

#### Subsection 4.—The Canadian National Railway System

In view of the interest in Canada's publicly owned railway, the Canadian National Railway System is given separate treatment in this Subsection. Its history is presented in the following special article.

##### THE HISTORY OF THE CANADIAN NATIONAL RAILWAYS

The Chapter on National Transportation Policy of the Report of the Royal Commission on Transportation (1951) includes the following statement:—

*Canada, more by accident than by design, became the owner of what is today one of the largest railway systems in the world. This came about because the Federal and Provincial Governments had guaranteed the obligations of the railway companies which were later to become amalgamated into the Canadian National Railways System.*

The Canadian National Railways System had its origin in Canada's first railway, the 14½-mile Champlain and St. Lawrence which began operations in 1836 between Laprairie and St. Johns, Que. The System now embraces this pioneer railway and many other short and long rail lines built in different parts of the country at different times and for different purposes. It is the corporate successor to the Grand Trunk, the Intercolonial, the Canadian Northern, the National Transcontinental and Grand Trunk Pacific Railways.

The Grand Trunk Railway was incorporated by Act of Parliament in 1852 to develop a railway system from Portland, on the United States Atlantic seaboard, through Montreal, Toronto, Stratford and Sarnia to Detroit, with an intended eventual extension to Chicago.

While the Grand Trunk toiled towards its objective, considerable railway activity prevailed in Nova Scotia and New Brunswick, although it embraced more ambition than actual construction. However, the British North America Act of 1867 stipulated that the newly constituted Dominion Government must build a railway connecting Halifax with the St. Lawrence at or near Quebec, and that the line should be started within six months of the date of Confederation. Surveys—some already started—were pressed to conclusion and construction of the Intercolonial Railway began immediately under the supervision of Sir Sandford Fleming.

Controversy developed over the route through New Brunswick. Three possible routes were available: northerly along the Baie de Chaleur; a central route; and a southerly route along the St. John River Valley. The northern route was chosen for military and economic reasons although it was longest and most expensive to build. The Government of Nova Scotia had already built a line from Halifax to Truro and the Grand Trunk had been built as far east as Rivière-du-Loup; the northerly route would therefore connect Truro and Rivière-du-Loup. The Intercolonial Railway was officially opened for traffic between Halifax and Lévis on July 1, 1876.

In 1879, the Intercolonial bought from the Grand Trunk the line from Rivière-du-Loup to Chaudière, the Grand Trunk reserving running rights from Chaudière to Point Lévis, opposite Quebec City. In 1897, Intercolonial secured running rights