

While practically all of this territory is fertile and productive, the northern portion produces the larger and more dependable crops.

Of the arable lands tributary to the Canadian Northern Railway System in the Prairie Provinces, less than fifteen per cent. is under cultivation, so that large increases in both population and traffic may be expected within a few years.

Under present conditions most of the grain moves from the Prairie Provinces to terminal elevators situated at Port Arthur, Fort William and Duluth.

During the lake season this grain moves from the elevators via steamships to Montreal, Buffalo and other eastern points; and after navigation closes it largely remains stored in the elevators.

Prior to the construction of Canadian Northern and Grand Trunk Pacific, but a small amount of this grain moved east via all rail routes; and while we are of opinion that such rail movement is practicable under normal conditions, it is impossible during the existing period of traffic congestion and scarcity of ocean steamships.

A government terminal elevator has recently been completed at Vancouver and it is expected that grain will move from the Prairie Provinces through Edmonton via this port under normal conditions of ocean transportation, both along Pacific Ocean routes and via the Panama Canal to the Atlantic routes.

At such time as the project of transporting grain from Western Canada to Liverpool, via Hudson Bay, be established, the Canadian Northern Railway System will form an important part of such route.

In eastern Ontario and parts of Quebec, the Canadian Northern extends along the northerly side of the Great Lakes and St. Lawrence River basin, and along the well watered and fertile valley of the Ottawa River, which are well, but not yet fully, settled; and the resources of which are capable of further expansion through the development of the water power reserves.

Hay, fruit, vegetables, fish, butter and cheese are the staple products. Agricultural lands are shewn in red on Exhibit A herewith.