THE EXPANSION AND CONSOLIDATION OF RAILWAYS

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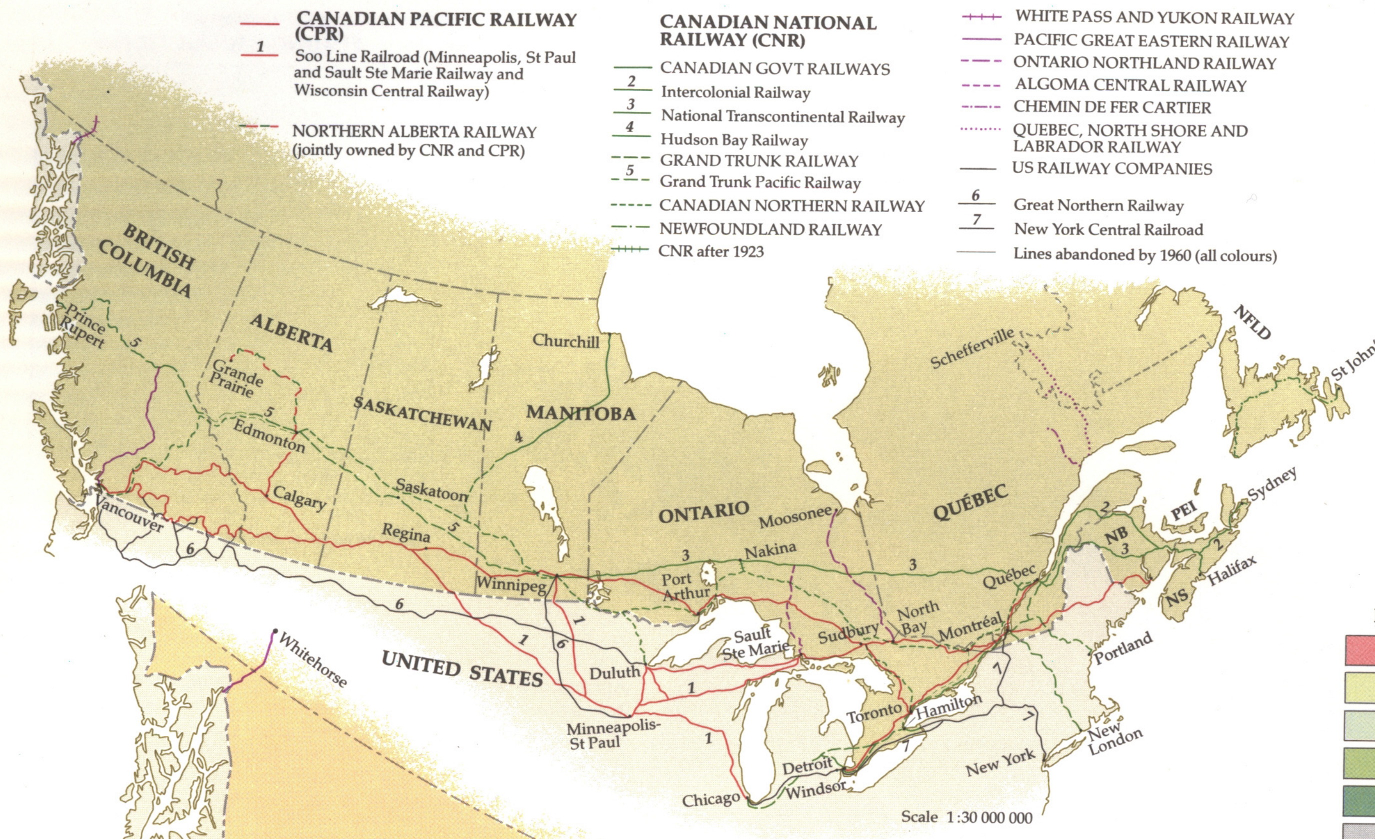
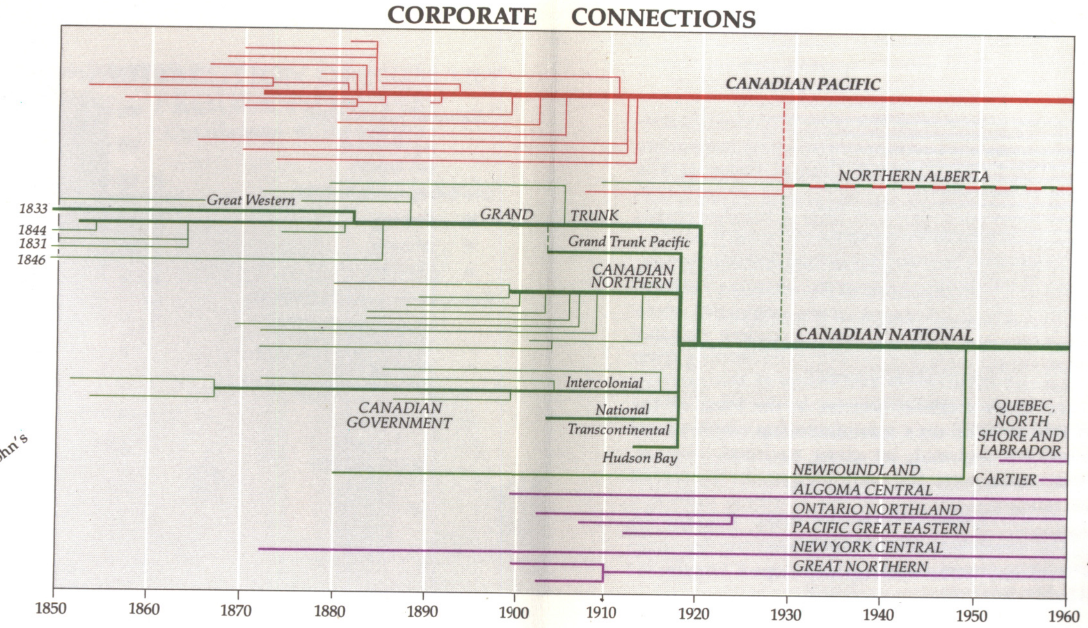
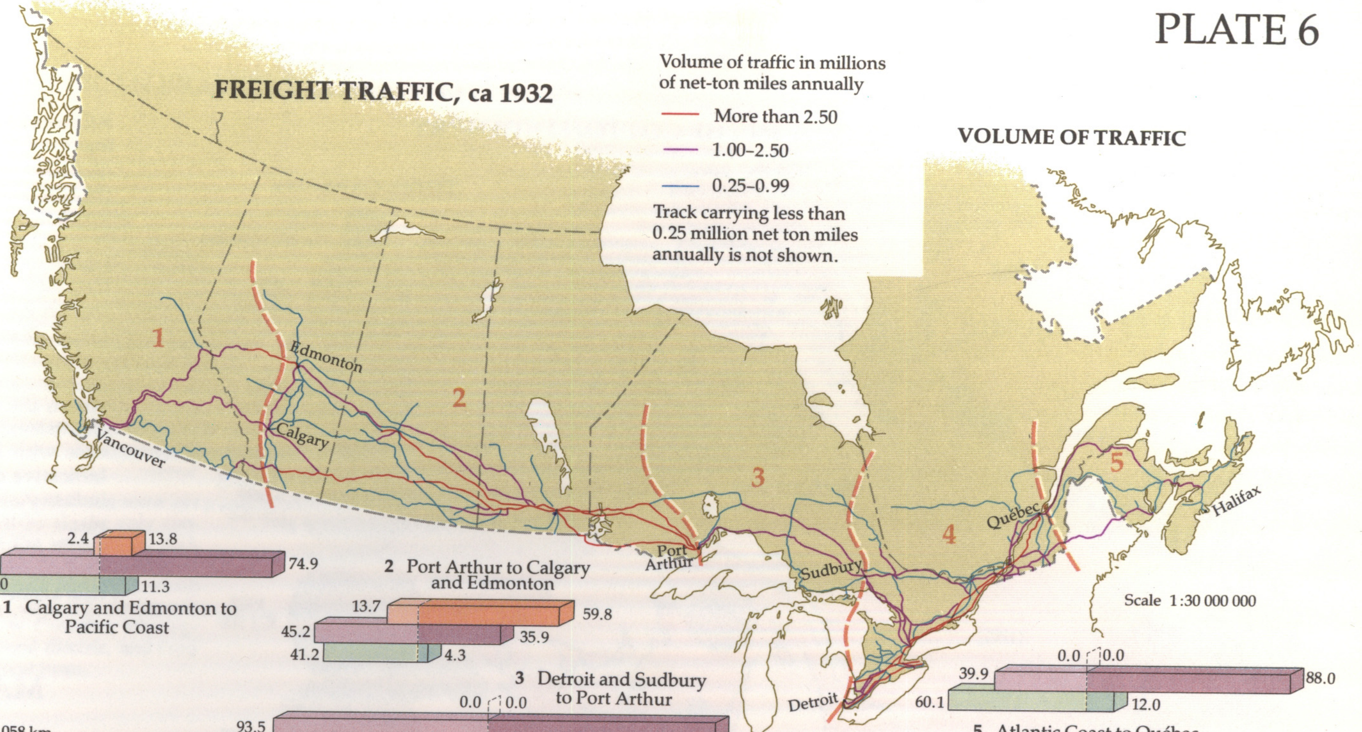
CORPORATE STRUCTURE TO 1960

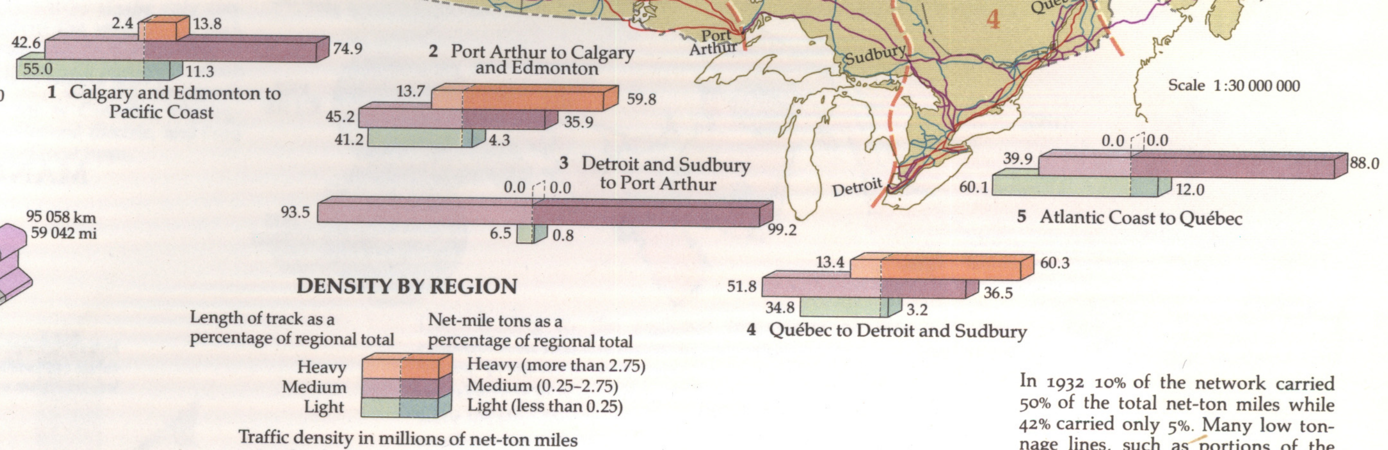


CORPORATE CONNECTIONS



FREIGHT TRAFFIC, ca 1932

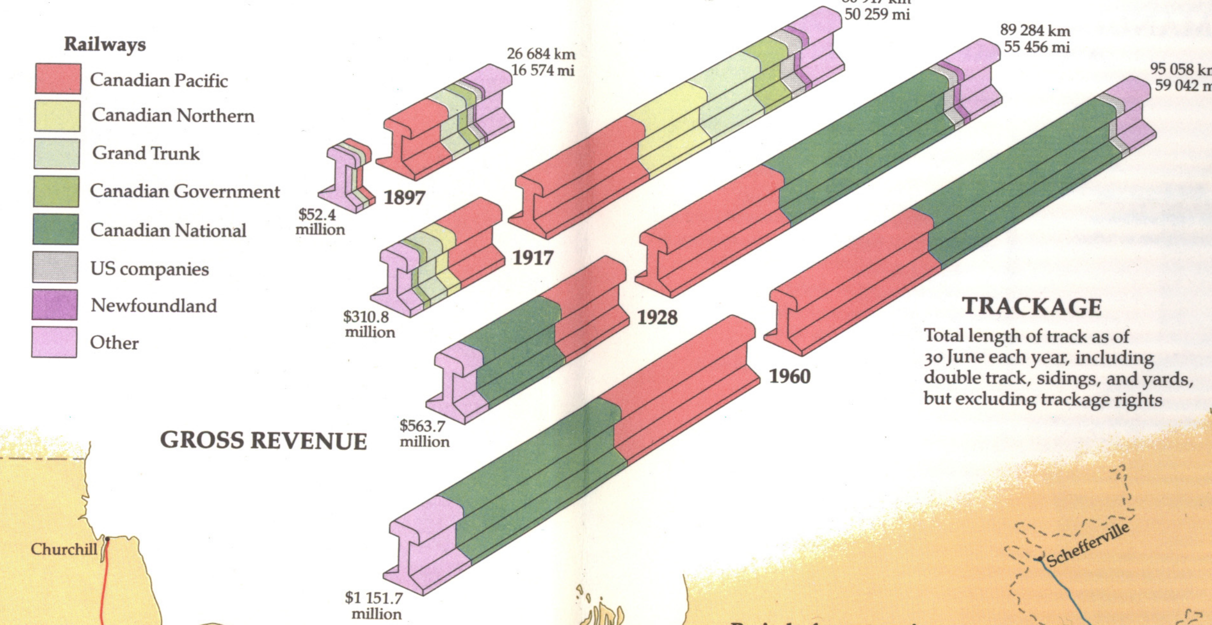




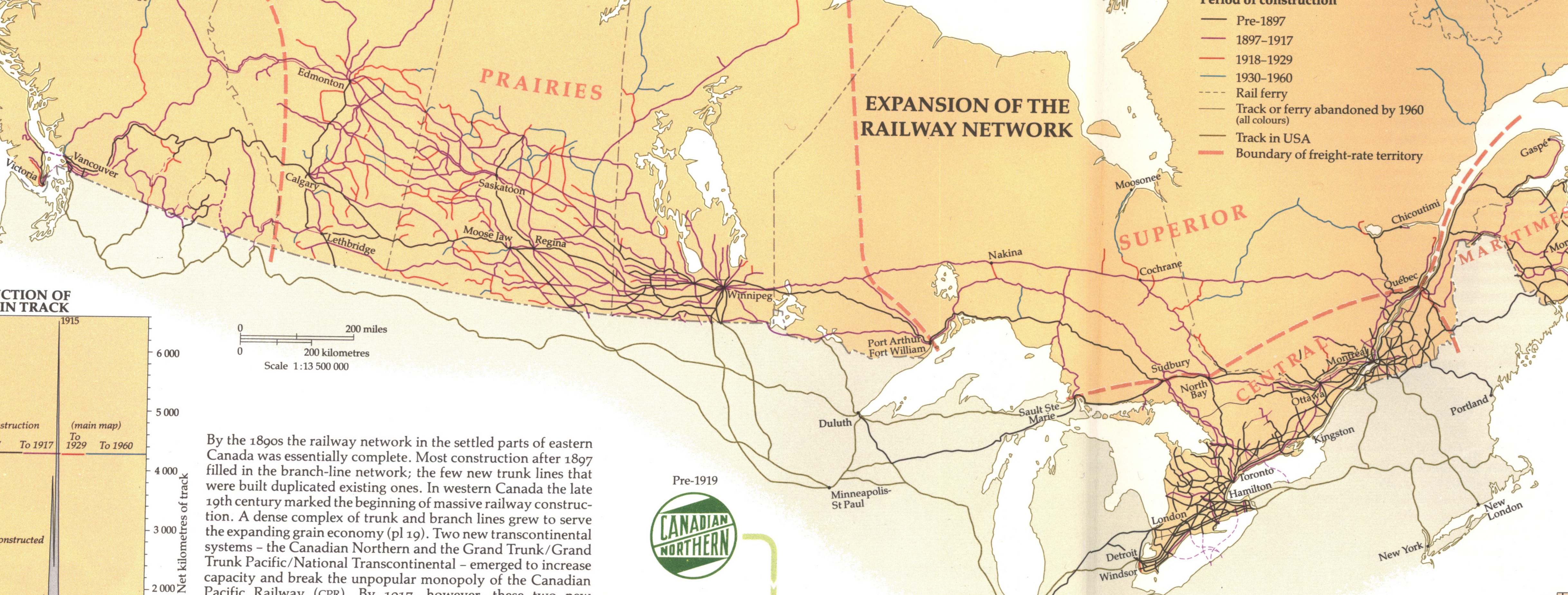
In 1932 10% of the network carried 50% of the total net-ton miles while 42% carried only 5%. Many low tonnage lines, such as portions of the former National Transcontinental between Québec and Nakina, carried less than the equivalent of ten trains per year.

GROSS REVENUE

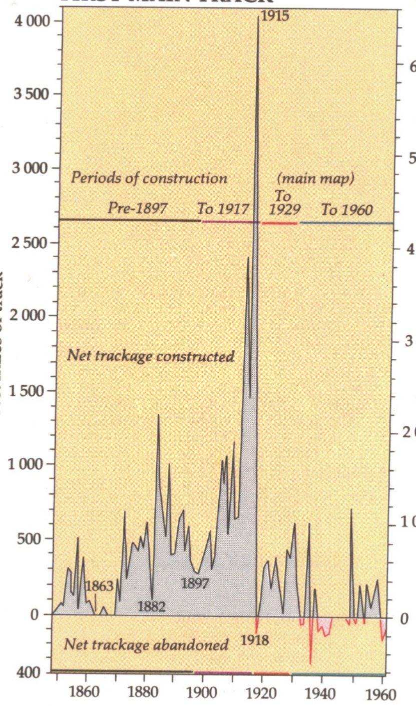
TRACKAGE



EXPANSION OF THE RAILWAY NETWORK

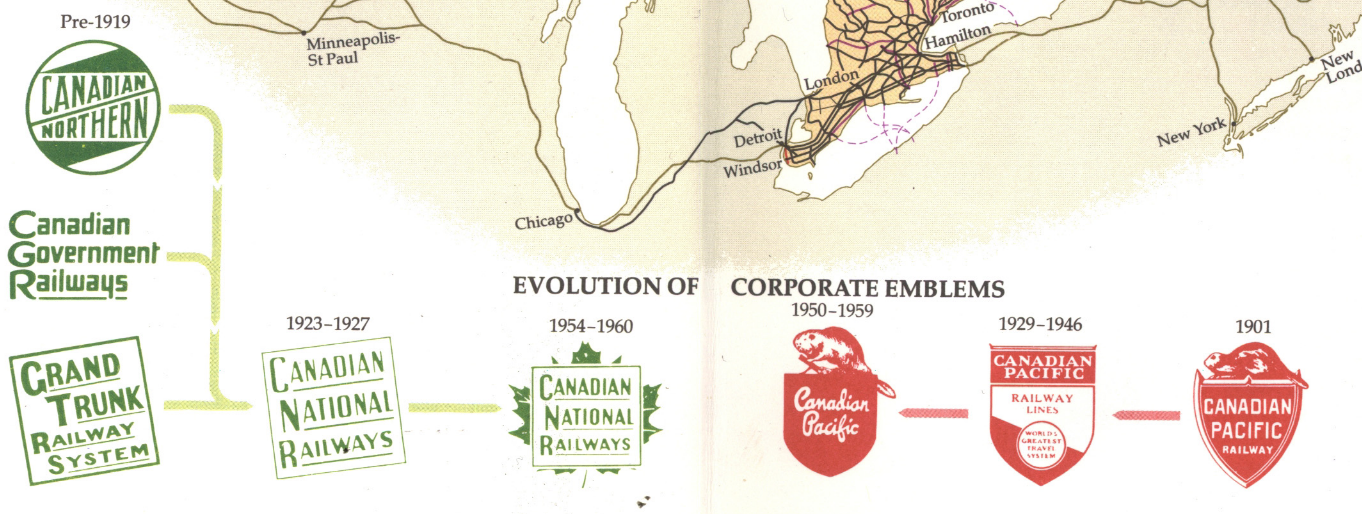


CONSTRUCTION OF FIRST MAIN TRACK

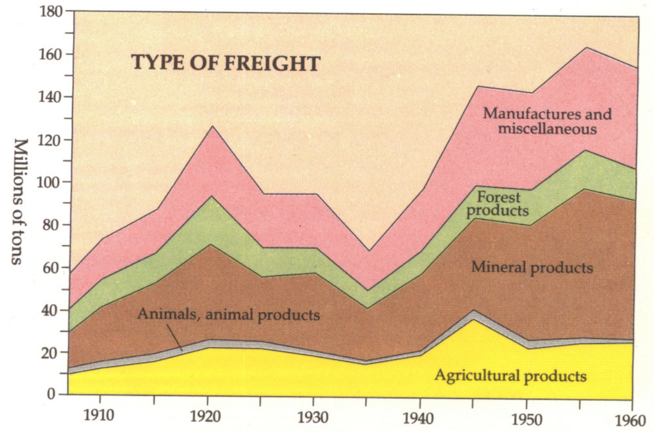


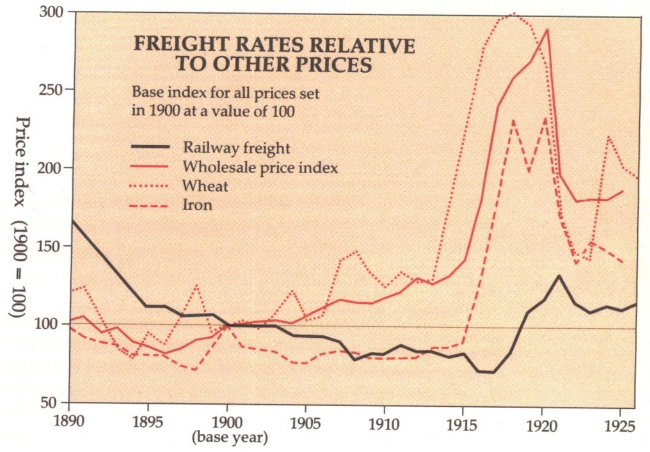
By the 1890s the railway network in the settled parts of eastern Canada was essentially complete. Most construction after 1897 filled in the branch-line network; the few new trunk lines that were built duplicated existing ones. In western Canada the late 19th century marked the beginning of massive railway construction. A dense complex of trunk and branch lines grew to serve the expanding grain economy (pl 19). Two new transcontinental systems – the Canadian Northern and the Grand Trunk/Grand Trunk Pacific/National Transcontinental – emerged to increase capacity and break the unpopular monopoly of the Canadian Pacific Railway (CPR). By 1917, however, these two new companies had suffered financial difficulties. Between 1917 and 1923 the federal government amalgamated its Canadian Government Railways with these two companies to form the Canadian National Railway (CNR). There was a short-lived construction boom after the First World War as projects interrupted by the war were finished, but by the late 1920s the pace of railway expansion had slowed down. After the Second World War some resource railways were constructed to tap the mineral and timber wealth of northern Canada.

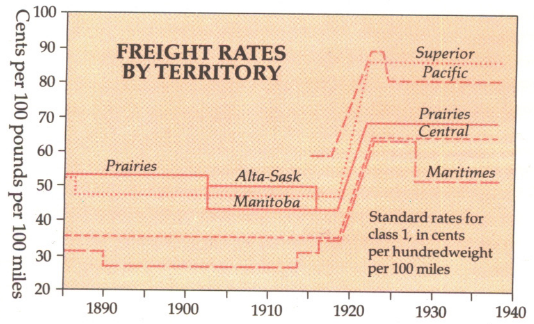
EVOLUTION OF CORPORATE EMBLEMS

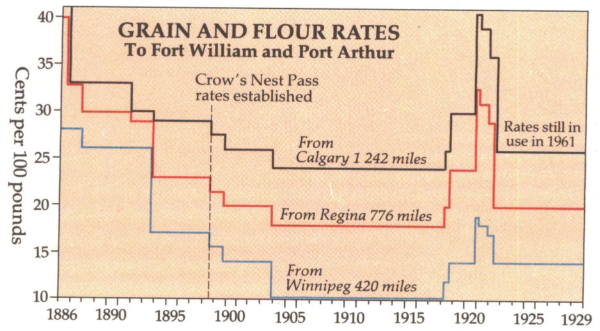


FREIGHT CHARACTERISTICS









A complex freight-rate structure evolved as the North American railway network expanded. Before 1904, when the Board of Railway Commissioners was established, most railways operated with little regulation and charged high freight rates. Only a few special freight rates had been set; the most important was initiated by the Crow's Nest Pass Agreement of 1897. By establishing relatively low charges for grain, at first to the Lakehead (Port Arthur and Fort William), and later to the Pacific Coast, the Crow rates strengthened the competitive status of Prairie farmers in world markets. With the growth of rail traffic, the federal government increasingly viewed freight rates as an instrument of national policy and a way of ameliorating regional problems. The Maritime Freight Rate Act (1927) was implemented in an effort to restore the competitive position of Maritime manufacturers in the Central Canadian markets. The act reintroduced freight rates which Maritime industries had lost when the Canadian Government Railways was merged into the new CNR system.