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THE CANADIAN NATIONAL RAILWAYS

The history of the Canadian National Railways goes back 128 years, to 1836, when the first railway service in Canada was begun between Laprairie and St. John's, Quebec. The CN came into being because the vision of Canada's great railway pioneers of the nineteenth century and early twentieth century far exceeded the resources and traffic available to finance the great trans-continental systems that were being built.

When, with the outbreak of the 1914-1918 War, foreign sources of financing dried up, the great Western roads were just being completed. Bankruptcy threatened, and the Government, to prevent embarrassment to the country's financial institutions and its credit position abroad, took over ownership and operation of the railroads.

Birth of the CN

The Canadian National Railways, as it is called today, came into being in the autumn of 1922, its foundation being based on the recommendations of a Royal Commission that advised the Government as follows: "That the whole of the Dominion Railways be operated by the trustees as one united system, on a commercial basis, under its own politically undisturbed management, on account of and for the benefit of the people of Canada".

In that first year, the managing board of the new company had to face a loose agglomeration of five separate railroads, with 22,000 miles of track, built for competition, much of it overlapping. The task ahead was that of unifying and integrating this huge, unwieldy system, rebuilding the sagging morale of the thousands of employees inherited from the old systems, and acquiring prestige to match that of the long-solvent Canadian Pacific Railway.

Sir Henry Thornton, the man chosen to head the new company, was American by birth and British by adoption, with a phenomenal reputation for the successful, efficient operation of railroad systems. His personality dominated the first decade of the CNR's existence, and his confidence in the eventual success of the publicly-owned company proved to be justified.

In five years, Sir Henry's policies succeeded in vitalizing and integrating the system, giving it a reputation for efficient service and showing its capacity to produce a substantial net revenue. There were other noteworthy accomplishments in those days as well. CN pioneered radio broadcasting in Canada, and developed and operated the first diesel locomotive to be used in North America. It started a West Indies passenger service, built Jasper Park Lodge and other hotels and laid out the first plans for a Montreal terminal development.

The company survived, though only just, the financial and business crisis of the depression, but redeemed itself by its outstanding service during the Second World War. In 1944, operating revenues were three times those of the worst depression year. The formidable task of the CN had been accomplished in a country with the lowest freight rate per ton-mile in the world, except for Japan.