

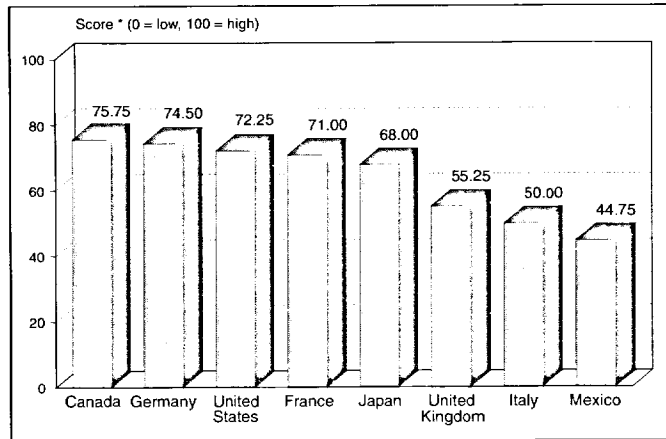
Canada-U.S. connections in line with expanding business requirements.

Intermodal transportation combines the best attributes of more than one mode. Railways are making important investments in intermodal terminals and equipment to ensure their competitiveness in this growing segment of the market. Double stack container service is available to central Canada from Vancouver and Halifax. Specialized container trains provide timely, high-quality service to Canadian and U.S. cities. CP Rail has direct access to the port of Philadelphia via one of its U.S. subsidiaries. Access to other U.S. ports is available through interchanges with U.S. carriers.

A FLEXIBLE, DEREGULATED TRANSPORTATION SECTOR

The National Transportation Act of 1987 sharply reduced regulation of Canadian transportation companies. It provides for more flexibility in

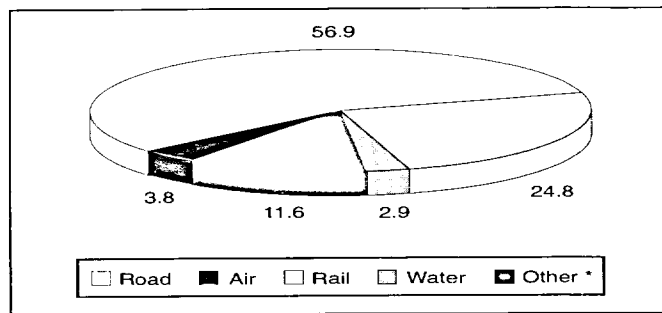
CANADA LEADS IN TRANSPORTATION INFRASTRUCTURE



* Score measures the extent to which transportation infrastructure is developed to meet business requirements of company competing internationally. Score measures adequacy of roads, railroads, air transport and port access.

Source: The World Competitiveness Report, 1993.

VALUE OF EXPORTS FROM CANADA TO THE U.S. (\$ BILLION) BY MODE OF TRANSPORTATION (1992)



* Covers shipments by pipelines and hydroelectric distribution and small-value exports.

Source: Statistics Canada (Catalogue 65-202, Exports: Merchandise Trade).