

risk, after having obtained such full information, proves the practicability of the route. They appeared to have no hesitation on this point. The people in London whom I interviewed seemed to entertain the matter favorably, when they understood that the Liverpool Syndicate was prepared to furnish the necessary steamships, and I think there would be no difficulty, by combining interests of the Liverpool and London capitalist, in obtaining all necessary capital to build the road, either in London or Berlin. I explained the ground work of the scheme by stating that we would obtain nearly the whole of the traffic of Minnesota, Dakota and possibly a part of Iowa in addition to that of Manitoba and the North-West. That we had some 600 miles of water communication in almost a straight line between the head of navigation of the Red River and the lower end of Lake Winnipeg, passing through the greater part of Minnesota and Dakota on its route, a comparatively small outlay is necessary to make this navigable for vessels drawing 8 to 10 feet of water, and the cost of transporting freight would be much less than a similar distance on the lower lakes and the St. Lawrence, owing to the absence of the necessity for canals and the detentions caused thereby.

The cost for ordinary freight from Winnipeg to the north end of Lake Winnipeg would be about \$2.50 per ton. Grain could be carried in quantities for from two to three cents per bushel, and if the trade warranted, from one to one and one half cents per bushel. This would of course imply elevators at each end. From the head of navigation on the Red River to the north end of Lake Winnipeg transport for grain should not cost more than from  $3\frac{1}{2}$  to 4 cents per bushel. There is a convention between the Canadian and American Governments which admits of the transport of grain through either country to an ocean port, free of duty. I mention this as I have seen it stated in the newspapers that the duty on American grain would prevent its passing over the projected route.

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I was instructed by the directors of the Nelson Valley Railway Company to make an exploration survey of their proposed route from Winnipeg to the