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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA, CANADA

Dept. of Foreign Affairs
Min. des Affaires étrangères
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No. 110

(Revised June 1967)

CANADIAN PACIFIC RAILWAY COMPANY

The Canadian Pacific Railway Company is the world's most nearly complete transportation system. More than just a railway, Canadian Pacific owns, operates and manages a large fleet of ships for service on the ocean and on coastal and inland waters, an international airline, a national hotel chain, a world-wide express service and a complete telecommunications network. With assets of over \$3 billion, this highly-diversified corporation is Canada's biggest private business enterprise.

History

The CPR was formed in 1880 to connect the province of British Columbia with Eastern Canada across the Rocky Mountains and the almost uninhabited Prairies. At this time the new country faced the threat of secession by British Columbia. Led by such men of vision as George Stephen (later Lord Mount Stephen, first CP president), Donald Smith (later Lord Strathcona) and Sir William Van Horne (then general manager and later chairman and president), the CPR acquired several sections of track laid in earlier days by government agencies and, after five years of arduous construction, completed Canada's first transcontinental rail-line.

The first train left Montreal for the B.C. settlement of Port Moody on June 28, 1886, just a little more than six months after the driving of the famed "last spike" at Craigellachie, B.C., on November 7, 1885.

As the railway forged westward over the plains and through the passes of the mountains, forecasts of disaster multiplied, for the train carried neither goods nor passengers through the sparsely-settled regions. Undaunted, the nation-builders made plans to create the traffic they needed.

In 1887 three ships were chartered to transport tea and silk from the Orient to Canada's West Coast, where they would become eastbound freight for the new transcontinental railway. These vessels were the forerunners of the great CP White Empress fleet. The hotels and tea-houses established in the wilderness to entice early travellers have since grown into a chain of year-round hotels and palatial summer resorts.

Settling the Great Plains

The Canadian Pacific brought settlers from Britain and Europe to people the thinly-tenanted plains. Irrigation schemes supervised by the Company made cultivation possible.

Telegraph services, first used for train dispatching, became available to Prairie homesteaders and, indeed, to Canada as a whole. Today, communication services, vastly augmented and improved, and including microwave, teletype, telex and teltex operations, are used for radio broadcasts, telephone communications and television transmission. As Canada has expanded, Canadian Pacific has added complementary services to its rail facilities, and these ancillary activities have been to Canada's advantage both in peace and in war.

Service in Wartime

During the two world wars, the CPR and its steamships transported troops and supplies. Company shops turned out shells, tanks, naval guns and engines. CP vessels saw service on all the seas of the world as troop transports, armed merchant cruisers and Admiralty supply and mother ships.

During the Second World War, Canadian Pacific operated the first efficient transatlantic bomber-ferry service, which was eventually taken over by the Royal Canadian Air Force. Canadian Pacific Airlines later operated flying-schools under the British Commonwealth Air-Training Plan.

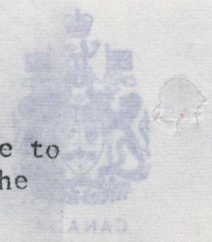
Rail Operations

Canadian Pacific is the largest investor-owned railway in the world, with 21,400 miles of track owned or controlled.

Dieselization began in 1943, and has played an important part in improving the efficiency of operations. Complete dieselization of passenger and freight operations has been effected throughout the system, including yard and terminal operations.

The introduction in 1955 of stainless-steel passenger units, including the popular scenic-dome cars, on the transcontinental run was a big step forward in the implementation of the Company's policy of providing fast, efficient, modern service to its patrons. The stainless-steel streamliner The Canadian crosses the country in slightly more than 70 hours, providing luxury service to its passengers.

Canadian Pacific freight-cars have been built to radically new designs. There are, for example, covered "hopper" cars of tank construction for dry bulk-cargoes, and tri-level automobile flatcars. The "new look" is further contributed to by the employment of three-way train radio and "intermodal" containers that can be transported by rail, truck or ship.



A \$13-million hump-retarder freight-yard, the first of its kind in Canada, was built in Montreal as a major step in the modernization of Canadian Pacific marshalling-yards. Automatic switching and braking enable the cars in a train to be sorted out swiftly and efficiently. A second such yard was subsequently built in the Toronto area.

Trucking Service

Canadian Pacific has experienced an increasing demand on its "piggyback" service, by means of which highway trailers are carried from city to city on flatcars. This service was begun for the purpose of hauling the Company's own trailers; in 1957 it was made available to licensed "for-hire" truck operators. The increasing importance of this type of traffic was recognized in 1957 by the creation of a separate piggyback department. In Western Canada, the Canadian Pacific Transport Company has been operating an integrated piggyback service since 1954.

Containers - a further refinement of the piggyback service - are finding growing acceptance, particularly standardized (or "intermodal") units. A prototype refrigerated container has been in use in the frozen-food trade between Canada and Britain.

In 1958, Canadian Pacific acquired a controlling interest in Smithsons Holdings Limited, owners of Smith Transport Limited, the largest trucking company in Canada, whose highway-transport operations and affiliations extend in Eastern Canada from Nova Scotia to Manitoba. In Western Canada, the CP Transport Co., a wholly-owned subsidiary of the CPR, has operated a highway-trucking service since 1947.

A new idea in transportation is Canadian Pacific's Merchandise Services. Started in 1959 on the West Coast, this service provides for the integrated handling, under one management, of less-than-carload freight, truck and express operations.

The first main Merchandise Services terminal, constructed in Vancouver, the Western terminus of the CP transcontinental railway line, went into operation in 1959. This specially-equipped structure, built at a cost of \$840,000, served as the model for other large terminals at Calgary and Edmonton, Alberta, and Regina, Saskatchewan.

Automatic teletype-recorder car-tracing systems have been installed to record the flow and improve the efficiency of freight-train movements over busy sections of the line.

The application by the CPR of integrated data-processing (IDP) is more extensive than that of any other railway in the world. IDP involves collecting information from widely-separate points and transmitting it to a central location where the large electronic processing-units are installed. Canadian Pacific's unit -- the IBM 705 -- began operating early in 1957. Since then, the IBM 705 Model I has been replaced by the 705 Model II and 705 Model III and, in September 1961, Canadian Pacific acquired the IBM 7080 electronic computer and related components.

The most powerful commercial computer in the world and the first of its kind outside the United States, the IBM 7080 gives Canadian Pacific the most advanced data-processing installation in the field of transportation. Not only are great benefits and economies being derived from the simpler processing of paper-work, but a vast amount of new information useful in managerial decision-making is available at speeds not hitherto possible.

Steamship Service

Canadian Pacific had its first Empress liners operating on the Pacific Ocean as early as 1892. When the Second World War broke out in 1939, Canadian Pacific provided the British Admiralty with 18 ocean-going steamers with a total gross tonnage of 324,738. Ten of these were lost in action.

Hitherto mainly a general-cargo and passenger-carrying line, Canadian Pacific is now moving, through a subsidiary (Canadian Pacific Bermuda Ltd.), into ocean-going bulk cargoes. Two 65,000-ton super-tankers were built in a Japanese shipyard and will go under charter to major oil companies. CP Bermuda Ltd. became operational in 1965, with the purchase and commissioning of a 13,000-ton bulk-carrier, the R.B. Angus, which will carry lead concentrates and forest products from Canada to Japan.

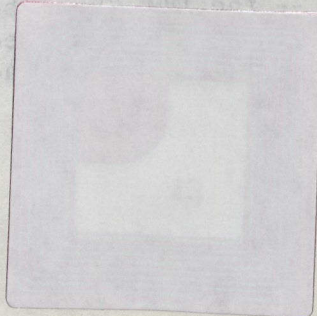
In 1957, in anticipation of the opening of the St. Lawrence Seaway, Canadian Pacific initiated a transatlantic-Great Lakes freight service and, by 1959, had four vessels under charter. During 1961 and 1962, CPS chartered six vessels for this service.

The B.C. steamship service of Canadian Pacific, which operates between Nanaimo, Vancouver Island, and Vancouver, also serves Victoria, Seattle and Skagway, Alaska. CP operates a cargo service on the Great Lakes and a ferry service on the Bay of Fundy, between Saint John, New Brunswick, and Digby, Nova Scotia.

Air Service

Canadian Pacific Airlines was formed in 1942 through the amalgamation of ten smaller Canadian airlines, which were experiencing operational difficulties owing to excessive competition and lack of capital.

The line now operates some 7,000 miles of domestic air-routes, including daily Vancouver-Winnipeg-Toronto-Montreal transcontinental flights established in 1959, and a north-south network serving Canada's rapidly awakening Northwest. Government authorization was recently granted for a limited extension of the transcontinental service. CPA operates about 50,000 miles of international routes. Super DC-8 jetliners connect Canada with Australia, New Zealand, Hawaii, Japan, Hong Kong, Mexico, Peru, Chile, Argentina, the Azores, Portugal, Italy, Spain and the Netherlands. Recently inaugurated services are: Toronto-Montreal-Amsterdam (October 1965); Toronto-Honolulu non-stop (November 1966); Vancouver-San Francisco (January 1967).



CPA has on order four Douglas Spacemasters (the elongated version of the DC-8 jet), which will accommodate 205 passengers. Their delivery is scheduled to start in September 1967. Also on order are six shorter-range 727-200 jets, mainly for use on the Vancouver-Whitehorse (Yukon) run. Long-range policy calls for the reserving of three U.S. supersonic airliners for delivery in the 1970s.

The corporation's rail, truck, ship and air services are fully integrated. International package freight moves freely between water and rail. Truck and rail operations are closely allied through the piggyback service and through Merchandising Services, and integration also exists between air-cargo and trucking.

Hotels and Resorts

Canadian Pacific operates a large chain of hotels and summer resorts across Canada. The Royal York in Toronto is the largest hotel in the Commonwealth. An air-conditioned 400-room addition completed in 1959 raised its capacity to 1,600 rooms and increased the outstanding convention facilities.

The Chateau Frontenac in Quebec City was the site of two wartime meetings between Prime Minister Churchill and President Roosevelt, and the hotel played host to King George VI and Queen Elizabeth during their Canadian tour in 1939 and to Princess Elizabeth and Prince Philip during their Canadian visit in 1951.

Other CP hotels are: the Algonquin, St. Andrews, New Brunswick; the Royal Alexandra, Winnipeg; the Saskatchewan, Regina; the Palliser, Calgary; Banff Springs and Chateau Lake Louise in the Rockies; and the Empress Hotel, Victoria, B.C., where a 100-room motor lodge was opened in 1961.

In 1966 and 1967, two new links were added to the chain: the Chateau Champlain in Montreal and the Chateau Lacombe in Edmonton.

Telecommunications Service

Canadian Pacific maintains its own telecommunications services. Telegraph lines were being built even while the railway was being pushed westward across the continent. Today, the Company possesses world-wide telecommunications connections. The growth of communications facilities has kept pace with the growth of the railway and of the nation, and the original telegraph service has been augmented by television, radio, teletype, telex, teltex and telephone. The system as it now exists comprises about 200,000 miles of facilities.

Early in 1962, construction started on a \$36-million general-communications microwave network between Montreal and Vancouver. The 3,000-mile network, jointly owned and operated by the telecommunications services of the Canadian Pacific and the Canadian National Railway, provides high-quality, high-capacity circuits for the use of Canadian business. New systems have come into use: telex, which combines teletype with the dialling feature of the telephone;

teltex, which enables a telex subscriber to send a message to a non-telex subscriber; telemetering, by means of which equipment can be monitored by remote control; and telebid and facsimile transmission (primarily wirephoto).

Express Service

World-wide transportation and financial services by land, sea and air are offered by the Canadian Pacific Express Company, both in Canada and abroad. This organization includes some 6,000 offices and has correspondents throughout the world.

Fuel Service

In January 1958, CP announced the formation of Canadian Pacific Oil and Gas Limited, with power to engage in exploration and development of oil, gas and other mineral resources. The new company possesses mineral rights over some 12.8 million acres in the Prairie Provinces; these rights cover oil and gas in most of this area.

Investment Services

In September 1962, Canadian Pacific announced the incorporation of Canadian Pacific Investments Limited, to bring its non-transportation investments under one subsidiary company. CPIL controls five major subsidiaries and holds investments in a large list of other businesses, including pulp and paper producers, pipelines, financial institutions and metals and mining concerns. The subsidiaries in question are Canadian Pacific Oil and Gas Limited, Marathon Realty Company Limited, Pacific Logging Company Limited, Canadian Pacific Hotels Limited and the Consolidated Mining and Smelting Company of Canada Limited.

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