

William, to a junction with the National Transcontinental; this line would be called the Lake Superior Branch. The agreement was ratified by an Act of Parliament passed in 1903 (S.C. 1903, c. 71).

Construction of both the Grand Trunk Pacific and the National Transcontinental began in 1905. Work on the Grand Trunk Pacific proceeded both from Winnipeg, Man., and Prince Rupert, B.C., the railway's main line being divided into two Sections—the Prairie and the Mountain. The railway from Winnipeg to the Pacific Coast was completed in the autumn of 1914, and the branch line, for the handling of grain traffic via the Great Lakes, was built from Sioux Lookout on the National Transcontinental to Fort William, Ont. The Grand Trunk Pacific was formally opened to traffic on Jan. 1, 1916.

The National Transcontinental began construction of its line to Winnipeg from Moncton, in 1905. When the line was completed in 1915 the Government looked to the Grand Trunk Pacific to carry out its contract and take over the National Transcontinental for operation. The Grand Trunk Pacific then claimed that, owing to excessive cost of constructing the new lines and its own poor financial condition, it was not in a position to fulfil its obligations. After lengthy negotiations with the Grand Trunk Railway Company of Canada and the Grand Trunk Pacific, the Dominion Government decided to take over the operation of the National Transcontinental. Thus, the National Transcontinental Railway was operated from June 1, 1915, by the same management as the Canadian Government Railways. On Nov. 20, 1918, its operation was entrusted to the Board of Directors of the Canadian Northern Railway.

The Canadian Northern Railway owed its inception to the joint enterprise of two men, Sir William Mackenzie and Sir Donald Mann, who, in 1896, secured the charter of the Lake Manitoba Railway and Canal Company for a line extending from Gladstone to Winnipegosis, both in the Province of Manitoba. The following year, they started construction of a railway running from Winnipeg southeasterly towards the head of the Great Lakes, under charter of the Manitoba and South-eastern Railway. About the same time, they also began construction of the Ontario and Rainy River Railway, westerly from Port Arthur. After 1899, these various companies became known as the Canadian Northern Railway. The Minnesota and Manitoba Railway was chartered to build a connecting link through the 'North West Angle', the northern tip of the State of Minnesota, U.S.A.

The original intention of the Canadian Northern was to build a line from the head of the Lakes to Winnipeg and to the northern section of Manitoba, and through the then North-West Territories to Prince Albert and Edmonton. In 1901, a branch line was projected from Dauphin west to Gilbert Plains and in 1903 the management revised its original intention of building the line through Prince Albert and decided to continue its Dauphin line—via Grandview—through the more central section of the North-West Territories to Edmonton. Construction work on the main line proceeded vigorously, so that by June 30, 1910, the Canadian Northern system had 3,281 miles in active operation west of Lake Superior.