

authorized to construct a railway spur to facilitate the development of the new iron-ore deposits near Atikokan, 150 miles west of Port Arthur, and to construct an ore dock at that port to facilitate the loading of the iron ore to lake boats.

Creation of the Northwest Air Staging Route (see p. 705), the construction of the Alaska Highway and the Canol pipeline out of Fort Norman, and the development of northern navigation has brought into prominence the strategic importance of the thousand miles of railway tracks which branch northward from the city of Edmonton. These lines are jointly owned by the Canadian National and Canadian Pacific Railways and are operated by the Northern Alberta Railways. The importance of these railway lines in the development of Canada's northwestern defences is indicated by the fact that in the ten-month period, March to December, 1942, more than 7,500 carloads of freight were shipped to Dawson Creek, the southern end of the Alaska Highway, and 2,000 carloads to Waterways, the terminal for northern navigation to Fort Norman.

In addition to maintaining the equipment necessary for handling the largest volume of traffic known in their history, Canadian railways have been actively engaged in the manufacture of war material other than transportation material in their own car-repair shops, locomotive works and other plants.

Canadian National Railways Munitions, Limited, at Point St. Charles, Montreal, where 1,200 men and women are employed in the manufacture of naval guns and field artillery gun carriages, has developed into one of the most important war industries in Eastern Canada. Munitions have been manufactured in three other Canadian National shops. The Company's shipbuilding yard at Prince Rupert, B.C., with a staff of approximately 1,500, is engaged in the construction of large cargo vessels and minesweepers.

The Canadian Pacific Railway Angus Shops at Montreal, employing approximately 11,000 persons, have been engaged in the production of large tanks, marine engines and condensers valued at more than \$115,000,000. At the C.P.R. Ogdon Shops at Calgary, which employ nearly 2,000 people, naval guns, anti-aircraft gun mounts, gun barrels, sights and breach-housing mechanism, etc., have been manufactured with an aggregate value of more than \$20,000,000.

Following the period of retrenchment during the depression of the 1930's, when railway revenues were at a low level, the railway companies reported a new high record for revenue in 1943, amounting to nearly \$779,000,000, an increase of 131.2 p.c. over 1938. Operating expenses reached a record total of \$560,600,000, an increase of 89.6 p.c. As a result of such increases, the Canadian National Railways have been able to show a net income credit balance for the first time since 1938, while the Canadian Pacific Railway resumed payment of dividends on preferred and ordinary shares after a lapse of approximately 10 years.

Subsection 1.—Mileage and Equipment of Steam Railways

Although construction was begun in 1835 on the first railway in Canada—the short link of 16 miles between Laprairie and St. Johns, Que.—there were only 66 miles of railway in operation by 1850. The first great period of construction was in the 1850's when the Grand Trunk and Great Western railways, as well as numerous smaller lines, were built. The building of the Intercolonial and the Canadian Pacific railways contributed to another period of rapid expansion in the 1870's and 1880's. In the last great period of railway building from 1900 to 1917 the Grand Trunk Pacific, National Transcontinental and Canadian Northern were constructed.