

magnificent soil and a fine climate, but also a market for all farming produce at rates which are exorbitantly high. For instance—flour sells from £2 10s. to £5 per the 100 lbs.; potatoes 5s. to 7s. a bushel; and other commodities in proportion. No apprehension need be entertained that such settlements would remain isolated establishments. There are at the present time many persons scattered through the Saskatchewan who wish to become farmers and settlers, but hesitate to do so in the absence of protection and security. These persons are old servants of the Hudson's Bay Company who have made money, or hunters, whose lives have been passed in the Great West, and who now desire to settle down. Nor would another class of settler be absent. Several of the Missionaries in the Saskatchewan have been in correspondence with persons in Canada who desire to seek a home in this Western land, but who have been advised to remain in their present country until matters have become more settled along the Saskatchewan. The advantages of the localities which I have specified—the junction of the branches of the Saskatchewan River, and the neighbourhood of Edmonton may be stated as follows:—Junction of North and South branch—a place of great future military and commercial importance, commanding navigation of both rivers—enjoys a climate suitable to the production of *all* cereals and roots, and a soil of unsurpassed fertility—is situated about midway between Red River and the Rocky Mountains, and possesses abundant and excellent supplies of timber for building and fuel—is *below* the presumed interruption to steam navigation on Saskatchewan River, known as "Coal Falls," and is situated on direct cart road from Manitoba to Carlton.

Edmonton, the centre of the Upper Saskatchewan, also the centre of large population (half-breed)—country lying between it and Victoria very fertile—is within easy reach of Blackfeet, Cree, and Assiniboine country—summer frosts often injurious to wheat, but all other crops thrive well, and even wheat is frequently a large and productive crop—timber for fuel plenty and for building can be obtained in large quantities 10 miles distant—coal in large quantities on bank of river, and gold at from 3 to 10 dollars a day in sand bars.

Only one other subject remains for consideration (I presume that the establishment of regular mail communication and steam navigation would follow the adoption of the course I have recommended), and, therefore, have not thought fit to introduce them; and to that subject, I will now allude before closing this Report, which has already reached proportions very much larger than I had anticipated. I refer to the Indian question and the best mode of dealing with it. As the military protection of the line of the Saskatchewan against Indian attack would be a practical impossibility without a very great expenditure of money it becomes necessary that all precautions should be taken to prevent the outbreak of an Indian war, which if once commenced could not fail to be productive of evil consequences, I would urge the advisability of sending a Commissioner to meet the tribes of the Saskatchewan during their summer assemblies.

It must be borne in mind that the real Indian Question exists many hundred miles West of Manitoba in a region where the red man wields a power and an influence of his own. Upon one point I would recommend