

branch lines as feeders, among them being the North Shore, Quebec, Montreal, Ottawa and Occidental in 1881; the Winnipeg to Manitou line in 1882; the Ontario and Quebec, the Credit Valley and the Toronto, Grey and Bruce in 1883; the St. Lawrence and Ottawa, and the Manitoba Southwestern in 1884; the North Shore, Nova Scotia in 1885; the Atlantic and Northwest in 1886; the West Ontario Pacific in 1887; the Sudbury and Sault Ste. Marie in 1888; the New Brunswick Railway and the Columbia and Kootenay in 1890; and the Montreal and Ottawa, and Montreal and Lake Maskinongé in 1892.

The Second Transcontinental—The Grand Trunk Pacific.—About the end of the century the Grand Trunk, which already had a line as far west as Chicago, submitted to the Canadian Government a proposal whereby it might participate in the settlement and development of the West. Lines were to be leased from Chicago *via* Minneapolis to Winnipeg, and thence a new line, subsidized by the Government, would be built to the Pacific Coast. The Government raised objections to so much of the line lying in the United States and a second proposal was made for a connecting line with larger subsidies from North Bay to Winnipeg. The Government submitted, in 1903, a counter proposal that the line, instead of terminating at North Bay, should be continued east to Moncton, New Brunswick, the eastern section from Moncton to Winnipeg to be constructed by the Government and leased to the Grand Trunk Pacific for a 50-year period, the railway paying no rent for the first seven years and 3 p.c. on the cost of the railway for the remaining 43 years. The western half of the railway from Winnipeg to Prince Rupert was to be built by the Grand Trunk Pacific, the Government guaranteeing interest on bonds to 75 p.c. of the cost of construction, not exceeding \$13,000 per mile on the prairie section and \$30,000 per mile on the mountain section. The Grand Trunk reluctantly accepted this proposition and construction of the National Transcontinental and Grand Trunk Pacific commenced.

The Third Transcontinental—The Canadian Northern Railway.—The third transcontinental railway, the Canadian Northern, was begun in 1896 with the completion by Mackenzie and Mann of the 125-mile line of the Lake Manitoba Railway and Canal Co., chartered in 1889. The charters of the Winnipeg and Hudson Bay, the Manitoba and Southeastern, the Ontario and Rainy River, and the Port Arthur, Duluth and Western were next acquired. Assisted by the Manitoba Government, which desired to establish competition with the Canadian Pacific Railway, the Canadian Northern then secured the Manitoba lines of the Northern Pacific and in 1902 completed its line from Winnipeg to Port Arthur. During the following decade, the agricultural west was filling up very rapidly and, with the public of Canada under the influence of this boom, the Canadian Northern Railway was able to secure guarantees of bonds from the Dominion and Provincial Governments to enable it to extend its lines both westward to Vancouver and eastward to Montreal and so complete the great scheme of a transcontinental road.

Effect of the War on the Railways—The Drayton-Acworth Report.—With two new transcontinental main lines, besides branches, under construction Canadian railway mileage was doubled between 1900 and 1915, increasing from 17,657 miles in the former year to 34,882 miles in the latter. The builders of the new lines, as well as the Canadian Government and people, had expected that immigration of capital and labour from Europe would rapidly settle the areas tributary to the new railroads and give them abundant and lucrative traffic, as had been the case with the C.P.R. Instead, the War came, and European labour