

New Orleans to Auckland, New Zealand, <i>via</i> —			
Suez Canal	...	18,381	10,286
Cape of Good Hope	...	17,259	9,164
Cape Horn	...	14,314	6,219
Panama Railroad	...	9,659	1,564
Isthmus of Tehuantepec	...	8,095	...
New Orleans to Melbourne, <i>via</i> —			
Suez Canal	...	16,683	6,947
Cape Horn	...	15,640	5,904
Cape of Good Hope	...	15,560	5,824
Panama Railroad	...	11,181	1,445
Isthmus of Tehuantepec	...	9,736	...
New Orleans to Honolulu, <i>via</i> —			
Cape Horn	...	16,251	10,917
Panama Railroad	...	7,294	1,960
Isthmus of Tehuantepec	...	5,334	...
New Orleans to San Francisco, <i>via</i> —			
Cape Horn	...	16,112	12,551
Panama Railroad	...	5,418	1,857
Isthmus of Tehuantepec	...	3,561	...

The average saving in distance by the Tehuantepec route over Panama to all places on the Atlantic coast of the United States and Europe is, say, about 1,250 miles. The ordinary freight-steamer makes about ten miles an hour, or, say, 250 miles a day, requiring five days longer *via* Panama, assuming the time of crossing the two isthmuses to be the same. It will take a steamer about one day to pass through the Panama Canal and the freight about two days to pass over Tehuantepec from ship to ship, leaving still four days to the advantage of Tehuantepec. The extra cost of the four days to a steamer, say, \$2,000 plus the canal tolls, would make a 5,000-ton cargo about \$10,000 *via* Panama. No doubt the cost *via* Tehuantepec would be no greater—as a matter of fact it would certainly be less—and there would be the saving in time of four days, which, to quick freight, is of great importance in this age of rapid transportation.

The same holds good for distances from New York to places in the Far East and Australia as compared with the route *via* the Suez Canal, but I will not go into this question in further detail, as a glance at the comparative list of distances given above will go further to prove the geographical advantages of the Tehuantepec route than any words of mine.

One immediate commercial effect of the opening of this route will be the diversion of several hundred thousand tons of sugar at present shipped by the Cape Horn route from Hawaii to Atlantic ports on the ships of the American-Hawaiian Steamship Company. Mr. Body informs me that his company guarantee 6 per cent. interest on the value of these shipments of sugar from Hawaii for every day over thirty days from Hawaii to New York or Philadelphia.

Another effect will be a readjustment of ocean and transcontinental freight rates owing to the opening of a shorter and cheaper route. This will especially affect all the railroads in the United States and in Canada which participate in transcontinental traffic.

The opening-up of this route will be of special benefit to the middle west of the United States, and will offer advantages over all others for traffic between places in the Mississippi Valley *via* the Gulf ports of New Orleans, Galveston, &c., and the United States, Mexican, Central American, and South American ports on the Pacific Ocean.

The traffic to which I have referred will naturally be more or less governed by competitive conditions, but there are other effects independent of such conditions, one of which is the influence which this line to the Pacific will have on the Mexican national development. The opening of the Tehuantepec route, with its ports in full operation, must bring about a large increase in the exchange of products between Mexican and Central American ports on the Atlantic and Pacific Oceans respectively, and also between the interior sections of Mexico and the Pacific States. The cost of transportation will be greatly reduced by the Tehuantepec route, as compared with the long hauls over railway-lines at present. To-day traffic between Mexico City and Mexican ports on the Pacific moves *via* the Mexican and United States railways over the frontier of the Rio Grande, and thence by rail to Guaymas. The natural route for this traffic is by way of Salina Cruz and the Tehuantepec Railroad—at all events, till the projected lines from Guadalajara to Manzanillo and Tepic are completed.

In connection with the Mexican national development the Tehuantepec Railway should be considered not only as a line across the isthmus, but as the basis for feeding lines from other parts of the republic. From the Pacific coast port to the railway-junction at Santa Lucrecia is 109 miles, and from thence to Cordova 213 miles. The distance from Cordova to Mexico City is 198 miles, so that the capital, where all the railway-lines of the republic centre, is by these routes only 520 miles from Salina Cruz. The Vera Cruz and Pacific Railway, which by means of the junction of two branches at the point known as Tierra Blanca brings both Mexico City and Vera Cruz into communication with the Pacific coast, is practically owned by the Government. The roadbed, however, is through a tropical country, in which the rains are very destructive to railway property, and at the present time the whole line is in a very poor condition, and is certainly not fit to cope with heavy freight or rapid passenger traffic. Steps, however, have been taken for improving it by substituting new steel bridges for the old ones, which were unable to withstand the floods, by ballasting the roadbed, and by substituting new ties for the old decayed ones. That it is possible to construct a perfect railway under exactly similar climatic conditions Sir Weetman Pearson has