In estimating the probable immediate traffic to be secured by the P. & H. B. Ry. and the growth of the traffic afterwards, it is advisable to call attention to a very remarkable condition, and that is that this, the most inaccessible grain growing district in America becomes, by the construction of the Panama Canal and this railway, the most favoured region for cheap shipment to Europe.

The grain grower in Peace River will have only 700 miles rail to tidewater, and the balance all by sea, with only the transfer at Bella Coola. Compared with a longer rail haul to Fort William and Duluth and transfers at three points by the Great Lakes route.

The rate therefore for grain from Peace River will probably be lower to Liverpool than from Manitoba, with proportionate decrease of rates from Saskatchewan.

The effect of these conditions on the settlement of the country, combined with the fact that the Peace River and the Northern Interior of British Columbia is the last large field for emigration in America, will likely cause all records in rapid settlement to be surpassed.

ESTIMATE OF PROBABLE TRAFFIC IN FIRST YEAR AFTER COMPLETION.

	Gross Earnings
Grain from Peace River " " Edmonton 5000 cars (probably more)	$ 650,000
Timber, etc., from Coast (Eastbound) 6000 cars	300,000
Settlers & Effects, 10,000 at $100 each	1,000,000
Miscellaneous products from Nechaeco Valley	150,000
Miscellaneous, Fish, Coal, Minerals	50,000
Total	$2,150,000

which equals $2,687.00 per mile.

The item from grain is put at a very low figure for first year, with intention of allowing for delays in arranging divertion of trade to a new route. In two or three years this traffic should increase several times in volume, and in ten years after completion of the railway will in all probability, with the increase of other traffic bring gross earnings to not less than $10,000 per mile.

The above estimate of gross earnings per mile in first year after completion is believed to be very conservative, and will probably reach not less than $3,000