of ardent liquors to the Indian country. This the officer in charge of the works can easily see to, if he is armed with the proper authority. There is no likelihood of any of the employes of the works taking spirits in any quantity with them, unless contractors are employed; but there are private traders who would follow in their wake, and would not be slow to bring liquor, if through it they could drive a trade for furs; and such persons should, if they made the attempt, be at once arrested.

The Indians at Rainy River and the Lake of the Woods are, as a general rule, as yet in happy ignorance of what ardent liquor is. On the American side, the penalties against its introduction are so severe that it rarely makes its appearance, while on the British side its use is prohibited by the Hudson Bay Company.

To these fortunate circumstances, I believe, are due the well being and orderly demeanour of the Indians, and the rapid increase in the population, which, in this section, is, in contrast to the general rule, said to be taking place.

The precautions which I have recommended will appear not to be unnecessary, when it is considered that these Indians, notwithstanding their many good qualities, are still but savages. That they, in common with all the untutored tribes of their race, are keen to resent an injury, real or supposed; that a quarrel with one prominent individual would be a quarrel with the tribe, and that the sole arbiters of a dispute with them are the scalping knife and tomahawk, to the use of which they are well practised in their unceasing wars with the Sioux, and when, along with all this, it is considered that they can muster five hundred fighting men, accustomed to the woods, the rivers and every defile in the country, the expediency, as well as the justice, of keeping from them, that first prolific source of Indian quarrels and Indian demoralization, "Fire Water," will be apparent.

I have only further to say, that, with ordinary prudence, there need be no risk of getting into difficulty with the Indians. They will extend a warm welcome, in the first instance to the parties sent in by the Government, and it will be for the latter to see that nothing occurs to interupt a continuance of friendly intercourse.

(See Notices of Indians, in my printed Report, pages 14 and 26.)

AGRICULTURAL RESOURCES.

Lake Superior Section.

In this section, the cultivable areas are of limited extent, and confined chiefly to the valleys of the streams. There are, however, occasional plateaux at a considerable elevation, showing a moderate depth of loam. In the vicinity of the line of route, the best locations will be found in the valley of the Kaministaquia, and on the shores of Thunder Bay. The climate of the country, bordering on the lake shore, is favorable to the growth of cereals, and all kinds of vegetables which are usually raised in other parts of Canada. When the mincs at Thunder Bay, and on the north shore of Lake Superior, generally become developed, they will create a market for all kinds of agricultural produce, and this must render of great value such lands as are susceptible of cultivation.

Around the shores of Dog Lake, there are occasional patches of fair land, but the elevation of the country is such as to render the climate rather cold. On Dog River, and at the plateaux at the Height of Land, there is any amount of pasturage, and oats, potatoes, &c., might easily be raised.

The Lake Region.

The eastern section of this region is cold, on account of its great elevation, but on descending to the westward the climate rapidly improves, and by the time Sturgeon Lake is reached, the summers are as long as at Lake Superior, and I think somewhat warmer.

Eastward of Sturgeon Lake, the rock formation is Laurentian, and, as usual, in regions occupied by that series, the cultivable areas are limited in extent, although, where they do occur, the soil is often very rich. It is such a country as that now being settled on the Gatineau or Upper Ottawa, with this difference, that, whereas on the Gatineau and Ottawa, the valleys present rivers bordered with alluvial soil, the valleys in this region are occupied by lakes. There are, nevertheless, occasional spots, occurring at intervals throughout the whole region, where the soil is good and of sufficient extent for farms, but, as a rule, speaking generally, the country never can become an agricultural district.

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