

THE
WHITE PASS & YUKON RAILWAY COMPANY,
LIMITED.

PROPERTY OF
UNIVERSITY OF WISCONSIN
MEMORIAL LIBRARY



Directors' Report
AND
Statement of Accounts

To the 30th June, 1903,

WITH WHICH ARE INCORPORATED
THE RESULTS OF THE LOCAL COMPANIES' OPERATIONS

For the year ended 31st December, 1902.

LIBRARY
OF THE
UNIVERSITY OF WISCONSIN

LONDON:
HEPBURN & SONS, LTD., Printers, 7 and 8, Pancras Lane, E.C.
Telephone No. 738 (Bank).

Report by S. H. Graves, President of Local Companies.

To the Chairman and Board of Directors of

THE WHITE PASS AND YUKON RAILWAY COMPANY, LIMITED,
LONDON, E.C.

GENTLEMEN,

The Accounts and Auditor's Report of the local companies forming the White Pass and Yukon Route for the year ended December 31st, 1902, are forwarded herewith.

Rail Division.

On the Rail Division we carried 16,059 passengers and 28,095 tons of revenue freight. The average haul was 94.31 miles per passenger and 108.09 miles per ton of freight, and the average load per car was 9.77 tons. The decrease in tonnage is chiefly accounted for by the falling off in shipments of timber and other materials for the building of scows and steamers, which were very large in 1901, but almost ceased in 1902, as it was no longer profitable to try to run boats or scows in opposition to our fleet.

The thawing of the glacial frost in the ground rendered the piling of the two big bridges at Lewis Lake somewhat insecure and we therefore filled in the ground with gravel around the bases of the piles, not merely restoring the foundation, but raising the ground to a height of some 12 ft. above its original level and thereby making these bridges additionally secure. Besides this work, a number of minor bridges were wholly or partially filled in. The grades in many cases were improved, and curves taken out or reduced and the road bed widened. This work was done by the regular section gangs at comparatively slight additional expense above the cost of ordinary track maintenance. In this way nine bridges and nineteen culverts were done away with and the road bed made solid in their place during the year. It is intended to continue this work until, of the 101 bridges between Skaguay and White Horse that existed in the spring of 1902 only 28 will remain, thereby effecting a considerable saving in the cost of bridge repairs.

Notwithstanding these expenses the cost of operating the Rail Division was reduced in 1902 by \$183,913.86 as compared with the previous year.

The road bed, equipment, rolling stock, buildings, wharves and everything in connection with the road have been kept up in first-class condition and repair. I append a list of the rolling stock.

River Division.

The operation of the River Division last year was also marked by increased economy and efficiency. The first boat left the foot of Lake La Barge for Dawson on May 14th, and the first through boat left White Horse for Dawson on May 30th. The last boat from Dawson reached White Horse on October 26th. The first boat left Caribou for Atlin on June 2nd, and the last boat from Atlin reached Caribou on November 11th.

The boats carried 7,006 passengers and 21,847 tons of freight. We operated fifteen steamers on the River and Lakes and held three steamers in reserve. The fleet steamed 112,269 miles during the season of navigation and 175,539 meals were served to passengers on board the boats. In addition to the regular sailings between Caribou Crossing and Atlin, and between White Horse and Dawson we last year inaugurated regular sailings between Dawson, Forty Mile and Eagle and made special trips to Mason's Landing on the Hootalinqua River for the Big Salmon country and also with American troops and Government Stores to points on the Yukon River below the boundary.

Considering the shallow water, swift current, narrow channels and the prevalence of heavy fogs in the early mornings on the Yukon and also that during the latter part of the season much of the navigation has to be done by electric search-light instead of by daylight, it speaks well for the care and skill with which our fleet was navigated that there were no accidents worth mentioning during the season, the total cost of repairing damages caused by accidents being only \$1,095. No mail was lost and no passengers were injured on any of the boats.

A great deal of tonnage was shipped very late in the season when navigation is more difficult and the boats take much longer to make a trip and can only carry light loads. This season our tariffs have been prepared so as to offer inducements for summer shipments while navigation is good, and an increased rate is charged on late shipments.

We lost the services of the "White Horse" and of the "Zealandian" each for three weeks early in the season by their being laid up in quarantine with their crews and passengers on board, owing to a case of small-pox having developed amongst the passengers on each boat. This put us to a good deal of expense besides the temporary loss of the services of the boats and their crews.

In order to obviate the great expense of sending a large special gang of shipwrights and mechanics north from Vancouver in accordance with previous custom, for the purpose of preparing the fleet for the season of 1903, last season we took the boats out of the water one by one as opportunity arose and overhauled and repaired them with our regular shipyard repair gang. In this way at comparatively small expense the fleet went into winter quarters to a great extent ready for the following season's business. This of course increased the expense for the year but will result in a considerable saving for the following year.

During the last season, besides ordinary repairs and renewals, the following work was done:— At the White Horse shipyards we erected permanent Machine and Wood-working Shops, with steam power, and installed all necessary machinery and machine tools for doing all ordinary repair work. We also installed an electric light plant for lighting not only the shipyards and shops, but also the winter mail service stables and mess house. We also installed a steam fire pump and plant for protecting the fleet and shipyards against fire. The "Dawson" and "Selkirk" had passenger accommodation built on their upper decks, converting them into first-class passenger boats, largely increasing their earning capacity. The "Canadian" and "Victorian" have had their lower deck space rearranged and their galleys moved to the upper deck, largely increasing their space available for freight, so that instead of carrying about 185 tons as previously, their capacity has now been increased to about 250 to 275 tons for a full load. The "Sybil's" engines have been fitted with new cut-off gear, from which we expect good results. All this work has been done by our ordinary staff at White Horse.

The fleet carried 5,454.3 tons more in 1902 than in the previous season, and a good deal of this was carried, as above explained, late in the season at additional expense. Notwithstanding this and the other matters of expense above referred to, the operating expenses for the entire year of 1902 were \$15,375.71 less than for the period of eight months from May 1st, 1901, when we first acquired the fleet, down to the end of that year. A list of the fleet is appended hereto.

Winter Mail Service.

The American mail contracts for the Lower Yukon, St. Michael's and Nome expired before last winter, and, as indicated in my last Report, we did not seek to renew them. Therefore the service for the winter of 1902-1903 was confined to the mail line between Log Cabin and Atlin operated by dog sledges, and the stage line between White Horse and Dawson operated by four-horse sleighs carrying mail, passengers, express and freight.

We employed 51 men and 172 horses, 21 sleighs and 9 wheeled coaches in the White Horse and Dawson service and made 140 trips, carrying 57,475 lbs. of mail, 1,101 passengers, 15,333 lbs. of

express, and 273,590 lbs. of freight. A trip under fair average conditions of weather and trail takes about five days and the fastest time made last winter was 3 days 3½ hours. The distance between White Horse and Dawson by the new trail is 340 miles. The conditions as to weather, state of trail, etc., are often unfavourable, as might be anticipated so near the Arctic Circle, and the stages do not run at night. It will, therefore, be seen that, allowing for stops for meals and changes of horses, the speed during the short hours of daylight is good. Ladies who have made the trip have assured me that they considered it a delightful experience.

During the summer of 1902 the Canadian Government constructed a winter trail considerably shortening the distance between White Horse and Dawson, and avoiding the ice on the river and Lake La Barge where much difficulty and danger was caused every autumn and spring by bad ice. This new trail while a benefit in many ways involved the establishment of new stations, rest houses and stables along the line with the necessary sleeping and cooking accommodation for passengers, drivers, stablemen, &c. The places where these stations were required were distant from the river, and the problem of reaching them with the necessary materials and supplies of provisions, fodder, &c., for the winter was the more difficult because the new trail was not completed till very late in the season, and in any case is only available while the ground is frozen. However, these difficulties were all successfully overcome. Ferries capable of carrying the horses and sleighs or coaches were established at the various river crossings for use when the ice was unsafe and we provided a number of wheeled coaches for use when the condition of the snow on the trail afforded bad sleighing. In this way we are now able to maintain a practically continuous service between White Horse and Dawson from the close of navigation till it reopens the following season.

There were no accidents last winter on the stage line between White Horse and Dawson, all dangerous ice being avoided by the new trail. But I greatly regret to report that two of our Atlin mail carriers with a team of our dogs were drowned by the breaking of the ice at Golden Gate on Taku Arm. The bodies and mails were recovered.

As explained in last year's Report, the Mail Service Department accounts are made up to June 30th, so as to include one entire season each year. It is therefore impossible to give the earnings for the winter current when the accounts of the local companies are made up. The gross earnings for the fourteen months from May 1st, 1901, when we acquired the mail contracts and organized the service, to June 30th, 1902, amounted to \$325,073.52, and the operating expenses to \$220,818.74, and a balance of \$90,044.56 profit was left after setting aside \$14,210.22 for reserve and depreciation. The profits for the current season will not be so great because the American Mail Contracts have been dropped.

Lower River Competition.

The season of 1902 was marked by a determined attempt on the part of certain large merchants and importers by the Lower River to undersell in the Dawson market goods imported by our Route. They have trading stations on the Lower River as well as in Dawson and operate their own lines both of ocean and river steamers. Besides carrying their own goods they used to carry goods for the public at high rates, but when our Route was opened they not only lost most of this traffic, but had themselves to import certain lines of freight by our Route. Not being satisfied with the position in which they found themselves, they inaugurated the policy early in 1902 of selling goods in Dawson at whatever prices were necessary to drive importers by our Route out of business. The result was that our shipments were largely reduced until such time as these conditions ceased to exist and the market found its natural level. Towards the end of the season the attempt to prevent imports by the White Pass was abandoned and Dawson prices restored to a paying basis. This caused a rush of shipments late in the season which taxed the capacity of our boats and largely made up for the previous shortage. Since then greatly improved relations have been established between the various conflicting interests, and it is the expectation that for the future the Dawson market will be free from the violent artificial disturbances which have affected it in the past, and that healthy conditions will prevail. The past winter has been marked by steady trade at good prices, and the market was in a better condition at the opening of the season of 1903 than for a long time past.

In the Atlin Country the season of 1902 was a prosperous one and gave still better promise for 1903. The gold output was increased and there was not an idle man in the district. A number of large hydraulic plants have been installed and others arranged for, as well as a large steam dredge which if successful is intended to be the pioneer of a number of others. A good deal of work has also been done on some of the most promising quartz properties, and also on quartz properties situated on Taku Arm and Windy Arm.

I am, Gentlemen,

Yours faithfully,

S. H. GRAVES,
President.

List of Rolling Stock.

| | | | | | | |
|----------------------------|-----|-----|-----|-----|-----|-----|
| Locomotives | ... | ... | ... | ... | ... | 16* |
| Passenger Cars— | | | | | | |
| Baggage and Express | ... | ... | ... | ... | 3 | |
| Combination | ... | ... | ... | ... | 1 | |
| Coaches | ... | ... | ... | ... | 11 | |
| Official Car | ... | ... | ... | ... | 1 | |
| | | | | | — | 16 |
| Freight Cars— | | | | | | |
| Box | ... | ... | ... | ... | 90† | |
| ,, (knocked down) | ... | ... | ... | ... | 20 | |
| Flat | ... | ... | ... | ... | 83‡ | |
| Stock | ... | ... | ... | ... | 28 | |
| ,, (knocked down) | ... | ... | ... | ... | 15 | |
| Page Dump Cars (coal cars) | ... | ... | ... | ... | 12§ | |
| Cabooses | ... | ... | ... | ... | 6 | |
| Refrigerators | ... | ... | ... | ... | 4 | |
| | | | | | — | 258 |
| Rotary Snow Plows... | ... | ... | ... | ... | 2 | |
| Flanger | ... | ... | ... | ... | 1 | |
| Derrick Car | ... | ... | ... | ... | 1 | |
| Steam Shovel | ... | ... | ... | ... | 1 | |
| Track Pile Driver | ... | ... | ... | ... | 1 | |

NOTE.—Wedge Snow Plow shown in previous Reports is no longer used and out of service and hence not treated as part of equipment.

* One "geared" locomotive referred to in Report for 1900 sold.

† Two box cars dismantled and put out of service.

‡ One flat car converted into track pile driver during 1902.

§ Five construction flat cars, temporarily used for coal and included in last Report, dismantled and put out of service.

|| Two Cabooses dismantled and put out of service during 1902.

List of the Fleet.

WHITEHORSE
DAWSON
SELKIRK
YUKONER
CANADIAN
COLUMBIAN

SYBIL
VICTORIAN
MARY GRAFF
BAILEY
ZEALANDIAN
ANGLIAN

AUSTRALIAN
CLOSSETT
BONANZA KING
TASMANIAN
GLENER
SCOTIA