

Dominion government agreed to absorb its railway debt.

British Columbia also desired a connecting link with Central Canada. The rapid extension of American railways threatened to divert the trade and interests of the West toward the United States. The federal government agreed to construct a 3 200 km railway originating from the Pacific and continuing toward the Rocky Mountains which would act as a connection of the seaboard of British Columbia with the railway system of Canada. With this security, British Columbia joined Confederation in 1871.

Shortly thereafter, a declining rate of expansion coupled with political upheavals and government turnovers slowed construction of the transcontinental railroad. In 1880, the federal government contracted with a syndicate, later known as the Canadian Pacific Railway Company, to complete the transcontinental railway.

The link from Port Arthur (now Thunder Bay) to Winnipeg was completed in 1883. The following year, construction commenced on the difficult section through the wilderness north of Lake Superior, with costs running as high as \$350,000 per km of track in many sections. The last spike was driven at Craigellachie in Eagle Pass, BC on November 7, 1885. The longest railway in the world was finally operating from coast-to-coast as East and West were joined by steel.

The end of a depression in 1896 was followed by a period of rapid expansion. Textile production more than doubled, iron and steel processing increased threefold. Exports of timber and wood-pulp, nickel and copper all showed important increases. Wheat production in the western provinces brought Canada to a leading position in the wheat markets of the world. All these changes had important effects on transportation, especially the expansion of railway mileage during the closing years of the 19th century. A second transcontinental railway, the National Transcontinental, was built at government expense from Moncton, NB to Winnipeg, Man., while the Grand Trunk Pacific Railway was extended from Winnipeg to the Pacific Coast. Concurrently, the Canadian National Railway was authorized to continue its line westerly from Edmonton to the Pacific Coast and easterly from Port Arthur to Quebec. At this time, three railways spanned the Dominion, three lines through the Rocky Mountains, and three connections between Central Canada and the Maritimes. In 1917, railway mileage had almost doubled from the length it had been in 1903, compared with a 40% population growth during the same period. Canada had the highest per capita

railway mileage in the world. It was a cost the young country could not support.

In an effort to avoid a desperate situation, the government absorbed two bankrupt lines: the Grand Trunk and the Intercolonial, thereby forming the nucleus of the Canadian National Railway system in 1923. The outbreak of World War II in 1939 greatly affected all forms of transport. Construction of defence plants; conversion and expansion of existing industrial capacity steel making; and aircraft, ship, and motor vehicle production brought about heavy capital investment in transportation facilities. At the end of World War II Canada's economy further blossomed, due to the backlog of demand for all types of consumer and industrial goods, and raw materials. This pent-up demand was accompanied by significant changes in the transportation industry. New forms of transport appeared on the scene. Ten years after the war had ended, the trucking and aircraft industry had taken a significant bite out of the monopoly of the railways. The result was a more competitive transportation system with a higher sensitivity to the needs of its consumers.

The government-owned Canadian National Railway system is one of the largest railway systems in the world. As of December 1986, the Canadian National Railway and the Canadian Pacific Railway owned or controlled 90% of all railway mileage in Canada.

13.3.2 Rail transport statistics

Tracks and rolling stock. The total length of track operated in 1986 reached 93 544 km, a decrease of 2.2% from 1985 and 3.9% from 1984. In 1986, Canadian National Railways owned 54.2% of track operated in Canada while Canadian Pacific owned 35.8%. The remaining 10% was owned by Class II and Class III carriers.

In 1986, there were 11.1% more locomotives in service than in 1985. The total freight car equipment, however, decreased only 0.5% during this same period, with 129,509 units in service in 1986. Though total passenger car equipment increased nearly 1% in 1986 above the 1985 total of 1,286 cars, the 1986 total was down 2.3% from 1984. For additional information see Tables 13.4 and 13.5.

Revenue freight. In 1986, 279 million tonnes of freight, which included Canadian interlined shipments, were carried by rail, an increase of less than 1% from 1985; the total tonnes carried in 1986 were 3.1% less than the 1984 total. Canadian National carried 38.8% of the total in 1986, with Canadian Pacific carrying 29.3% and Class II carriers responsible for 31.9%.