taken steps to induce the surplus population to go down the river to the American side, and up to June 25, probably 2,000 people had heeded the warning and departed in small boats, many proceeding direct to St. Michaels for the purpose of returning home by ocean steamers. Unless this movement down the river to St. Michaels became more general than then seemed probable, there will be a repetition this fall of the sad scenes of last year, but many times magnified, and our Government will be obliged to take care of eight or ten thousand destitute people at Fort Yukon.

The commercial companies were more unfortunate than usual in their efforts to get their boats into the river at the beginning of the navigation season. As a result of the exceptionally warm weather in the early part of May, the break-up of the ice was accompanied by the highest water known for years, and the four steamboats that wintered in the slough at Circle City were carried by the action of the ice far out on the bank, where the receding waters left them high and dry 200 feet from the running water in the stream, from which they were cut off by an immense ice jam. It was necessary to blast trenches through the ice and construct ways to the channel, and this work was rendered unexpectedly expensive by a strike of all the white and most of the Indian laborers in Circle City. A large force of men had been employed for several weeks in getting the boats to a place of safety, receiving a compensation of 60 cents per hour. At a meeting held on May 13, the day after the break-up, a resolution was adopted declaring that no one should work for less than \$1.50 per hour, and was signed by 89 men, including several Indians. The resolution stated that this action was taken for the reason that the North American Transportation and Trading Company had raised the prices of provisions during the winter 25 to 100 per cent. This increase in wages brought the cost of launch-

ing the boats up to a high figure, the representatives of the companies stating that the total expense was nearly \$15,000. The *Victoria* was launched on May 30, and proceeded to Fort Yukon, where she loaded with 45 tons of flour, nails, etc., and returned up river to Dawson. The other boats were not launched until June 4, when the *St. Michael* left for St. Michaels. The *Weare* went to Fort Yukon, where she loaded for Dawson, which point she reached on June 11 with 150 tons of merchandise and 158 passengers. The *Bella* proceeded to Fort Hamlin and loaded for Dawson, taking in tow her barge at Fort Yukon on her return, and arrived in Dawson on June 24 with 390 tons of merchandise and 50 passengers, having spent a week on a sand bar just below Circle City.

The steamer *Hamilton*, which was frozen in at Russian Mission last October en route to Dawson, was launched June 1, and arrived at Dawson on June 17 with a full cargo of merchandise, 74 tons of which were taken on at Circle City, and 150 passengers.

The *Margaret* and the *Alice*, of the Alaska Commercial Company's fleet, wintered on the lower river, and on June 27 had reached a point about 20 miles below Circle City, where the *Alice* was fast on a sand bar and the *Margaret* was trying to get her off.

The *John J. Healey* lay in the canal at St. Michaels all winter, and left for Dawson on June 16 with a barge and about 60 passengers. She dropped her barge at Anvik, and on June 29 was taking on wood at Weare, the town established by the North American Transportation and Trading Company opposite the mouth of the Tanana.

Of the numerous steamboats belonging to private expeditions that attempted to ascend the Yukon last year, only one, the *St. Michael*, succeeded in getting above the Tanana. The details of her trip from St. Michaels to Circle City were given in the former report. The *Mare Island*, a large side-wheel boat from San Francisco, was abandoned last fall, and is lying in the canal 18 miles from St. Michaels, it having been found that she drew too much water to get across the bar at the mouth of the Yukon. The *Merwin* and the *Thomas Dwyer*, two small stern-wheelers, went into winter quarters at Nunivak, on the lower river, and were successfully launched in May. On June 26 the *Merwin*, with about 40 passengers aboard, was 100 miles above Circle City, en route to Dawson, and making a progress of 50 miles a day. The *Thomas Dwyer* ran onto a sand bar just above Minook and was abandoned. The *Governor Stoneman*, a small tugboat owned by a party of prospectors, wintered at Nowikakat, 50 miles below the Tanana, and arrived at Fort Yukon June 3, with 10 men and their outfits. She ran onto a sand bar a few miles above Fort Yukon and stuck until June 27, when she was launched and proceeded up the river. The *May West*, a small boat of 54 tons register, was caught in the ice about 10 miles below the Tanana, and her passengers, 35 in number, wintered at Minook. She got afloat May 25 and reached Dawson on June 8, being the first boat

to arrive there this season. The *Seattle No. 1*, with about 160 passengers, who left Seattle in August, 1897, wintered just below the Tauana, and her passengers spent the winter at Minook. She was launched May 25 and proceeded up the river. On June 3 she was caught on a sand bar 18 miles above Circle City, and remained there nearly three weeks, finally reaching Dawson on June 25 with 220 tons of freight and 140 passengers, nearly all of whom had been eleven months on their way to the Klondike.

The *May West* was the first steamboat to leave the Klondike this season, as she had been the first to arrive. She left Dawson on June 18 with 68 passengers, the charge for passage to St. Michaels being \$100. She took down about a ton of gold, valued at \$500,000.

On June 12 the North American Transportation and Trading Company posted the following notice:

This company will now book first-class passage to Seattle to parties intending to ship gold dust by express on our first boat. Rates: Express on dust to Seattle, 2½ per cent per \$1,000; insurance to Seattle, 2½ per cent per \$1,000. First-class fare to Seattle, including meals and berth, \$300. Baggage allowance, 100 pounds. Steamer will leave Dawson about June 15, 1898. No dust received on steamer except it is shipped by express.

This announcement caused much disquietude among the large number of men who were anxiously awaiting an opportunity to embark for Seattle or San Francisco, with the reasonable expectation that the old charge of \$175 for passage would be maintained, for nearly all of this class were debarred on account of their inability to produce gold dust in amounts of \$1,000 for shipment, while but few had emerged from the extortion practiced on them during the winter with the requisite \$300. Events proved this disquietude in large measure to have been groundless, for at closing time on the 15th it had become apparent at the booking office that the select class designated in the notice was not numerous enough to insure a remunerative passenger list. The usual delay occurred, the departure of the company's first boat being postponed from day to day until the 24th, when the *Hamilton* left for St. Michaels with 178 passengers, many of whom were of the comparatively impecunious class mentioned, the nine days' delay having enabled them, by various humiliating expedients, to secure the necessary means to meet the greatly increased charge for passage. The *Weare* followed on the 25th with 42 passengers and about 3½ tons of gold, valued at \$1,500,000. On the 29th, when 50 miles below the Tanana, the *Hamilton* broke a hogchain and became helpless in midstream, and the *Weare* took her in tow, arriving at St. Michaels on July 5, ten days from Dawson. The regular "first-class fare" on the *Weare* for the first four days out from Dawson consisted of poorly baked bread, indifferent butter, stale corned beef, brown sugar, Indian trading tea, and an insipid decoction which the waiters called "coffee," with bacon and beans every other day for a change. The fare on the *Hamilton* was somewhat better, the

table being supplied with coffee, dried apples, and pudding. At the mouth of the Tanana the first "run" of salmon was encountered, and some of the passengers of the *Weare* bought fresh fish, which they were permitted to take aboard, but against the protest of the purser, who, with unprecedented consideration, objected to the cook being overworked. Finally the purser was persuaded to supply the boat with fish, and during the last five days of the trip dog salmon was served once or twice a day. Three deaths occurred among the passengers of the *Hamilton* and the *Weare* during the latter part of the voyage.

The steamer *Bella* and barge, of the Alaska Commercial Company's fleet, left Dawson on June 26, with 150 passengers, and about two tons of gold, worth \$1,000,000, and arrived at St. Michaels July 3. The charge for passage on the *Bella* was \$100 from Dawson to St. Michaels, and the company charged from \$100 to \$150, according to accommodations, for passage from St. Michaels to San Francisco.

At St. Michaels the magnitude of the Klondike "boom" became fully apparent. The first ocean vessel arrived on June 13, and up to July 5 there had been forty arrivals, with 30,000 tons of merchandise, coal, etc., and nearly 2,000 passengers, while at the last-named date less than 1,000 tons of freight and not to exceed 250 passengers had entered the mouth of the river. (a) Twenty-two ocean vessels were lying in the harbor, nearly all loaded with merchandise for the Yukon, which they were unable to discharge because of a lack of wharf facilities and the nonarrival of the new river steamboats which had been constructed on Puget Sound and elsewhere on the lower coast for the Yukon trade. Many types of sailing craft were represented, from a 47-ton sloop to a five-masted schooner of 2,500 tons, and a half dozen large ocean steamers lay far out in the offing, most conspicuous of all the great *Garonne*, carrying 3,000 tons of freight and 400 passengers, while closer inshore was anchored the United States gunboat *Wheeling*, reported to have been sent by the Navy Department to Bering Sea in response to representations that \$30,000,000 of Yukon gold would be brought out, to protect this potential treasure from Spanish privateers. In the inner harbor a score of new river steamboats, which had been towed from Puget Sound or Dutch Harbor, were being completed by the erection of wheels, the setting of engines, etc., and on shore a dozen more were in course of construction, while at the wharves four or five steamboats belonging to the old companies were loading for the Yukon, the whole scene presenting all the bustle and activity of a great Atlantic seaport.

On October 20, 1897, the Secretary of War issued the following order:

By authority of the President, the land known as St. Michael Island,

<sup>a</sup>The latest reports show that 43,000 tons of freight were landed at St. Michaels during the season, and that all stations on the river have ample supplies, about 12,000 tons having been carried to Dawson.

Alaska, with all contiguous land and islands within 100 miles of the location of the flagstaff of the present garrison on that island, is set aside from the public lands of the Territory of Alaska and declared a military reservation, and shall be known as Fort St. Michael.

Parties who have, prior to the receipt of this order, located and erected buildings on the land so reserved, will not be disturbed in their use of lands, buildings, and improvements, nor in the erection of structures needed for their business or residence.

During the fall and winter the Department issued permits under this order to sixty commercial and transportation companies and individuals for the occupancy of lands bordering on the harbor of St. Michaels. Owing to the fact that the two old companies had already occupied the most eligible portions of the water front, many of the new companies were forced to locate in the outer harbor, where there is no protection from the strong winds which almost constantly prevail, while some of the later arrivals had not succeeded in securing a landing place at all. The old companies were charging a wharfage of \$6 per ton, but as "wharfage" meant simply the privilege of landing freight on the beach by means of lighters and small boats, no one was taking advantage of this opportunity to discharge cargo.

According to the best information obtainable at St. Michaels, about one hundred steamboats were equipped during the winter and spring for navigation of the Yukon. More than half of these are new boats, built specially for the river traffic. The Alaska Commercial Company has added to its river fleet 5 steamboats and 6 barges, and the North American Transportation and Trading Company has constructed 4 steamboats and 5 barges. The new boats of both companies are of the latest type and of high power, and as they have been officered with experienced Missouri and Mississippi river men, there is no doubt of their successful operation. Several of the new companies have introduced boats fully equal in every respect to the best boats of the old companies, and there are now on the river probably over 20 first-class steamboats with a carrying capacity of from 220 to 450 tons of freight and from 50 to 150 passengers each. Fifteen or 20 new steamboats were lost at sea while being towed from the place of construction to St. Michaels, and the owners were greatly embarrassed by the presence of a large number of passengers who had arrived by their ocean steamers, as they had no means of transporting them to Dawson. In this dilemma they appealed to the old companies to carry their passengers up the river, and were informed that a new passenger tariff had been adopted, the revised rate being \$200 from St. Michaels to Minook and \$250 to all points beyond, with an allowance of 250 pounds of baggage. The new companies were unable to meet this demand, and as late as July 9 probably a thousand stranded gold seekers were still wondering how they were to get to Dawson.

The cost of operating steamboats on the river is much greater this year than heretofore, the increase being principally due to the advance in the price of wood. The unusually high water which accompanied

the break-up of the ice carried most of the driftwood to the mouth of the river or lodged it at points so far from the main channel that it can not be reached, and standing timber that is accessible from the river is becoming very scarce. The two old companies, as already stated, had between 6,000 and 7,000 cords of wood cut during the winter in the vicinity of Fort Yukon, at a cost of \$5 per cord, and this supply will probably prove ample for that stretch of the river during the present season. The manager of one of the new companies passed down the river late in May and made contracts with choppers at various points to cut wood for his boats at \$12 per cord, and his action caused the price to advance to that figure at all the wood yards on the river. In anticipation of this condition, both of the old and several of the new companies shipped large quantities of coal from British Columbia to St. Michaels last spring and are using it on the lower river. During the winter an immense bed of coal of good quality was discovered on the Koyukuk River, about 400 miles above its mouth. The discoverers state that the coal bed is 30 feet thick and extends two miles along the river bank, whence it can be loaded onto barges with little labor. A specimen of this coal submitted to the Geological Survey for test showed the following analysis:

Moisture.....	6.18
Volatile matter.....	37.43
Fixed carbon.....	52.76
Ash.....	3.63
Coke.....	.00
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	100.00

Coal of fair quality has also been found on the north bank of the Yukon, a short distance above Minook, and is being mined this season and sold to the steamboats for \$17 per ton. These discoveries, with the extensive deposits of coal known to exist at several points on the upper river, offer an easy solution of the fuel problem for the entire valley of the Yukon.

At Fort Yukon on May 30 a number of Indian pilots who had passed the winter there announced to the agents of the companies that they would not work for less than \$20 a day or \$1,500 for the season. As no white pilot who has not made two or three trips through the Yukon Flats can take a large steamboat from Fort Yukon to Circle City at low water, and as a Yukon Indian on a strike has never been known to modify his demands, it is probable that the new rate prevailed during the summer. This season both of the old companies imported from the States, under yearly contract, a large number of steamboat men to handle their boats. Captains, pilots, and engineers receive \$100 per month, and firemen, cooks, and deck hands \$75 per month.

It has been demonstrated this summer that the Lewes River and the lakes can be navigated successfully. Five or six small steamboats of an average length of 50 feet and 10-foot beam were built on Lake Bennett, and a regular line has been established between the head of Lake

Bennett and Dawson. A portage of about three miles is made by means of a tramway at the Grand Canyon and White Horse Rapids. The service is limited almost entirely to passenger traffic, the fare for the down trip being \$125 and for the up trip \$200, with a baggage allowance of 150 pounds. The round trip between Dawson and the head of Lake Bennett has been made in twelve days. (a)

The hardships and expense of the journey from the coast to the lakes by way of the Dyea and Skagway trails have been greatly reduced since last fall, when the price of packing reached 47 cents per pound on the former and 60 cents per pound on the latter trail. The Dyea trail has been improved by the erection of an electric tramway from the foot to the summit of Chilkoot Pass, and the rate for packing from Dyea to Lake Lindeman reduced to 12 cents per pound. On the Skagway route a narrow-gauge railroad is in course of construction, and it is expected that it will be completed to the summit, 18 miles from the coast, by the close of the working season. The line as projected will have its temporary northern terminus on Taku arm of Lake Tagish, which point will undoubtedly be reached next year. The enterprise is backed by American capital, and it is the intention of the company to extend the line eventually to Fort Selkirk, the head of navigation for large steamboats.

The Stikeen route, via Wrangell and Lake Teslin, is pronounced impracticable by those who reached the Klondike this summer from their camp at the head of Lake Teslin, where they were forced to spend the winter.

The Ashcroft and Edmonton trails, known as the "overland routes," have proved to be death traps. The Ashcroft trail starts from the town of that name, which is located on the Canadian Pacific Railway, in British Columbia, and follows the Fraser River for over 200 miles, to Quesnelle, a small Indian trading post. From this point it meanders for 600 miles through almost impassable bogs, fallen timber, and swift mountain streams, and across numerous divides, to the town of Telegraph Creek, at the head of navigation on the Stikeen River, where the traveler who is fortunate enough to get that far finds that he still has before him all the difficulties of the Stikeen route, now practically abandoned.

The Edmonton route begins at the town of Edmonton, the northern terminus of a branch of the Canadian Pacific Railway. The first stage of the journey is made by cart or pack animals to Athabasca Landing, about 100 miles north of Edmonton. From this point the traveler proceeds by boat down the Athabasca River to Athabasca Lake, thence

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<sup>a</sup> An official report to the United States Coast and Geodetic Survey from the expedition which conducted a survey of the Yukon delta during the past summer states that a channel with a depth of 8 feet at low tide has been located at the southern mouth of the Yukon. This new route will reduce the voyage about 500 miles, and enable ocean steamers of ordinary draft to enter the river and ascend it 400 or 500 miles.

down Slave River to Great Slave Lake, and across the lake into the Mackenzie River, down the Mackenzie to the mouth of Peel River and up that stream to Fort McPherson, 1,950 miles from Edmonton. From Fort McPherson there is a difficult portage of 90 miles to La Pierre House, on Bell River, a tributary of the Porcupine. There a boat is constructed and the journey by water resumed. It is 40 miles from La Pierre House to the mouth of Bell River, whence the traveler descends the Porcupine 300 miles to Fort Yukon, situated on the Yukon just above the mouth of the Porcupine. There is an offshoot of the Edmonton route known as the Peace River route. This trail runs to the northwestward from Edmonton to the west end of Little Slave Lake, about 200 miles, thence to Peace River, 85 miles, and thence to Fort Dunvegan, 60 miles. Beyond Fort Dunvegan, which is about 1,000 miles in an air line from Dawson, little is known of the trail, but it is supposed to lead through alternating forests, barrens, and mountain ranges to the Liard River, and thence to the headwaters of the Pelly River, from which point the journey can be completed in boats. According to newspaper accounts, several hundred men chose this route last fall, but as no one could be found in Dawson late in June who had succeeded in getting over the trail, it is impossible to describe it. There are numerous dangerous rapids in the Athabasca and Slave rivers, and great care is required in passing down those streams. A small steamboat runs on the Athabasca River from Athabasca Landing to Grand Rapids, a distance of 165 miles, and steamboats run between Fort Smith, on Slave River, and Fort McPherson, a distance of 1,270 miles, but as they are employed exclusively in the transportation of supplies for the Hudson Bay Company, they are not available for passenger traffic. On June 2 two young men arrived at Fort Yukon from Edmonton. They started from that place on August 9 of last year, passing down the Athabasca, Slave, and Mackenzie rivers, and arrived at the mouth of Arctic Red River September 30. They were forced to discontinue their journey by boat at this point by the heavy run of ice in the Mackenzie, and made the portage of 100 miles to La Pierre House, where they spent the winter, their only companions being a few half-starved Porcupine Indians. It required two months of hard labor to sled their outfit across the portage. They left La Pierre House on May 30, and the next day, while shooting the rapids at the lower end of the Upper Ramparts of the Porcupine, their boat was capsized and swept away with the remnant of their outfit, and they were left struggling in the ice-cold water. In an exhausted condition they succeeded in reaching an exposed rock in mid-stream, to which they clung for twenty-four hours, when they were rescued by two prospectors who were descending the river and taken to Fort Yukon, penniless and without a change of clothing. They reported that they passed 800 men last fall en route from Edmonton to the Klondike, but up to June 27 they were the only ones of this large number who had reached Fort Yukon. Here they were greatly surprised to

learn that they were still as far from the Klondike, so far as the expense of travel and time are concerned, as they would have been at Dyea or Skagway.

It would now seem that at last the residents of the Yukon Valley are to have a regular mail. A semimonthly service has been established between Juneau and Tanana, at a cost to the Government of \$56,000 per annum, and a monthly service is provided for between Tanana and St. Michaels, at a cost of \$23,000 per annum. Mr. John P. Clum, a post-office inspector, to whom had been given the power to appoint postmasters, traversed the entire length of the Yukon during the present summer and established post-offices as follows: Eagle, at the mouth of Mission Creek; Star, at the mouth of Seventy Mile Creek; Yukon, at Fort Yukon; Rampart, at the mouth of Minook Creek; Tanana, opposite the mouth of the Tanana (the station designated in the prospectuses and on the maps of the North American Transportation and Trading Company as "Weare"); Koyukuk, at the mouth of the Koyukuk, and Anvik, at the mouth of the Anvik River. Upon the recommendation of Mr. Clum, the Post-Office Department has issued instructions to the postmasters at Juneau, Tanana, and St. Michaels authorizing them to employ special carriers to perform the service whenever the contractor shall prove delinquent. This wise provision, lacking heretofore, will solve the problem of a regular mail service on the Yukon, so far as human agencies can overcome the difficulties. There is a period of about a month in the spring, just preceding the breaking up of the river, and another in the fall, following the closing of the river and varying from thirty to sixty days, when it is impossible to travel, and until permanent trails or roads are constructed, the post-offices along the Yukon will receive no mails during the periods indicated. (a)

At St. Michaels reliable information was obtained in regard to affairs at Kotzebue Sound, the scene of the most profitless of all the stampedes that have occurred as accompaniments of the general movement to the Klondike. Kotzebue Sound lies just beyond Bering Strait and forms the southern arm of the Arctic Ocean. The three principal rivers emptying into it are the Noatak, Kowak, and Selawik. During the past fall and winter the newspapers of the Pacific coast published numerous articles setting forth that marvelously rich placer ground existed on these three streams, particularly on the Kowak. As a result of these stories, which seem to have been based on a rumor that the Indians of that region occasionally brought small quantities of

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<sup>a</sup> As this Bulletin goes to press, it is learned that it is the purpose of the Canadian Government to maintain a fortnightly mail service during the winter along the Yukon between Skagway and Dawson, with post-offices at Bennett, Tagish House, White Horse Rapids, Lebarge, Hootalinqua, Big Salmon, Little Salmon, and Sixty Mile. It is presumed that a post-office will also be maintained at Forty Mile; if so, it will be dependent upon our service, as the Canadian service does not extend below Dawson.

gold dust to the coast, a large number of vessels sailed for Kotzebue Sound during the spring, and probably 1,500 men took passage on them. Trustworthy men who have ascended the Kowak 200 miles say that no gold has been found up to that point, and that it is impossible to reach the headwaters with a boat on account of the rapids. It is probable that gold in paying quantities exists on the headwaters of the Kowak, but the fact is not yet proved, and the only practical way of getting there is by ascending the Koyukuk and making a portage of 100 or 150 miles. It is therefore inevitable that the prospectors who have gone to Kotzebue Sound will have to retrace their steps, bringing back nothing but experience and cankering recollection of liberal contributions to the bank accounts of conscienceless instigators of an empty "boom."

Authentic reports from the Copper River country indicate that while some good indications have been found, no discoveries have been made that warrant the influx of prospectors which has occurred, and thousands who took part in that movement will be forced to return to their homes empty-handed.

The Klondike stampede was unique, considered from nearly every point of view, and it may be interesting, in conclusion, to survey the situation briefly with particular reference to its most fascinating feature, the financial result. It is a common assumption among those familiar with the uncertainties of mining for the precious metals, that every dollar's worth of gold extracted from the earth costs somebody at least one dollar in money or labor. Applied to the case under consideration, this assumption is so far within the bounds of truth that it presents itself to the mind of everyone who participated in the movement as a self-evident fact. By actual count, 40,000 men started for and reached the Yukon gold fields during the year beginning with July 15, 1897. It is conservatively estimated that 20,000 more undertook the journey, but were unsuccessful in their efforts to reach the Yukon, a large proportion becoming discouraged and returning home, while many thousands joined the collateral stampedes to various points on the coast or are still struggling on the trails to the Klondike. It is fair to assume that the average expenditure of these 60,000 men for outfitting and transportation was \$500 each, or a total expenditure of \$30,000,000. It is probable that the money invested in ocean and river vessels and the organization of commercial companies for operations on the Yukon would add \$5,000,000 to this sum. Without considering the large amounts that have been absorbed in the capitalization of Klondike mining companies, a few legitimate and many wildcat, it may safely be assumed that this great movement during the year following its inception cost the participants \$35,000,000, and it is equally safe to assume that in the case of 75 per cent of the individuals involved their contributions are an absolute loss to them; for having failed in the main object of their venture, mining, the country offers them no other kind of

employment, and they must return to the States. As against this enormous outlay, we have for the period under consideration, as indicated by the mint returns, a gross product from the Yukon placers of less than \$12,000,000. Although this statement as to the immediate result of the Klondike "boom" can not be refuted, it would be misleading if allowed to stand without qualification. The condition described is almost entirely due to the exaggerated statements as to the extent of the new discovery so widely published in last year's newspapers and magazines, and should not be permitted to obscure the fact that there is now being developed on the Yukon a mineral zone of wonderful richness, which will eventually contribute hundreds of millions of dollars to the wealth of the world. The lesson to be learned from the present situation is that it will take years of hard work to bring the mines up to their highest point of productiveness, and that the country offers no opportunities for professional men or others who are not equipped by nature for the most exacting manual labor. When common carriers on the Yukon who depend upon the public for support are ready to carry for the public without discrimination in favor of selected patrons; when "competition" in commerce there shall come to mean a decrease and not an increase in the cost of living, and when the people of that long-neglected section of our common country shall again attract the attention of Congress and hold it long enough to secure the enactment of laws for the protection of life and property, then, and not till then, will it be possible to bring to full development the marvelous riches of the Yukon gold fields.

In April, 1898, Mr. J. C. McCook was appointed United States consul at Dawson, and arrived early in July at his post of duty. He has sent to the Department of State a number of reports, which have appeared in the Consular Reports, and as they contain authentic information relative to the situation on the Yukon of a later date than that given in this paper, they are quoted here:

Consul McCook has sent the Department of State an undated report from Dawson City (received September 12, 1898). Mr. McCook says:

"Dawson City, probably the largest mining camp in America, is built on a bog or swamp and contains a shifting population which now numbers about 20,000. Forty thousand prospectors have passed through here from the White and Chilkoot passes. Most of them had a year's provisions. Hundreds are going away daily, not being able to stay long on account of the cost of living. A dinner costs \$2.50, and breakfast and lunch \$1.50. Lodging is \$1.50 per night in a bunk, and a hotel charges \$6.50 for a bed per night.

"The price of property in the business locality is enormous. A lot of convenient size upon the main street can not be had under \$40,000. Lots in a bog off Main street bring from \$5,000 to \$10,000. To rent a log cabin costs \$200 per month. With the exception of the warehouses, the theaters, dance halls, saloons, and gambling houses are about the only establishments which can afford these terms. Along the river, ground leased from the authorities brings \$10 per front foot per month.

This, with the 10 per cent royalty charged on the gross output, yields a very large revenue.

"The prevailing price of labor is \$1 per hour, but there are so many idle hands waiting for employment that the supply exceeds the demand, and may bring the price down. Still, there is the greatest activity in the erection of large buildings and warehouses.

"Most of the prospectors who are coming to Dawson City leave for camps in United States territory, since, apart from the country in the immediate vicinity of Dawson, which has all been staked off, this is the most promising field. But even here, out of more than 5,000 placer claims and 2,000 bench claims, only 200 have thus far paid to work. A great many have not yet been prospected and will have to be given up to the Crown, because one condition of the grant is that every person having a claim must work it continuously for three months each year. Ninety days' labor at \$10 a day is a good deal to risk upon one claim, and a good many who can not afford it will surrender them. The creek claims have been reduced in size from 500 to 250 feet.

"Estimates of last year's output range from \$8,000,000 to \$12,000,000. Work has largely been confined to Bonanza and Eldorado creeks. Dominion, Sulphur, and Eureka creeks will be opened up next winter, as they promise good results. One can not prospect in summer, as the pits which are dug then fill with water. It is by the merest chance that one may strike a rich claim. No poor man should sell out and come here. Organized companies with capital will do much better, as they can hire work much more cheaply than individuals."

Consul McCook writes from Dawson City, under date of August 4, 1898, that prices for provisions are very high (exceeding by 25 per cent those of last year), and lodging is hardly to be had at any price. Outsiders, he says, can not realize the conditions; destitution and suffering are imminent for many unfortunate prospectors, who are unable to get away. No one, he continues, should go to the gold fields without a couple of thousand dollars and supplies for two years. The output of gold has been exaggerated fivefold.

In a report dated August 24, Consul McCook further emphasizes the distress among the prospectors in and around Dawson City, and strongly advises no one to join in the hunt for gold unless he has at least enough provisions to last over winter and enough money in bank to take him home if he is unsuccessful. The consul says he is appealed to daily by men who have no money and can not get work, and he advises such of them as are able to travel to go to St. Michaels, where, he is informed, the Government is arranging to take care of them by putting them in communication with friends in the United States.

Under date of August 31, 1898, Consul McCook writes from Dawson City as follows:

"Dawson City made rapid strides during the past month in the way of building improvements. In July only two large warehouses were here. Four more are now nearing completion, all operating their own steamers.

"There will be no lack of provisions and merchandise here this winter. The large amount of supplies being brought in has had a tendency to reduce prices on a few commodities. A 50-pound sack of flour, which brought \$8 last month, is now sold for \$5. It is to be hoped the price of hotel accommodations will be reduced, as none but the wealthy can enjoy hotel life at present, at \$6.50 per night for a room with a mixture

of husks and straw for a bed, a candle for light, and board at the rate of \$12 per day. There are a few cheaper houses, but accommodations are still poorer. The number of log cabins is being increased rapidly, for in a couple of weeks it will be too cold to sleep in tents. Log cabins can be rented for \$50 per month and upward, according to location and distance from the center of the town. Typhoid fever has been on the increase lately, and many deaths have resulted. It will decrease as soon as the ground is frozen, about the 1st of October.

"Hundreds of Americans have gone down the river to Alaskan territory, where it is predicted more gold will be found than in the Northwest Territory. Forty Mile Creek, which empties into the Yukon River 52 miles below Dawson City, is understood to be very good on the Alaskan side. Eagle City, 50 miles below, is said to be in a position to rival Dawson City in another year, and as a base of supplies it will be much more convenient, being inside the boundary line. Eagle City is the name now given to what is marked Belle Isle on the map of the United States Coast and Geodetic Survey of the Yukon River. The territory for hundreds of miles around Eagle City is said to be very rich.

"The future of Dawson City greatly depends on new discoveries being made this coming winter. There is no doubt of a great deal of gold being in this district within 100 miles radius, but it has yet to be prospected. The cost of taking food up to the mining camps and the price of labor make it very expensive to work the claims, and they must be very good in order to pay."

The following, under the heading of "Warning to Alaska prospectors," is taken from the Consular Reports for September, 1898:

Care should be taken, by those who contemplate going to the gold fields, in entering into transportation contracts. It appears that certain companies have obtained a considerable sum of money (generally \$500 for each person) upon very ingeniously worded contracts, that the persons paying should be transported to the gold fields in the north, with all necessary outfit furnished and expenses paid. In three cases in which men have paid their money they have been brought, at slight expense, to this and other ports and then abandoned.

The men who had contracted with one of these companies became suspicious while at this port, but after an explanation by the agent, they agreed to go forward. The following extract from a letter from one of them shows how they have been treated:

FORT WRANGELL, ALASKA, June 15, 1898.

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The company induced us to come to Wrangell, and after pulling the provisions for 15 miles up the Stikeen River, we were sent into camp and have remained there ever since. When we have asked to be put ahead we have been put off with promises, and we now feel that they do not intend to do anything but promise until we are discouraged and leave them, forfeiting the money paid. We wish to ask you if there is not some way by which we can compel them to fulfill their part of the contract or return our money. We are now here, practically without money and far from home, and if you can aid us in any way you will confer a lasting favor upon thirty stranded men from the Old Bay State. We have now been here since March 30.

I would suggest that persons desiring to go to the gold fields in the valley of the Yukon take every possible precaution. I have abundant evidence that several companies are now, and have been for some months, engaged in this nefarious traffic.

L. EDWIN DUDLEY, Consul.

VANCOUVER, June 28, 1898.

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DLEY, Consul.

