

CONFIDENTIAL.

*Letters from SIR JOHN ROSE to the GOVERNOR.*

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LONDON,

September 12, 1882.

MY DEAR COLVILLE,

You, and our colleagues, will expect to hear what impressions my observations on the North West have given rise to. Mr. Armit will no doubt report in detail on all matters affecting the Company's interests, to which he was devoting very earnest attention; but it may be useful to compare his conclusions with my own, uninfluenced by any previous interchange of views, a process by which individual opinion is sometimes unduly qualified; besides there are many points on which he will report that I need not notice.

*As to our General Trade:*—I am convinced that this cannot be continued with profit under existing conditions and restrictions. We must face the fact that the old order of things is entirely changed, and I fear we shall have to consider without further delay the alternatives:—

- (a) Of an entire change of system, and partially of men.
- (b) Of giving up our general trade altogether, or
- (c) Of limiting our operations under altered conditions to comparatively few places.

You have to see with your own eyes what is now going on along the line of railway and its vicinity in order correctly to appreciate it. The road is now running to the new Capital Regina, formerly Pile of Bones Creek, some 400 miles west of Winnipeg. It will be pushed to the base of the Rocky Mountains next year, and completed throughout it is anticipated in 1885. Not only at the Towns and the various established Stations on the line, but accompanying the track layers in their daily progress, you see independent traders carrying on a thriving business, many of them under tents, and with the most complete assortment of goods required as well by the railway people (of whom there are some 7,000) as by the settlers, whose tents and houses are dotted all over the prairie. If any article appears to be specially fancied, or running short, it is immediately obtained by telegraphic orders from such Emporiums as Winnipeg, St. Paul or Chicago, and is in a few days on the spot and immediately sold and paid for.

The telegraph is laid at the same time with the rails, and at the end of the day's work, a canvas village of stores, inns, saloons, &c., seems to spring up. These traders are active energetic fellows, mostly from business centres in Old Canada and the United States, experienced in dealing, quick to appreciate what is likely to sell, responsible to no one, having a fair credit, and being sometimes in partnership with the wholesale