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THE
WHITE PASS & YUKON RAILWAY COMPANY,
LIMITED.

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Directors' Report

AND

Statement of Accounts

To the 30th June, 1905,

WITH WHICH ARE INCORPORATED

THE RESULTS OF THE LOCAL COMPANIES' OPERATIONS

For the year ended 31st December, 1904.

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

To the Chairman and Board of Directors of

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

GENTLEMEN,

The Accounts and Auditor's Report of the local companies forming the White Pass & Yukon Route for the year ended December 31st, 1904, are forwarded herewith.

Rail Division.

On the Rail Division we carried 11,773 passengers and 33,225 tons of revenue freight. The average haul was 87.83 miles per passenger and 105.73 miles per ton of freight, and the average load per car was 10.76 tons.

The chief improvements on the Railway in 1904 were the building of a new section house at Clifton, and a new bonded warehouse 32 by 72 on the Dawson wharf. A crane with a lifting capacity of 10 tons was installed on the wharf at Caribou; and an electric light plant, with capacity of 1,000 16-candle power lights, was installed at the Skaguay Shops, which furnishes light for the Shops and Station, also for the Broadway Station and General Offices of the Company.

The roadbed, rolling stock, shop and other equipment, wharves and everything else connected with the Railway, have been kept up in first-class condition and repair. In doing this work, gravel ballast to the extent of 57,826 cubic yards was distributed north of Caribou, and 6,775 new and 550 second-hand sleepers were laid in the main line. Notwithstanding the outlay on this work, the operating expenses of the Rail Division for 1904 show a decrease of \$27,155.42. I append a list of the rolling stock, which includes two new passenger coaches built at the Skaguay Shops, and put into service in 1904.

River Division.

The Company's fleet in 1904 carried 6,849 passengers and 26,066 tons of revenue freight. We operated thirteen steamers and eight barges on the river and lakes, and held five steamers in reserve. The first boat left Hootalinqua for Dawson on May 13th; the first through boat left White Horse for Dawson on June 6th; and the first boat for Atlin left Caribou Crossing on June 2nd. The last through boat from Dawson reached White Horse on October 22nd. Last boat from Atlin reached Caribou Crossing on November 3rd.

The falling off in passenger traffic was almost entirely in South-bound business. This traffic is usually heavy towards the close of the season, but in 1904 a great many people went from Dawson to the new Tanana District instead of leaving the country for the winter, thus materially reducing our South-bound passenger traffic. Besides this, the discontinuance of the service between Dawson and Eagle, consequent upon the number of other steamers running between those ports on their way to and from Tanana, would account for a considerable portion of the decrease.

The chief additions to the Fleet during 1904 were the steamer "Casca" and the barge "Klondike." The former, purchased cheaply at the close of the season, is a fine boat with engines and boilers duplicates of those on our steamer "Selkirk." She has good passenger accommodations and being a popular boat on the river cut into our passenger earnings a good deal, hence it was thought best to acquire her when a favourable opportunity occurred. The barge "Klondike" was built at the White Horse shipyards in the spring of 1904 and has nearly twice the carrying capacity of those built in 1903. She has proved the most successful of our barge fleet. The steamers "Sybil" and "Clifford Sifton" not being good carriers on light draft of water, were dismantled during 1904 and converted into barges. The "Sybil" engines were put in the "Bonanza King," which boat was short of power for towing large barges. With the "Sybil" engines she has proved the most economical boat in the fleet for moving cargo, while the hull of the "Sybil" has proved a good barge. The engines of the "Clifford Sifton" were put in the "Gleaner," which boat was short of power for towing the barges now used in the Atlin traffic. Since being re-engined in this way the "Gleaner" can now make the trip with a barge in less time and with less fuel than formerly without a barge.

The season of 1904 opened with a number of our boats wintering at various points along the river where they had been caught by the sudden close of navigation in 1903. The "Canadian" was the only one in any danger, and she was got out all safely in the spring of 1904. The season showed little or no improvement over 1903 so far as the depth of water in the river was concerned, but this was not, as in 1903, because of any shortage of winter snowfall, but because the summer was so cold that the heavy snowfalls never melted. However, the result was the same so far as the difficulties of navigation were concerned.

The close of navigation found all our fleet in the winter quarters intended for them respectively. After the close, the river at Dawson re-opened unexpectedly and the ice below holding firm there was a sudden rise in the river which let a rush of floe ice down the backwater where the barge "Sifton" was wintering in company with a number of the large steamers used on the lower river. These latter broke loose and lay on top of the "Sifton" in such a manner that it is doubtful whether she may not be wrecked when the ice goes out in the spring of 1905. The question of liability will have to be decided later should it arise.

Many of the fleet needing heavy repairs and re-equipment after the trying season of 1903 were forced to winter at a great distance from White Horse, so that the cost of repairs and fitting out and getting crews and supplies on board was greatly increased. Upwards of \$32,000 of unusual expenses were incurred in this way. A largely increased tonnage was moved over the River Division during the season in circumstances tending to increase the cost in consequence of low water. In spite of these drawbacks a net saving was effected in the operating expenses of the River Division of \$67,351.60 as compared with the previous year.

The repairs and renewals required for keeping the fleet and property in first-class condition were duly made. I append a list of the fleet.

Winter Mail Service.

The mail, passenger, parcel and freight winter stage line service, was carried on as usual between White Horse and Dawson by means of four-horsed sleighs and four-horsed coaches, which made 158 trips during the year 1904 (equivalent to 52,140 miles), carrying 30 tons of mail, 945 passengers, 10½ tons of parcel freight, including gold dust, and 280 tons of ordinary freight, of which, however, 153½ tons were copper ore from the mines near White Horse, involving only a short haul. The gross receipts for the Mail Service year ended June 30th, 1904, were \$203,748.39 and the operating expenses were \$152,656.55, leaving, after allowing for reserve and depreciation, a profit of \$51,091.84 as against \$35,290.45 for the previous year. The equipment on December 31st last was 24 large four-horse sleighs, 3 light sleighs, 15 wheeled coaches and wagons, one break cart, 152 horses, with the necessary harness, etc., all in first-class condition.

General Conditions in 1904.

In the Klondike District the gold output was maintained on about the basis of the previous year, but as mentioned in former reports, machinery enters increasingly into the production, while hand mining continues to fall off. Thus fewer miners are employed in producing an equal quantity of gold. The men thus displaced are chiefly men who do not care to work for wages and who scatter throughout the Yukon Valley looking for new gold fields. Many of these men left Dawson in 1904 for the Tanana District. Perhaps the most important development in the Klondike in 1904 was the construction of a large canal bringing water from a distance for use in hydraulic mining. This, however, was completed too late to give results in 1904. There is little new to report in the way of quartz development in the Klondike except that the cyanide plant referred to in my report for 1903 reached Dawson in 1904, but no definite results are yet available.

The Tanana Gold Fields attracted great attention in 1904 and seem likely to produce largely. A railway is being constructed connecting them with the towns of Chena and Fairbanks on the Tanana River. The construction, material and equipment for this railway is going in by our route.

In the neighbourhood of White Horse, the Alsek Gold Fields did not produce much in 1904, as the ground could not be profitably worked by hand methods, and individual miners could not afford to instal plants on their claims, the cost of transportation from White Horse being prohibitory. This has now been reduced by the construction of a road by the Canadian Government and a syndicate has acquired substantially all the rights on Bullion Creek and during the winter has shipped in supplies and plant over the snow. Doubtless similar methods will be followed on other creeks should the results on Bullion Creek prove satisfactory. Work has continued on the "Arctic Chief" and "Copper King" copper properties at White Horse, and on the latter a large ore body of good value has been developed.

In the Atlin District hydraulicing was active in 1904 and the gold output was increased. The dredge referred to in my last report did not work very satisfactorily from causes which it is hoped can be remedied. Quartz development continued steadily in this district throughout 1904. Several important properties are showing up well, also on Windy Arm and elsewhere on the lakes, and the owners of some of them expect to be able to ship ore shortly. Experimental shipments of magnesite were made towards the close of 1904, some 200 tons being shipped altogether, and it is understood that the results were so satisfactory as to indicate shipments on a considerable scale in the future.

At Tantalus the coal mine referred to in the report for 1903 was developed during 1904 and a wharf and tipples, etc., built. The coal is of good quality and should help to solve the fuel problem at Dawson and elsewhere. One of our steamboats for experimental purposes used this coal almost exclusively throughout the season of 1904, and the results were such that contracts for 1905 on a large scale were placed with this Mine for coal for the Companies' fleet.

I am, Gentlemen,

Yours faithfully,

S. H. GRAVES,

President.

List of Rolling Stock.

Locomotives	16
Passenger Cars—	
Baggage and Express	3
Combination	1
Coaches	13
Official Car	1
	— 18
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

List of Fleet.

STEAMERS—

WHITE HORSE	VICTORIAN	THISTLE
DAWSON	MARY GRAFF	AUSTRALIAN
SELKIRK	BAILEY	BONANZA KING
YUKONER	ZEALANDIAN	GLENER
CANADIAN	ANGLIAN	SCOTIA
COLUMBIAN	CLOSSETT	LA FRANCE
CASCA	TASMANIAN (sold in 1904)	

BARGES—

KLONDIKE	LA BARGE	*SIFTON
HOOTALINQUA	ATLIN	*SYBIL
TAKU	CARIBOU	

* Dismantled Steamboats.