

### Section 3.—Origin and Growth of Government-owned Railways.

**Canadian Government Railways.**—The Intercolonial Railway, built as a condition of Confederation and completed in 1876, and the Prince Edward Island Railway, opened in April, 1875, have since their construction been owned and operated by the Dominion Government. In 1903 the Dominion Government undertook the construction of the National Transcontinental Railway from Moncton, N.B., to Winnipeg, to be leased to the Grand Trunk Pacific Railway Company for a period of 50 years. However, as a result of the conditions arising from the outbreak of war, the company was unable to take over the operation of the road when completed in 1915. The Government itself undertook its operation and was also obliged to lease the Lake Superior branch of the Grand Trunk Pacific Railway, which was isolated from the main line. A number of eastern branch lines have been acquired in recent years, including: the New Brunswick and Prince Edward Island Railway which forms the mainland connection of the Prince Edward Island car ferry, the International Railway, the Moncton and Buctouche Railway, the Salisbury and Albert Railway, the St. Martin's Railway, the Elgin and Havelock Railway, the York and Carleton Railway, the Quebec and Saguenay Railway, the Caraquet and Gulf Shore Railway, the Lotbinière and Mégantic Railway and the Cape Breton Railway. The Saint John and Quebec Railway in New Brunswick, and the Inverness Railway and Coal Company's lines in Cape Breton, are operated under lease. The Hudson Bay Railway, which had 332.5 miles of steel rail at the end of 1920, was declared to be comprised in the Canadian Government Railways, and until 1926 was operated to a limited extent by the board of directors of the Canadian National Railways. In that year, as a result of the decision to complete the road, it was returned to the Department of Railways and Canals until completed. The eastern terminus was transferred from Nelson to Churchill, ties and trestles were renewed along the original 332 miles of track, and by April, 1929, the track was extended to Churchill though not yet graded or ballasted. To March 31, 1929, total expenditure on the railway was \$24,169,332 and on terminal work at Churchill \$3,668,428, exclusive of the expenditures of \$6,274,217 on the terminal at Nelson, some of which was salvaged.

Tables 18 and 19, from the Annual Report of the Department of Railways and Canals, show the capital expenditure of the Dominion Government on the Canadian Government Railways and their operating finances to Mar. 31, 1929. In Table 18 the cost of the Quebec Bridge (\$21,706,664) also \$18,000 of miscellaneous expenditure, are not included in the total of capital expenditure. In Table 19 they are included, but \$13,475,305, the value of harbour properties at Saint John and Halifax, transferred in the last fiscal year to the Department of Marine and Fisheries, has been deducted.