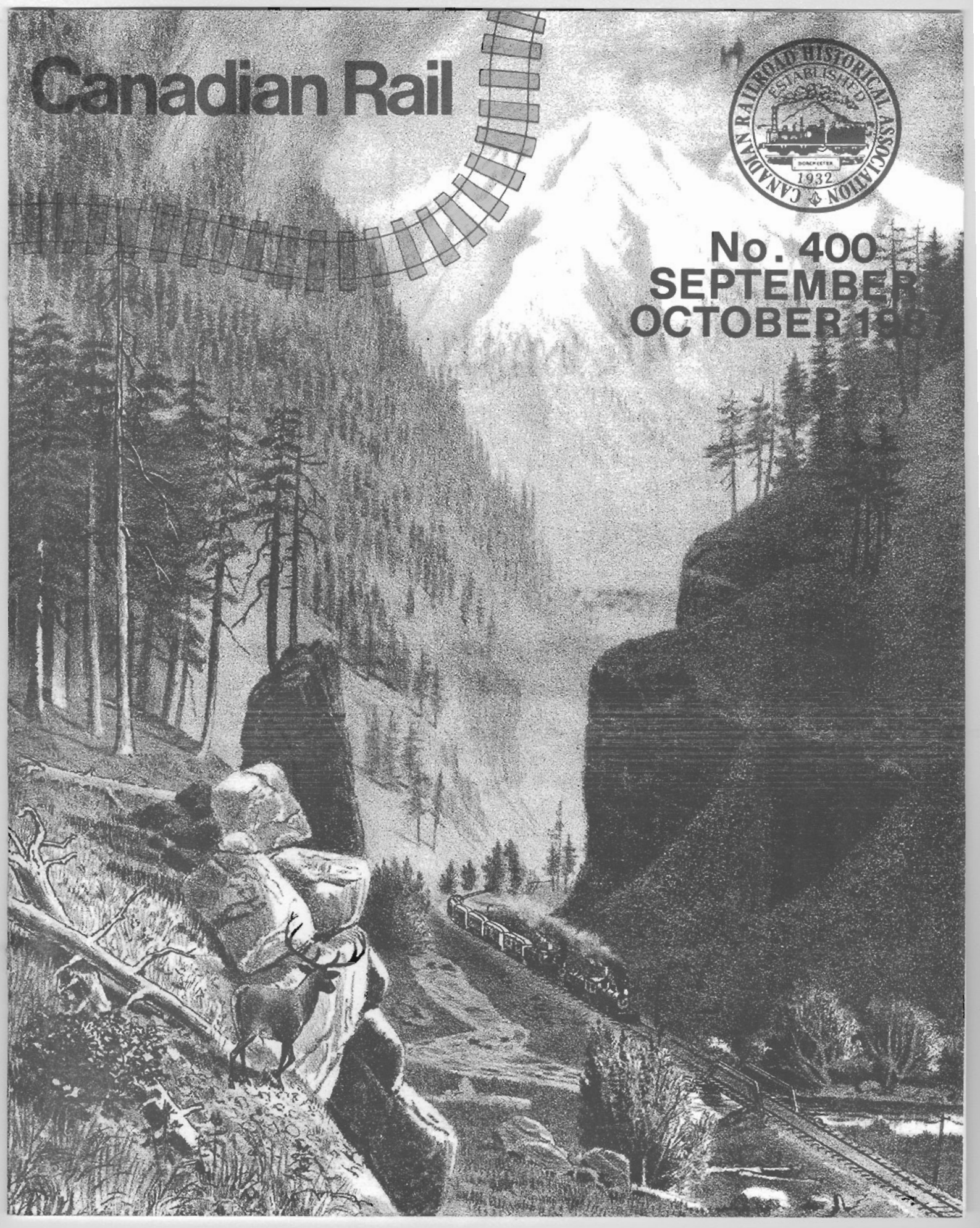


Canadian Rail



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~ ISSUE NUMBER 400 ~

An association such as ours has, as one of its primary functions, the task of recording history and of marking historical occasions. Sometimes these occasions have to do with the association itself, and such is the case now as we mark the 400th issue of our publication since it was started, as the C. R. H. A. news report, in October 1949. Much history has been recorded in these pages since that long-ago date, some recorded soon after it was made, other items in retrospect of a century or more. The majority of this issue is devoted to a single article, the longest we have ever printed, on the first years of the C. P. R. after the driving of the last spike in 1885. This is a period often neglected by historians and, for that reason, this issue should become an important contribution to Canadian railway history. However, I am sure that our members want to start reading the feature and not just this introduction, so without further ado we present CANADIAN RAIL ISSUE NUMBER 400.



• LOOKING WEST FROM TUNNEL 3 INTO 2 •

• ACROSS THE SPUZZUM •



CANADIAN RAIL

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FRONT COVER:

Even before it was completed, the C.P.R. line was the subject of artistic views showing how it would look when trains were running. This magnificent lithograph shows a double-header passenger train ascending the Kicking Horse pass towards the continental divide. The drawing is one of a series which appeared in the December 1885 issue of "West Shore" magazine, published in Portland Oregon. The other lithographs reproduced in this issue are from the same source, all first appeared in December 1885.

Laying The Foundation

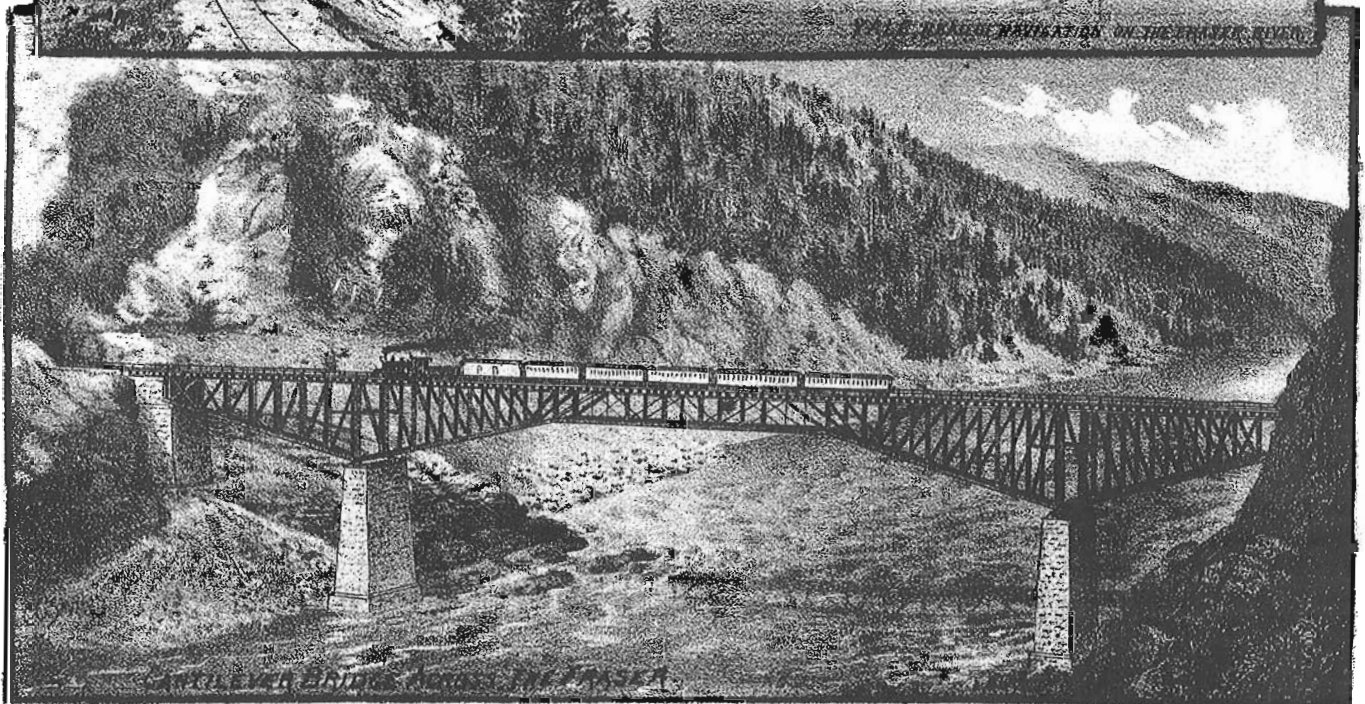
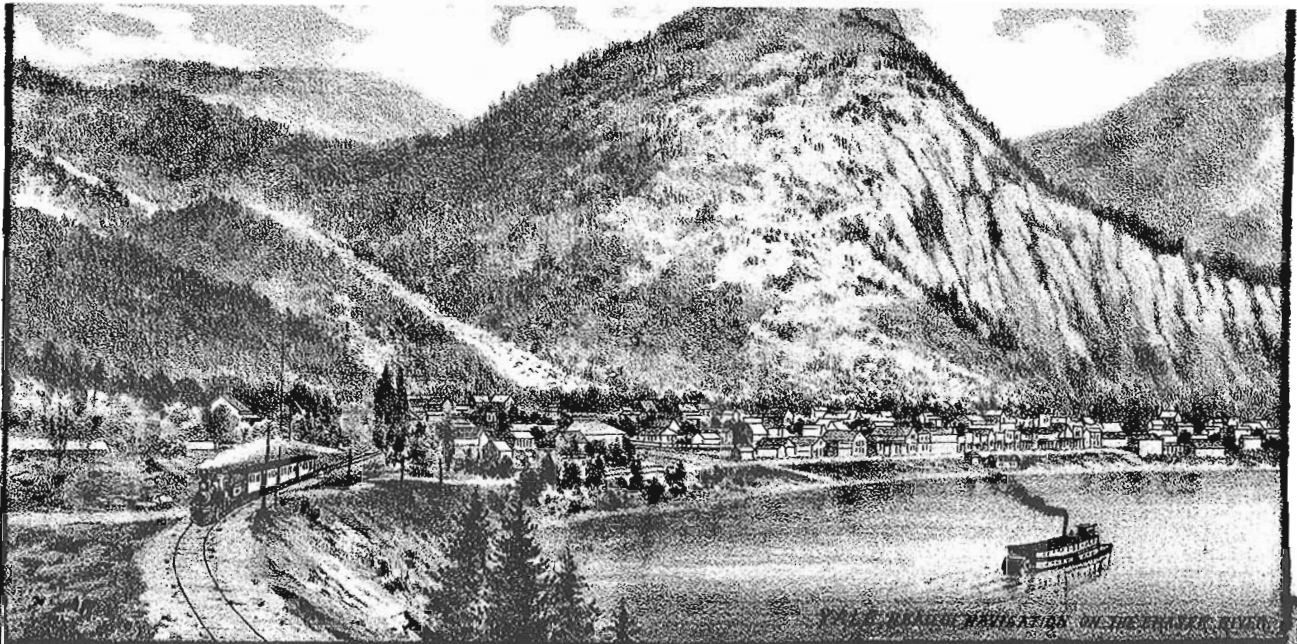
By: Douglas N. W. Smith

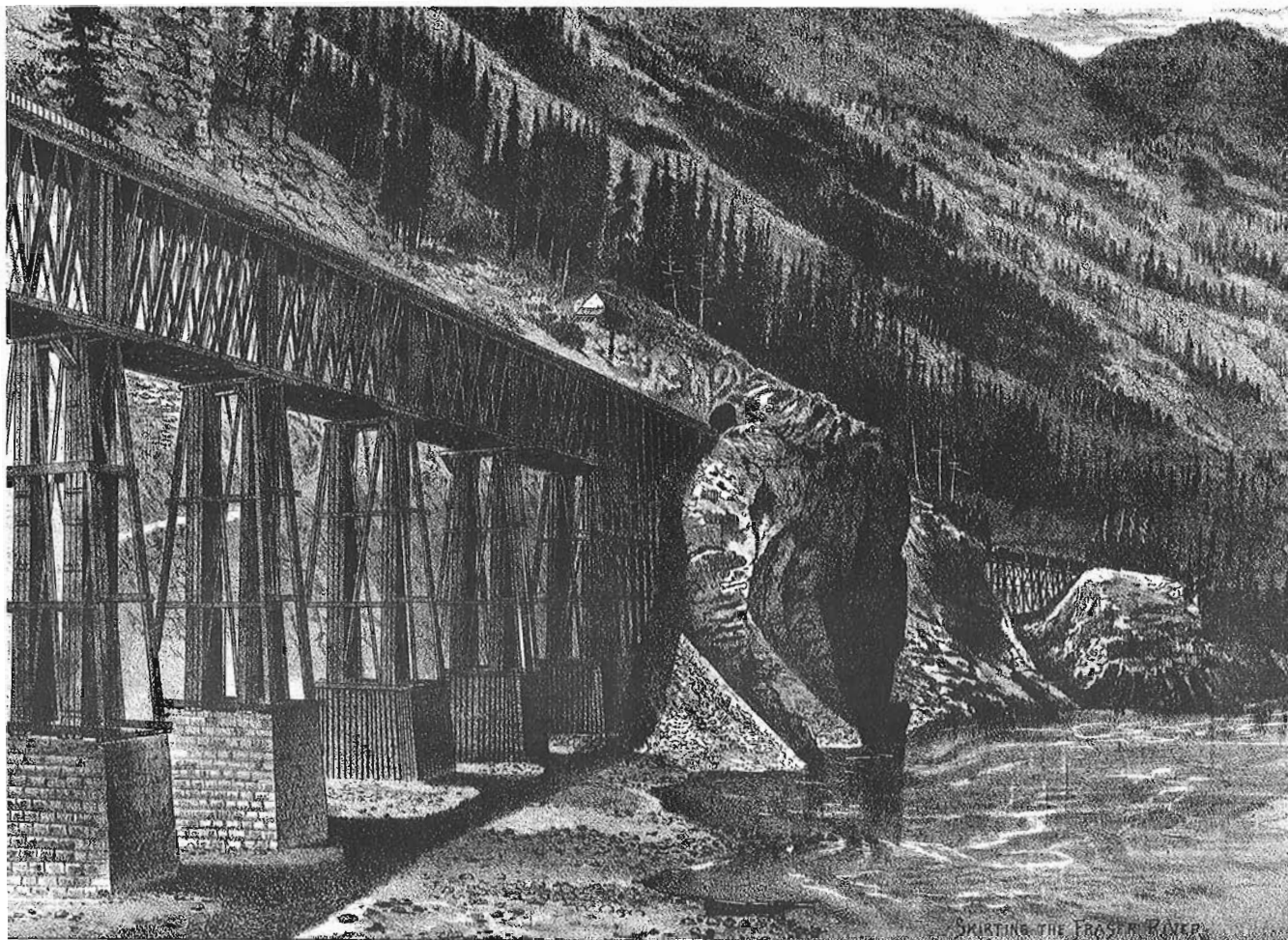
INTRODUCTION

DURING THE COURSE OF 1985 AND 1986, THE 100th anniversaries of the driving of the last spike of the Canadian Pacific Railway and the commencement of its transcontinental passenger service have been commemorated. But to the CP officials of one hundred years ago, these events were but way points in a much larger picture. In February 1881, the syndicate of investors headed by George Stephen had taken

over the faltering Pacific Railway project from the Macdonald government. They recognized that a transcontinental line built between the hamlets of Callendar, Ontario and Port Moody, British Columbia would be a singularly unremunerative investment, traversing as it did the largely unpopulated areas of the Canadian northwest.

Today, with a well developed export economy, it is difficult to realize the tremendous risk associated with the building of the Pacific railway. In 1886, the prairies were sparsely populated





and the western agricultural, cattle, mining and lumbering industries had yet to become established. The facilities for handling such shipments from the Northwest Territories were non-existent. After having expended large sums to construct the transcontinental line, CP found it necessary to provide facilities to accommodate the flood of shipments pouring into its major terminals at Montreal, Port Arthur, Fort William and Vancouver.

CP's corporate success was not due to happenstance, but to the abilities of the company's managers during its early years. Two of the key years were 1886 and 1887, which saw the commencement of year-round operations on the Main Line. CP adopted three policies which would serve to create the traffic necessary to generate sufficient earnings to meet the heavy financing charges of the transcontinental line. These policies were:

1. diversification into non-rail activities such as shipping, hotels, telegraph, and grain elevators;
2. construction of a network of rail lines in the settled industrialized eastern region of the country; and
3. development of rail links to New England and the American midwest which extended CP's traffic base into established markets.

These early policies laid the ground work for the continuing success of the company. Unlike the sorry financial history of most North American railways, which are marred with

bankruptcies and manipulation, CP never defaulted on its payments to security holders and, except for seven years during great depression of the 1930's, has continuously paid dividends to its preferred shareholders.

SETTING THE STAGE

On November 7, 1885, officials of the Canadian Pacific Railway paused to mark the symbolic union of its rails linking the east and west coasts by driving the last spike. The "Main Line", as CP called the transcontinental line, however, was far from complete. The Pacific Division, extending from the Rockies to the Pacific, lacked station buildings, work-shops and other fixed facilities necessary for the commencement of regular operations.

After the passage of the special train bearing CP officials on their first all-rail journey to the west coast and a special freight train run later that month carrying the first transcontinental freight shipment, CP closed the mountain section of its line for the winter. The special freight train carried a shipment from the Halifax to the Esquimalt naval dockyard consisting of a 5 ton carload of oil drums and materials including a cylinder to repair H.M.S. Triumph then laid up at Esquimalt. The "New Westminster Guardian" commented that the materials for H.M.S. Triumph arrived in Port Moody on November 22nd, requiring but 14 days for the transit from England to Port



Snowshed No. 20 was the last snowshed to the east of the Glacier House stop. It was the third longest shed, extending 2,688 feet. The outside track was used during those periods of the year when avalanches did not threaten the line. This permitted passengers to view the spectacular mountain scenery rather than the dark interiors of the sheds. The primary purpose of the outside track was safety. Its use minimized the dangers of locomotive sparks causing setting the structure aflame during the dry summer months and the vision of the train crew would not be obscured by the locomotive smoke which took time to disperse from the interior of the sheds. To the left in this circa 1888 photo may be seen the portal of snowshed No. 19.

Photo Credit: A.B. Thom, photographer, CP Corporate Archives.

Moody. CP maintained regular scheduled operations between Montreal and Donald, B.C.

The following spring saw the completion of all the work necessary to render the line suitable for regularly scheduled operations. On June 28, 1886, the first through transcontinental passenger train steamed out from CP's Montreal terminus at Dalhousie Square reaching Port Moody, the first Pacific terminal, on July 4th. According to "The New Westminster Guardian", the first passenger train carrying transcontinental travellers reached the Pacific on June 27th. While these passengers had to break their journey due to a lack of connections between trains, the paper recorded that Mrs. Webster of Maryland and Mrs. Abbott were the first white women to cross the Rockies by railway. Mrs. Abbott was journeying west from Brockville, Ontario with her children to join her husband who was the CP's Superintendent at Vancouver. Through freight service commenced a month later.

When completed, CP operated the longest rail line in the world under one management and North America's first true transcontinental railway. In the United States, three railroads spanned the west: the Union Pacific, the Northern Pacific and Southern Pacific. Unlike CP, these lines only reached part way across the continent and depended upon time-consuming connections to reach population and oceanic shipping centres on the east coast. CP used this advantage to develop a large overhead traffic in shipments between the American east coast and Pacific coast as well as in trade links between the American east coast and the Orient.

GROWTH IN THE RAIL SYSTEM

Completing the Main Line

During 1886 and 1887, CP spent \$10.8 million to make operations on the transcontinental line both safe and reliable. Over \$7.8 million or 70% of the total was invested on the

Canmore, Alberta* – Port Moody and Callendar – Port Arthur sections of the line. Details of the expenditures by category for each segment of the transcontinental line between Quebec City and Vancouver for these two years are shown in Table 1.

The Mountain Section consumed the bulk of the expenditures. In all, during 1886 and 1887, over \$5.6 million was spent on this section of the transcontinental line. Some \$3.6 million was expended in 1886 to bring the line up to a standard to permit the commencement of year-round operation.

The major expenditure in 1886 was for 35 snowsheds to protect the line from avalanches which cost almost \$1.5 million. To withstand the force of the avalanches, massive 12 inch by 12 inch cedar timbers were used for the crib work. Even larger 12 inch by 15 inch Douglas Fir timbers were used in areas subject to severe traverse strains and for the bents which were placed on five foot centres. In all, some 17½ million board feet of sawn timber and 1.1 million lineal feet of timber and pilings were used to construct the 4 miles of sheds.

The first winter of operation confirmed the need for increased avalanche protection. Due to slides in the Selkirks and Rockies, service was disrupted for several weeks during March and May 1887. Over \$0.7 million was spent in 1887 to build additional snowsheds, lengthen and/or strengthen existing sheds, construct parapets over portals, and place glance work on mountain sides which would direct the snow over the sheds rather than fill up the space between them. The 18 additional snowsheds built that year brought the total length of these up to 5.7 miles. Forty three of the snowsheds were located within the 25 miles of the crossing of the summit of the Selkirk Mountain range at Rogers Pass. The other ten snowsheds were located within five miles of Clan William, just to the west of Revelstoke.

The need for additional snowsheds in 1887 was due in part to fires which occurred during the summer of 1886. These fires, caused in part by sparks from steam locomotives, denuded many mountain slopes leaving little support for the heavy snowfall during the winter. To provide protection in these hazardous areas, some sheds were extended to lengths of up to 3,000 feet. Operation through sheds of this length was risky as smoke obscured the engineer's vision and sparks could easily set the entire structure ablaze.

To minimize these hazards, Vice President William Van Horne adopted a number of special measures. Special tracks were constructed outside of the snowsheds for use during more salubrious weather. Tourists appreciated this as they were able to see the splendid scenery CP was promoting rather than the uninspiring walls of the snowsheds. In isolated areas, gravity fed flumes brought water from mountain streams into flumes built on the roofs of the sheds. Where sheds were close together, a water tank was built between the sheds from which pipelines lead to each shed. Stop valves were located at each portal so that damage to the pipe in one shed would not affect the flow of water to the other. The same system was used to protect long trestles. Mobile fire-fighting capabilities were also provided by the locomotives. Fire-fighting hoses could be connected with

the engine injector through their globe valve to draw water from either the engine's tender or the special water tank cars. These tank cars were equipped with 6,000 gallon water tanks and were kept at strategically located sidings.

The 212 mile section of line between Port Moody and Savona, which was built by Andrew Onderdonk under contract with the Dominion government, was completed in 1884. Onderdonk operated scheduled service between these points until CP took over the section July 1, 1886 from the government. George Stephen had been persuaded by John Pope, the Minister of Railways and Canals, and Charles Hibbert Tupper, a junior member of the Macdonald cabinet and the son of Sir Charles Tupper, that the Onderdonk section was built to an acceptable standard. After his first trip west in July 1886, Stephen realized that complaints by Van Horne that the line was not up to the standard of the rest of the line which was built by CP were true.

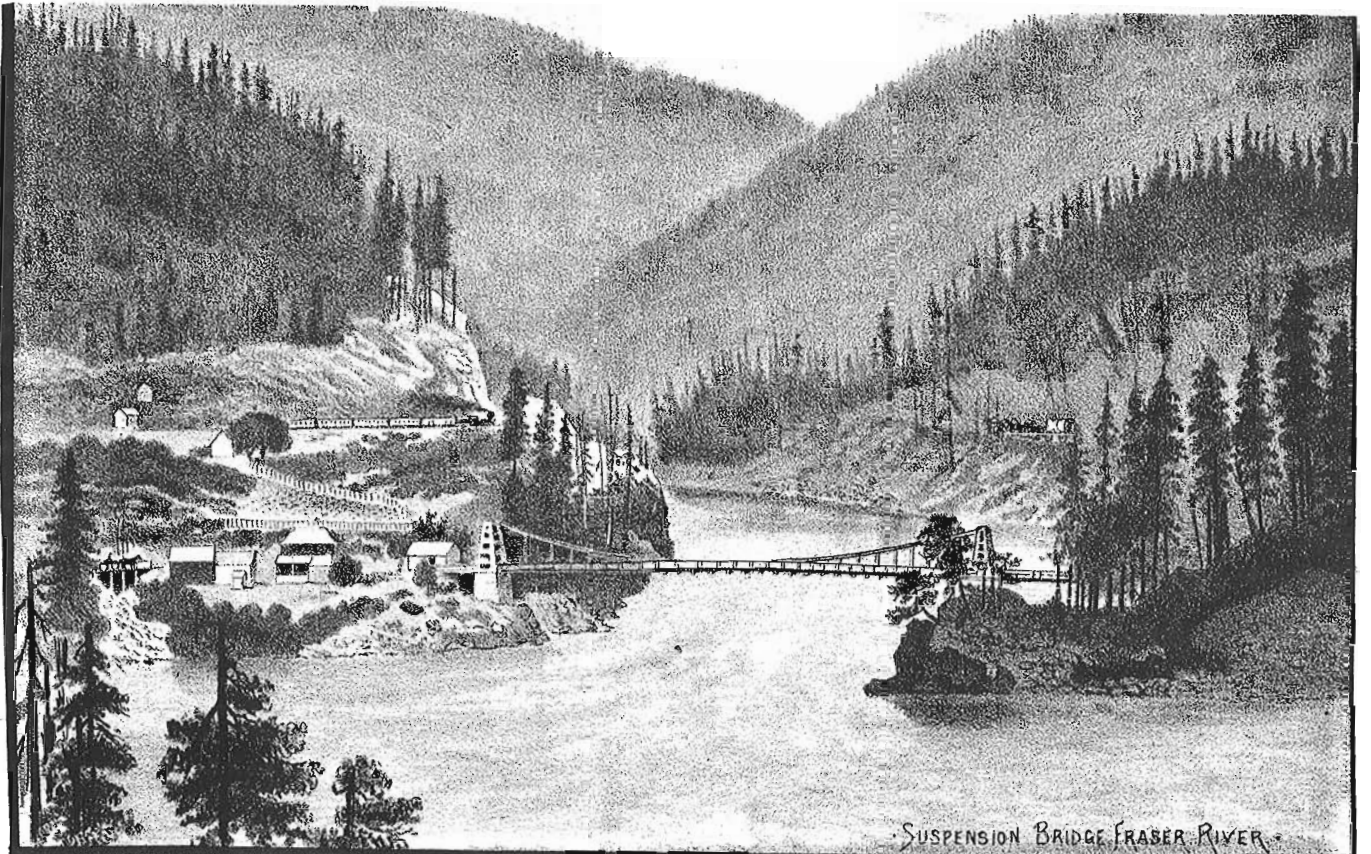
The cause of the disagreement lay in interpreting to what standard the line should have been built. Onderdonk had a reputation as being a good contractor. The government, faced with the increased financial demands by CP, sought to minimize expenditures on the line it was building. Hence, the standard to meet the contract was not up to that required on the portions of the line built by CP. Ultimately CP would spend between \$6 and \$10 million to upgrade this portion of the transcontinental line. CP sought redress from the government. An arbitration panel was set up to consider the matter but did not even begin hearings until February 1888. Not until 1891 did the panel render its decision and award CP a token \$0.6 million.

Completion of the grading, ballasting and surfacing on the Pacific Division absorbed \$2.1 million in 1886 and 1887. In part as a reflection of CP's particular concern with the truss bridges built by Onderdonk on the government section, over \$0.5 million was spent on bridges and trestles on this section in 1886 and 1887. This represented over 70% of the entire amount CP spent on bridges and culverts on the transcontinental line in these two years.

Scheduled Montreal - Winnipeg service started after the line between Callendar and Port Arthur opened in November 1885. Almost \$1.8 million was spent in 1886 to upgrade this portion and settle outstanding accounts of contractors for the years prior to 1886. Similar to the Mountain Section, large expenditures were necessary to bring the roadway infrastructure up to the standards for required year-round service and to construct stations, roundhouses and other necessary facilities.

Operations in northern Ontario were plagued by "rail creep", caused by the muskeg over which much of the line was laid. Between Fort William and Winnipeg, one section extending ¾ of a mile east and ½ a mile west of a small bridge, proved especially vexing. In warm weather, the rails crept up to 12 inches under a regular train. Three trains running in the same direction were sufficient to open all the joints on one side of the bridge and close them on the other. Constant attention was

* In the 1886 Annual Report, the Mountain section is reported as extending from Canmore to Port Moody and in 1887 from Donald to Vancouver.



-SUSPENSION BRIDGE FRASER RIVER-



LAKE KAMLOOBS

±-CANADIAN PACIFIC RAILWAY-±

required to maintain safe operation as track bolts broke on a daily basis. Lining and surfacing were necessary at a minimum on a weekly basis. Because of the tie plate flanges, spikes could only be inserted on one side of the rail at each tie plate. Otherwise, the creeping rail would move the ties with them and put the line out of gauge. To cure the problem, it is recorded that William Whyte, the General Superintendent of the Western Division, proposed cutting a slot in alternate sides of the rail at every tie, replacing regular ties with 12 foot ones, and installing 40 inch angle bars. Whether this solved the difficulty is not recorded.

During these two years, the company started to replace the temporary facilities and expand its facilities to keep up with increases in business. In 1887, iron bridges replaced earlier structures between Quebec City and Callendar. West of Callendar, to reduce the danger of fire, wooden trestles were modified in a variety of ways: by the insertion of metal sections; by the use of fill on approaches; or by complete replacement with fill. At Montreal, over \$110,000 was spent to expand and upgrade the rail line and fixed facilities during 1886 and 1887.

Main Lines in the East

Even while struggling to complete the transcontinental line, the CPR financiers were laying the ground work in the early 1880's for an extensive system in central and eastern Canada where the bulk of the Canadian population and economic activity lay. As well, these lines would serve as convenient springboards into the neighbouring populous American states. The Grand Trunk (GTR) which exercised a monopoly in many of the communities in the east did not welcome the competition. In steps calculated to frustrate CP's development, the GTR rapidly took over many of the independent lines in Ontario and Quebec which could have been of use to CP. The three most notable acquisitions during this period were:

- 1) the Midland Railway whose lines extended northwards through central Ontario from Toronto to Peterborough via Lindsay came under GTR control in 1882 and was taken over in 1884;
- 2) the Great Western Railway whose main lines extended from Toronto to Windsor via London, Hamilton to Niagara Falls and Glencoe to Fort Erie was taken over in 1882; and



The disappearance of the large wooden trestles constructed during the mid 1880's took many years to effect. In 1897, CP started to fill in the Mountain Creek trestle using sluices and flumes to bring down gravel from a source above the trestle. The cost of this method was reported as one half that of using conventional method of bringing the fill in by trainloads. Filling in the trestle took four work seasons and some 300,000 cubic yards of gravel.

Photo Credit: T.D. Kilpatrick Collection, CP Corporate Archives.

3) the Vermont Central system whose lines reached from the Eastern Townships of Quebec to Connecticut and at that time across northern New York State to Ogdensburg came under GTR control in 1883.

Unlike its lines in the western portion of the Dominion, CP's expansion into the east came largely through subsidiary companies building needed lines or arranging the takeover of existing lines through lease or purchase. This expedient kept separate the cost of fulfilling the agreement with the government to build the transcontinental line while CP developed the necessary network in the east to make the entire proposition viable. The four most significant lines acquired by CP were the Canada Central Railway (CC), the Quebec, Montreal, Ottawa & Occidental Railway (QMO & O), the Ontario & Quebec Railway (O & Q) and the Atlantic & North Western Railway (A & NW).

The Canada Central

The CC operated lines in eastern Ontario from Brockville to Mattawa, Carleton Place to Ottawa, and Smiths Falls to Perth when it was acquired by CP on June 9, 1881. In 1878, the CC had received a subsidy to extend its line from Pembroke to Callendar, CP's designated eastern terminus. CP completed the line from Mattawa to Callendar in 1883. Through the use of a railway car ferry between Brockville and Morristown, New York, CP was able to effect an interchange with the Rome, Watertown & Ogdensburgh Railroad.

The Quebec, Montreal, Ottawa & Occidental

The QMO & O ran along the north shores of the Ottawa and St. Lawrence Rivers, linking Quebec to Montreal and Ottawa. Failure of the contractors on the Quebec-Montreal and Montreal-Ottawa legs saw the project taken over and completed by the Quebec government in the late 1870's. Operated at a loss, the government sold the western division, consisting of the Montreal-Ottawa main line and branch lines to Aylmer, St. Jerome, St. Lin and St. Eustache, to CP in 1882.

In an attempt to block CP acquiring a line to Quebec City, the GTR acquired the North Shore Railway between Montreal and Quebec in February 1883. This line had formerly been the eastern division of the QMO & O. A political storm broke out in the provincial capital over this blatant attempt by the GTR to control all the rail routes to the city. While the Prime Minister, Sir John Macdonald, and the Manager of the GTR had been on friendly terms, the failure of the GTR to deliver the vote to the Conservative party in the 1882 elections made the Prime Minister ready to listen to pressure from Quebec political and business interests to have the North Shore Railway transferred to CP ownership. This was accomplished in 1885, but only after the Dominion Parliament voted a \$1.5 million subsidy for CP to build a parallel line should the GTR not surrender the North Shore.

The Ontario & Quebec

The O & Q was built by a group of financiers, including

George Stephen and Duncan McIntyre, who were involved in the construction of CP's transcontinental line. Construction started in 1882 on the line between Perth and Toronto. This line was completed in 1884, thereby providing CP with a line from Montreal to Toronto via Ottawa, albeit rather circuitous when compared to the line of the Grand Trunk.

The lease of the Credit Valley Railway by the O & Q on November 30, 1883 extended CP's reach to St. Thomas, Ontario. In 1880, George Stephen had acquired financial control over the Credit Valley when he arranged the necessary loans for his friend George Laidlaw to complete the line to St. Thomas. In 1882, the O & Q assumed certain financial obligations of the Credit Valley. At St. Thomas, connections were made with the Vanderbilt controlled Michigan Central Railway for Windsor and Chicago. By the middle of March 1884, the CP and the Michigan Central initiated through Toronto-Chicago passenger service.

The Vanderbilts initially welcomed the link with CP. The GTR, which had completed its line from Port Huron, Michigan to Chicago in 1880, was taking traffic away from the Vanderbilt lines. By 1883, the GTR had captured 31% of the total traffic between Chicago and New England. Prior to the takeover of the Great Western by the GTR in 1882, the Michigan Central had split its traffic moving from the Midwest to the east coast between the GTR, Great Western and Canada Southern all of which had lines between Detroit and the Niagara Frontier. Following GTR's takeover of the Great Western in 1882, the Michigan Central leased the Canada Southern and built its own bridge at Niagara Falls to expedite service. As the CP lines paralleled the GTR to Toronto and Montreal, the CP-Michigan Central connection would allow the Vanderbilts to compete directly with the GTR for Canadian business.

The O & Q snatched control of the Toronto Grey & Bruce from the GTR in 1883 when the GTR found itself financially over-extended following its takeover spree. The July 26, 1883 lease of the Toronto, Grey & Bruce Railway by the O & Q provided lines from Toronto to Owen Sound and Teeswater. CP leased the O & Q on January 4, 1884.

In 1887, the O & Q built an extension from Woodstock to London. Subsequently, CP and William Vanderbilt had a falling out over rate divisions and the extensive traffic between New England and the Orient that CP had taken away from another Vanderbilt affiliate, the Boston & Albany. Due to CP's rocky relationship with the Michigan Central, the London line was extended to Windsor where connections were effected with a number of independent midwestern railways. Following completion of the Windsor extension, the Wabash replaced the Michigan Central as CP's partner in through train operation between Toronto and Chicago in March 1890.

The O & Q completed a direct line from Smiths Falls to Montreal on September 1, 1887, thereby eliminating the need to operate Montreal-Toronto trains via Ottawa. Up to this time, the transcontinental trains and the overnight Montreal-Toronto trains had operated in one combined consist between Montreal and Carleton Place. The separation of the two trains and the operation of the Montreal-Toronto trains over the direct line reduced the running time from 12 hours 18 minutes to 11



Canadian Pacific Ry St. Lawrence River bridge, viewed from the south-east. November 7, 1901.

The Lachine Bridge was completed in the summer of 1887. This bridge was the first major undertaking of the Dominion Bridge Company which located its new plant in Lachine, Quebec to be near the site of this major contract.

Photo Credit: J. W. Heckman, photographer, CP Corporate Archives.

hours 10 minutes. As CP expected this to be a heavily used line, it was laid with 72 pound rails and constructed to very high standards.

CP had hoped to complete a direct entry from the east side of Toronto down the Don Valley to the harbourfront in the 1880's. Civic concern over the development plans for the lake frontage and the animosity of the Grand Trunk prevented the completion of the Don Branch until 1892. During the intervening years, CP ran its trains from Montreal around Toronto in a ten mile loop to what is now West Toronto and then in a southeast direction the city centre via Parkdale.

The Atlantic & Northwestern

The A & NW was chartered to build from a point on the Atlantic Ocean or Bay of Fundy to a point on the eastern side of Lake Superior by way of Megantic, Sherbrooke, Montreal, and Ottawa and was empowered to locate part of its line across the State of Maine. This charter was bought by the O & Q on December 3, 1883. The construction of this line was necessary to secure CP access to a year-round ice free harbour on the Atlantic. A major component of the undertaking was the construction of a bridge over the St. Lawrence River at Lachine, Quebec. This bridge would break the dominance the GTR had on traffic destined to the east coast as the GTR's Victoria Bridge was the only span across the St. Lawrence River.

The contract for the bridge was awarded to the Dominion Bridge Company in 1885. The firm had been formed in 1882 as an outgrowth of the Toronto Bridge Company. The imposition of a protective tariff on iron and steel in 1879 which was confirmed in the general election of 1882 as well as the formation of the syndicate to build the CPR sparked major demand for bridges. The opening of the new plant in Lachine was done in the expectation that the firm would capture much of CP's business as well as put the company in an ideal position to bid on the rumoured Lachine Bridge project.

The Lachine Bridge represented the largest project undertaken by the Dominion Bridge Company up to that time, having an aggregate length of 3,457 feet. Built on stone piers, it had two 408 foot spans, two 269 foot spans and eight 242 foot spans. The two cantilevered spans over the main channel had a clearance of 60 feet from the normal summer water level. The first train, carrying officials of CP, Dominion Bridge and the contractors, crossed the bridge and operated to St. Johns, Quebec on August 1, 1887.

The completion of the Montreal-Farnham line of the A & NW established a direct link between CP and the South Eastern Railway, most of whose securities CP had acquired in 1883. The South Eastern was a valuable addition to the lines under CP control as it possessed an extensive network of branch lines in the Eastern Townships of Quebec. A branch line to Newport, Vermont permitted connections with the Boston &

Lowell Railroad which served New England's textile mills and year-round ports on the Atlantic.

Starting in 1877, the South Eastern operated its through trains on trackage rights over the Montreal, Portland & Boston Railway line which extended from Farnham to St. Lambert and over the GTR line across the Victoria Bridge to Montreal. To herald the completion of the Lachine Bridge, CP shifted the South Eastern's through Montreal-Boston and Montreal-Portland passenger trains to the A & NW line and to its Dalhousie Square Station on August 8, 1887.

For a time, CP considered making Portland, Maine or Boston, Massachusetts their east coast port. The government of Sir John A. Macdonald, however, took a dim view of such an approach. Great sums had been expended to keep the CP line around Lake Superior inside Canadian territory. Locating the eastern terminal in the United States would compromise the policy of the government. One Canadian line, the Grand Trunk, already had its Atlantic terminal in American territory. Finally, the Maritime provinces were lobbying hard to have the eastern ocean terminal of CP in their region.

The deciding factor was a financial crisis in funding the construction of the transcontinental line. This forced CP to request additional funding from the Dominion government. The only way Sir John could secure the necessary votes of government members from the Maritimes and Quebec as well as the support of powerful political figures, such as Sir Charles Tupper, was to have CP agree to build its eastern extension to a port in the Maritimes and to take over the North Shore Railway to Quebec City.

The line to the Maritimes came to be known as the "Short Line" as it was built on the most direct alignment between Montreal and Saint John. CP's line extended from Montreal to Mattawamkeag, Maine. Connections to Saint John were made by trackage rights over the Maine Central to Vanceboro, Maine and from that point over the New Brunswick Railway. Halifax was to be reached by the construction of a Short Line to be built by the government from Harvey, New Brunswick to a point near Moncton and through running rights granted by the government over the Intercolonial.

Having reached Farnham in 1887, the A & NW continued to push eastward. Using the existing South Eastern trackage to reach Brookport, it then commenced construction of its own line to South Stuckley where it connected with the Waterloo & Magog Railway (W & M) in January 1888. In 1887, the A & NW had acquired the bonds of the W & M which extended from Waterloo to Sherbrooke, Quebec. While most of the W & M was poorly located and would not be used by the A & NW, it did possess valuable rights of way through Magog and Sherbrooke. An injunction by the City of Sherbrooke held up the transfer of the W & M to the A & NW until May 1888. The A & NW completed its line between South Stuckley and Sherbrooke on a largely new alignment in 1888.

Continuing its eastward push, the A & NW acquired the International Railway in 1887. This line stretched from Lennoxville through Megantic to the Quebec/Maine border. A four mile line was built by the A & NW in 1887 between

Sherbrooke and Lennoxville to link the W & M with the International.

While the A & NW was advancing towards the east coast, it also had started construction on an important project on the Island of Montreal. The need for a station in the western end of Montreal had become pressing with the construction of the A & NW and the O & Q direct line to Smiths Falls and Toronto. The Dalhousie Square terminal in the eastern end of the city was well located for trains operating over the former QMO & O lines to Ottawa and Quebec. The access line was, however, too circuitous for CP's trains to be competitive with those of the Grand Trunk to New England and southern Ontario points. Accordingly, the company elected to build a new station to be known as Windsor Station in the west end of the city.

To reach the new station, the A & NW constructed a new rail line from Bridge Junction, near what is now known as Montreal West. Plans for a new building, which included space for corporate offices, were drawn up and revised several times during 1886-1887 to reduce its cost. Difficulties with land acquisition prevented the completion of Windsor Station until February 1889. An interesting side note is that the City of Montreal decided not to hold its annual winter carnival in 1888 pending the completion of the new CP and GTR passenger stations.

In the Annual Report for 1885, the value of the eastern lines to the financial well being of the company was clearly demonstrated. Net revenues from these lines exceeded their fixed charges by 25% and the fixed charges and interest upon their entire cost by more than 10%.

BRANCH LINES

Prairie Extensions

The company leased the Manitoba South Western Colonization Railway (MSWC) on June 1, 1884. At that time, the MSWC had completed 51 miles of line from Winnipeg to a point known simply as "End of Track". Two factors attracted CP to the Manitoba shortline. First, the road possessed a substantial land grant in what was considered the finest agricultural area of the province, the completion of the line would earn land grants of 6,400 acres per mile. Second, its location would block the incursion of any American railways into this rapidly developing agricultural area.

As the MSWC land grants were due to expire in 1886, CP proceeded to extend the MSWC, even though it was struggling to find the funds to complete the transcontinental line. As well, it was hoped that the construction of such branch lines would help to calm agitation in the province which advocated the construction of independent lines to connect with the American railroads.

Consequently, in 1885, CP extended the original MSWC line 40 miles to Holland. The next year, CP pushed the line from Holland to Glenboro and built a spur from Elm Creek to the site of the present day community of Carmen. As well, CP extended the existing Winnipeg-Manitou branch line from

Manitou to Deloraine under the charter of the MSWC in 1886. Having completed these lines, the MSWC earned a land subsidy of over 1.3 million acres. In 1888, these lands were selling for \$4.54 an acre and CP calculated that at this price it would recoup most of the money spent to build the MSWC lines.

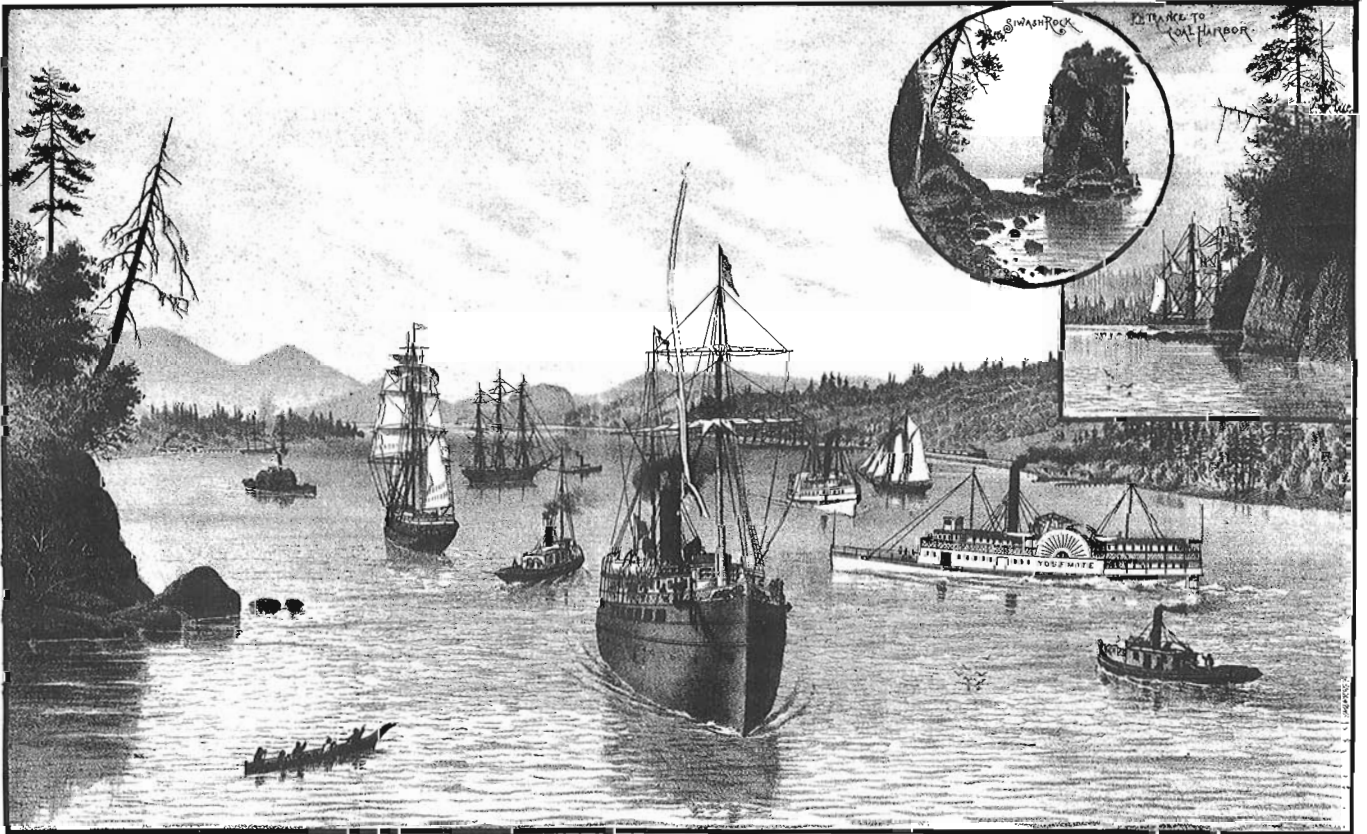
Construction on the Pacific Coast

In April 1886, CP began the construction of a branch from Port Coquitlam to New Westminister. New Westminister ratepayers approved payment of a \$75,000 bonus to CP in November 1885 to serve as an inducement for the building of the branch. "The Guardian" of New Westminister reported that the first freight shipment consisting of the wire and plant to build the telegraph line from New Westminister to San Francisco moved over the new CP branch on August 27, 1886. Completion of the line along the waterfront to the centre of the city and ballasting operations delayed the start up of regular passenger service until November 1, 1886. This 8.5 mile branch, which cost \$131,000, allowed CP to directly serve what was the largest city on the BC mainland, though Vancouver would surpass New Westminister's population shortly after CP completed its line to the final Pacific terminus.

On May 23, 1887, the first transcontinental passenger train from Montreal steamed into Vancouver. Locomotive 374, which pulled the train into Vancouver, was gaily bedecked with pine boughs, banners and a portrait of Victoria on the head light; for the next day the Queen would celebrate her birthday, and, a month later, the fiftieth anniversary of her ascension to the throne. The locomotive would eventually be presented to the City of Vancouver by CP as a token of the momentous day.

At Vancouver, a plain one storey utilitarian station, which was built on stilts in the harbour, marked the end of the nation-building adventure. While expected to be a temporary facility, the station which was split into separate passenger and baggage-express buildings connected by a wide canopy, lasted for most of the remaining years of the nineteenth century.

Extending the line 12 miles westwards from Port Moody had been under review from 1881. In that year, CP dispatched surveyor John Ross to the west coast to report on the best site for the Pacific terminus. Ross deemed Port Moody an unsatisfactory terminal site due to the lack of sufficient land to build large yards. A penny-pinching Dominion government had made Port Moody the site for the western terminus, not due to any superior advantage, but to minimize costs. Port Moody was the first point where rail and water transport could interface. Its selection reduced the distance that the government had to build its section of the transcontinental line.



COAL HARBOUR—WESTERN TERMINUS OF THE CANADIAN PACIFIC RAILWAY.

An artist's conception of what the harbour of Vancouver (then called Coal Harbour) would look like when the C.P.R. arrived. Within a very few years this came to pass.

"The West Shore". December 1885.

As speculators had acquired much of the available land at Port Moody, large expenditures would be necessary to assemble the necessary land to accommodate the western terminal. The other alternative to create a site for the yards would be to fill in the mud flats at a cost of between \$2 to \$4 million. The young company had many pressing projects and could ill-afford to make an expenditure of this magnitude at its Pacific terminus, especially when sites which could be more economically developed were located nearby.

In 1884, the provincial government agreed to grant CP nine square miles of land at Granville for the Pacific terminus. While the reasons for this action by the provincial government remain elusive, it is suspected that land speculation on the part of supporters of the government played a role in this offer. Granville was subsequently renamed Vancouver in 1886 at the insistence of Van Horne. To keep land speculators off-guard, CP maintained that it would develop its terminal at Kitsilano on English Bay. CP started construction of the extension from Port Moody in 1886. While a line was built to Kitsilano, the main line was built to Coal Harbour on Burrard Inlet. A letter dated February 1887 from the local superintendent to Van Horne shown in Appendix A relates the progress on the construction of the necessary facilities for the railway. The completed line, which cost \$0.4 million, was turned over from the construction department on May 21, 1887.

In accordance with company policy, the income generated by land sales was used to pay for the cost of the extension. To finance the cost of building the necessary railway facilities at divisional points, CP had adopted a policy of using the income from land at the sites. In already settled areas, the company sought a municipal bonus in exchange for its divisional facilities or shops. By the end of 1887, CP had practically recouped the entire cost of the Vancouver extension and, by the end of 1888, reported that Vancouver land sales had yielded almost \$870,000.

In 1887, the City of Vancouver granted CP a 30 year exemption on property tax on 75 acres of land if they would construct their yards and shops in Vancouver. This was to forestall the possibility of CP locating these in Kitsilano which lay to the south of the young city. A fire at Yale had destroyed the first shops. Pursuant to this offer from Vancouver, CP built its new yard and shops on False Creek in 1888 at a cost of \$31,000. These facilities lasted until the advent of Expo '86.

Ontario Construction

During 1887, the extension of the dormant Algoma branch to Sault Ste Marie (the Soo) was vigorously advanced to connect with new railways being built to Sault Ste Marie, Michigan. A railway to the Soo had been proposed for some time to effect connections with American lines reaching the Upper Midwest. In 1883, the GTR proposed to extend the former Midland Railway to the Soo and on to a connection with Northern Pacific at Ashland, Wisconsin. A crisis in the financial affairs of the GTR prevented the extension. Learning of CP's plans, in 1887 the GTR offered to extend CP running rights over its Woodstock-Windsor line in exchange for similar

privileges over CP between North Bay and the Soo. In 1888, the GTR renewed its request for running rights to the Soo offering CP running rights over its line to the Niagara Frontier. CP declined both offers.

In 1884, CP had completed the 96 mile branch from Sudbury to Algoma Mills. Algoma Mills was to have become the eastern terminus for the Great Lakes steamship service. However, following the lease of the O & Q in January 1884, the company decided to make Owen Sound the terminal due to its already functional harbour and its direct rail connection to both Toronto and Montreal. No longer required, the Algoma Mills branch was mothballed pending future requirements.

By the end of 1887, over \$1.2 million had been spent and the rails had reached the Soo. Passenger train service to the Soo commenced on December 23, 1887.

REACHING INTO THE AMERICAN MIDWEST

By constructing the line to the Soo, CP planned to make connections with the Sault Ste Marie, Minneapolis & Atlantic Railway (SSMM & A) and the Duluth, South Shore & Atlantic Railway (DSS & A). These lines were building towards the Soo from Minneapolis and Duluth respectively. These two cities were transshipment points for a large portion of the American grain crop. In 1887, Minneapolis handled 25.6 million bushels and Duluth 11.5 million bushels of spring wheat whereas Chicago attracted only 7.6 million bushels.

The SSMM & A was being built by the leading milling interests in Minneapolis and St. Paul, including the Pillsbury and Washburn families, to control their own outlet to the eastern seaboard. This was necessary to circumvent the high freight rates incurred by shipping through Chicago which, at that time, was the break bulk point for setting rates. The link with CP would provide them with the shortest route from Minneapolis to the Atlantic coast, connections with an independent line, and most importantly cheaper shipping rates. However, financial troubles impeded the progress of construction.

The completion of the two lines to the Soo was due to George Stephen-CP's President, and Donald Smith-a member of CP's Board of Directors. It could be said that today's SOO Line owes its existence to these two men. Stephen and Smith held over half the stock in the company, giving them effective control. In return for their financial support, Stephen and Smith required the SSMM & A to amalgamate with three other smaller lines to form a system known as the Minneapolis, St. Paul and Sault Ste Marie Railway. This was done on June 1, 1888, creating a new company whose lines extended from the Soo into the Dakota Territory. In 1890 these holdings, as well as those in the DSS & A, were turned over to the CPR.

Stephen and Smith foresaw that CP would accrue significant benefits through the control of these two lines. They would provide CP with a strategic entry into the large grain and milling markets of the upper American midwest. These lines, in conjunction with CP's line to the Soo, would have the shortest rail route from Minneapolis to Boston which would give CP an edge in pricing.

As well, the purchase would help to keep in check the plans of Northern Pacific Railway (NP). The NP, which had completed its transcontinental line between Ashland, Wisconsin and Tacoma, Washington in 1883, recognized that CP would be a competitor for the transcontinental and Pacific trade. The NP hoped to weaken CP through establishing connections with the GTR and by building rail lines into the grain producing areas of Manitoba.

Hampered by its out of the way terminus at Ashland, which lacked direct access to the trunk lines to the east coast, the NP completed an extension to Minneapolis-St. Paul in 1886. In the Twin Cities, a connection was made with a group of small lines which in 1886 completed a through line between the Twin Cities and Chicago. These companies were reorganized as the Wisconsin Central Lines (WC) in 1887. Even before the reorganization was completed, three members of the Board of Directors of the WC received seats on the NP Board. In 1889 NP President Henry Villard completed a traffic agreement with the WC and on April 1, 1890 leased the WC outright for 99 years. The NP, however, was hampered in its efforts to best CP by its weak financial condition and the Interstate Commerce Act which limited the level to which it could reduce rates. The collapse of the NP in the financial panic of 1893 saw the WC leave the NP fold. Ironically, in the twentieth century the WC would come under the control of the SOO Line.

The NP fed agitation in Manitoba to allow new rail lines to be built to the American border. Entry into Manitoba would allow the NP to increase the grain traffic moving over its lines to the port of Duluth and remove much needed traffic from the CPR. Given these moves by the NP, it is certain Stephen and Smith could not overlook the fact that possession of the SSMM & A would allow CP to flex its muscle in an area dominated by the NP.

During 1887, CP, the SSMM & A and the DSS & A established the St. Mary's Bridge Company to build a \$1 million bridge over the St. Mary's River at the Soo which would link their lines. To span the St. Mary's River and the American and Canadian canals required a bridge 3,144 feet long. The structure was constructed by the Dominion Bridge Company. Rails were laid across the bridge linking the three railways on December 31, 1887. A newspaper article from the "Winnipeg Free Press" reproduced in Appendix B chronicles the events of that day.

The DSS & A was the first railway to arrive in Sault Ste Marie, Michigan. Its track reached the community in mid August 1887. On October 15, 1887, passenger service was inaugurated. The DSS & A reached its western terminal, Duluth only in September 1888. The SSMM & A reached the Soo in December 1887. To herald the inauguration of its freight service, the SSMM & A dispatched six trains hauling a total of more than 100 cars of flour from Minneapolis to Boston on January 5, 1888.

SUCCESSFUL CHALLENGE TO THE CP CONTRACT

Under the terms of the October 18, 1880 agreement with the CPR syndicate, the Dominion government agreed not to allow

the construction of any line not owned by CP which would cross the border west of Lake Superior for a period of twenty years. This step would effectively block American railroads from building branch lines up to the border to tap the most lucrative sources of traffic in western Canada. This stipulation was in exchange for the commitment by CP to build the 1,000 mile line north of Lake Superior, which would have limited revenue earning potential. If American railroads could build branches into the west, through traffic between the west and Central Canada could be routed via Chicago and the Grand Trunk. Grain traffic could be diverted to the Lake Superior port of Duluth in lieu of Fort William and Port Arthur. With their greater traffic base, the U.S. lines could undercut CP's rates and siphon off much of the grain traffic which was necessary if CP were to operate profitably.

While the Province of Manitoba did not like the limitation on its power to charter rail lines, the situation remained stable until March 23, 1883 when CP introduced a new tariff which substantially boosted rates in the west. The tariff was considerably higher than that in effect on lines in eastern Canada. CP cited the higher cost of operation in the west and sparse population as factors making the higher rates necessary. Examples used by CP were fuel and labour which were 110% and 45% more expensive than in the east.

The Winnipeg Board of Trade expressed strong dislike for the average 59% increase in local rates and for the fact that the new rates, being based upon distance, made it much cheaper for merchants in outlying centres to import their goods directly rather than purchase them through Winnipeg wholesalers. As an example, CP would charge 80 cents per hundredweight on a first class freight shipment hauled from the connection with the St. Paul, Minneapolis & Manitoba Railway at St. Vincent, Minnesota directly to Brandon, Manitoba. If the goods were brought to Winnipeg by a wholesaler, stored in his warehouse and then shipped to Brandon, the combined rail rate for the St. Vincent-Brandon shipment would be \$1.08 per hundred weight. In one missive, the Winnipeg Board of Trade, a bastion of private enterprise, went so far as to state that rates should not be made to cover the costs of operating the railway. How CP was to survive as a private company was not addressed.

Fuelled by dissatisfaction over freight rates, the provincial government granted local interests charters to build independent lines to the border, where they would connect with American lines. These charters were consistently disallowed by the Dominion Government. In June 1887, the province passed legislation chartering the Red River Valley Railway. This was disallowed by the Dominion Government on July 6, 1887. While the two levels of government entered into an acrimonious debate centring on the alleged crippling effects the CP rates were having on western development and how the use of the federal veto was in violation of the spirit of the British North America Act, the provincial government proceeded with the construction of the railway. Financial problems, however, stopped construction activity in the fall of 1887.

While CP felt that the government should be held to their agreement with the company, the government of Sir John sought a compromise early in 1888. In exchange for CP agreeing to the

cancellation of the monopoly clause, the government offered to guarantee the payment of the interest, at the rate of 3½ percent, on a \$15 million bond issue whose term was not to exceed 50 years. The security was to be a mortgage on the unsold 14.9 million acres of land held by CP. Under the agreement, CP would use \$5.5 million for improvements to the Main Line, \$5.25 million for new rail equipment and \$4.25 million for shops, docks, steamers, grain elevators, new bridges, and related improvements. As CP owned two lines between Winnipeg and the Manitoba-Minnesota border, it was granted permission to lease or sell the line on the east side of the Red River or, if Parliament authorized a competing line, to operate only one of the two lines. CP acceded to the agreement on April 18, 1888. The Manitoba government, subsequently, turned down CP offers to lease them the line via Dominion City.

In October 1888, the Red River Valley Railway line was completed from the border to Winnipeg. The provincial government turned the line over to the Northern Pacific & Manitoba Railway, a subsidiary of the Northern Pacific Railway; and incorporated into the terms of the agreement the requirement for the NP to build branches from Winnipeg to Portage la Prairie and from Morris to Brandon. During the remaining years of the nineteenth century, the Northern Pacific

found that traffic did not live up to its expectations and westerners found that freight rates changed very little with the arrival of the newcomer. In 1901, these lines were transferred to the provincial government who in turn assigned them to the Canadian Northern.

INDEPENDENT FEEDERS TO THE TRANSCONTINENTAL LINE

The commencement of regular operations between Toronto and North Bay by the Northern & Pacific Junction Railway late in November 1886 provided CP with a direct connection to the west from southern Ontario. Passengers and freight no longer had to make a circuitous detour between Toronto and Carleton Place to connect with the transcontinental line. Passenger trip times over the new route were 4 hours less than via Carleton Place.

On February 24, 1888, however, the GTR took over the Northern & Western Railway which had leased the Northern & Pacific Junction. As the old animosity between the GTR and CP flared up, CP threatened for a time to build its own line from Sudbury to Toronto if the GTR would not negotiate reasonable terms. CP shelved its plans for the \$1.25 million line as the Dominion government announced it would be restricting the



Except for the street car, this view could date to the mid 1880's. This circa 1900 view of the Winnipeg station shows the brick building which replaced the one which was destroyed by fire in May 1886. When built, this was the most substantial station on the western lines of the CPR, all other stations being smaller and of wooden construction. The lineup of six horse powered hotel omnibuses are awaiting the arrival of the transcontinental train.

Photo Credit: O. Lavallee Collection, CP Corporate Archives.

CANADIAN PACIFIC RAILWAY

THE GREAT CANADIAN ALL RAIL ROUTE

Atlantic to the Pacific Ocean,

Halifax, Boston, Quebec,

MONTREAL AND OTTAWA,

—TO—

WINNIPEG AND COAL HARBOR

GOING WEST. READ DOWN..		Miles.	STATIONS.	GOING EAST. READ UP.	
2.30 pm	10.00 pm	0	Lv.....QUEBEC.....Ar	6.30 am	.....
8.00 pm	2.00 pm	172	Lv.....MONTREAL.....Ar	12.35 pm	.....
8.00 am	5.37 pm	292	Lv.....OTTAWA.....Ar	7.46 am	7.30 pm
8.00 am	4.00 pm	365	Lv.....BROCKVILLE.....Ar	1.30 pm	8.50 pm
8.00 pm	9.25 am	379	Lv.....TORONTO.....Ar	2.50 pm	8.25 am
9.35 am	6.50 pm	390	Lv.....CARLETON JUNC.....Ar	6.30 am	5.20 pm
1.34 pm	9.45 pm	396	.....PEMBROKE.....Ar	3.39 am	1.34 pm
.....	4.50 am	536	.....North Bay.....Ar	8.56 pm	.....
.....	3.11 am	615	.....Sudbury.....Ar	6.43 "	.....
.....	12.46 pm	704	.....BISCOTASING.....Ar	2.06 pm	.....
.....	6.51 pm	833	.....Dalton.....Ar	8.05 am	.....
.....	7.02 am	937	.....Schreiber.....Ar	8.08 pm	.....
.....	1.00 pm	1167	.....PORT ARTHUR.....Ar	2.30 pm	.....
.....	.....	1173	.....FORT WILLIAM.....Ar	.....	.....
.....	.....	1464	.....Rat Portage.....Ar	.....	.....
.....	7.30 am	1697	Ar.....WINNIPEG.....Lv	8.00 pm	.....
.....	8.30 "	.....	Lv.....WINNIPEG.....Ar	8.30 pm	.....
.....	6.15 am	1936	.....Moore Jaw.....Ar	8.15 pm	.....
.....	12.45 pm	2257	.....MEDICINE HAT.....Ar	2.30 am	.....
.....	8.30 am	2357	.....Crowfoot.....Ar	7.35 pm	.....
.....	12.30 p'm	2407	.....LANGDON.....Ar	3.45 pm	.....
.....	7.25 pm	2503	.....Cannore.....Ar	8.05 am	.....
.....	7.10 am	2559	.....STEPHEN.....Ar	1.45 pm	.....
.....	4.00 pm	2620	.....DONALD.....Ar	7.00 am	.....
.....	.....	3070	Ar.....COAL HARBOR.....Lv	.....	.....

An example of the eye-catching advertising used by the C.P.R. in the 1880's. Much of this was devised by Van Horne himself. Note the partial timetable, dated March 1886, showing the terminus at "Coal Harbor" (with an estimated mileage) before the name Vancouver was official. At that time actual service only went as far as Donald.

subsidies available for new railway construction starting in 1889. British investors in Canadian railway securities expressed concern over the conflict between the two companies which could well have made it difficult to raise the funds, and the NP; completed its thrust into Manitoba which could have eroded CP's earnings. As well, the GTR recognized the importance of the CP traffic to the viability of this line. While there were strained relations between the two lines in subsequent years, the two companies came to an arrangement which lasted until CP opened its direct line between Toronto and Sudbury in 1908.

Out on the prairies, the Manitoba & North Western Railway (M & NW) continued to expand westward. Construction had started in 1881 under the name of the Portage, Westbourne and North Western Railway. By 1885, the M & NW had completed 130 miles of line from Portage-la-Prairie to Solsgirth, Manitoba. In 1886, the main line was extended 50 miles to Longenburg, in the Northwest Territories (now Saskatchewan), and an 11 mile branch line was built from Binscarth to Russell, Manitoba. During the same year, its subsidiary, the Saskatchewan & Western Railway, built the line from Minnedosa to Rapid City, Manitoba.

In 1885, Sir Alexander Galt's Northwestern Coal & Navigation Company completed its narrow gauge rail line from Dunmore (near Medicine Hat) to his coal mines at Lethbridge, Alberta. Earlier attempts to ship the coal via steamships had been frustrated due to low water levels along the Oldman and South Saskatchewan Rivers during the summer months and the slow transit times.

In July 1886, Sir John A. Macdonald started on his long dreamt-of trip on the CPR to western Canada. One of his functions on the trip was the driving of the last spike on the Esquimalt & Nanaimo Railway (E & N) on Vancouver Island. The location of the Pacific terminus of the CPR had been a particularly vexatious problem. Victoria, as the capital of the province, had been one of the contenders. The high cost and difficulty of bridging the Strait of Juan de Fuca between the mainland the Vancouver Island finally saw their hopes crushed. The Dominion government did contribute a \$750,000 subsidy towards the construction of the E & N.

On August 13, 1886, Sir John drove the last spike of the 69 mile line connecting Esquimalt and Nanaimo at Cliffside. On September 24, 1886, a three mile extension from Esquimalt to Russell's was completed bringing the trains to within a mile of downtown Victoria. A further five mile extension was inaugurated from Nanaimo to the mines at Wellington on June 1, 1887. Freight cars were not transferred between the E & N and the mainland until a railway car ferry service was inaugurated in 1905.

FOUNDATIONS OF THE SHIPPING ARM

On May 11, 1884, CP inaugurated its first waterborne shipping service. Three steamers had been ordered from Scottish builders in 1883 for service on the Great Lakes between Owen Sound and Port Arthur. They were named the "Alberta", "Algoma" and "Athabasca". The vessels were designed with special bulkheads amid-ships so they could be halved in Montreal for transit on the small locks on the St. Lawrence. After being reassembled in Buffalo, the vessels spent the winter in Port Colborne having their interiors outfitted. In the Spring of

1884, they arrived at Owen Sound and commenced regular sailings in the month of May.

Sailing from Owen Sound, the vessels provided a tri-weekly link between CP's rail lines in eastern Canada and the completed line from Fort William westwards. The 1773 ton vessels accommodated 130 first class passengers, 200 steerage class passengers and 2000 tons of freight. Disaster struck on November 7, 1885 when the "Algoma" was driven ashore during a gale on Lake Superior. As the line between Sudbury and Fort William had been opened five days earlier, CP decided to make do with only two vessels and twice-weekly sailings on the lakes during the navigation season. With the expansion in grain shipments in 1887, the decision was taken to purchase a third vessel, the "Manitoba", which was launched in 1888.

CP recognized early the value of steamship links to the Orient to stimulate shipments over the transcontinental line. As early as 1884, discussions were held with the Imperial Government in London to solicit mail subsidies for a fleet of CP owned ships which would link London to the Orient via Vancouver. This route would save several days over the traditional one using Peninsular & Orient steamships operating via the Suez Canal and could be used in times of crisis to move troops to the Pacific.

While it would take an additional three years before the Imperial Government approved the subsidy, CP entered the trans-Pacific freight business as soon as the transcontinental line was open. Between July 27, 1886 and January 10, 1887, seven sailing vessels operating under charter to Oriental shipping houses brought cargoes totalling 4,000 tons of tea and other items from Pacific points to Port Moody. Special time freights operating with rights over all trains forwarded these shipments to Montreal and New York in seven to eight days, which was a most favourable showing for the new line. CP was able to capture a substantial portion of the American imports due to its low freight rates, superior Pacific harbour at Vancouver and favourable schedules. The importance of the American business to the success of the Pacific shipping is illustrated by the fact that a least half of the 14 carloads of tea which left Vancouver on November 30, 1886 were for US destinations. The manifest as reported in the "Port Moody Gazette" was as follows: 2 for Emerson (point of entry to the American midwest), 5 to Brockville (point of entry for New York), 1 to Toronto, 6 to Montreal (while not specified, undoubtedly a number of these were destined to Boston).

The venture was such a success that three second hand former Cunard Line trans-Atlantic steamships, the "Abyssinia", "Batavia" and "Parthia", were chartered from William Pearce for the 1887 season. CP elected to use steam-powered ships to reduce the time of the Pacific crossing and to make possible better adherence to schedules than was possible with sailing vessels. The sailing ships had required 29 to 49 days to complete the Pacific crossing. The steamers reduced the time to less than 15 days. Mr. George B. Dodwell, shipping manager of Adamson Bell & Company, a merchant house with large connections in the Orient, was engaged by Pearce to act as manager for the ships and as agent for CP in the Orient. These vessels, which frequently had to be supplemented by additional chartered ships, operated on the Pacific route until 1891.

Collingwood Schrieber, Chief Engineer for the Department of Railways and Canals, in a report dated December 26, 1887, stated: "As a through route between Europe and China and Japan and the east, its [CP's] merits, though amply established, must become more and more apparent. Already notes of alarm have been sounded in the American press at the manner in which the CPR is cutting into the business of the transcontinental roads of the United States."

Negotiations continued with the Imperial government in London and the Dominion government for a subsidy and a mail contract to justify CP establishing its own trans-Pacific service. In 1887, CP secured a mail contract and subsidies from both governments. In exchange for the 60,000 pound sterling subsidy, to which Canada agreed to contribute 15,000 pounds sterling, CP undertook to provide liners capable of 16.5 knots making one sailing per month from Vancouver to Yokohama and Hong Kong. In the event of war, the vessels would be turned over to the admiralty for use as armed cruisers. The Imperial Government, however, deferred granting contracts until the slow speed of the North Atlantic mail service was improved. In 1889, when CP let the contract for what would be the first of the long line of "Empresses" which would operate on the Atlantic and Pacific Oceans, improvements on the Atlantic were in sight. The three Empresses were placed in trans-Pacific service in 1891.

Castling about for additional sources of traffic, CP established friendly connections with steamship companies on the west coast. As early as June 20, 1886, the CP concluded an agreement with the Canadian Pacific Navigation Company (CPNC) relating to the exchange of traffic. The CPNC, which had been created in 1883, was the largest steamship company in British Columbia. At the time of the completion of the transcontinental lines, it operated vessels from Port Moody and New Westminster to points on Vancouver Island and up the BC coast.

The CPNC remained independent until 1901 when CP purchased a controlling interest in the company. In 1903, CP took over the company and used it as the basis for their own Pacific coastal service.

Looking farther afield, CP placed its sights on the large volume of freight traffic moving across the United States. The "Tacoma News" reported as early as March 1886 that CP officials had invited former California Governor Perkins to Montreal to discuss how CP could receive California traffic. Agreements were reached with steamship companies to provide direct links to Seattle, Tacoma, Portland and down the coast to San Francisco, then the major entry port for the State of California.

"The Daily Colonist" in Victoria announced on May 10, 1887 that CP had completed arrangements with the Washington Transportation Company to have the steamer "Eliza Anderson" employed between Tacoma and Vancouver. The vessel was to make tri-weekly sailings connecting with the transcontinental passengers trains. CP, in concert with the Pacific Coast Steamship Company, inaugurated joint service between San Francisco and the Midwest, and between San Francisco and east coast points. An application to the U.S. Treasury Department

to move goods in bond between San Francisco and eastern American points was approved in May 1887. The Pacific Coast Steamship Company acted as the bonding agent.

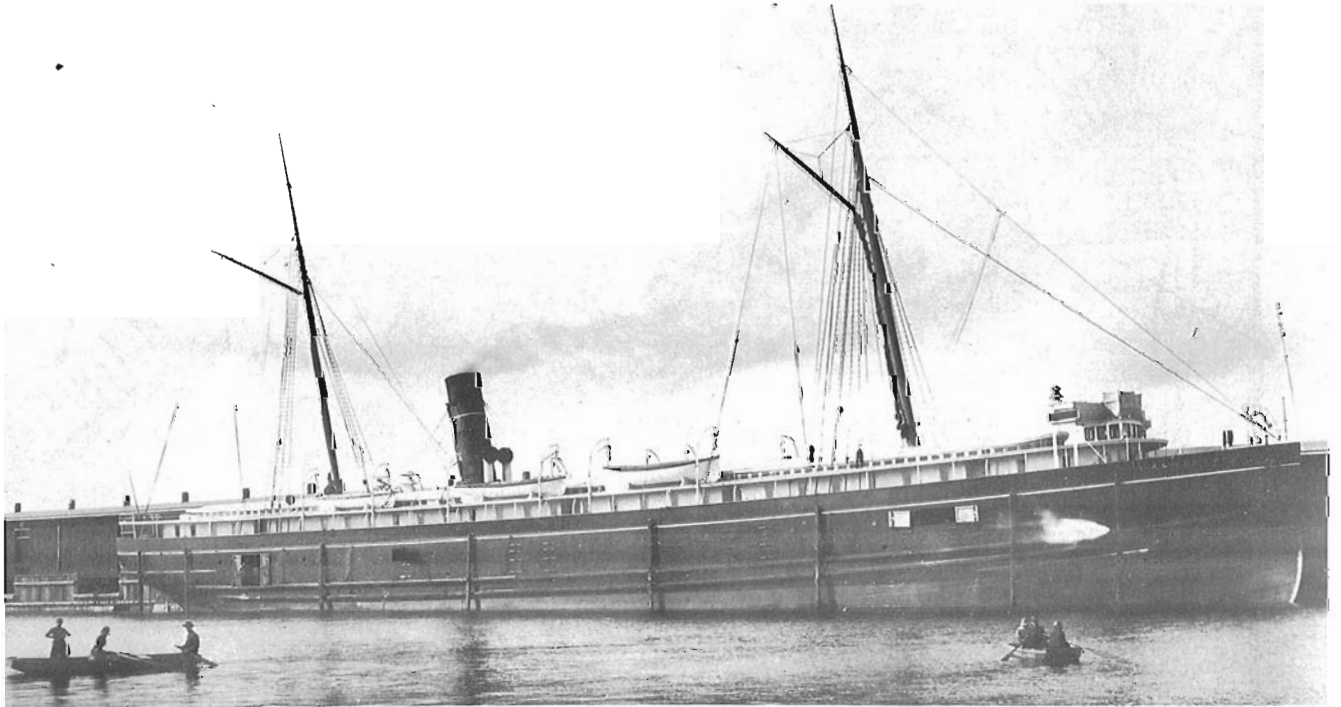
During the mid 1880's, the transcontinental lines in the United States became engaged in one of their periodic price wars. Not surprisingly, the impact was felt by CP, which not only regretted the depressing effect the situation had on freight revenues, but the fact that its freight traffic was being poached. In this rate war, CP possessed a distinct advantage as it could set rates at levels below those permitted its American competitors under the Interstate Commerce Act.

The value of the steamship connections rapidly proved their worth in this battle as well as generating long haul traffic on the transcontinental line. On May 21, 1887, "The Daily Colonist" announced that CP had secured contracts to carry 8 million pounds of sugar from San Francisco to points in Minnesota and Michigan. As well, CP moved in on the cotton export market

and soon was handling most of the traffic between New England and the Orient. Thus the Canadian upstart showed it could compete with the more established American railways.

TOURISM, HOTELS AND NATIONAL PARKS

In order to generate passenger traffic, Van Horne homed in on the increasing penchant for travel of the middle class. The mountains in the west were considered to be special areas for tourism development. In November 1885, under the prodding of Van Horne, the federal government set aside a reservation of ten square miles around the hot springs at Banff. To popularize its case, in 1885 and 1886 the railway issued free passes to enable Parliamentarians to travel west. A letter to Van Horne, written in November 1886, chronicling the methods used by passengers, including Members of Parliament, to save on sleeping car fare appears in Appendix C. The efforts by CP



Canadian Pacific Ry steamer
"Alberta" at Fort William, Ont.

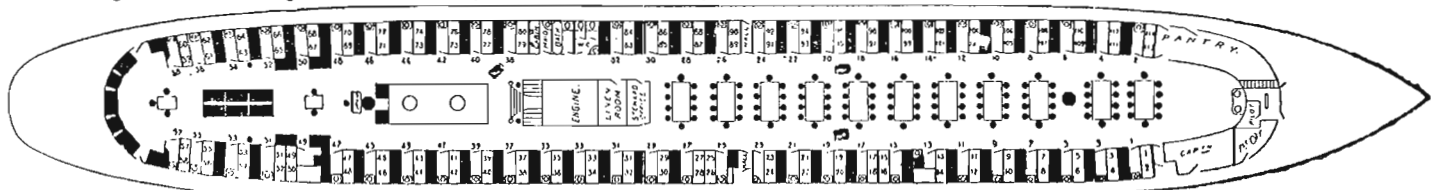
The steamship "Alberta" had a long career. While this view was taken in the 1880's, the vessel, which was built in 1883, remained in CPR service on the Great Lakes until 1946. After 1916, it was primarily operated in freight service. Sold to Florida interests, the vessel operated for two more years after it left CP before being broken up.

Photo Credit: Bailey & Neelands, photographers, CP Corporate Archives.

Canadian Pacific Steamship Line

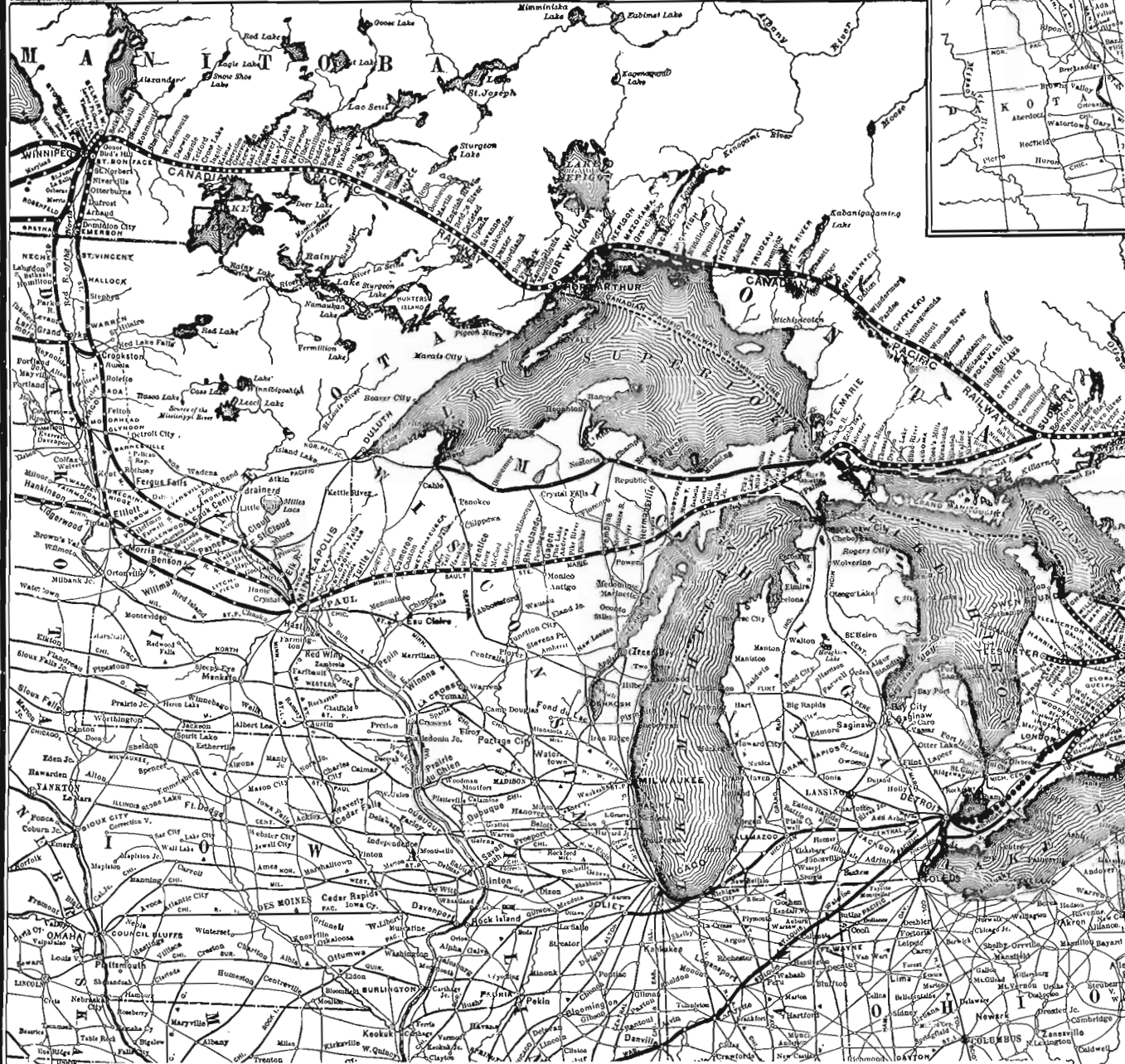
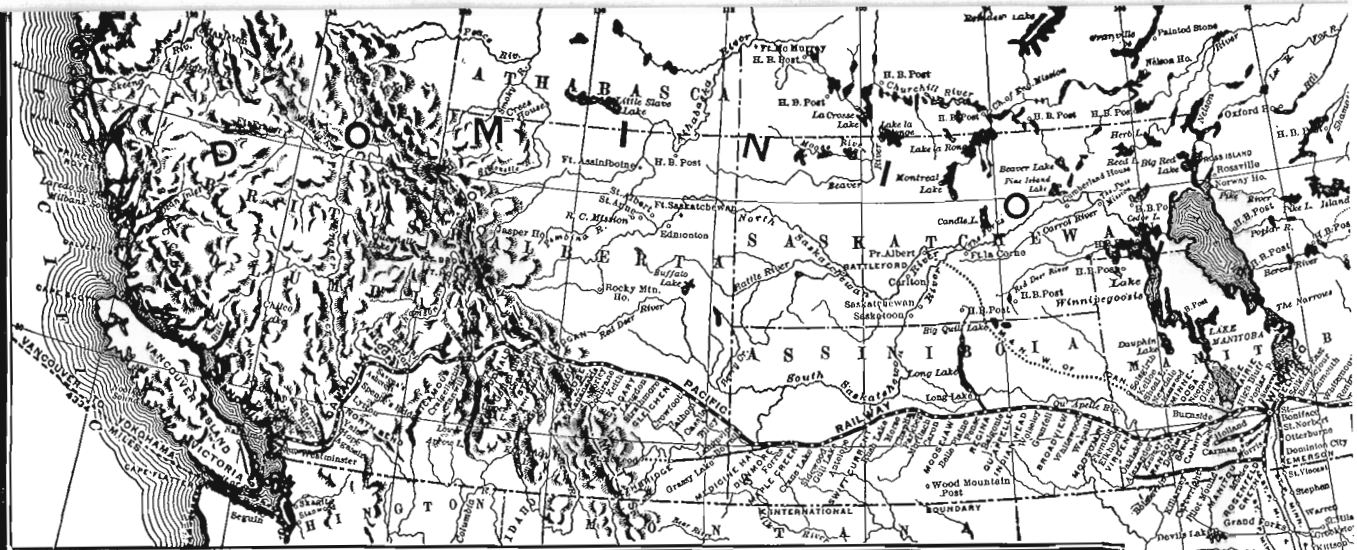
CONSISTING OF THE CLYDE-BUILT STEEL STEAMSHIPS "ALBERTA." and "ATHABASCA."

Will, during Season of Lake Navigation (from about 1st May to 15th Nov.), make bi-weekly trips in either direction between OWEN SOUND, SAULT STE. MARIE and PORT ARTHUR.

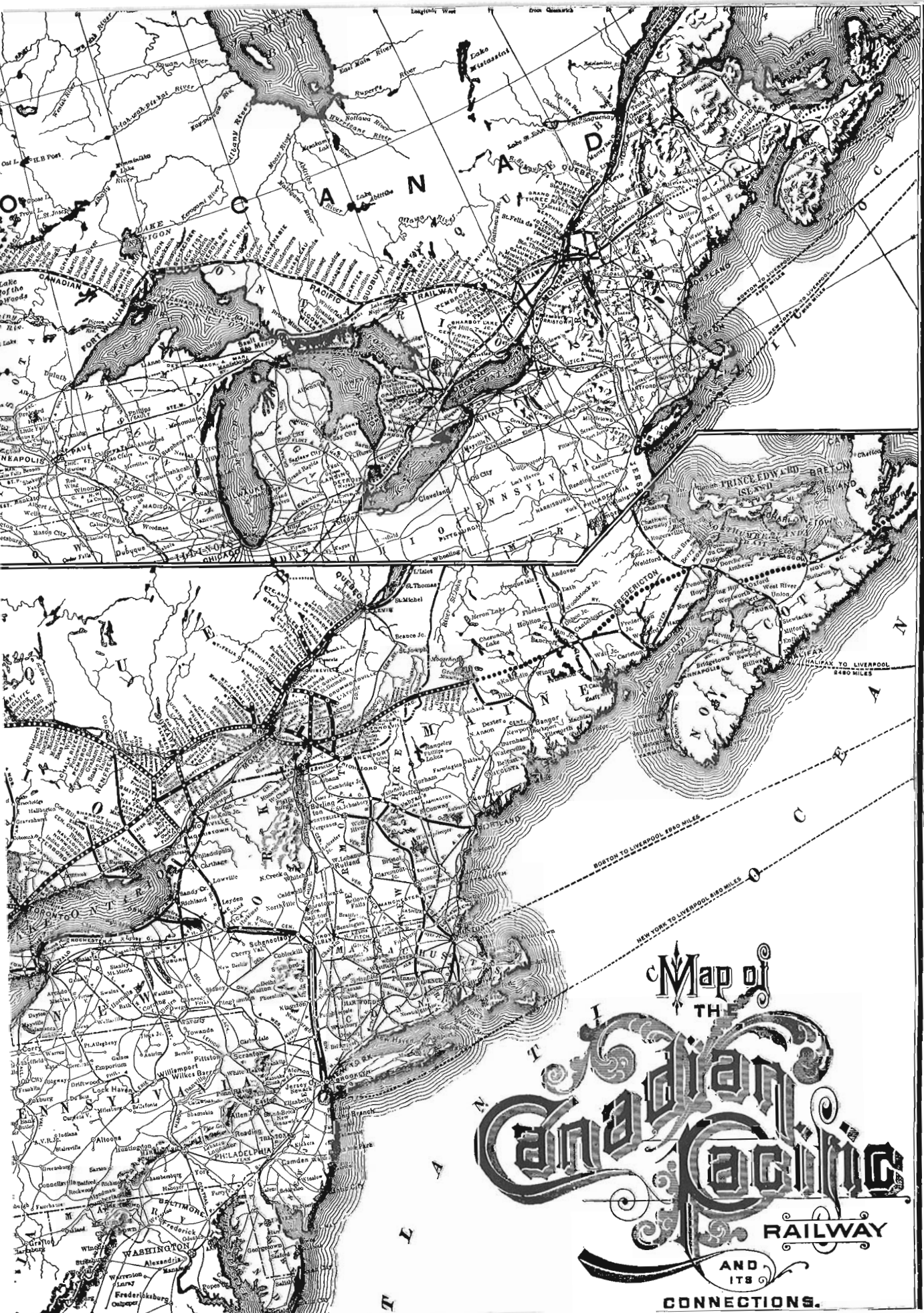


PLAN OF SALOON AND UPPER-DECK CABINS STEAMSHIPS "ALBERTA." AND "ATHABASCA."

These Steamships are Electric lighted and fitted up with every modern appliance for speed, comfort and safety—they are unrivalled on the lakes. They are 270 feet from stem to stern; 2000 tons burden. Each interior has an upper and lower berth, and a sofa which can be converted into an additional berth. The odd numbers on above diagram represent upper berths, the darkened part in stateroom represents the sofa.



An 1888 map showing the railway lines, both completed and under construction of the Canadian Pacific system.

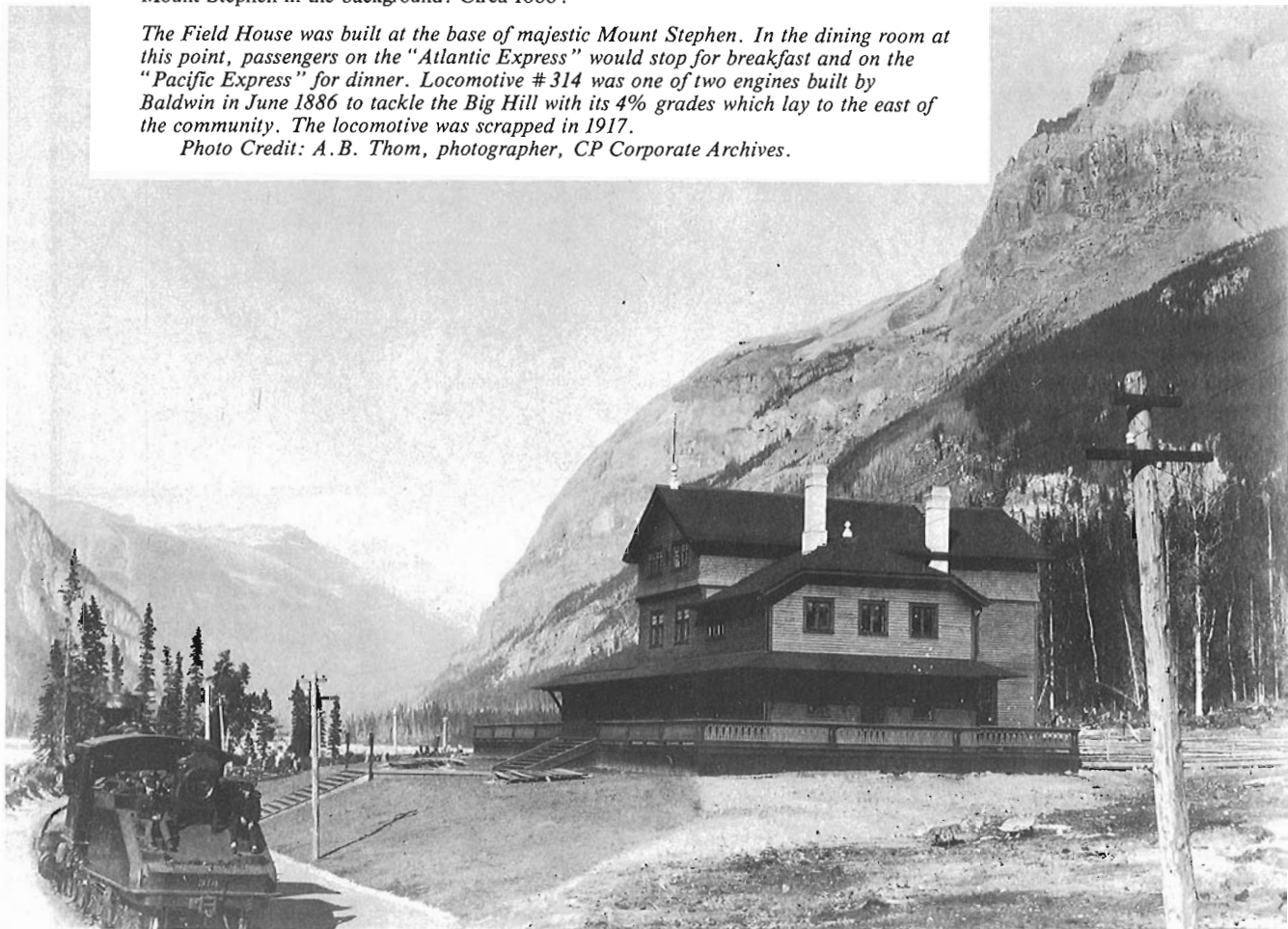


Map of
THE
Canadian Pacific
RAILWAY
AND
ITS
CONNECTIONS.

Canadian Pacific Ry hotel at Field, B.C.
Mount Stephen in the background. Circa 1888.

The Field House was built at the base of majestic Mount Stephen. In the dining room at this point, passengers on the "Atlantic Express" would stop for breakfast and on the "Pacific Express" for dinner. Locomotive # 314 was one of two engines built by Baldwin in June 1886 to tackle the Big Hill with its 4% grades which lay to the east of the community. The locomotive was scrapped in 1917.

Photo Credit: A.B. Thom, photographer, CP Corporate Archives.



were successful as in 1887 the federal government established the 260 square mile "Rocky Mountain Park", today known as "Banff National Park".

Construction of three restaurant-hotels along the mountainous section of line in British Columbia started during 1886. The Mount Stephen House at Field opened in October 1886, while the Glacier House at Glacier and the Fraser Canyon House at North Bend opened in January 1887. While the primary purpose of these establishments was to obviate the need to drag dining cars up the heavy grades, the facilities rapidly became popular stop-over points. They would be expanded during the ensuing decades to keep with demand. In 1887, construction was undertaken on CP's Hotel Vancouver and Banff Springs Hotel. These would offer a superior level of accommodation to the traveller than was locally available. Both opened in 1888.

TELEGRAPH

Unlike most railways, CP decided to operate its own telegraph service. During 1884, the telegraph line was completed from Montreal to beyond the summit of the Rocky Mountains. The Annual Report for 1884 claimed that the telegraph "has been of the greatest value in the connection with the rapid construction of the line." Initially, commercial service was available only from Port Arthur to the Rockies. On

September 1, 1885, commercial service was extended from Montreal to the Pacific. Ancillary lines were built to the principal cities of Ontario and Quebec in 1885. Profits kept pace with the expansion growing from \$36,273 in 1884 to \$60,350 in 1885. As well, international connections were secured to the United States through the lines of the Postal Telegraph Company and the Baltimore & Ohio Company and to Europe through the Commercial and French Atlantic cables. In 1887, CP and the Postal Telegraph Company jointly built a line from Vancouver to San Francisco. The venture was immediately profitable.

DEVELOPMENT OF THE WEST

During the 1880's, rapid expansion in grain production occurred as the construction of the transcontinental and branch lines in Manitoba stimulated additional farm settlement. Production of grain increased from just over a million bushels in 1880 to more than 8 million in 1885. In 1884 the first major shipment of grain to Britain occurred using an all-Canadian route via Port Arthur.

It was only in 1876 that the first exports of grain from Manitoba occurred using steamships on the Red River to Fisher Landing, Minnesota where connections were made with the St. Paul, Minnesota & Manitoba Railway. The ubiquitous prairie sentinel, the grain elevator, made its first appearance in 1879 at

Niverville, Manitoba on the Pembina Valley Railway. Its appearance followed the opening of the railway in 1878 which established a direct link to the American railway system and the port city of Duluth. The Pembina Valley was built by the Dominion government to serve as a line to bring in construction supplies for the CPR.

To encourage the construction of grain facilities, CP offered free sites to companies wishing to build elevators on the prairies and guaranteed only to accept grain shipped from these facilities. By 1888, there were 44 elevators on the prairies, a total storage capacity of over 2 million bushels. These had been built as far west as 300 miles from Winnipeg.

The quick expansion of the prairie grain industry caused what seemed to many farmers a never-ending shortage of equipment to haul and facilities to store the crop. In 1883, CP completed their first grain elevator at the lakehead. Known as "The King", the 320,000 bushel capacity of the Port Arthur elevator was rapidly taxed to its limit. Consequently, a new elevator capable of holding 1,200,000 bushels was completed at Fort William late in 1884. The capacity of CP's grain elevators at the lakehead were supplemented by flat warehouses. In 1888 the reported capacity of these warehouses was 150,000 bushels at Port Arthur and 200,000 bushels at Fort William.

The move to develop rival harbour facilities in Fort William was met with disapproval by Port Arthur interests. They may have caused the delay in having the Kaministiquia River dredged by the Department of Public Works to permit lake ships to reach the new elevator. CP chose to locate its second elevator at Fort William as the necessary space for expansion of wharfage was not readily and cheaply available in Port Arthur and the new site provided sheltered anchorage.

With the start of CP steamship service a new elevator with a capacity of 350,000 bushels at Owen Sound was placed in service in 1884. CP built its first elevator which had a capacity of 600,000 bushels at Montreal in 1886.

Poor weather in central Canada in 1887 seriously reduced the grain crop in Ontario. This could have had major financial repercussion for CP as Ontario accounted for over half the production of grain in the Dominion at this time. Luckily, the farmers in the prairies produced a bumper crop, though CP found itself hard pressed to handle this western bonanza. Grain traffic in 1884 had amounted to 6.4 million bushels. Within two years, crop production almost doubled as CP carried 11 million bushels of grain in 1886. The total ballooned to over 15 million bushels in 1887.

To cope with the bountiful harvest of the west, CP increased the capacity of its facilities. During 1886, the storage capacity of CP's grain elevator in Montreal was doubled to 1.2 million bushels. Two additional grain elevators at Fort William and an additional elevator at Owen Sound were built in 1888.

Further west, following the opening of the transcontinental line, mineral extraction had started with the mining of anthracite coal near Banff and bituminous coal near Lethbridge. Coal oil produced from the mines near Banff was exported via Port Moody to San Francisco as early as 1886. The Lethbridge mines remained a source of fuel for CP locomotives in western Canada until the opening of the Crowsnest mines in the 1890's.

CANADIAN PACIFIC RAILWAY

EQUIPMENT.

The Canadian Pacific R'y is the Best Equipped Road on the Continent of America

RUNNING THE MOST ELEGANT

Sleeping and Drawing Room Cars
IN THE WORLD.

These Cars are the property of the Company; and while the accommodations are the best, the rates charged are so low as to excite surprise. The construction of the Canadian Pacific is unsurpassable, its road bed the finest, its track laid with steel rails, and its bridges built of solid masonry, with iron superstructure.

TRAIN LUNCHES

Are served on the Trains of the Canadian Pacific Railway by waiters from a Bill of Fare, the charges being extremely moderate.

These Lunches are under the immediate supervision of the Company, and have been made a special and an attractive feature of this road, and are now being served on night and day trains in both directions between Toronto and Montreal.

In addition to these Train Lunches, Dining Halls are located at convenient Stations, with tables equal to those of the best hotels of the country, at which ample time is allowed for meals.

❖ SCENERY ❖

The scenery along the line of the Canadian Pacific is unequalled. Beautifully diversified by River, Lake and Mountain of unusual attractiveness, it is universally acknowledged as

THE SCENIC ROUTE!

It is the Only Line carrying Montreal Passengers through Ottawa, the seat of the Canadian Government, and the world-renowned beautiful Ottawa Valley.

THE SPORTSMAN

Will find excellent sport along this line between TORONTO and OTTAWA, especially in the neighborhood of Sharbot Lake Junction.

Lethbridge coal was successfully marketed for domestic use as far east as Winnipeg. Silver mines in the Kootenays commenced shipping their ore by steamers up the Arrow Lakes to the main line at Revelstoke.

In the arid areas of southern Alberta, a thriving cattle industry grew up around the rail line. A British embargo on United States cattle exports in 1879 stimulated British and

Canadian interest in developing such an industry in the Northwest Territories. Reports by the Governor General, the Marquis of Lorne, following his tour of west in 1881 focused interest on the lands of the Pallaiser Triangle, which extended across much of the southern region of the Northwest Territories. These lands, which were too arid for cultivation, were suitable for cattle ranching. The Governor General's enthusiasm for the potential of this industry were summed up in his statement to the press: "if I were not the Governor General of Canada, I would be a cattle rancher."

The first major ranches were established in the early 1880's when herds were brought in from Montana. The completion of the CPR line to Calgary in 1883 opened up the territory to further development. Speculation boomed and the 47 companies which held leases on range land in 1884 grew to 106 in 1886. Large scale transcontinental movement of cattle began in 1887 when shipments were made from Alberta ranches to Eastern Canada and Great Britain.

The construction of the railway made vast tracts of virgin forest accessible to the lumbering industry and provided a means of transporting the timber to new markets on the prairies. At Fort William, sawmills with a capacity of over 25 million board feet opened which depended upon timber cut along the CPR lines. In the Lake of the Woods region of Ontario, new sawmills with a cutting capacity of 60 million board feet were supplying sawn timber as far west as Regina. Similarly, eight new sawmills in the BC interior supplied sawn timber as far east as Regina.

The arrival of the railway created a boom in the settlement of the Canadian west. In 1871, the western region of the Dominion, consisting of the Provinces of Manitoba and British Columbia and the vast Northwest Territories, which separated to form two provinces, had a population numbering a little less than 118,000. By 1881, during which time a rail connection was established with the United States, the population of the region increased by 50,000 with 74% of the new settlers going to Manitoba. By 1891, the population had increased by a further 180,400, which was more than the entire population of the region in 1881.

The number of farms on the prairies increased from 10,091 in 1881 to 31,252 in 1891. Large numbers of these new settlers came from eastern North America, particularly from Ontario, where most of the good agricultural land was already under cultivation. To promote the Canadian west, CP operated a special car containing samples of actual crops produced on the prairies.

A further indication of the growing attraction of the west was the increasing share it had of the total population of the country. Between 1871 and 1881, less than 8% of the growth in the total population was recorded in the west. In the next decade, the west accounted for over 33% of the increase in the Dominion's population. An article from "The Toronto Mail", entitled "The Work of the CPR", which is contained in Appendix D provides an early view of the impact of the CPR on the economy and settlement.

TABLE 1
DETAILS OF EXPENDITURE
ON CONSTRUCTION AND IMPROVEMENTS
IN 1886 AND 1887

	1886	1887
Quebec to Callender		
Grain Elevator at Montreal	101,995	105,356
Iron Bridges	-	64,990
New Steel Rails	16,878	-
Approach to East End Station Montreal	36,299	26,606
New Roundhouse & Turntable Hochelaga	20,891	5,793
Yard Improvements & Extension at Montreal & Hochelaga	-	24,555
Other	60,479	84,165
Subtotal	236,542	311,465
Callender to Port Arthur		
Grading, Bridges & Culverts, Tracklaying	787,411	-
Engineering & Construction	86,791	-
Surfacing, Ballasting & Widening Cuttings	701,155	238,749
Stations & Buildings	117,919	11,468
Permanent Bridges	-	119,224
Other	90,176	59,389
Subtotal	1,783,452	428,830
Port Arthur to Winnipeg		
Grading, Widening Cuttings & Ballasting	16,702	29,517
Permanent Bridges	-	40,217
Bridges & Culverts	30,770	-
Stations, Shops & Other Buildings	20,200	5,010
Rails, Ties and Track Laying	46,200	-
Other	402	13,629
Subtotal	114,274	88,373
Winnipeg to Canmore/Donald*		
Grading, Widening Cuttings & Ballasting	35,636	88,288
Bridges & Culverts	18,510	-
Permanent Bridges	-	13,519
Stations, Shops & Other Buildings	48,964	15,228
Water Works	13,331	3,534
Other	4,305	36,905
Subtotal	120,746	157,474
Canmore/Donald* to Pacific Coast		
Grading, Surfacing & Ballasting	1,263,935	849,921
Rails, Ties, Fastening & Laying	192,854	-
Bridges & Culverts	260,728	252,851
Snow Shed	1,477,510	691,062
Stations & Other Buildings	233,111	120,254
Roundhouse & Shops	42,819	32,187
Hotels	13,160	-
Other	122,018	68,783
Subtotal	3,606,135	2,015,058
Extension Port Moody to Vancouver	-	425,492
Branch Lines	212,273	1,322,375
GRAND TOTAL	6,073,422	4,749,067

Note: * Trackage split at Canmore in 1886 and at Donald in 1887.

GROWTH IN RAIL TRAFFIC

The opening of the west and the expansion of the system in the east produced heavy increases in freight and passenger traffic. In 1884, the year prior to the opening of the Montreal-Winnipeg line, the CPR handled 235 million ton miles of freight traffic and generated 76 million passenger miles. As shown in the Table 2, by 1887 which was the first full year of transcontinental operations, both categories of traffic had more than doubled over 1884 levels.

TABLE 2
GROWTH IN TRAFFIC: 1884 TO 1887

	1884	1885	1886	1887
Ton Miles of Freight (In Millions)	235	407	555	688
Passenger Miles (In Millions)	76	116	150	175

The major increases in freight business were due to the growth in grain shipments from the prairies and in the increasing movement of manufactured goods as the system in the east reached into the industrial heartland of Ontario and began to carry merchandise to the settlers on the prairie. The increase in freight carried by commodity between 1882 and 1887 is shown in Table 3.

TABLE 3
FREIGHT CARRIED IN TONS
FOR FISCAL YEAR ENDING JUNE 30TH
1882 TO 1887

	1882	1883	1884	1885	1886	1887
Flour	4	21	71	92	87	100
Grain	36	61	108	203	284	314
Livestock	21	28	25	50	52	67
Lumber	140	372	416	356	413	484
Firewood	16	93	70	119	124	136
Manufactured Goods	104	229	268	393	481	483
Miscellaneous	314	261	287	443	480	535
TOTAL	635	1,065	1,245	1,656	1,921	2,119

Source: Annual Report to Department of Railways and Canals.

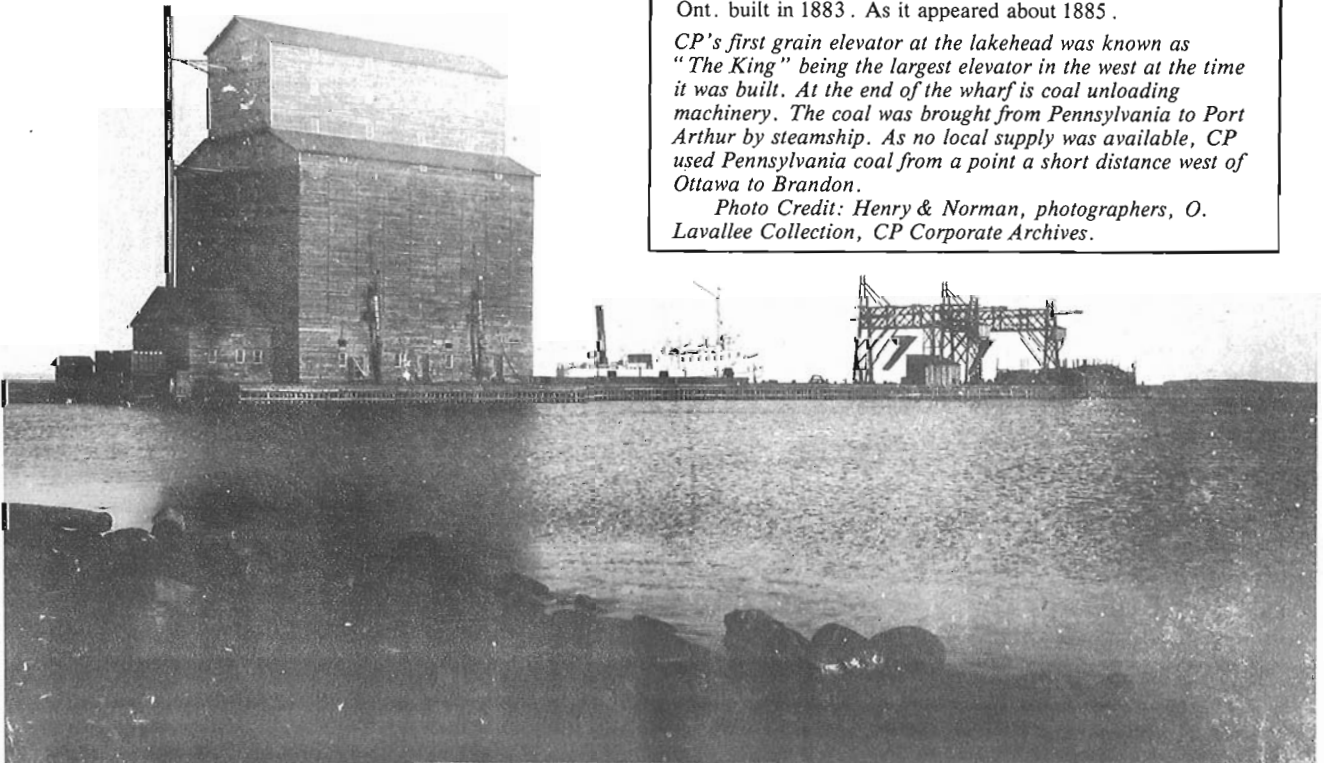
EXPANSION IN EQUIPMENT

The rapid expansion of the railway necessitated large scale equipment acquisition. Unsatisfied with the price charged by locomotive builders, CP completed its own locomotive erection shops on Delorimier Street in the east end of Montreal in March 1883. Called the "New Shops" to differentiate them from the former Quebec, Montreal, Ottawa & Occidental locomotive shops at Hochelaga which they replaced, this facility was also known as the "Delorimier Shops" after the street upon which they were located. The first locomotive to be built in the "Delorimier Shops" was 4-4-0 #285 which was completed in November 1883. The Annual Report for 1883 stated that locomotives were built in the shops at a price considerably less than previously paid by the company. As evidence, the report noted that 15 heavy freight engines had just been completed at a cost of a little over \$7,000 each.

Canadian Pacific Ry grain elevator at Port Arthur, Ont. built in 1883. As it appeared about 1885.

CP's first grain elevator at the lakehead was known as "The King" being the largest elevator in the west at the time it was built. At the end of the wharf is coal unloading machinery. The coal was brought from Pennsylvania to Port Arthur by steamship. As no local supply was available, CP used Pennsylvania coal from a point a short distance west of Ottawa to Brandon.

Photo Credit: Henry & Norman, photographers, O. Lavallee Collection, CP Corporate Archives.



In 1886, CP acquired 36 new locomotives. Five were Consolidations (2-8-0) types, three being built by CP's Delorimier Shops and the remainder by Baldwin. The Baldwins were sent west for use on the 4.4% grades on CP's Big Hill east of Field, British Columbia, where they joined two similar engines which Baldwin had built in 1884. The remainder were American (4-4-0) types: 21 were built by CP and 10 by the Canadian Locomotive Company at Kingston, Ontario. In 1887, CP acquired another 21 locomotives: 2 Consolidations and 19 Americans. All were built in the Delorimier Shops.

A total of 9 locomotives were retired in 1887. These were second hand engines dating as far back as the 1850's which CP had acquired when it took over existing rail lines in Eastern Canada. A list of these engines is shown in Table 4. These were the first locomotives to be retired from the roster.

**TABLE 4
LOCOMOTIVES RETIRED BY CP IN 1887**

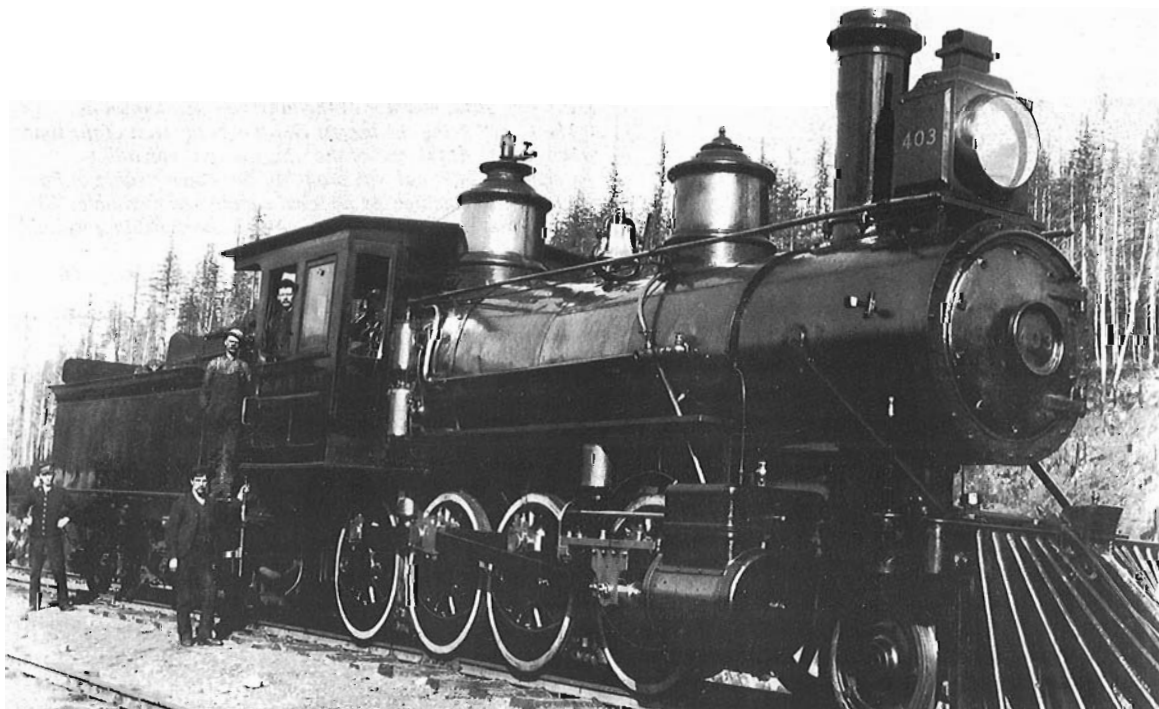
OWNER AT TIME OF TRANSFER	DATE BUILT	ORIGINAL OWNER'S LAST NUMBER	WHEEL ARRANGEMENT	CP NUMBER
Toronto, Grey & Bruce	1872	11	4-6-0	160
Canada Central	1870	24	2-6-0	224
Laurentian	1858	J.M. Pangman	4-4-0	284
St. Lawrence & Ottawa	?	3	4-4-0	325
St. Lawrence & Ottawa	1879	10	4-4-0	326
St. Lawrence & Ottawa	1854	2	4-4-0	327
St. Lawrence & Ottawa	1866	7	4-4-0	329
St. Lawrence & Ottawa	1866	6	4-4-0	330
North Shore	1866	2	4-4-0	332

Ever expanding demands were placed upon the passenger car fleet as CP inaugurated twice daily passenger Montreal-Toronto-Chicago through service in 1884, six day per week Montreal-Winnipeg service in 1885, daily Winnipeg-Port Moody service in 1886, and the twice daily Montreal-Boston service in 1887. The Montreal-Port Moody passenger service alone required 10 complete train sets.

Rather than rent sleepers and diners from the Pullman Company, which at the time was the common practice of American and Canadian railways, CP elected to own and operate their own cars. Based upon his experience in the United States, Van Horne felt this would be the more profitable course. From the time that sleeping car service was inaugurated in 1882 on the trains between Winnipeg and Regina, company-owned cars were used.

For the start of passenger service between Montreal and Winnipeg in 1885, the company augmented its fleet with 6 sleeping and 3 dining cars. In 1886, 10 additional sleeping cars and 7 diners were added for the start of the transcontinental service. Four more sleepers were bought the following year. These tallies, which are by calendar year, differ somewhat from those given in Table 5 as the passenger car ownership figures in that table are by fiscal year which ended June 30th.

The growth in the passenger car fleet is particularly startling when the total of 14 passenger cars which operated over the government built lines in Manitoba of the CPR in 1880 are compared to the 392 cars operated by CP seven years later. The growth in the passenger car inventory was due not only to the purchase of new cars, but also to the acquisition of established railways in eastern Canada. By 1887, roughly one-third of the passenger car fleet had been acquired through the takeover of these lines.



Canadian Pacific Ry class SD 2-8-0 steam locomotive no. 403, built in 1886 and assigned to the Pacific Division. Photo taken circa 1888.

Locomotive # 403 was built at the CPR New Shops on Delorimier Street in Montreal in December 1886. Built for service in the Selkirk Mountain range the locomotive had 51 inch diameter driving wheels and 19 x 22 inch cylinders. The engine was retired in 1909.

Photo Credit: A.B. Thom, photographer, CP Corporate Archives.



Consolidation # 402 heads up the "Atlantic Express" as it traverses the Beaver Canyon near Beaver (some 30 miles west of Golden, British Columbia) in this circa 1887 view. Behind the locomotive is a baggage-mail-express car, a first class coach, an immigrant sleeping car and a first class sleeper.

Photo Credit: A.B. Thom, photographer, CP Corporate Archives.



The "Pacific Express" on the Big Hill circa 1888. Above the locomotive and the mail-express-baggage car may be seen one of the run away tracks built as a safety measure to stop any trains which may have lost their brakes on the hill.

Photo Credit: A.B. Thom, photographer, CP Corporate Archives.

TABLE 5

**GROWTH IN THE PASSENGER CAR FLEET
FOR FISCAL YEAR ENDED JUNE 30th
1880 - 1887 ***

	1880**	1882	1883	1884	1885	1886	1887
Baggage, Mail & Express	4	25	44	48	61	93	100
First Class Coach	10	40	90	78	100	110	120
Second Class Coach & Immigrant***	-	18	28	33	86	99	109
Sleepers, Parlour & Meal Service	-	****	****	35	43	62	63
Total	14	83	162	194	290	364	392

Source: Annual Report to Department of Railways and Canals.

Notes: * Data for 1881 is not available.

** Government owned cars as CPR was a government project until May 1881.

*** First immigrant cars received by CP in 1884.

**** Not reported separately.

The expansion in the freight car fleet paralleled that of the passenger car fleet. In 1880, when it was under government ownership, the CPR freight car fleet numbered 429 cars: 45 box and cattle cars and 384 platform or flat cars. The platform cars, which were primarily used for construction purposes, peaked in number at 4,400 in 1885. After the completion of the Main Line, the number of platform cars declined to 3,091 in 1887. Many were converted into box cars in CP's shops to meet expanding traffic demands. The total number of freight cars owned in 1887 was 9,296.

FINANCIAL RESULTS

Due to the rate war between the US transcontinental lines, the transcontinental freight service was largely operated at a loss until November 1887 when an agreement was reached to restore rates to profitable levels. Quite unlike the situation one hundred years later, the transcontinental passenger traffic operated at a profit from its commencement. Parlour and sleeping car operations were particularly remunerative. Profits tripled from \$49,400 in 1885 to \$124,400 in 1887. The railway's operating ratio remained in the mid 60's during these years as net earnings climbed from \$708,000 to \$784,000.

CP'S ACCOMPLISHMENT

In May 1881, the CP syndicate took over 180 miles of completed rail lines in Manitoba from the Dominion government. Under the terms of their agreement, the transcontinental line was to have been completed from Callendar (near North Bay) to the Pacific within ten years. In less than 5 years, they had carried out the terms of the agreement and created a system of over 4,500 miles which stretched from Quebec City to the Pacific. Its tentacles stretched into most of Ontario and Quebec to the great discomfort of the Grand Trunk. The American trunk lines felt the pugnaciousness of the new line which cut increasingly into their share of transcontinental and Oriental traffic.

CP's achievement caught the imagination of the highest members of the British Empire. While the construction of the transcontinental line through the seemingly endless wilds of Canada stirred the hearts of the chroniclers of CP, the new route shortened communication time within the Empire and established an "All Red Route" completely within British possessions which at the time were coloured in red on world maps. Thus the Marquis of Lorne, Canada's Governor General, was to write to CP's officials:

"The Queen has been most deeply interested in the account which I have given her of the building of your great railway, the difficulties which it involved and which have been so wonderfully surmounted. Not one Englishman in a thousand realizes what those difficulties were; but now that the great Dominion has been penetrated by this indestructible artery of steel, the thoughts and purposes of her people, as well as her commerce will flow in an increasing current to and for, sending a healthful glow to all the members. The Princess and I are looking forward to a journey one day to the far and fair Pacific."

While looking ahead one year, the concluding remarks in the Annual Report for 1888 by Van Horne bear repeating:

"In comparing the Canadian Pacific with the other railways in Canada and the United States . . . should it be forgotten that the profits from the telegraph, sleeping cars, express, grain elevators, Lake steamers, and other similar adjuncts of the railway service, which on nearly all other lines are given over to private parties or corporations are, in the case of the Canadian Pacific, preserved to its shareholders; and their value is shown by the fact that the profits from them last year [1887] amounted to about one-third of the interest on the First Mortgage bonds of the Company, notwithstanding that it was only the second year of full operation."

In the summer of 1887, William Van Horne undertook a tour of inspection of the transcontinental line. He prepared a confidential report for the Board of Directors on the progress of the major work programme underway to bring the entire line up to a post construction condition. To Van Horne goes the last word. His report, which follows in its entirety, serves as a conclusion to this assessment of the initial years of the founding the CP Empire.

Acknowledgements

I should like to express my appreciation to Messrs J. Shields and D. Jones of Canadian Pacific Corporate Archives for their assistance and comments upon a draft of this manuscript as well as for making available many of the illustrations used in this article. Thanks are due to Mr. P. Jago for editorial assistance. The Public Archives and National Library Book and Newspaper Divisions in Ottawa and CRHA Archives in Delson, Quebec yielded valuable material for the compilation of this article.

For the private information of the Directors.

Canadian Pacific Railway Co.

Montreal, 6th Sept. 1887.

To The Directors,

IN COMPANY WITH THE PRESIDENT AND SIR

Donald Smith, I have, since the 12th ultimo, made a careful inspection of the railway from Montreal to Vancouver and I am gratified at being able to report that the entire main line is in good working order and that nearly all of it is in excellent condition.

The older portion of the line from Montreal to Mattawa, 318 miles, may be said to be fully completed.

Between Mattawa and Fort William, 682 miles, there were, at the beginning of this season, numerous low places in the roadbed, resulting from the shrinking of embankments and settlement of material incident to all newly built lines. There were, also, a number of short sections where the final ballasting had not been done, or where it had been found insufficient; also numerous places where the earth slopes were found to be exposed to the action of the water during certain seasons and these required more or less rock-facing. All these defects and deficiencies are being made good and within a few weeks the whole of this section will be in such permanent good condition that it may be kept up by a comparatively light force of trackmen, and the work will, I think, be completed within the appropriations already approved by the Board for the purpose. A considerable number of the lesser timber trestle bridges have been filled with earth in the removal of materials

from adjacent cuttings where it was not required for widening embankments. A great many of the smaller trestle bridges should be filled within a year or two, and the long trestles, where practicable, should be divided by prisms of earth to reduce the risk of loss by fire and to prevent excessive delays should fires occur. All of the existing timber trestle bridges on this section were planned and built as permanent structures of this class, and I regard all of them as entirely safe, with proper precautions against fire; but all bridges, however substantial, must be regarded as, to some extent, danger points; and any reduction in their number will result in a saving in working expenses, and at the same time improve the general character and reputation of the line. An estimate of the cost of filling the smaller trestle bridges will be submitted to the Board at an early date. Two iron spans with masonry piers are being added to the Big Pic Bridge, in place of timber trestle work, and the long trestle approach to this bridge, which is the most important on the Lake Superior Section, will soon be divided by earth prisms into three sections.

The Section between Fort William and Winnipeg, 423 miles, which was built by the Government, is now generally in first class condition, but a large number of the timber trestle bridges and several of the wooden truss bridges have required renewal during the year. They were inferior structures in the first place, and those renewed had nearly reached the usual life of such timber work. Where it could be done without materially increasing the outlay, earth embankments have been substituted for timber trestles. The wooden truss bridges are being renewed in wood, because of the present high price of iron work and the crowded condition of all the bridge works, and because iron structures would require masonry piers and abutments, which



Temporary trestle on the Canadian Pacific Ry main line over the Columbia River at Farwell, later Revelstoke, B. C. 1885.

The first CPR bridge spanning the Columbia River at Revelstoke was a rather spindly trestle which accommodated construction trains on the top deck and a road crossing below. The replacement of this bridge with a more substantial structure was one of the heavy expenditures CP had to incur to make the line between Donald and Port Moody suitable for regular operation.

Photo Credit: Prof. O.B. Buell, photographer, CP Corporate Archives.

would excessively increase the outlay. The bridges so renewed are, however, of a very substantial description and will be good for nine or ten years. Two or three somewhat costly accidents have occurred on this Section by the sliding of embankments built on soft material and on sloping rock bottoms. An examination of the places where such slips are liable to occur, shows that little more difficulty of this kind is to be feared, and that a small expenditure will make these places perfectly secure.

The prairies section of the lines, from Winnipeg to Calgary, 840 miles, is in excellent condition throughout except that from Regina westward the embankment is somewhat narrow in places; but a small expenditure, probably less than \$5,000, will correct this, and the work is being gradually done by the ordinary section force. The water supply between Medicine Hat and Calgary is at times insufficient and some expenditure may have to be made next year in this direction.

With the exception of the Montreal terminus, the entire main line, as far west as Calgary, is well provided with all necessary buildings and appurtenances.

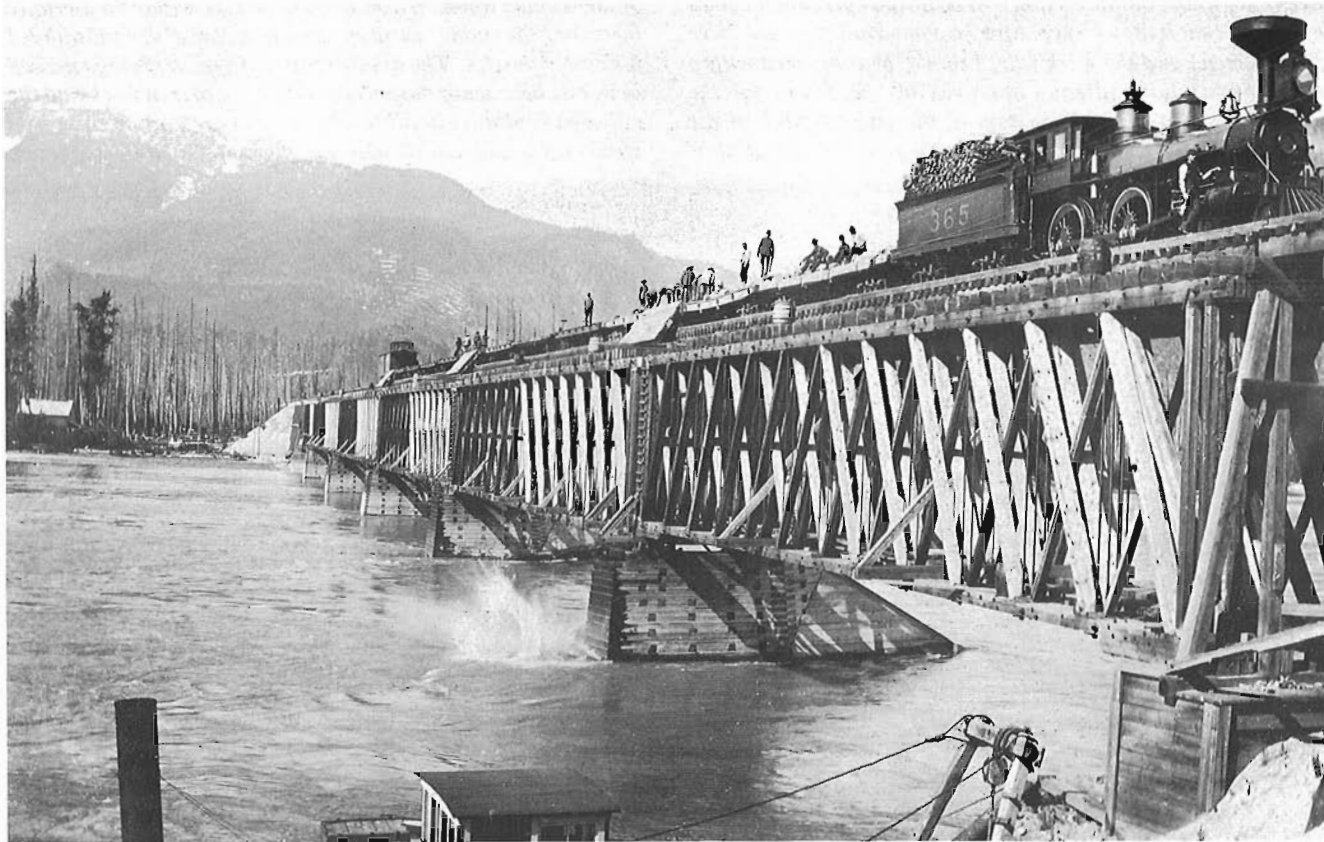
From Calgary to Donald, 183-1/2 miles, crossing the Rocky Mountains, the track is in first-class condition, but in some places in the Bow River Valley the embankments require rock protection against running water, and occasional slack places in the embankment require raising. In the Lower Kicking Horse canyon, where the roadway is exposed for sixteen miles to the action of an excessively rapid mountain stream, a large amount of rock facing has been done and more is required. About \$20,000 has been expended in this and in removing impending earth-slides in the same vicinity, and in

raising the track in the Lower Kicking Horse flats above high water level and probably an equal amount will have to be expended before the end of the year to make the roadway entirely secure.

In the original construction of the railway, it was thought possible to use pile bridges at the fourth, fifth and sixth crossings of the Bow River, at the three crossings of the Devil's Head Creek, and at the crossing of the Blueberry, instead of more expensive structures; but experience has shown that these will not answer at the places in question and that it will be necessary to replace them before the coming spring with truss bridges on piers. The necessary iron spans for the fourth crossing of the Bow have been on hand for several years and will be erected immediately, but it is proposed to use timber truss bridges at the other places named, for the same reasons as stated in connection with the truss bridges between Port Arthur and Winnipeg. These bridges embrace twelve spans aggregating in length 1652 feet and the outlay will be nearly \$65,000.

A slight movement having occurred in the so-called "mud-tunnel", in the Kicking Horse Valley, an expenditure of about \$9,000 has been incurred in building a line around it. This new line is built on a very sharp curve, but so little difficulty is found in working traffic over it that it may safely be used permanently in place of the tunnel, saving the large amount of money that would be required to make the tunnel secure.

With the exception of a suitable station building with refreshment rooms, etc., at Banff, in the National Park, this section of the line is sufficiently provided with buildings and appurtenances.



The second CPR bridge inspired much greater confidence concerning its capacity to handle heavily loaded trains. Locomotive #365 heads up the work train dropping rock at the base of the piers. Locomotive 365 was built in July 1886 by the Canadian Locomotive Company at Kingston, Ontario. Its career lasted more than 40 years as it was not taken off the roster until October 1926.

Photo Credit: Public Archives of Canada/PAC 25048.

From Donald to Revelstoke, 79-1/2 miles, crossing the Selkirk Mountains, the track is in good working order. The final ballasting is well advanced and will be completed very soon. A large amount of work has been done this season in reducing earth slopes on the mountain sides, and in moving the line out from such slopes as are likely to slide and which cannot be reduced to a proper angle without excessive cost. But the most important work in the Selkirks is the construction of sheds and other works for protecting the line against snowfall and avalanches. The sheds provided last year were found to answer their purpose admirably, but many of them were found to be too short, and during the month of March, when the heaviest avalanches came down, their portals were filled with snow, ice and debris. To guard against this, all of the sheds where difficulty occurred last winter are being extended and in a number of cases the original sheds are being connected by covering the intervening spaces. With few exceptions, cheaper works than those provided last year are found sufficient, being outside of the tracks of the heavy slides. Sheds are being provided at a number of new places where the experience of the past winter, which was exceptionally severe, indicated the need of them. All the timber in these works is of cedar and they will require little repair for many years. I am confident that the protection works now building, and which will be finished before winter, will effectually prevent any serious blockades. Succeeding winters may develop snow-slides at new points which may cause slight delays to trains, until protected, but all points where serious difficulties might occur will be fully covered by this season's work.

All necessary buildings and other facilities have been completed on this section, except at Revelstoke which is a divisional point and where an engine house, a number of sidings and the other usual works incident to such a point are being provided. Five or six cottages for employees must be built at this place immediately.

From Revelstoke to Sicamous Narrows, 44 miles, through Eagle Pass, in the Gold Range, ballasting, buildings, etc., are practically completed and aside from a small number of snow-sheds now building, a very little remains to be done.

From Sicamous Narrows to Savonas Ferry, 109-1/2 miles, the line is fully completed in every respect, with the exception of six or eight miles of ballasting and some widening and rock-facing of embankments for a short distance on Kamloops Lake, all of which will soon be done.

The line from Savonas Ferry to Port Moody, 213 miles, was turned over to the Company by the Government last year, in June, and was accepted under protest as in an unfinished and generally unsatisfactory condition. In order to keep it open and safe for traffic the Company has been obliged to expend a considerable amount — above \$80,000 — on this section, in removing rock and earth slides, in strengthening bridges, and, generally, in temporarily protecting the line. The rectification and completion of the work on this section has been provided for by an agreement with the Government, and all questions relating to it are to be determined by arbitration. It is expected that the amount expended by the Company in correcting defects and deficiencies up to this time will be recovered, and that provision will be made for all of the work necessary to be done on this section to bring it up to the requirements of the contract between the Government and the Company. The ballasting on this section is completed and the track itself has been put in very good condition.

The extension of the Company's line westward from Port Moody is now fully completed to Vancouver 12-1/2 miles. The Company's agreement with the Government of British Columbia required this line to be carried to a point on English Bay about two miles west of the present City of Vancouver. The rails have been laid on this section of two miles, but the ballasting remains to be done. A wharf 1,000 feet long has been built by the Company, on the Coal Harbour front of Vancouver and three large freight sheds have been built thereon. These docks to a considerable extent rest on timber piles and as these have already been attacked by the teredo, which works most rapidly on this part of the Pacific Coast, a considerable expense, probably \$25,000, will have to be incurred in the immediate future in the way of earth filling and rock-facing. Facilities for passenger and freight traffic, sufficient for present purposes, have been provided at Vancouver, and workshops for locomotive and car repairs are building. Considerable additions to the side track accommodations at Vancouver will have soon to be made to provide for the rapidly growing traffic at the point.

The New Westminster branch, 9 miles, is fully completed and in operation.

Of the main line of the railway generally, I may say that when the work now going on, as already described, is finished, which will be within ten weeks from this time, the line will be in excellent condition throughout, meeting every requirement of a first-class railway, capable of carrying a heavy traffic with the greatest economy, and equal to any need or emergency requiring an especially fast train service; and I feel quite safe in assuring the Board that no serious delays or interruptions of traffic are to be feared from snow or any other causes.

The equipment is in first rate condition, but at least twenty locomotives and three thousand freight cars should be added as soon as possible. The movement of bountiful grain crop just harvested in the North West will, during the next four months, tax the rolling stock of the Company to its utmost capacity, and will, I fear, compel us to decline elsewhere much traffic of importance. The extension of the Algoma branch to Sault Ste Marie will be completed about the end of next month, and the bridge across St. Mary's River and the two American lines extending thence to St. Paul, Minneapolis and Duluth are expected to be ready for traffic but a few weeks later. These new connections will bring within easy reach, an immense freight traffic already created, and will afford constant employment for a large number of cars.

Five or six sleeping cars should be added to the equipment in time for next summer's business; it will probably be necessary, also, to provide for additional grain storage at Fort William to the extent of 1,000,000 bushels, bringing the storage capacity at that point and Port Arthur up to 2,750,000 bushels.

I beg to call the attention of the Directors to the very unsatisfactory state of our steamship connections at the Pacific terminus. The service between Vancouver and Victoria is performed reasonably well, but the line to San Francisco is most inferior in character, is shunned by passengers, and is almost impracticable for freight. Our connection with Seattle, Tacoma, and other Puget Sound points is made by means of small local boats, not at all suited to the purpose. The Alaska trade, the passenger business especially, is increasing rapidly and is already of much importance to the Canadian Pacific Railway, but the steamships plying in that direction do not touch at Vancouver, and we are not able to compete for the

Appendix A

Canadian Pacific Railway Company Pacific Division Office of the General Superintendent

Port Moody, B.C.

W. C. Van Horne, Esq
Vice President,
Montreal

February 26, 1887

Dear Sir,

I wired you wednesday afternoon last that the track had reached Vancouver, and we are now at work ballasting from a pit about three miles from here, which we have fortunately discovered on the line. It is at a point on the Edmonds property where he wished the line thrown back, and it so happened that we were enabled to do so by making a deep cutting at that point, where we had previously ascertained to be ballast, and it comes in very convenient.

I understand from Mr. Cambie that he had some conversation with you about the extension of the wharf at Vancouver, and that your idea was to extend it at an angle . . .

I also propose to let the freight shed on the present wharf at once, and my idea is to put up a building 450 feet long by 80 feet wide, leaving a space at the front of the wharf of 20 feet, and placing the building close along the back line of the wharf, in order that cars can be loaded from it without a platform, . . . placing the doors at such a distance apart that they will be opposite the doors of the cars standing on the siding. The floor

business on anything like equal footing with rival lines. Notwithstanding its disadvantages in the way of steamship connections, the past year's experience has demonstrated clearly the ability of the Canadian Pacific to compete successfully with any and all of the other trans-continental lines for San Francisco and Puget Sound trade; and when the present meagre population of British Columbia is compared with that of the Pacific Coast States to the south of us, and within easy reach, the importance of suitable connections will at once be apparent. To provide such, two handsomely appointed and reasonably fast steamships would be acquired for the San Francisco trade, and two smaller but fast and well appointed vessels, for the Puget Sound and Alaska trade. We have already had sufficient experience in this business to justify the belief that three steamships would be more than self-sustaining, and the value of the traffic they would contribute to the railway would be great. It should be remembered that on account of the American Customs regulations and laws governing the coasting trade, American bottoms only could be used. It would be nearly as great folly, after building a railway across the continent, to stop short of providing the connections necessary to bring to it all the traffic within reasonable reach, as to fail to provide sufficient rolling stock. I am unable to furnish a close estimate of the cost of four suitable steamers, but from the best information at hand, I think the total cost would not be far from \$1,200,000. The steamers would have to be specially built as there are no American boats available which would answer the purpose.

(Sgd) W. C. VAN HORNE,
Vice-President



A meet between the PACIFIC EXPRESS and the ATLANTIC EXPRESS in Rogers Pass about 1890. The car in the siding is an open-window mountain observation car which had just been built when the photo was taken. It was now only four years since the transcontinental service had started, but the trains had lengthened considerably since the days of 1886.

Public Archives of Canada. Photo No. PA 25053.

of the freight shed to be the present floor of the wharf, with slides within the building, reaching from the floor up to the level of the car floor. I would propose to lower the track to bring the floors of the cars to the level of the wharf floor, were it not that it has to cross the road ways leading to the shore.

I consider it important that this work should all be put in hand at once, in order to have it ready for the opening of the spring traffic, and if you concur in this, and in the proposed plan, please let me hear from you by wire upon receipt of this.

In regard to the station buildings, I have thought since writing you before on this subject, that it might be a better plan for us to place our General Offices on the top of the bluff at the east corner of Cordova and Hastings Streets, which affords a magnificent situation for the building, and would not only be an ornament to the town, but would increase the value of the adjoining corners, which all belong to the Company at present. You will recollect that there are no streets registered between Cordova Street and the track, the ground only being laid out in lots in case we might want to sell them at some future time. If the offices were built at this point, all that would be required in the low corner next to the track would be a passenger station with accommodation for the Ticket Agent, Telegraph Operator, &c. . . It seems to me this would be a better arrangement than placing a handsome building in the confined space alongside the track.

As regards opening for traffic to Vancouver, I propose that we shall arrange to do so on the 1st of April and I propose to put up a temporary building for the accommodation of the passenger business, and to have the permanent freight building ready by that time.

In consequence of the destruction of the Yale shops, it is necessary for us to make temporary arrangements elsewhere, and I am now proposing to put up a building at Vancouver for this purpose, 35 feet wide by 250 feet long, which will be placed where it can be utilised hereafter for a shed for storing coaches. This will enable us to make a start with repairs at Vancouver, and will give us accommodation sufficient to enable us to make the necessary repairs during the time that the permanent buildings are being erected.

Yours truly,

H. Abbott
General superintendent

Appendix B

Fun At The Soo

Sault Ste Marie, Mich. Jan. 1, 1888 — The track layers from the Canadian Pacific and from the Soo short line met yesterday afternoon between the main spans of the International bridge and the draw at 4:20 o'clock. Both parties had engines headed toward each other, and both were bound to make the first crossing. The Canadian Pacific had almost gained American soil with engine 29 under direction of Roadmaster Stinson, with Engineer Elliott and Conductor McCarty in charge. The Soo people had engine No. 26, which is one of the largest and most powerful engines. The Soo people told the Canucks they could not cross first by any means, and unless they retired, the big Soo engine would advance upon them and crowd them back to Canada. It was evident the Soo people

meant business and the Canadians yielded. The Soo engine with the cars started across. Aboard were Division Engineer Cox, General Agent C. R. Crowley, of the Soo line, with a large and enthusiastic crowd of Sooiters. The train was under the direction of Conductor Lemy and Engineer A. M. Thompson presided at the throttle. The train pulled across at about four miles an hour and went tearing down into the Canadian Soo, under a full head of steam. The event is causing great rejoicing here, and dozens of people are out celebrating tonight in honour of the important event. Through freights will begin running at once. One hundred cars of Minneapolis flour are expected Tuesday [January 3rd] on the way to the seaboard. Things are progressing finely for the final celebration, January 18th.

[The first trains alluded to in the article ran afoul of a blizzard which halted their progress in Gladstone, Michigan. The trains did not reach the Soo until January 9th].

The Winnipeg Free Press, January 2, 1888.

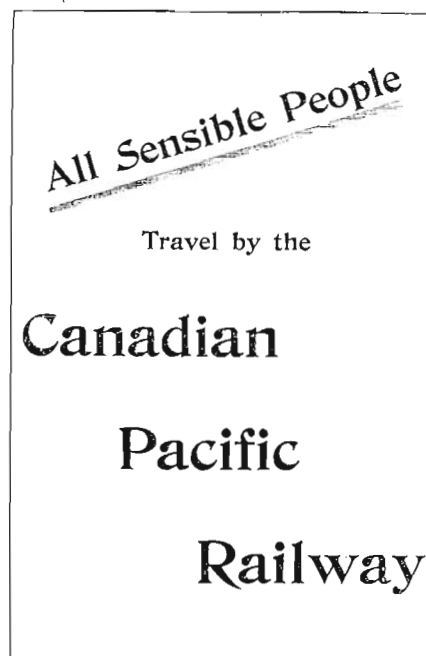
Appendix C

Canadian Pacific Railway Western Division Office of the General Superintendent

W. C. Van Horne, Esq
Vice President
Dear Sir:

At Regina, 2nd Nov. 1886

I find that a large number of through first class passengers in order to save the expense of sleeping car accommodation are using our first class coaches by turning down the seats and laying rugs and blankets on them, thereby getting a comfortable bed. Some of the members of Parliament (French Canadians)



who are travelling on passes carried even a light mattress which could be folded up in the day time.

I am at a loss to know whether to issue positive orders against passengers turning over the seats in first class coaches for the purpose of making a bed and give instructions to have the locks on the seats repaired so that they could not be turned over without being unlocked; a good many of these locks are now so poor that giving the seat a bit of a jar will free the lock. We are a new line and have certain difficulties to surmount before we can establish our route and on that account it might be policy to allow first class passengers to use the coaches in the manner described.

Yours truly,

W. Whyte
General Superintendent

Appendix D

The Work Of The C.P.R.

A few weeks ago, the first tea ship from Japan reached Vancouver and passed its freight over to the CPR for distribution. Other ships have since arrived, and it is announced that within sixty days four more vessels with 100,000 packages of tea and with rice and a general cargo will unload at the Vancouver wharves. It seems that certain New York firms import their tea by the CP route, in preference to the Suez canal route. Mr. Everett Frazar, a tea merchant, explains why this is. In the first place the Pacific route is shorter. In the second place tea by way of the canal cannot be distributed until it has reached New York; whereas along the CP portions of the consignment can be dropped off for customers. The CP route is preferable to the Northern Pacific route, among other reasons, because the terminus of the former is better. Early this season a tea ship had to lie off Tacoma, W. T., an entire day waiting for a tide high enough to float her into the harbour. Winnipeg, it is said, is to be the Western distributing point for tea by the Canadian route and Brockville the Eastern distributing point.

The CP is now reaching out for a share of the trade of the Pacific coast. It has established an agency in San Francisco, and a line of steamers is to be put on between that city and Vancouver. The other day the CPR carried 365 packages of canned and fresh fruit consigned from San Francisco to Winnipeg. The company is also operating on Puget Sound. The first through ticket from Seattle, W. T., to New York via the CPR was sold last week. Important mining districts have been opened up in British Columbia by the road. When the Kootenay railway, which is to be constructed within a year, is completed, still richer mines will be made operative. Cattle from the Kamloops grazing district are now shipped to the coast for consumption, and a train load of cattle a week has been brought from the mountains to Calgary, where sales have been made. Calgary, which now boasts a population of two thousand, is becoming a cattle distributing centre for the North-West. A gentleman writing from there says that in a short walk he counted two hundred houses in course of erection

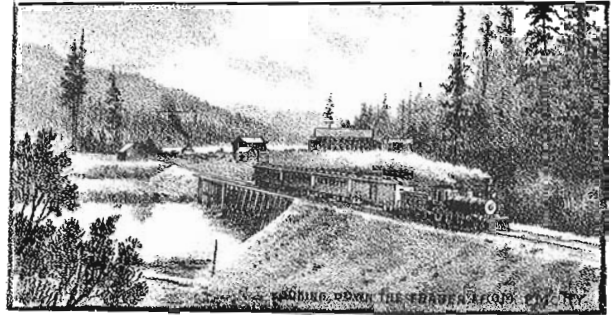
within the city. A trade in fresh salmon between British Columbia and the East is being opened. The company is putting on six refrigerator cars to carry the fish. Five thousand pounds of fresh salmon have already been despatched to Toronto, and 1,200 cases of canned salmon are mentioned as having been taken from one cannery alone for shipment East. British Columbia lumber is now being taken out in large quantities in places where it was formerly, for marketable purposes, valueless. While the Pacific coast is shipping largely to the East, the East is also shipping West. The town of Dartmouth, Nova Scotia, sends sugar to the foot of the Rockies, and it has forwarded forty carloads of Canadian-made rope and binding twine to Manitoba and the North-West. Formerly British Columbia imported Oregon flour exclusively. Manitoba is now becoming the source of supply. A week ago 20,000 pounds of butter were shipped from Winnipeg to Vancouver. Linseed oil was last year sent from England via San Francisco to British Columbia. Last week 2,441 gallons were ordered from Montreal to pass west by CP to the Pacific coast. Vancouver, the new Pacific city, has now, notwithstanding the fire, an assessed value of \$2,700,000 and buildings are going up in all directions.

Coming east we find that near Banff, where the National Park and the hot springs are, anthracite coal has been found; also that coal mining in the Bow River district is to be prosecuted more energetically than hitherto, and that there is to be a reduction of \$1.50 or \$2 on last year's prices. Besides the cattle raising business carried on the ranches, sheep farming is being entered upon. Last week four thousand merino grades were driven in from Montana. Stock yards are to be built at Winnipeg and a large cattle business, something after the character of that done by Chicago, is expected there. Already Western cattle have passed through from the prairies to England. Considerable progress has been made with the branch lines in Manitoba this year. Port Arthur has become a wheat port and is developing into a fine town. Sault Ste-Marie will next year be on a main line of railway running from Minneapolis to Montreal. One hundred miles of the Minneapolis, Sault Ste Marie and Atlantic road from Minneapolis east have been built and are in operation, and the branch from the CPR main line to the Sault is being rapidly pushed forward. In the Nipissing district the railway has opened a new lumbering region. Two million feet of timber have been taken out this year by the CPR. New settlements have also been opened in this district. Seventeen hundred families, for example, have settled between the Mattawa and Cartier depots. Elsewhere along the line of the railway colonization has progressed. East of Winnipeg French-Canadians from Quebec and New England have settled, and near the Turtle Mountains people from Labrador and the north shore of the Gulf have been located. Thriving settlements of Germans, Scandinavians and Hungarians have been planted on the Qu'Appelle River. The Calgary district has received a large influx, and as far west as Golden City on the Columbia River, the work of colonization is proceeding.

These disconnected items of information come from a summary of the news regarding the CP published in various

quarters during the last week or ten days. They seem to reply to some degree to the old objection that the railway would be a useless undertaking, and that it would never earn grease for its wheels, or repay the country the expense involved. It really looks from the record there given as if the road were doing something for the country and for itself as well.


The Toronto Mail
August 31, 1886



The Canadian Pacific Ry

BOSTON.
Quebec.
MONTREAL.
Ottawa.
Peterboro.
TORONTO.
Galt.
St. Thomas.
DETROIT.
CHICAGO.
St. Louis.
Kansas.
St. Paul &c.


MOST DIRECT ROUTE BETWEEN THE EAST AND WEST




W. C. VAN HORNE, Vice-President, Montreal.
W. WHYTE, General Superintendent. D. McNICOLL, General Passenger Agent.
HEAD OFFICES, MONTREAL, QUE.

RAND, McNALLY & Co., PRINTERS AND ENGRAVERS, CHICAGO.

CORRECTED TO NOV. 19, 1888.
FOLDER A.

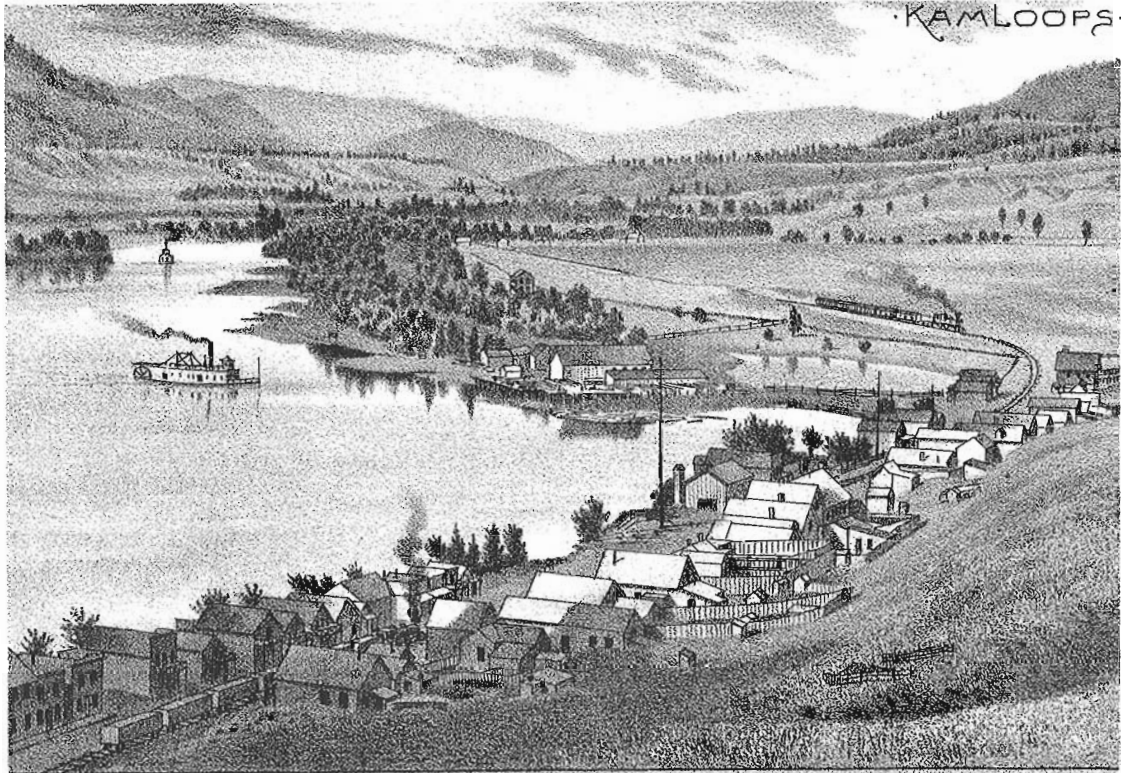




E. V. SKINNER
GEN'L EASTERN AGENT
337 BROADWAY, N.Y.

H. McMURTRIE
Dist. Freight & Pass. Agent
Cor. Third & Chestnut Streets
PHILADELPHIA, PA.

The changing orientation of Canadian Pacific's over-all aspect is clearly shown by these two timetables, little more than two-and-a-half years apart. In March 1886 it is shown as the "most direct route between east and west", while by November 1888 the lengthy shipping routes shown on the globe emphasized that it was becoming a world-wide system. The globe motif was used, with variations, on the timetables for many years, and foreshadowed the "Spans the World" insignia of later years as well as the proudly-proclaimed slogan "World's Greatest Travel System".



CANADIAN PACIFIC RAILWAY.

C.R.H.A. communications

RIDEAU VALLEY DIVISION



Please find enclosed a photo of our Canadian Pacific S-3, recently finished in CPR's grey and maroon livery.

6591 was built by Montreal Locomotive Works in June 1957 and was donated in June 1985.

Work continues on 6591. Since the photo was taken, the numberboards have been replaced with newly fabricated ones, and various small details on the paint job have been completed.

We are presently going over the wiring and instrumentation, and cleaning up under the hood in preparation for returning 6591 to service. Various 6-SL air brake components, new batteries, and various small parts are needed. 6591 was serviceable when retired, so no real difficulties are anticipated.

We would be interested in hearing from any members in our area who are diesel mechanics, air brake mechanics, railway or industrial electricians, or who are unskilled but would like to get their hands dirty bringing an old Alco back to life.

Many thanks for your continuing help in publicizing our efforts.

PACIFIC COAST DIVISION

IT WAS A BUSY SUMMER FOR PCD MEMBERS IN 1987. Following the hosting of the CRHA National Convention in May, work began again on restoration. The roof was repaired on the Fraser Mills station which opened again during the summer, thanks to a government grant to hire a student as museum guide. Restoration as well began on the Division's passenger car RESOLUTION ISLAND mentioned previously in « Communications ». The first job was to paint the exterior in the old CN colours.

The Division's newsletter « Sandhouse » has a new editorial staff consisting of John Picur as editor and Anna Mazur as assistant editor.

CALGARY & SOUTH WESTERN

The Great Cranbrook Caper (No. 6) was held during the Labour Day weekend. Activities included a visit to the Cranbrook roundhouse, a Vaudeville production of « Kootenay Hoot », a visit to the Fort Steele Historical Park Railway, dinner at the station Restaurant in Kimberely (ex-CP station) and a slide/film/talk night on the Sunday.

The Division has been providing assistance to the High River (ALTA) Historic Railway which has had some difficulties getting started. Besides moral support the C & SW has been providing technical assistance and advice.

Gary B. Bonder,
1849 Millwood Crescent,
Sudbury P3E 2S9

Telephone: 522-7708

TORONTO & YORK DIVISION

The T & Y Division has obtained a new location for its monthly meetings held at 8:00 p.m., the second Thursday of each month, except July and August. It is in the sixth floor auditorium of the Toronto Board of Education Building at 155 College Avenue, at the corner of McCaul Street (one block west of University Avenue). For visiting Association members, transportation to the new location is available by taking either the subway to Queen's Park station and walking west on College or by taking the Route 506 Carleton streetcar to McCaul St. On-street parking is also available.

The 1987 Model Show last March was a great success with paid attendance of 9,200. Planning has begun for the 1988 show on March 12 and 13, 1988. The location is at the International Centre, 6900 Airport Road in Mississauga.

Our thanks to Hollie Lowry, T & Y Secretary, for this information.

Richard Church has for sale over 2000 items of Railroad material most in MINT condition: Back issues of Canadian Rail, CN « Keeping Track », CP « Spanner », many British RR books and pamphlets, back issues of TRAINS magazine in publishers year volumes and in single issues, railroad maps, and more. For list of Canadian and British items only send return addressed and stamped envelope (U.S. stamp) OR fifty cents canadian. For 20 page complete list send one dollar canadian.

Richard L. Church
Southern Oaks 111
101 No. Grandview
Mount Dora, FL 32757

MR. JACQUES MESSIER WRITES

I have been pleased to learn in the Canadian Rail no. 398 May-June 1987, that a lot of interest occurred concerning the tragedy of the TITANIC as mentioned in previous articles such as mine.

I would like to mention that some other recent informations can be found concerning the TITANIC catastrophe in "La revue maritime ESCALE" May-June 1987 issue. There is in particular an article of M. Denis Pelletier and Armand Therrien entitled "Le premier S.O.S" which related the role of the radio operator of the TITANIC, M. John George (Jack) Phillips.

Furthermore, in the library topic, is mentioned a recent book of P. Masson entitled "TITANIC, le dossier du naufrage". Tallandier Ed. Paris, 1987, 299 pages, illustrated, 34.95\$. M. Masson is a teacher at the University of Paris, and is specialised in navigation history.

I supposed that this review is not available across the country, but maybe a letter to the Editor at 20 rue des Navigateurs, Québec, Que. G1K 8E4 may help to find a translation of the above mentioned article.

So thanks again for your friendships and attention. I hope these details may be published in Canadian Rail, if it may ever be useful to members.



Canada Transport Decisions

RAILWAY TRANSPORT COMMITTEE DECISIONS

APPLICATION DENIED

On June 29, 1987, CN's application to abandon 82 miles of the Taschereau Subdivision from La Sarre, Quebec to Cochrane, Ontario was turned down. CN's reported loss on the line for 1985 was almost \$400,000.

This trackage originally formed part of the main line of the National Transcontinental Railway line which stretched from Moncton, New Brunswick to Winnipeg, Manitoba. The line was opened to regular scheduled service in 1915. While no freight traffic has been handled for the last x years, the CTC ordered the retention as it is used by VIA Rail's tri-weekly passenger train between Montreal and Cochrane.

NEW LINE OPENED

Bucking current trends, CN received permission to open a new 3.2 mile line in Windsor, Ontario. The new line links the former Canada Southern line to the Essex Terminal Railway.

CN and CP acquired the Canada Southern from the Consolidated Rail Corporation in 1985. A major asset included in the sale was the rail tunnel under the Detroit River at Windsor. In order to access the tunnel, CN has diverted its freight trains from old main line between Windsor and Chatham. CN now operates between Chatham and Fargo on trackage rights over the CSX System and between Fargo and Windsor over Canada Southern trackage.

ELEVATOR CLOSES, RAIL LINE FOLLOWS

In August 1984, the RTC ordered the abandonment of the

Fife Lake Subdivision between Coronach and Big Beaver, Saskatchewan, a distance of 20.0 miles. While train service had ceased for several months, the RTC reversed its decision following the government's declaration of a moratorium on prairie rail line abandonments and revisions to grain rates which made the line more economic.

The Saskatchewan Wheat Pool decided to close down their elevator at Big Beaver due to its poor condition and the low volume of shipments at that point which made upgrading the elevator uneconomic. This was the only elevator on the this portion of the subdivision. This decision sealed the fate of the Subdivision. The RTC ordered the line abandoned for a second time on August 31, 1987.

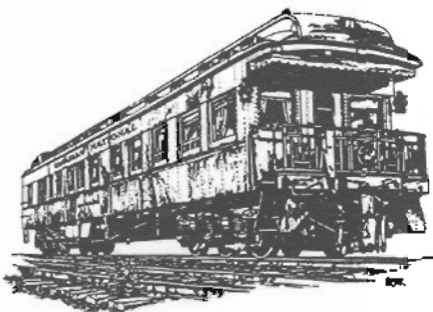
END OF THE LINE FOR CHICOUTIMI?

CN has applied to the RTC for permission to abandon the operation of the Lac St. Jean Subdivision from Ha Ha Bay Junction to Chicoutimi, a distance of 5.3 miles. In 1986 only 33 carloads were handled over this line. The trackage also sees VIA's tri-weekly passenger service from Montreal. VIA has indicated it will not oppose the application if suitable terminal facilities are provided in Jonquiere. The RTC solicited public comments on the application by August 24, 1987 to determine whether public hearings will be held.

STATION CLOSES

The CN application to remove the agent/operator and station building at Tillsonburg, Ontario was approved on June 22, 1987. The city be served from the CN Servocentre in Toronto.

The business car



At its annual banquet on May 2 1987, the Railway and Locomotive Historical Society presented its Senior Achievement award to Mr. Omer Lavallée, former corporate historian and archivist of Canadian Pacific, who retired last year. Mr. Lavallée had previously been made a director of the R. & L.H.S. succeeding Com. James Plomer who died on May 4 1986.

Long-time members of the C.R.H.A. will recall the tremendous contribution of time and effort made to the association by Mr. Lavallée over a twenty-year period starting in 1945. Serving in numerous roles such as long-time editor and co-founder of the C.R.H.A. news report (now Canadian Rail), chairman of the rolling stock committee, and even a term as president, Mr. Lavallée was one of those few dedicated members who brought the C.R.H.A. back from the verge of extinction in the period immediately following the dark days of World War II. After the Museum project got started in the early 1960's there was scarcely a weekend that Omer was not on hand directing and participating in the construction, as well as the restoration of equipment. The selection of what equipment to preserve was in great measure due to the knowledge of Mr. Lavallée, and the intervening years have proved that this selection was sound.

Other activities caused Omer Lavallée to relinquish his membership in the Association in 1967, since that date he has devoted his efforts to research and to the publishing of books, most of which are the recognized authority on their subject. Currently he writes a column on historical matters for C.P. Rail News, the publication for the employees of that company. Your editor knows of no person more suited for this prestigious award than Mr. Lavallée and offers congratulations and the hope of many more years of reading new works by this worthy historian.

NEW LIFE FOR NEWFOUNDLAND RAILWAY RELIC

THE CARBONAR HERITAGE SOCIETY HAS TAKEN over the CN station in their community following its designation as a Registered Heritage Structure. Constructed in 1918 by the Newfoundland Railway, the station hosted a tri-weekly mixed train until September 1984. The building will function as a base for the Heritage Society, a meeting space for community groups and an exhibition centre.

The Compass, July 8, 1987

BETTER TIMES IN CAPE BRETON

DEVCO AND CN HAVE REACHED AN AGREEMENT which will provide a substantial amount of new business over the CN main line across Cape Breton. During the next five years, 1.5 million tons of coal will be moved from Sydney to a new coal fired electric generating station at Point Tupper. As the electric plant at Point Tupper does not have facilities for rail unloading, these will have to be installed before rail movements can begin.

Cape Breton Post, July 12, 1987

As this is written a nationwide railway strike is just beginning in Canada. By coincidence it is just two days past the 37th anniversary of the day, August 22 1950, when Canadians were first treated to such an event. Much has happened in the intervening years including the further development of other means of transport to the point where today only 30% of Canada's freight goes by rail. However that 30% is vital and includes material that can scarcely be moved by other means, and so a prolonged strike would have a serious effect on Canada's economy.

Unfortunately since 1950 the attitude of the general public has tended more and more to take the railway for granted and to think of it as something old fashioned and out of date; a relic of the nineteenth century. This in spite of the huge advances in technology and innovations made by the railway systems which, in fact, make the whole organization of 1987 as different from that of 1950 as the latter was different from 1850.

It has been said that it is an ill wind that blows no good, and it is hoped that one result of this strike will be an increased awareness of the railway and the part it plays in the life of most Canadians. One often does not realize the importance of something until it is no longer there, and perhaps this interruption of rail service will cause the public to realize just how much the country depends on its railways and how important they are.

BACK COVER:

The PACIFIC EXPRESS, with perhaps extra cars for a special move, is assisted up the grade towards Rogers Pass about 1890. Here we see it crossing the original Stoney Creek bridge. The huge size of this all-wood structure is dramatically shown by comparison with the dimensions of the train!

Public Archives of Canada. Photo No. PA 25056.

Canadian Rail

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