DIRECTIONS

THE FINAL REPORT OF THE ROYAL COMMISSION ON NATIONAL PASSENGER TRANSPORTATION

Volume 3

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The opinions expressed in Volumes 3 and 4 are those of the authors of the individual studies and do not necessarily reflect the views of the Royal Commission.

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PREFACE

Volumes 3 and 4 present a selection of research studies prepared for the Royal Commission by its Research Division staff and by various authors under contract. Volume 3 includes: historical overviews and general surveys related to transportation objectives; studies on subsidies, pricing and competition; and a discussion of institutional issues. Volume 4 includes: applied analyses related to determining the cost of transportation; industry studies of the air, bus and rail modes; and studies on travel demand, taxation and technology.

The historical overviews comprise two studies. The first, by D.R. Owram, entitled "Icons and Albatrosses: Passenger Transportation as Policy and Symbol in Canada," examines the evolution of transportation in Canada, with particular emphasis on rail and roads. The second, by George W. Wilson, entitled "U.S. Intercity Passenger Transportation Policy, 1930–1991: An Interpretive Essay," provides a survey and a critique of U.S. transportation policy over the last 60 years.

Two of the general surveys, namely, that by Robin Boadway, entitled "The Role of Equity Considerations in the Provision and Pricing of Passenger Transportation Services," and that by David W. Slater, entitled "Transportation and Economic Development: A Survey of the Literature," discuss issues related to the inclusion of equity or economic development as objectives for a passenger transportation system.

The studies that discuss subsidies, pricing and competition issues include those by Trevor D. Heaver, entitled "Subsidies in Canadian Passenger Transportation"; David Gillen and Tae Hoon Oum, entitled "Transportation Infrastructure Policy: Pricing, Investment and Cost Recovery"; John Blakney, entitled "Competition Policy and Canadian Passenger Transportation"; and Keith Acheson and Don McFetridge, entitled "Controlling Market Power in Weakly Contestable Canadian Airline Markets." Federal-provincial institutional issues are discussed in two papers by Patrick J. Monahan, entitled "Constitutional Jurisdiction Over Transportation: Recent Developments and Proposals for Change" and "Transportation Obligations and the Canadian Constitution."

The applied analyses in Volume 4 include three studies on the cost of transportation. These are "Transportation Infrastructure Costs in Canada" by Ashish Lall; "Road Costs" by Fred P. Nix, Michel Boucher and Bruce Hutchinson; and "Environmental Damage from Transportation" by VHB Research & Consulting Inc. Of the industry studies, that by Steven A. Morrison, entitled "Deregulation and Competition in the Canadian Airline Industry," and that by Ron Hirshhorn, entitled "The Effects of U.S. Airline Deregulation: A Review of the Literature," relate to the air mode. The bus mode is addressed in "An Analysis of the Canadian Intercity Scheduled Bus Industry" by Richard Lake, L. Ross Jacobs and S. T. Byerley. The rail mode is addressed in the study by Charles Schwier and Richard Lake, entitled "VIA Rail Services: Economic Analysis," while airports are considered in "Airport Investment and Pricing Policies" by A. Cubukgil, S. Borins
and M. Hoen.

Volume 4 concludes with studies on three further topics. Travel demand is addressed in two studies. The paper by Eric J. Miller and Kai-Sheng Fan, entitled "Travel Demand Behaviour: Survey of Intercity Mode-Split Models in Canada and Elsewhere," is a general survey of demand modelling. It is complemented by Richard Laferrière's study, entitled "Price Elasticities of Intercity Passenger Travel Demand," which calculates various elasticities of travel demand from several models on comparable bases. The impact of taxes on the cost competitiveness of Canadian intercity passenger transportation carriers, both intermodally and with U.S. carriers, is addressed in "Differential Taxation of Canadian and U.S. Passenger Transportation" by Ken McKenzie, Jack Mintz and Kim Scharf. Finally, a discussion of general technology issues and of prospective technology relevant to Canadian intercity passenger transportation modes over the next 25 years is provided in "Notes on Intercity Passenger Transportation Technology" by Richard Lake.

The contribution of those who participated in the editing and translation of all of the four volumes of this report was acknowledged at the beginning of Volume 1. In addition, the Royal Commission staff was ably assisted in the editing of Volumes 3 and 4 by PMF Editorial Services Inc.

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ICONS AND ALBATROSSES: PASSENGER TRANSPORTATION AS POLICY AND SYMBOL IN CANADA

D.R. Owram*
February 1992

1. INTRODUCTION

This essay looks at the evolution of Canadian passenger transportation with a specific question in mind. Why is it that Canadians take such a proprietary, even affectionate, interest in issues of long-distance transportation, especially when railways are involved? Over the approximately one and a half centuries of Canadian history in which we have had a reasonably systematic system of passenger transportation, there have been massive changes in the technology and economics of transportation and accordingly in the way in which the public travels. Various periods have seen the dominance of differing forms of transportation. In the pre-railway era, water travel was by far the most efficient and comfortable. Beginning in mid-century, railways provided a fast, competitive means of travel by land and soon dominated both passenger transportation and land-based freight. In the 20th century, the arrival of cars made travel more feasible on roads, which until then had been a secondary means of travel. As this new technology was perfected and increasing amounts of money were spent on the road system, the car initially provided competition for and then largely displaced the train as a

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means of passenger travel. Air travel, which arose most recently, further displaced rail travel, especially on those longer distance runs where cars had not yet captured the market.

Water, railways, roads and air all form important segments of Canadian passenger transportation. Of them all it is the railway that seems to possess the greatest symbolic significance. It rose in the mid-19th century as the new technology of the industrial revolution and soon towered over other forms of transport. Just over a century later it began to lose its central position, especially in the area of passenger transport. The number of passengers peaked in 1944, and thereafter an erratic but irreversible decline began. By the early 1970s railway travel was becoming increasingly unfamiliar to the average Canadian. Yet, despite all the changes, railways had an enduring, even mythic, hold upon Canadians.

People in many nations show a special affection for and interest in their public transportation systems, particularly railways. Canadians seem more fervent than most. From the time that railroads first appeared in North America until the present generation, books, films, songs and poetry have glorified the railway and its place in Canada's destiny. Indeed, when Gordon Lightfoot recorded "The Railway Trilogy" in 1962, he may have made Canada one of the few countries in the world to have a popular musical hit that glorified railway construction. That this was so is testimony to the way in which railways have become a part of popular culture in this country. A Grade 7 textbook of the 1950s reasonably asked the question, "Have you ever crossed Canada by railway?" Even if you had not, the imagery portrayed in the book would likely have been familiar. There was talk of the "kindly porter," "the snug upper berth," and the scenic ride through the "famous spiral tunnels." The passage concluded with the statement that "the road of steel has tied our provinces together."[1]

To explore why such imagery has been so important to the national culture is a complex undertaking. This study attempts to understand our national concerns about passenger transportation by tying together three aspects of its development. First, we will look at the evolution of transportation systems and their importance in Canadian history. Second, we will pay special attention to government policy toward both transportation generally and passenger transportation specifically. Finally, we will discuss how people perceive the various modes of passenger transportation and their roles in Canadian society. Obviously, the three themes are intimately connected.

A great deal has been written on Canadian transportation. This is hardly surprising, for transportation is technology overcoming the tyranny of geography. This being the case, the very geography of Canada has determined the central role of transportation in the Canadian psyche. Geography, it has been argued, has always been central to the Canadian sense of identity.[2] Canada is the second largest nation in the world, and yet it has a small and scattered population. Thus, both the diversity of Canadian geography and the sheer magnitude of it have been inescapable throughout history. A vast nation with a small population means that transportation networks are going to be expensive relative to likely traffic. Yet the very distance involved in the geography of Canada makes efficient transportation all the more necessary.

This unfavourable distance/population ratio has resulted in three of the constants of Canadian transportation history. First, transportation—especially long-distance transportation—has been a more important issue in Canadian politics and economics than in many other countries. It is usually one of the items near the top of the public agenda.

Second, the distance/population ratio has led to a paradox that has confronted politicians, the public and businesses throughout history. In numerous instances a particular transportation project has been considered essential for the community or region involved. Yet, all too often, the small population and large distance meant that there was little or no likelihood of the finished work generating sufficient revenue to be economically worthwhile to any investor. The only way to bridge the gap was for government or governments to make the investment in the name not of profit, but of social welfare (real or perceived). As long ago as 1917 economist D. A. MacGibbon summed it up when he said, "Transportation policy has not been viewed merely from the standpoint of commercial and economic convenience. In the final outcome these national ideas have dictated the course of development."[3]

Third, as will be discussed later, transportation in Canada has come to be seen more than in most countries as central to the very existence of the nation. Although both Canada and the United States used the railway to tie together east and west, the links in Canada are more crucial and more vulnerable. Canada, with a smaller population, has always felt a strong pull toward the larger economy to the south. Given the sharp geographic division between the regions of Canada as well as the artificial nature of much of the Canada-United States border, an effective east-west transportation

system has from colonial times been thought crucial to Canada's continued independence. The alternative and geographically natural series of north-south interconnections seems to point to Canadian fragmentation and continental integration.

Geography, then, has created particular difficulties for the development of an efficient Canadian transportation system. This is well known, but equally important is how that difficulty has affected the public attitude. To put it briefly, subsidy has been a necessary part of Canadian transportation from the time mass transportation began. The Canadian public, therefore, is understandably conditioned to look upon transportation not as a series of profit-loss decisions by entrepreneurs but as a public good. That public good argument, moreover, has so far focussed more on trains than on air-planes or cars. This is likely because railways have been central to Canadian nation-building and because it is railway passenger travel that is currently threatened. This mood could, however, also apply to other means of trans-portation if they too seem both vital and threatened.

A great deal has been written about transportation in Canada, but relatively little on the history of passenger transportation. There has been no general study on passenger transport. Nor have those studying specific areas given this topic a great deal of attention. Instead, the emphasis has been on the construction of infrastructure or the movement of goods. Passengers do appear in studies, but there is little sustained description or analysis. There are exceptions to this rule. The emphasis on freight occasionally shifts during points of competition or crisis in the passenger area. Also, post-war developments of a large-scale air industry, which is more passenger depen-dent than railways, has tended to focus more attention on passengers. Still, that industry has had relatively few scholarly histories, and the passenger area, though important, remains thinly covered.

Part of this neglect results from the overwhelming attention paid to freight issues. Carriers were interested in the revenue passengers could generate, but the major decisions on construction, route, canalization or whatever were made with an eye to traffic in general, without any specific emphasis on passengers. For this reason it is difficult historically to distinguish between passenger and non-passenger issues. Very often they are part and parcel of the same concern. Even after works were completed the emphasis was often on freight. Only in the second half of the 20th century has passenger

traffic become a significant political issue. In contrast, controversies over freight rates go back much farther and, as the history of the Crow rates indicates, have been politicized for a very long time.[4] Only by the 20th century were there consistently distinct corporate policies toward passenger and freight services.

2. The Era Before Railways: to 1850

Three characteristics mark the pre-industrial era in Canadian transportation. First, features of terrain and climate governed transport, for neither the technology nor the capital existed to significantly alter natural conditions. Second, because of this, transportation by water was much speedier and economical than that by land. By far the greatest movement of passengers and freight was along the natural water routes of North America. Third, toward the end of this first phase, the more advanced technologies of Europe began to have an effect on the transportation infrastructure of British North America. Steam power and the modification of the waterways by dredging and canals both improved the transport system and hinted at the more extensive applications of technology that were to become practical in the near future.

The Europeans who came to settle in North America were challenged by the vast and unknown landscape. Dense forests, ranges of hills and low mountains, seasonal freeze-ups and spring thaws all slowed travel. In the first centuries after their arrival Europeans did not have the population, the capital or, for the most part, the technology to significantly alter that landscape. As with the natives with whom they worked and competed, the Europeans had to operate within the North American environment. Fortunately, as any map of Eastern Canada indicates, the early colonists also found the landscape a useful ally: the strings of lakes and rivers provided an unparalleled access to the interior of the continent. The waterways thus became the highways of the colonial era. For more than two centuries the transport of both people and goods largely followed the rivers.

In contrast, travel on land was difficult and slow. Even at their best, roads in pre-Confederation Canada were inferior to waterways as a means of moving people or goods. Also, practically all the roads of this era were seasonal. Good winter and summer travel was possible, but spring-break-up

or the transitional fall frosts and thaws quickly rendered roads impassable. These facts shaped road policy. Because land transportation was so difficult in the forested eastern part of North America, settlement clustered around water and looked to water as a means of transportation. There was, for example, no road outside of Quebec City until the 1670s, more than half a century after settlement. Not until the 18th century was there really a system of roads or a structure of government to develop them.[5] Even then they remained feeder systems for the most part, directing people and goods to the more efficient waterways.

Thus European settlements grew along the waterways, and European travel, as with native travel, followed those watercourses wherever possible. New France, whose settlers explored and developed trade far beyond the confines of the St. Lawrence Valley, has been characterized as a river empire.[6] By the 18th century this empire reached west to the Prairies and south to the mouth of the Mississippi. This land was not transformed or conquered, and certainly no large-scale transport system was imposed upon it. Instead, the French operated through alliances with powerful tribes, and their travel in the region was on a small scale and conformed, as always, to the waterways. The Europeans had no technology suitable for such wilderness travel, and thus they adopted the natives' lightweight birchbark canoe. The great advantage of this was that it could be hauled over the numerous portages without great difficulty.[7]

By the 18th century European transportation technology had been introduced, at least in the more settled regions of the St. Lawrence. Flat-bottomed bateaux and local schooners operated between Quebec City and Montreal. Later, after the British conquest of 1763, the Durham boat (a keeled boat) joined the bateaux and schooners. These technologies extended westward to Lake Ontario by the late 18th century as the Loyalists and other immigrants began to settle the region that, in 1791, became Upper Canada.

Within this framework of small craft and a thinly populated continent, passenger transportation was a non-specialized and largely makeshift activity. A barge owner heading upriver or along Lake Ontario would sell space on his unsheltered barge for either freight or people as demand might have it. A crude tent might be erected, used by both owner and passengers, and food would be supplied as a part of the fare. None of this was fixed, however, and there were no formalized agencies or companies

engaged specifically in the movement of passengers until around the turn of the 19th century. Government, for its part, had few regulations and no investment as such in the provision of passenger transport. Moreover, even this rudimentary form of travel was limited in two ways. First, it was seasonal. When the river froze (as it did for four months of the year), those who wished to travel had to use sleighs (where they could get through the woods) or snowshoes. Needless to say, long-distance travel in winter was undertaken only under the most urgent circumstances. Second, even under ideal conditions, water transport was slow, especially against the current.

In the first years of the 19th century, passenger transportation began to change. For one thing, the growing population of Lower Canada and the rapid development of the frontier colony of Upper Canada increased demand for organized travel. Entrepreneurs saw that responding to this demand was potentially profitable. Moreover, the harnessing of steam, which was such an essential part of the industrial revolution then occurring in Great Britain, soon affected North American transportation.

In 1807 Robert Fulton demonstrated the practicality of steam power by successfully taking his ship, the *Clermont*, upriver from New York to Albany. Within two years a British North American launched the *Accommodation*. This initial craft was small and not really able to handle the currents of the St. Lawrence. A more powerful craft followed within a couple of years, however, and by the 1820s steamships were common on the St. Lawrence and Lake Ontario. By the 1830s they could also be seen on lakes Erie and Huron. Though steam engines were not yet perfected, these ships provided a degree of freedom from the current and the weather: they could work against the wind. Also, in terms of travel time, they brought points closer together. It was possible by the 1820s to travel from Montreal to Quebec City in about 24 hours. By 1835 a trip from Kingston to Toronto took about the same time, at least under good conditions.

Steamships not only improved the technology of passenger transport but also were of a scale that encouraged some specialization. These ships were not the small craft of just a few decades before, picking up a few passengers as demand warranted. The largest steamships could transport up to 900 people,[8] and travel on this scale had to be scheduled to let customers know of sailings. By the 1830s formalized passenger transport existed

between Quebec City and Niagara, with (more or less) regular schedules, fixed fares, sometimes different classes of accommodation and (more or less) comfort.

As both trade and passenger transport became formalized and larger scale, government became increasingly involved, passing various regulations to ensure the safety of steamship passengers. Moreover, contracts to carry the Royal Mail could provide extremely important subsidies to steamship owners seeking to establish a profitable system along the St. Lawrence-Great Lakes system. The government also became involved in another way, one that established a precedent for future activities. Before long, those operating the ships and those travelling or trading along the St. Lawrence began to look to government for help in developing the infrastructure of the transportation system.

The St. Lawrence system was a superb natural highway into the interior of the continent, compared with any available elsewhere along the eastern seaboard. It was far from uninterrupted, however. Montreal and Lake Ontario were separated by a series of rapids. From the time that Jacques Cartier had been prevented from continuing his quest for China by the first of these (hence La Chine or Lachine rapids), travellers had had to make a series of time-consuming portages. Farther inland, at the escarpment separating lakes Ontario and Erie, was the spectacular break of the Niagara Rapids and Falls. Rapids on the alternative route into the interior, the Ottawa River, made travel difficult in that direction.

These rapids were an inconvenience, but for the light canoes and small-scale trade and transport common before the late 18th century they were tolerable. Portaging was simply part of the cost of travelling and trading in the interior. By the 19th century, however, the introduction of larger craft made the obstacles more costly. Moreover, the interior was no longer merely a sparsely populated hinterland. Upper Canada was growing quickly. From a practically unpopulated region in 1780 it grew within two generations to be the largest of the British colonies in North America. Already, by the end of the war of 1812, there were approximately 100,000 people there, and by 1830 that figure would more than double. Demand for cheap and efficient passenger and freight traffic was growing apace.

The result was a clamour for canal construction. The detailed history of this first great transportation enterprise has been told elsewhere, and only the

most basic details need to be repeated here.[9] The effort began shortly after the war of 1812, with two separate ventures. One was in Lower Canada, where a group of businessmen decided to construct a barge canal around Lachine Rapids. The other was in Upper Canada, where local businessman William Hamilton Merritt planned the Welland Canal between lakes Ontario and Erie. Both were constructed, though neither their quality nor size was very satisfactory in the early years. Then, in the 1820s the British government provided assistance to the Canadas by constructing the Rideau Canal, linking the Ottawa River to Lake Ontario. By the 1830s it was thus possible, with the right type of vessel, to travel without portaging from Montreal to Lake Erie. The canals were often shallow, with as little as a five-foot (1.5 m) draft, and the route via the Rideau Canal was circuitous.[10] In fact, for practically all freight and for most passengers, transshipment was still the norm. The small craft suitable for the canals were not suitable for the open waters of Lake Ontario.

In 1840 the two Canadas were united, and with improved fiscal capacity as well as a loan guarantee from Great Britain, they made a major effort to canalize the remaining rapids between Montreal and Lake Ontario and to deepen and improve the Welland and Lachine canals. By 1848 there was uninterrupted navigation to a depth of nine feet (2.7 m) from the ocean to Windsor. This, in combination with the refinement of steam-powered vessels that had taken place by the 19th century, revolutionized passenger travel. The passenger who could afford the fare was now able to travel in comfort by water to all of the major centres of Canada West (as Upper Canada had become in 1840). Moreover, the time of travel had been cut, though more important was the relative cheapness of moving heavy freight.

The canal era was a significant one in colonial Canadian history and was one of the key events marking the transition from a pioneer to a settled economy in central Canada. What is especially important for this study, however, is that the construction revealed two important and related paradoxes. First, the cost of canal construction demonstrated the already mentioned paradox brought on by Canadian geography. As a land of vast distances, Canada very much required an efficient transportation system. Yet the very distances involved and the small population made it extremely difficult for businessmen to undertake such works successfully. Though investors, businessmen and government officials might believe that transportation works were crucial, the necessary funds were still difficult to come by.

Local capital was scarce, and international capital was hard to attract for the very sensible reason that many of the works, however necessary, were unlikely to pay the cost of construction.[11]

This was the case with the Welland and Lachine canals. The Welland Canal Company and the Lachine Canal Company, both chartered as private companies, quickly found that they could not raise sufficient funds to do the job. As early as 1819 the Lachine Canal, which had already been subsidized by both the colonial and the imperial government, was taken over by the government of Lower Canada. In Upper Canada the Welland Canal went through a more tortured process of acquisition, but the final result was the same. As early as 1824, wrote the historian of that canal, the "Welland Canal Company was already degenerating into a privately controlled institution for the disbursement of public funds."[12] The disbursements continued, but in a precedent that would echo through other financial crises the government also began to assume more and more control. By the later 1830s it was the largest shareholder, and by 1841 it had assumed direct control of the work.

By the time of the union of the Canadas in 1841, the government owned and operated the canal system. It was built, but not because it was seen as a paying proposition. Indeed, the construction and operation of the canals were always money-losing propositions for the government. Rather, the system was built because the benefits to the population were thought to make the works necessary. This raises the second paradox. The governments were only a little more able to afford the transportation systems than private enterprise. The canal systems imposed a severe fiscal strain on the Province of Canada. Before the union the Welland Canal had nearly bankrupted Upper Canada. The fiscal strain imposed by expensive transportation projects was not confined to the colonial era. As discussed below, it continued well into the 20th century, and echoes of it linger still.

There are many reasons why government allowed itself to become so deeply entangled financially. First, as various studies have shown, the dominant political groupings of the colonies were commercially oriented. They all saw growth as the key to the colonies' future and often, not incidentally, to their own.[13] Second, given this assumption, government was trapped by the same paradox that affected society as a whole. If the work was essential, how could it be abandoned? Third, this problem had an extra dimension

at the government level. The canal system had always been promoted as an endeavour that was both progressive and patriotic. This was the way in which Canada could compete with the United States for the traffic of the mid-west. To fail to complete the system could jeopardize not only the national prosperity but also the national existence.[14] It was an argument that was to appear many times in the future.

The burden of canals had nearly bankrupted the governments of colonial British North America. Then, just as the canals were finished and as the government undertook the ongoing cost of operating and improving them, a new and vastly more expensive transportation technology made its appearance.

3. Land Travel During the Great Railway Era: 1849–1920

There was no parallel on land to the significant improvements wrought before 1850 along the waterways of British North America. Yet land travel was a necessity. Settlers needed access to their farms and had to carry their goods to market. For those on the fringes of civilization, access to decent roads was critical, from both an economic and a social viewpoint. Bad roads were ongoing matters of complaint in the pre-Confederation period. As early as 1799, grievances in Upper Canada were focussed on the state of roads. As one official document concluded, "The present wretched state of the means of communication between the several parts of the Province" almost paralyzed commercial and government activities much of the year. The government, it was urged, should take immediate steps "to remedy so serious an evil."[15] The evil was not so readily overcome however. In 1819 a campaign of complaint against government focussed on the inadequacy of land communication.[16] The 1837 rebellions in Upper Canada were in many ways a back-settlement rebellion against the dominating forces on the lake-front, including rebellion against the indifference of the colonial elites toward the road system.

By the 1840s the mood of rebellion had faded, but the farmers' sense of grievance remained. The elaborate canal plans of that decade brought a protest from those who warned that only a few miles inland farmers "lived in a country without practicable roads at a distance from society and civilization." There, because of the lack of effort and direction by government,

"they found themselves shut up in the gloomy prison of the eternal forest, excluded from the means of education for their families, from the consolation of public worship, from the blessings of civilized society. But they could not escape."[17] Such imagery rang most true to those inland settlers who, in the 1840s, were pushing north toward Lake Simcoe or westward from London. Even for those in more settled areas, in Nova Scotia and Canada East as well as on the frontier of Canada West, the rhetoric was far from foreign. There were exceptions, but roads in British North America generally remained primitive even a decade or so before Confederation.

Aside from the obvious fact that roads were not very good, however, it is difficult to discern any clear stages in road policy or development before 1850. For one thing, the records of the pre-Confederation road system are sparse and imprecise. This is partly because the road is a much more amorphous concept than, say, is a railway. A railroad either exists or it does not. The same cannot be said for roads. In the years before the car, the trail, suitable only for people on foot and perhaps in existence long before European settlement, became a more defined route passable at least part of the year by horseback. Portions of the route then might be widened and improved to allow carts and wagons and ultimately be surfaced with one of the available technologies of the era. Bridges would replace fords. In all of these considerable changes, however, it is impossible to say for sure whether a new road was created. Yet this is exactly the progression followed by many of the land-transportation routes in the pre-Confederation era. The story of land travel from early New France through to the eve of the railway is one of gradual improvement rather than of any great technological breakthrough such as occurred with the railway or of any vast government effort as was the case with the canal system. Roads evolved as the poor cousins in the transportation system as needs demanded and resources allowed.

Both the limitations of government and the marginal position of roads dictated how road construction and finance were handled in the colonial era. Roads were treated as a local matter. At the extreme this placed the responsibility for the maintenance of a road on the family whose property it fronted. Generally, however, local governments were responsible for roads. Those local governments could and occasionally did use taxation to support the road system, but the general practice was to employ statutory labour. First in New France and then in colonial British North America, legislation

required citizens to work for so many days a year on the roads of their locality. Those who did not have the inclination to do so could commute their statutory labour by means of a payment to the local government.

Contemporary and historical sources unanimously agree that the statutory system presented serious problems. First, the level of maintenance and construction on roads depended on the enthusiasm, skill and willingness of the individual settler or, when organized into crews, the competence of the pathmaster and his amateur crew. Second, the effort made depended on the ability of local officials to bring out the population to undertake the work. It was also difficult to ensure that absentee landlords did anything at all along their property frontage. Thus, the quality of an individual road varied considerably from property to property, much less from county to county.[18]

There were always exceptions to the rule that roads were considered local matters. As far back as the 1720s the government of New France had designated certain key routes "chemins royaux" and had used colonial funds to construct and improve them. They had ditches and were 24 feet (7.3m) wide, compared with the 18-foot (5.5m) local, usually undrained, road. Likewise, in the British colonies, the colonial governments got involved in developing what were considered the most important roads. Governor Simcoe of Upper Canada used military funds for work on Yonge Street and the Dundas Road. In Nova Scotia the early 19th century government provided assistance for the main road system, which ran outward from Halifax to settlements like Antigonish, Yarmouth and Shelburne.[19] There were also the "turnpike trusts." These were roads built and maintained by private corporations in return for the tolls received. The main government roads and the toll roads were more likely to be maintained sufficiently to allow wagon as well as horseback traffic, to have bridges over at least the deeper streams, and to be drained in such a way that they could be kept open for a greater period of the year. They were still seasonal and relatively primitive even decades after settlement began in the region.

By the 1830s or 1840s the passenger setting out on a journey between two relatively major centres could hope to travel a road passable for horse and, optimistically, for wagon. The road itself would have been cleared of trees and brush to a width of 16 to 24 feet (4.9 to 7.3m), though shortage of funds or indifferent statutory labour meant the brush continually encroached upon the road and, along with fallen trees and branches, provided recurring

obstructions. With very few exceptions, the surface of the road was earth and, of course, highly susceptible to weather conditions. Heavy rain, spring breakup and similar events could quickly render even the best roads in British North America impassable.

Even when the ground was passable, the traveller faced problems. First, there were many low-lying, swampy areas that even a minor rain would turn into a quagmire. In these areas the technology most favoured by road builders was the so-called corduroy road. This consisted of logs (sometimes halved but usually not) laid across the road. Corduroy roads provided support for horse and wagon and prevented vehicles from becoming stuck. The rough surface also slowed traffic and was notoriously uncomfortable. Corduroy roads were necessary and common. They solved the problem of mud but only reinforced the image of land travel as slow and uncomfortable.

Superior technologies were also available. The plank road, which had sawn planks rather than logs, provided a smooth, fast ride by wagon. It was used in parts of the lumber-rich areas of New Brunswick and the Canadas. Even at its peak in the 1840s, it constituted a small percentage of road mileage, however, and required continual maintenance. Unless properly repaired, a plank road would within a few years become impassable because of the rotting and breaking of the surface.

Best of all the technologies was macadamization. The macadamized road consisted of a base of large rocks, progressively smaller rocks above and then gravel on top. In use in Great Britain by 1815, the technology crossed the Atlantic to British North America by the 1830s. It became increasingly common through the next couple of decades, especially with toll-road companies that sought to advertise their superior product. The reality was somewhat different from the rhetoric. True macadamizing was very rare in pre-Confederation British North America. With the exception of a few turnpike trusts near Montreal, the great majority of macadamized roads were really only gravelled. The firm base was never installed because it was too expensive. As a result, the so-called macadamized roads in Canada had neither the durability nor smoothness of the properly macadamized road.[20] Even primitive Canadian macadamization was a luxury, however, reserved for the major roads near urban centres or along certain turnpike trusts. The travellers of the 1850s, for example, might journey out of town on a gravel surface, but within a few miles they were likely to find only bare earth, with corduroy used in low-lying sections.

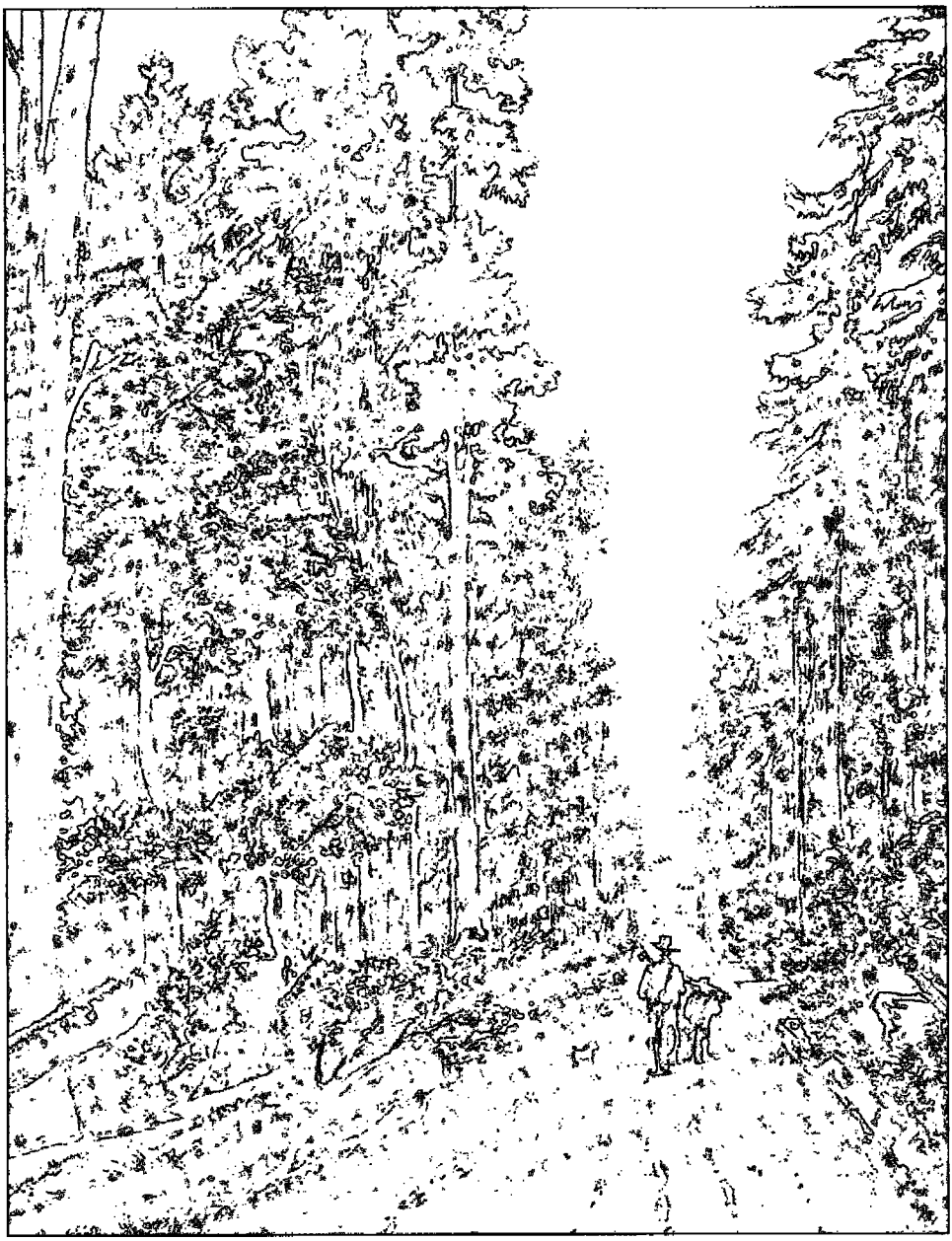
Rivers and streams also provided serious obstacles. Bridges were expensive to build, and colonial authorities avoided construction if at all possible. Travellers usually had to ford streams. Larger bodies of water also prevented easy travel. Often roads went miles off line to a suitable ford. Where bridges had been built, spring floods or severe storms often washed them away. Not until local and provincial public works became more organized around mid-century was substantial improvement made in this area.

The long-distance traveller on even the best roads could not expect an uninterrupted, dry, passable road surface over a long journey. If at all possible, travellers sought alternative ways to reach their destination. The lack of road traffic only discouraged further investment or effort. The roads simply could not compete. Typical was the York (Toronto) to Kingston Road shown in Figure 1. Pushed through in the years after 1815, the road was the major connection for the two largest settlements in the colony. Yet it was impassable for several months each year, required numerous fords, and was always threatened by the encroaching forest. Even at the time of the union it was in part a mere horse trail through the forest, poorly maintained and of marginal importance to all but local travellers.

Despite the obstacles, formalized systems of passenger transportation did develop. By the mid-18th century, stagecoach lines had been established in New France. There was also stagecoach service from Halifax to Windsor in Nova Scotia in the 18th century.[21] By the early 19th century there were regular coach services in the two Canadas and Nova Scotia and New Brunswick. Companies were chartered by the relevant legislature and in return for guarantees of service were often given the contract to move the mail. By the 1830s there was a well-developed stagecoach system running between established settlements. The Montreal–Quebec City run, for example, took place two to three days a week and could be done — under ideal conditions—in two days. But then each day involved 16 hours of bone-jarring travel![22] Less frequent were feeder services running from small inland pioneer settlements to urban centres.

An early 19th century guidebook was pitiless in its denunciation of the stagecoach system, arguing that the roads are "poor" and "the surface rough, the bridges wretched, and the attendance at the inns defective. . . ."[23] For a stage to average five miles per hour (8 km/h) over any distance was to do well. It is hardly surprising that the stagecoach system had little enthusiastic

Figure 1
THE ROAD FROM YORK (1830)



Source: National Archives of Canada, Negative No. 12632 (reproduced in Edwin Guillet, ***The Story of Canadian Roads*** [Toronto: University of Toronto Press, 1966], p. 38). Artist: James Cockburn (1778–1847).

support. It did have advantages at certain times of year, but it was seasonally restricted by the condition of the roads. Once away from the lake or river, therefore, Canada's transportation system was slow, uncomfortable and dependent upon the weather.

In all these ways, improvement over the last 200 years had been marginal. It is against this background that the tremendous revolution brought by the railway has to be viewed.

The first locomotive with sufficient power to justify commercial use was George Stephenson's British locomotive, the *Rocket*, which covered 70 miles at an average speed of 15 miles per hour (24 km/h) in 1829. Unremarkable though such speeds might be even a few years later, they were revolutionary at the time. This 70-mile trip was accomplished at the highest rate of sustained speed that man had ever experienced, and almost immediately railway lines were appearing in Great Britain and elsewhere. It was perhaps this sensation of speed and power that so quickly captured the public imagination. Images of power and speed were especially appropriate to the mood of the Victorian era. As many studies have shown, the possibilities raised by the industrial revolution, the effective enfranchisement of the middle class by the Reform Bill of 1832, and other measures convinced societies of the Western world that progress was the natural destiny of humanity. For the British subject, unsurprisingly, the centre of that world's progress was at home.[24] The proof of the progress was, for all its problems, the industrial revolution. Technology, combined with the entrepreneurial instinct, had brought material improvement, moral uplift and the spread of political liberty. And there was no more potent symbol of the power and might of industrialism than the railway. The steam locomotive became a symbol for the accomplishments of the age.

Canadians fully accepted the symbolism of the railway and, of course, feared what would happen if they were left behind. Thus, despite the horrendous costs involved and the small population of the colonies, various enthusiastic newspaper articles appeared from the 1830s onward extolling the wonders of the railway and asserting the need for immediate construction. It was in 1849, however, that the classic Victorian image of the railway was published. In that year well-known Canadian engineer Thomas Keefer published a tract with the pretentious yet appropriate title, *The Philosophy of Railroads*. The pamphlet was widely distributed, going through three editions in English and one more in French within four years.

For Keefer, the steel and steam technology of railways was an almost mystical means to free Canadians from the tyranny of nature. It is no accident that he begins his tract with a reference to the seasons: "Old Winter is once more upon us, and our inland seas are 'dreary and inhospitable wastes' to the merchant and to the traveller. . . ." The energetic activities of the colonizer and trader had been shut down. "The animation of business is suspended, the life blood of commerce is curdled and stagnant in the St. Lawrence." It did not have to be that way, for the Americans, always a powerful point of comparison, remained unaffected by winter. "Far away to the South is heard the daily scream of the steam-whistle — but from Canada there is no escape: blockaded and imprisoned by Ice and Apathy."[25]

This contrast between progress and backwardness, between action and imprisonment, continues throughout Keefer's pamphlet. For though there are facts and figures, pragmatic arguments and suggestions, the tract is above all a morality tale. Indeed, Keefer's work is quintessentially Victorian in its linking of material and moral progress. In the centre is the hypothetical village of "Sleepy Hollow." With the arrival of the railway a spirit is engendered in the village that "is not confined to dress or equipage, but is rapidly extended to agriculture, roads, and instructive societies, and finally exerts its most powerful influence where it is most needed — in the improved character it gives to the exercise of the franchise." For where the railway went, enlightenment followed. "Poverty, indifference, the bigotry or jealousy of religious denominations, local dissensions or political demagogueism may stifle or neutralize the influence of the best intended efforts of an educational system; but that invisible power which has waged successful war with the material elements, will assuredly overcome the prejudices of mental weakness or the designs of mental tyrants" [26] The railway had gone from being an instrument of transport to a general agent for material improvement to, ultimately, the major civilizing force of the modern age.

Keefer's rhetoric may have been more inspired than most, but it both fit the age and reflected the dozens and then hundreds of pamphlets, monographs and newspaper articles that came out in the first phase of railway development in Canada.[27] Moreover, for all the hyperbole and propaganda, it is true that railways had a tremendous impact on the life of the average person. They transformed metropolitan-hinterland relationships, made inland transport cheap and rapid, freed travellers for the first time from the tyranny of weather, and quickly became the largest industrial concern in British North

America.[28] All of this reinforced the Victorian predilection to see railways as a metaphor for the progress of their society. Sudden bankruptcies, crooked schemes and the tremendous influence of railway barons on politics did not seriously affect this belief. For whatever the faults of the individual, the railway represented progress, and, it must also be remembered, the Victorian's notion of progress was a seamless web in which material and moral improvement were seen to be linked.

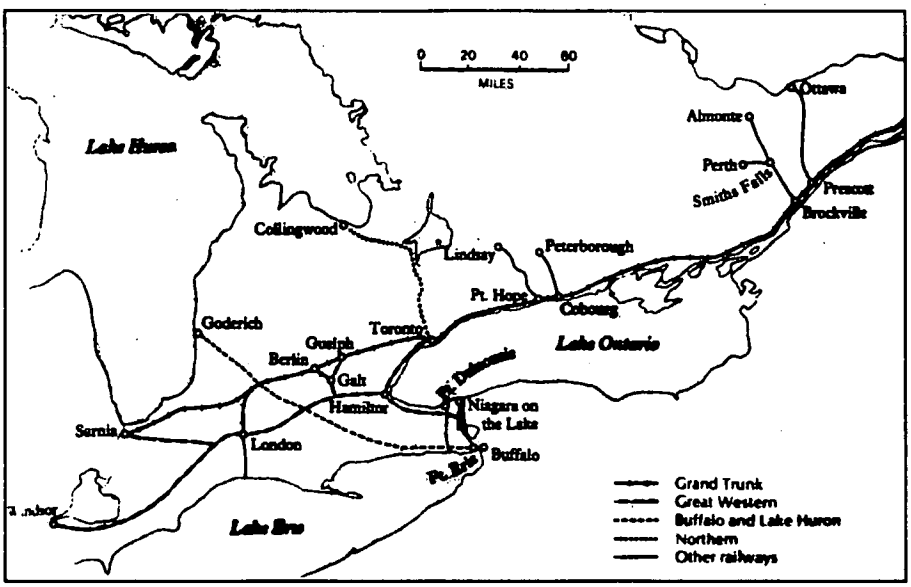
Keefer's pamphlet came at an appropriate time. The year it was published saw the beginning of the first serious railway construction in Canada. In 1849 there was only 66 miles (106 km) of railway in all of British North America. Eight years later there would be 1,800 miles (2,900 km). Millions of dollars (mostly British funds) would be invested (the Grand Trunk line alone cost $67 million), and by the time it was all over many lines found themselves overextended and in debt. Receiverships followed close upon completion of construction.[29]

As with canals, details of the first phase of railway construction and finance are well described in many works and need not be recounted here.[30] Basically, two types of railway were developed in this first period. One type was a feeder line, either to American lines or, more commonly, to water. Nova Scotia linked inland communities and the three coastlines by rail. In Canada West, railways like the Canadian Northern tapped the growing hinterland from Toronto to Aurora, Newmarket and ultimately Collingwood. The other type of railway was more ambitious. It was a trunk line designed not to feed the lakes but to provide a land-transportation axis from east to west. Both the Great Western and, most important of all, the Grand Trunk were this type. The latter, running from Sarnia to Montreal and then Quebec City, became the industrial giant of the age and a major force in the commerce and politics of Canada until World War I. By 1860 British North America had some 2,000 miles (3,000 km) of railways, most, as Figure 2 indicates, located in Canada West.

The relevant governments played a vital role in the evolution of these railways — in the negative decisions it made as well as the positive. Moreover, the decisions made during this first construction boom created precedents for government policy that lasted much longer than many of the railways then built. First, the Government of Canada determined that railways should *not* be directly built and operated by it. Likewise, the Government did not

assume responsibility for such support systems as railway stations like it did for harbours or, much later, airports. In all of this, the lessons of the canal era were crucial. Canals had led to tremendous financial strain, and their costs were nothing compared with the huge outlays needed for railways. At the same time, the Government was under the same pressure to develop railways as it had been earlier to develop canals. The railway, as Keefer's pamphlet argued, was crucial to the whole destiny of this young colony. Thus the Government sought to steer between the two extremes.

Figure 2
Rail Lines in Canada West, 1860



Source: **R. Cole Harris and John Warkentin, *Canada before Confederation: A Study in Historical Geography* (Toronto: Oxford University Press, 1974), p. 155.**

Its strategy was to use indirect and occasionally direct subsidies. The single most important means was provided by the *Railway Loan Guarantee Act* of 1849. As the title implies, this Act allowed the railways to obtain guarantees on bond issues from the Government under certain conditions.[31] Such a guarantee removed much of the risk to the investor and made it feasible for entrepreneurs to tap the large capital markets of Great Britain. The *Municipal Loan Act* of 1852 allowed cities and towns to draw upon provincial credit guarantees if they wished to support railway projects in their area.[32]

In theory these acts provided a means of support for railway construction, at least under ideal conditions, without actually costing the taxpayers a penny. Not surprisingly, it wasn't that tidy. Railways borrowed heavily, and municipalities proved especially prone to railway fever. They had to, for the place of their community in the future hierarchy of trade and power depended on the railway. Many railways came crashing down, required reorganization or defaulted on their bonds. The Government had to step in on several occasions to rescue the railway or the overloaded municipality. By 1857 the first phase of railway construction was over, and for the next decade governments, companies and British bondholders sought to recover from the spree. All of this was reasonably predictable. Hundreds of millions of dollars had been spent in a region with a very small population and capital market. Still, the railways were in place, and this revolutionized Canadian transportation.

The railway affected the structure of industry in the colonies and the metropolitan-hinterland relationships, while the actual construction provided a major impetus to capital formation in the colonies. Those cities, like Toronto, that were the terminal points of major railways were the greatest benefactors. Extended hinterlands, new industries and the presence of considerable financial empires distinguished these cities from smaller pretenders and did much to establish the pattern of urban relationships that are still familiar today. For people as well as commerce the railways revolutionized life. For the first time it was possible to move as comfortably and rapidly on land as it had been on water. The farmer or merchant living inland in Galt or Barrie or elsewhere now had easy access to local towns or the larger cities. The hold of the seasons upon travel was considerably weakened and, with the improvement of snowploughs over the next decade or so, effectively broken. Year-round travel was now possible for the first time. In that sense Thomas Keefer's opening sentences about the hold of winter were entirely appropriate.

THE PROJECTS OF CONFEDERATION: THE RISE OF THE RAILWAY AS NATIONAL SYMBOL

Both railways and canals had been seen by governments in the colonial era as developmental necessities worthy of support. The projects had often had pro-British (that is, anti-American) overtones as well. It was at the time of Confederation, however, that transportation issues became linked closely to

nationalism. Confederation was accomplished in a mid-Victorian era, when faith in the industrial revolution and technological progress was high. One of the major impetuses behind Confederation was also physical expansion by the Province of Canada, which wished to "extend eastward to a port not in American hands and westward to new areas of trade and settlement."[33] The new Dominion was thus soon faced by the problem of continent-wide distances that only the railway seemed able to resolve.

The Province of Canada was not alone in seeking railway arrangements as a part of Confederation. In the Maritimes, early railway projects had brought the colonies near bankruptcy. The failure in the early 1860s of a projected railway link between Halifax and Quebec City had also left a feeling of bitterness, for the "Upper Canadians" were widely blamed for its collapse.[34] Those who supported expansion into the vast Prairie region realized that only the railway would make meaningful connection to the rest of Canada possible. Still farther west, British Columbia's entry into Confederation in 1871 made sense only if there was to be a transcontinental railway. Great Britain, having experienced the difficulties of moving troops overland during an Anglo-American war scare in 1861, was also supportive, especially of the Intercolonial Railway project.[35] Railways thus became linked with the very process of nation building. The Intercolonial Railway was actually written into the Constitution, the *British North America Act, 1867* (s. 145), making Canada perhaps the only nation in the world with a railway as part of its fundamental law. Once the precedent was established it was tempting to continue to invoke it. British Columbia's entry into Confederation was rewarded with a promise of a rail link to the Pacific; Prince Edward Island's, with a federal takeover of the bankrupt Prince Edward Island Railway.[36]

The close connection between the political act of Confederation and the economic policy of railway development had important consequences. First, the imperative of national development led the Government to make exceptions to its policy of avoiding direct construction and ownership of the railway. The Intercolonial had to be built, but as one of Canada's senior engineers warned, "it offers no material for a flattering prospectus; we could not invite it to the attention of European capitalists as presenting an eligible investment for their surplus funds. But for the establishing of those intimate social and commercial relations indispensable to political unity . . . the railway is a necessity."[37] There was thus no choice for the Government but to build it itself.

Dependence on the Government brought problems. For example, the choice of route — the so-called northern route — saw purely commercial considerations downplayed in favour of military and political ones. Also, there were fears of patronage (for good reason, given the times), and a cumbersome, three-layered authority was set up: the chief engineer of the Department of Public Works, the Government and appointed commissioners. Finally, once the taxpayer's money was involved, decisions on quality of construction became political topics and led to a great deal of wrangling back and forth.[38] Not all the problems were resolved satisfactorily, but by 1876 the first through train ran from Halifax to Quebec City.

The second implication of this national project was that having been built it could not easily be abandoned when it proved costly to operate. The Government had hoped to get rid of it by sale or lease to a private operator such as the Grand Trunk. The Intercolonial was no more attractive to operate than to build, however, and it became a Government railway line, operating at a loss from the day it was opened. Before long the Government also acquired another railway, along with a province. Prince Edward Island had resisted Confederation but had not been able to resist railway fever. By the early 1870s the Prince Edward Island Railway had brought the small colony to the edge of bankruptcy, and Canada moved quickly to offer to bail them out: it would assume the inefficient and badly built railway in return for that colony's entry into the Dominion. By 1873 the deal was completed, and the Department of Public Works found itself in charge of yet another railway. It too operated at a loss.

The Government's involvements in these Maritimes railways were patently political bargains. Many people in the Maritimes since then, therefore, have seen adequate service for passengers and reasonable freight rates as not just another regulatory decision but a part of the basic constitutional package of Confederation. In the 1920s the powerful Maritimes Rights Movement sprang up to protest apparent federal indifference to a region undergoing economic decline. Much of the rhetoric and anger of this movement, as we will see, were focussed on Government management of the Intercolonial.[39] Likewise, during the more recent controversies over VIA Rail service, Maritimers pointedly argued that the Intercolonial was a part of the Confederation pact.[40]

The scope and cost of the Maritime railways were nothing compared with the greatest railway project to come out of Confederation: the transcontinental Canadian Pacific Railway (CPR). The story of the construction of the CPR has been told on numerous occasions. Suffice it to say here that after some failed organizational attempts in the early 1870s, there was desultory and half-hearted construction, accompanied by energetic surveying in western Canada in the late 1870s. Then in 1881 the Government enticed the famous "Syndicate," headed by James Hill, George Stephen and Donald Smith, to undertake the work in return for suitable incentives. Remarkably, that work was completed by November 1885. Unlike the eastern railways discussed above, the Canadian Pacific soon became profitable and astounded its creditors by quickly repaying outstanding loans. It rapidly became the most important corporation in Canada and one of the major railways of the world.

Government policy toward the CPR was based on traditional forms; that is, the Government avoided ownership and gave subsidies instead. Some direct Government construction was undertaken in the 1870s by the Liberal administration of Alexander Mackenzie, but the major portion of the line was constructed on principles derived from earlier railway ventures in Canada and from the United States. Specifically, the Government offered the investors three types of subsidy. The first, borrowed from the Americans, was a land grant — the famous 25 million acres. The second was cash, initially $25 million. The third was a series of privileges accorded the CPR: the remission of duty for construction materials, the promise of monopoly between the main line and the border for 20 years, and other lesser provisions. As construction went on and the company ran into financial difficulty, additional support was given.

There has been much debate over the years, and especially recently, about whether all of these subsidies were needed.[41] It is unlikely the question can ever be answered conclusively, but from the point of view of this study that is less relevant than the simple fact of subsidy. For the subsidies created an ambivalence in the relationship of the CPR with the Government that persisted thereafter. On the one hand, the CPR is not a purely private work. The CPR is often seen by the Government and the public as having a particular public service role, resulting from the support it was given at the beginning. On the other hand, as the CPR has pointed out at various times, it is a private company. Once it completed construction, it repaid Government loans and

operated on a self-sufficient basis thereafter. As a CPR publication of the 1940s put it, these government supports should be seen as "payments for service rendered" rather than as subsidies at all.[42] From this perspective the CPR has a primary duty to its shareholders to uphold its profitability and therefore to operate freight or passenger services as commercial needs dictate and not as an agent of social or political policy.

The most important aspect of the CPR, however, is the standing it has assumed in the Canadian psyche. No other railway, and perhaps no other commercial project in Canadian history, has assumed such an important place in the public consciousness. The CPR has become a legend and a symbol in both scholarly and popular history, and the nature of that legend says much about the values Canadians attach to their railway system.

The CPR was controversial from the very beginning. The early attempts to create a viable private company collapsed amidst the Pacific scandal of 1873. Along the way it brought down the government of John A. Macdonald. Then, when the Syndicate was formed in 1881, there was a great deal of controversy over both the principle of vesting such massive power in one group and some aspects of the subsidies, especially the notorious monopoly clause.[43] From potential investors came the warning that the railway could look forward to a "long and dreary season of unprofitableness."[44] The controversy only intensified when the railway was completed. Almost immediately Manitoba attempted to subvert the monopoly clause of the charter, and farmers' groups were protesting the high-handed attitudes of the railway before the 1880s were out. Resentment against the power and policy of the CPR flared regularly across the West. Freight rates, grain-elevator policy and the need for branch lines made the CPR a much-loved object of hate through Western Canada. Indeed, many of the agrarian organizations and reforms that came about over the years owed much to a common hatred of the CPR.

Even more powerful than this distrust of the corporation was a national enthusiasm for the railway itself. Titles like *The Romance of the Canadian Pacific Railway, Steel of Empire, Canada's Great Highway* and, best known of them all, *The National Dream* reflect something of the romance and glory attached to the railway over the years. Even in the West the predominant writing on the railway has tended to distinguish between the corporate rulers, eastern and callous, and the railway itself — a vital lifeline on which westerners worked, travelled and depended for trade.

Part of the image of the railway has much to do with the sheer ambition of the project. As the advertising copy for the 1949 movie "Canadian Pacific" dramatized it, this was "The story of a railway that couldn't be built . . . but was."[45] This romantic image of the CPR began with contemporary accounts of the adventure and hardships involved in its construction. The treks through uncharted wilderness, the bogs of northern Ontario, the hardship and even the deaths all became a part of the glamour of the project itself. Equally, early travellers over the line — often before the line itself was complete — related details of the hard work, the danger and the adventure that surrounded the project.[46] The CPR, still desperate for money and respectability, did everything it could to encourage such writing. The travel of the prestigious British Association for the Advancement of Science over the line in 1885, for example, led to good publicity.[47] So too did the transportation of troops west to suppress the Riel rebellion in the spring of that year.

As time went on, the romance of construction was reinforced by a sense of nostalgia and the important fact that the dubious venture of the railway had in fact succeeded. As the Canadian Pacific survived and then prospered, repaid loans and made profits, the earlier uncertainty disappeared. The very decision to act became as romantic as the action itself. "It was in itself an act of splendid audacity for a people of less than four millions in number to start on the task of throwing a railway across an immense and almost uninhabited continent to the shores of the Western sea," wrote one enthusiast in the 1920s.[48] The actual construction, for its part, became a part of the great Canadian epic of taming the wilderness. When engineer Sandford Fleming witnessed the laying of the last spike he linked it to the earlier generations of fur traders, "the Mackenzies, Frasers, Finlaysons, Thompsons, M'Leods, MacGillivrays, Stuarts, MacTavishes, and M'Loughlins, who in a past generation had penetrated the surrounding mountains."[49] Time has not eroded the tradition, and many others since have emphasized the last spike as part of the exploits of men who conquered the wilderness. The official government plaque commemorating the last spike concludes, "A nebulous dream was a reality: an iron ribbon crossed Canada from sea to sea. . . . Here on November 7, 1885, a plain spike welded East to West."[50]

There is yet another strand to the legend of the CPR. Victorian popular beliefs held that the individual could make a real difference through the application of hard work and will. The myth of the CPR was a celebration of both the Protestant work ethic and the industrial revolution.[51] People like

Stephen, Hill and Van Horne were naturals for such a role. Daring to venture where others feared to go, they made themselves the most powerful businessmen in the land. They were the "captains of industry" who had carried through such an audacious act, who had triumphed over the doubters and the sceptics. They were the "men of vision" to undertake the task, to do it well and to complete it.[52] In their lives and characters they became archetypes, symbols of the values and morals of an age. William Van Horne was not just an exemplary railway builder but a paragon of hard work and morality. During the Chicago fire, it was recorded, he had risked life and limb to remove material from his company's offices. Then, black with soot, he returned home only to continue his heroic endeavours: "Reassuring himself of the well-being of his wife and her infant, he set to work very quietly and industriously to strip his home of everything, and more than everything, that could be spared." Bedding and clothing were then sent to "the shivering refugees from the South Side who were camped in the park."[53] In the more jaded world of the late 20th century the men of the Syndicate have stood up much better than most Victorian heroes. Their courage and competence seem to distinguish them from other old idols who were shoved aside as new sensibilities emerged.[54] Even in their less desirable attitudes the men of the Syndicate were romantic figures, "larger-than-life characters, who ruled with the kind of iron-fisted autocracy that may never again be possible."[55]

The adventure, the romance, the embodiment of hard work and even vision have all been assigned to the Canadian Pacific or its builders over the years. All of these characteristics are, however, merely embellishments upon the main symbolism of the railway — nationalism. As a CPR publication immodestly concluded in 1946, "All down the years Canada and the Canadian Pacific have marched ahead together. Indeed, to the world at large, the two have become synonymous."[56] Self-serving though such a company statement might be, it is also a reasonable claim. For in both the scholarly and the popular portrayal of the CPR, nationalism has loomed large. This nationalist image, moreover, has survived to the present and may explain much of the uneasiness about the decline of the most visible of all railway activities, passenger service.

The national connection is, of course, based upon historical fact. At the time, both the Government and the CPR recognized that annexation and settlement of the North West was impossible without a railway. Equally important, however, was the evolution of a particular geopolitical analysis

of the nature of Canada. This viewpoint reinforced the premises behind the Canadian Pacific and became central to later popular as well as scholarly interpretations. This geographical aspect was summed up in its starkest form by the late 19th century intellectual Goldwin Smith. Canada, he said, was really "four separate projections of the cultivable and habitable part of the Continent into arctic waste."[57] For Smith such geographical realities meant that Canada's inevitable destiny was annexation to the United States. For most other observers the result wasn't that inevitable, but the difficulties posed by the geography of North America were central to the analysis of Canada as a national entity.

Few assessments of the Canadian economy and nation ignored Canada's distinct geographical regionalism. It was, however, the "staples school" of Canadian economists that turned physical reality into an elaborate and influential theory. Aspects of the theory were present in the works of pioneer political economist O. D. Skelton.[58] In the 1920s, W. A. Mackintosh of Queen's University and Harold Innis of the University of Toronto made the theme explicit. The massive research work of the Rowell-Sirois Commission (1937–41) drew upon the work of a generation fully imbued with these ideas and incorporated it into its own assessment of the Canadian nation.[59]

The staples thesis in its basic form posited that colonies grew to economic maturity through the exploitation of a series of staple products — furs, timber, wheat, minerals. Such staples, under certain conditions, provided the means for population growth, development of entrepreneurial skill, and capital formation. These things, in turn, permitted the development of a more complex economy. The formation and evolution of a staples economy were also seen to have a major role in national development. Commercial links developed in this manner determined imperial and then national boundaries. This was what explained Canada's separate existence in North America. The staples exploited through the centuries had been linked into an East-West trade system with Europe (and especially London) as the metropolis. This East-West system overrode the disuniting forces posed by geography and tied the regions together. In a famous phrase, Mackintosh said that Canada existed "in defiance of geography."[60] Innis, looking to the rivers as a precedent, disagreed, stating that it existed because of geography.[61] All economists of the staples school, however, felt that railways were the technological instrument that allowed the East-West trade flow to continue into the modern age.[62]

The distinctly unromantic prose of Innis and Mackintosh contained within it a dramatic historical theme. For in their interpretation the credit of creating and maintaining Canada went to those who in some way grasped the essential reality dictated by geography and shaped by national pride. Exploitation of staples wasn't just a matter of luck but of policy. Those who failed to understand or who deliberately stood in the way of the opportunities were seen as negative, narrow individuals, opposing destiny.[63] This was clearly sensed by those who, drawing upon the staples thesis, developed what became known as the "Laurentian Theme" of history.[64] Individuals with more flair for drama (and more readers) picked up the themes of Innis and Mackintosh and merged them with the long-standing romance associated with the CPR. Perhaps the best known of these individuals was Donald Creighton, the foremost historian of the years surrounding World War II. Creighton first picked up the vision of the east-west transcontinental vision from Innis, whom he much admired, and translated it into his own words in his 1937 work, *The Commercial Empire of the St. Lawrence.*[65] This work dealt with the years of furs and canals and thus predated the CPR. This was only the first part of the story as far as Creighton was concerned, however, and he brought the vision to fullest fruition in his masterful two-volume biography of John A. Macdonald. Macdonald and those who comprehended the vision of a transcontinental Canada became heroes. Confederation and the Canadian Pacific were made inseparable, and people like Stephen and Van Horne were idolized.[66] Creighton's work became classic, one of the best selling works of academic history ever written in Canada. As such it did much to reinforce and expand the association of the CPR with the national vision, especially as the work was published during a period of post-war nationalism and confidence.

Yet Creighton's readership pales when compared with that achieved by Pierre Berton's rendition of the CPR legend. Published in two volumes in 1970 and 1971, Berton's history of *The Great Railway* was a phenomenal success. In a country where a sale of 5,000 books can create a best-seller, his railway books sold more than 100,000 copies and are still in print. Furthermore, the works were later developed into a mini-series by the Canadian Broadcasting Corporation. Taking a romantic nationalist interpretation of Canadian history, Berton used a popular variant of the Laurentian school. Even the title of the first volume, *The National Dream*, summarized the symbolism of the railway:

> Macdonald's vision of Canada did not stop at the Great Lakes; his dream was of a transcontinental British nation in North America — a workable alternative to the United States. To achieve this dream, the railway was a necessity, or so the Prime Minister insisted: it would stitch the scattered provinces and empty territories of the West together, as the government-owned Intercolonial was intended to do in the east; . . . it would forestall American expansion; it would be the spine of empire, an Imperial highway linking the British Isles with the Orient and avoiding the appalling voyage around the Horn.[67]

Berton's books were so successful not just because of the popular name behind them or the readable prose. He has written many other books, before and since, and none have matched these in impact. What made them so remarkable was that he adopted a set of beliefs about Canadian development and about the importance of the railway to that development that was already firmly established in the Canadian mind. The fact that he wrote at a time when the national sentiment was still high in the wake of Expo 67 and at a time when railway passenger services seemed threatened simply accentuated the appeal.

Berton and Creighton have been singled out only because they are among the best known and best selling historians of the era. Numerous others could have been cited, and at some point a graduate thesis will dissect the components of Laurentian nationalism. What is important, however, is that a part of the standard wisdom of Canadian nationalism is that there is a close connection between the success of the railway and the triumph of the young Dominion. It is a lesson taught by the scholarly interpretations implicit in the national policy and staples thesis; it is taught in the textbooks of school children; and it is found in the many popular readings on railways. There is even the already-mentioned hit song by Gordon Lightfoot and an epic poem, "Towards the Last Spike," by E.J. Pratt. " 'No Road, No Union,' and the converse true / East-West against the north-south run of trade."[68]

The CPR has from the beginning recognized the marketing and political value of such an image and uses it whenever possible. It has even hired popular historians to recount the daring, the vision and of course the nationalism of the railway. For example, John Murray Gibbon's commissioned work, *Steel of Empire,* published in 1935, links the railway not only to Canadian nationalism but also to the age-old European dream of a connection to

China. The first chapters deal not with the CPR at all but with the long-standing search for a route to the East, the exploits of the fur traders, and other incidents in Canadian expansion across the continent. The message is clear. The CPR was not just the whim of some Confederation-era politicians but the culmination of a centuries-old dream.[69]

The nationalist imperatives that surrounded the construction of the Intercolonial and the CPR added a new dimension to the railway in the Canadian mind. From social or economic necessity it had now become a national necessity, even an icon. The additional elements of success, daring and romance only added to the appeal. For some Canadians the transcontinental links were a part of the Confederation package. Maritimers have long argued, for example, that the Intercolonial was "part and parcel of the contract of Confederation."[70] Even for Canadians who did not interpret provision of rail service as a quasi-constitutional arrangement, the railways and especially the Canadian Pacific were intimately connected with the founding of the nation. That connection was and is reinforced by the tremendous success of the project. Here in a dry, unemotional Confederation process was a heroic achievement on a world scale. The nationalist association, as we will see, spills over to all railways in Canada to a degree. The public's sense of attachment to railway travel, or to the possibility of railway travel, is very likely linked to their identification of successful, operating railways as a part of the national framework.

The railway now totally dominated land travel over any distance. In contrast, the development of roads languished. Indeed, as many later saw it, the emphasis on railways precluded any serious attention to roads. As a 1930s Ontario royal commission put it, "For many years they [roads] had been neglected in favour of the railways. . . ."[71] This echoed a theme that had been around for some time. In the late 19th century a group of citizens came together to complain about the state of roads: "Had railroading and navigation by steam been deferred for another half century, we would have been advanced farther in the science of road-making."[72]

Certainly the railway made the road even more marginal than it had been. For the railway was able to go inland, to penetrate beyond the headwaters and to go wherever sufficient commerce and passenger traffic existed. Railways became both the feeder systems to water and, as in the case of the Grand Trunk, competitors with waterways. Passengers travelling between

cities now had a fast, year-round and comfortable means of travel. As the rail system developed throughout Eastern Canada from the 1850s to 1880s and Western Canada from the 1870s through early 1900s people had fewer reasons to travel any distance by road. Even in the neighbourhood of cities the road came under challenge. Commuter trains and their short-haul analogues like streetcars meant that rail travel became the basis for early commuting and suburbanization.

It is difficult to make too many generalizations during this era of neglect. Still, a few general points are apparent. First, the Dominion government had a very limited interest in the Canadian road system. Whereas other public works, namely the canals, had been declared to be for the national benefit under section 92 of the *British North America Act, 1867* and though railways became objects of national policy and large subsidies, roads were ignored. Second, among the provinces and territories, local administration was the rule. Roads were left to counties or their equivalents to maintain and improve. Statutory labour, local tax levies and rare provincial subsidies were the basis of a rudimentary, underfunded system, one that saw maintenance on all but the most major roads conducted in just a few short weeks every year.[73]

There was one exception to this general rule of indifference, though the exception is a spotty one. The federal government and some of the provinces were active on the frontiers of settlement. The development of colonization roads was a practice that predated Confederation and was continued for sometime thereafter in both Ontario and Quebec. Where crises of access developed, as during the British Columbia gold rush of the 1850s and 1860s or the Yukon gold rush of the late nineties, crash programs were often undertaken. When the effort was made the results could be impressive. Immediate imperatives in the 1860s saw the completion of the Dawson route, a mixed water-land route from the Lakehead to Manitoba, and the 385-mile (620 km) Yale Road, built to handle gold rush traffic in British Columbia.[74] Even in these exceptional instances, however, roads were viewed as poor substitutes for railways. Indeed, the assumption was that the road was a temporary measure, preparing the way for future railway development. The Dawson route was never thought to be a long-term solution and was abandoned after the CPR replaced it. It would be many decades before the Lakehead and Winnipeg were once again connected by road. Likewise, parts of the Yale Road were abandoned when the railway

reached British Columbia. In the Yukon the boom times of the turn of the century brought immediate plans for the replacement of the rough trails inland with a railway.[75]

Finally, in contrast to the railways, roads played no part in the national imagination of 19th century Canada. They were, if a topic at all, one of complaint on a local level rather than of dreams at the national. This is reflected in the historiography. O. D. Skelton's book, *The General Economic History of Canada 1867–1912*, ignores roads.[76] As part of the massive 23-volume history of Canada published in 1914 by Adam Shortt and Arthur Doughty a special 112-page article on land transportation was commissioned. Roads got just over six pages of coverage before the article shifted to the really important story — railways.[77] Even as late as 1938 the standard study of transportation in Canada by G. P. de T. Glazebrook has nothing at all on roads between 1867 and 1900.[78] Every chapter in this book from Confederation to World War I has "Railway" in the title. Not until the 1960s, by which time the importance of roads had changed considerably, did anyone write anything significant about their history. As it is in history, so it was in the contemporary material: the monographs, government studies, public debates and other materials were mainly on railways or canals, not roads. Roads were referred to, of course, but only as incidents in travel memoirs — usually horrible, occasionally pleasant — and not as a significant element in the national vision. Roads remained at the margin of Canadian transportation policy between the arrival of the railway and the turn of the century.

PASSENGER TRAFFIC AT THE TURN OF THE CENTURY

It is extremely difficult, except in the most rudimentary way, to distinguish between policy aimed at railway passengers and that aimed at railway freight before the late 19th century. In the minds of governments and companies, development was designed to encourage the transport of both. Yet it is likely that the romance attached to railways over the years applies more to passenger travel than to freight. An individual's sense of connection with the railway has much to do with memories of trips on the railway to visit relatives or friends or to take holidays. It may also have much to do with family history, with parents or grandparents whose life in Canada began with a railway trip. For many more the railway was until recently the primary tie to the outside world, connecting isolated rural communities to the larger centres. It is therefore crucial to explore the evolution of passenger policy

and the passenger experience more closely. With the approach of the 20th century, railway and government policies changed, making it easier to trace this evolution.

Government involvement in railways was initially experimental and fluid, as might be expected: it was coming to grips with a new technology. Much of the pre-Confederation legislation was designed to control the financial and construction excesses of this powerful new form of corporation. Railway acts were concerned with destroyed animals, seized property, ruined fences. Legislation created a Board of Railway Commissioners to try to ensure railway compliance with the rules.[79] The railways, for their part, more or less did what they felt was necessary and then sought to present their case to government or the courts. In the actual operation of the railway, however, initial government activity was limited to two general areas. First, there were rules on passenger safety, an understandable intervention given the horrendous accidents that began to occur as soon as railways began operating in the 1850s. Second, there were rules to prevent discrimination, drawn from British precedent of the railways as "common carriers." Under this principle all people are offered similar services at similar prices.

With Confederation, colonial precedents were carried forward. In particular, the concept of the common carrier was now well established, and the Railway Committee of the Privy Council was established under the 1868 *Railway Act* to oversee railway activities. This body of appointed politicians had the responsibility for everything from rules of signage to right-of-way privileges. Also within its ambit were rules for the safety and comfort of passengers. The committee was far from ideal as a means of railway regulation. It had neither the staff nor the expertise to undertake detailed investigations. Nor did it always comprehend the implications of the decisions it made. This was also an age of laissez-faire, and the tradition of regulating the common carrier contended with a desire to leave private business alone. Still, by the time the committee went out of business in 1903, a considerable body of statutes and regulations on passenger transport had evolved in Canada. The most important elements of these were incorporated into the new *Canadian Railway Act* (3 Edw. 7, c. 58). The Act also gave the newly appointed Board of Railway Commissioners power over such passenger issues as standards of the railway station, the conductor's right to expel passengers and various safety measures. Further, in a precedent that could, if extended, apply to line continuation, the Act gave the Commissioners the

right to set tolls and to force trains to alter schedules to assist passengers in making connections between different corporations (s. 284). Thus, as early as 1903, the doctrine of the common carrier contained within it the principle that railway operations, and presumably profitability, could be intruded upon in the interest of not only public safety but also public convenience.

Parallel to this was a growing effort by the railways to attract passenger traffic. From the beginning the CPR understood both the dollar value and, perhaps more importantly, the positive publicity that went with satisfied tourists. The West was still the frontier, and the promise of good hunting and dramatic sightseeing and the opportunity to meet real Indians and cowboys attracted tourists from more eastern lands. In the years immediately after the completion of the railway it became common practice for affluent British tourists to make the trek across Canada and write about their experiences. The authors naturally sought, with greater or lesser skills, to convey a sense of romance and adventure, which only added to the aura of the Canadian railway adventure.[80] In the East the Canadian Pacific and the Grand Trunk issued guidebooks that talked of the glories of Niagara Falls or of fishing in New Brunswick.[81] More will be said about the tourist trade below, for, although it was a growing part of the railway business, it was not until later that it became really important.

Success in passenger traffic as far as the CPR was concerned depended upon immigrants to the West and the spin-off traffic that resulted from their homesteading efforts. Between 1881 and 1914 the Prairie population increased from just over a quarter of a million to more than 1.3 million. It was the Canadian Pacific that brought most of these people westward. In the first full year of operation the line carried more than one and a half million passengers. By the early 1890s the figure had doubled to more than three million. When the wheat boom hit the Prairies at the turn of the century the numbers continued to rise, to more than four, then five, then seven million. By 1913, the last year of the boom, the CPR carried more than 12 million paying passengers.[82] To handle this traffic the railway built special immigrant cars, advertised in Europe and arranged through journeys at cheap rates. And because they owned vast tracts of Prairie land as a result of earlier grants, the railways could run a service that handled the immigrants' needs from the time they embarked in Europe until they were settled on the land. It was a nicely integrated relationship. That original passenger trip could lead to land-sale revenue, and that sale could, within a couple of years, lead to

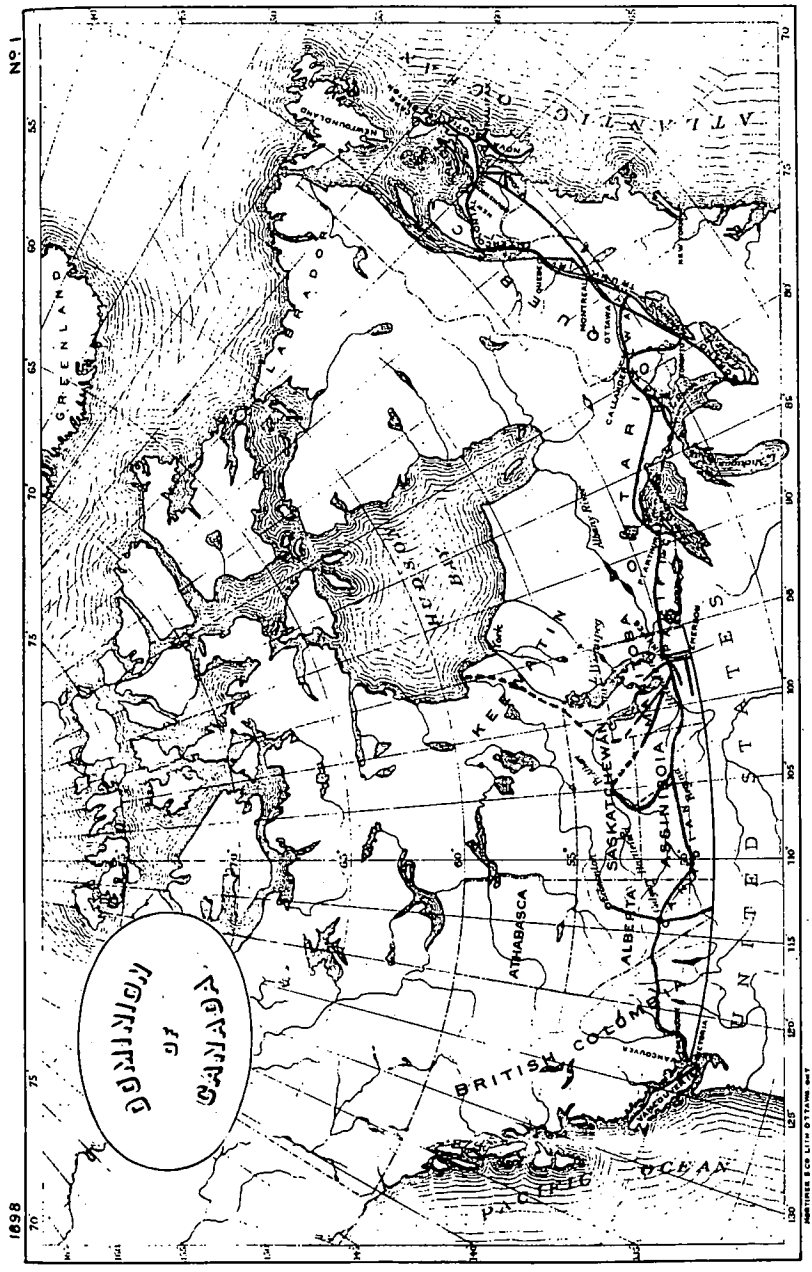
increased freight traffic as crops were exported and goods imported. Throughout the West the increasing population brought an ever larger number of commercial passengers to Prairie towns and cities. Thus the original cheap immigrant fare, profitable in itself, was repaid in many ways over the years that followed.

Obviously not all passenger traffic depended upon immigrants. In the East, where both the CPR and the Grand Trunk were major systems, the traffic was different. Most of the people using the trains were making round trips. Their trips were shorter and often involved major urban centres like Toronto, Montreal or Halifax. People might be travelling for business, for holidays or for visits with relatives. In many cases the passengers were commuters, travelling short distances from satellite communities to business in the city. Even in the West the nature of passenger traffic was evolving. In the first decades the immigrant traffic was central to Canadian Pacific's passenger totals. By the early 20th century the immigrant traffic was complemented by the more routine business and personal traffic typical of the East. Still, before World War I, immigration remained important to CPR's passenger system.

Whatever the purpose of the trip, the fact was that for the late Victorian Canadian, train travel was the norm. Thomas Keefer may have been melodramatic in his predictions of the benefits of the train, but for the public the train did have many emotional associations. It was the train that brought the settler and his family to a new life. It was the train that took relatives to visit one another, and it was the train that provided access to the outside world. The national symbols, in other words, were not remote and distant but a part of the daily rhythm of existence. Even after half a century nothing was more commonly used as a symbol of industrial progress. Only electricity, just beginning to make its appearance at the turn of the century, could even come close.

It is possible, therefore, to talk by the late 19th century of a relatively mature railway system. As Figures 3 to 6, which are reproductions of the original maps, indicate, coverage was excellent through central Canada, good in the Maritimes and, though far from satisfactory, increasing yearly in the West. The great projects of Confederation were complete, and the public already viewed their railways as an integral part of both the Empire and the nation. Government relationships to railways were fairly well established.

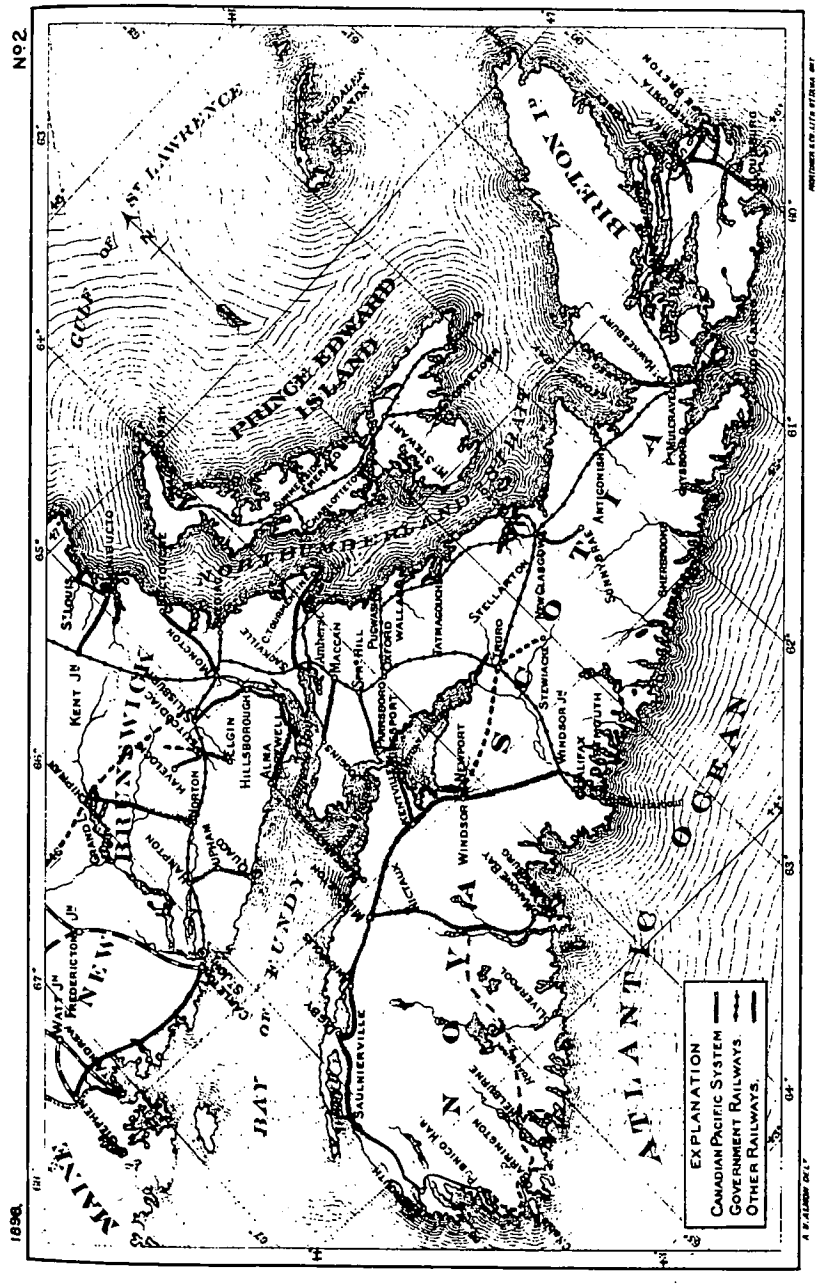
Figure 3
THE CANADIAN RAILWAY SYSTEM, 1896



Source: Map reproduced from *Annual Report of the Department of Railways and Canals, July 1, 1897 to June 30, 1898* (Ottawa: Queen's Printer, 1899).

Figure 4

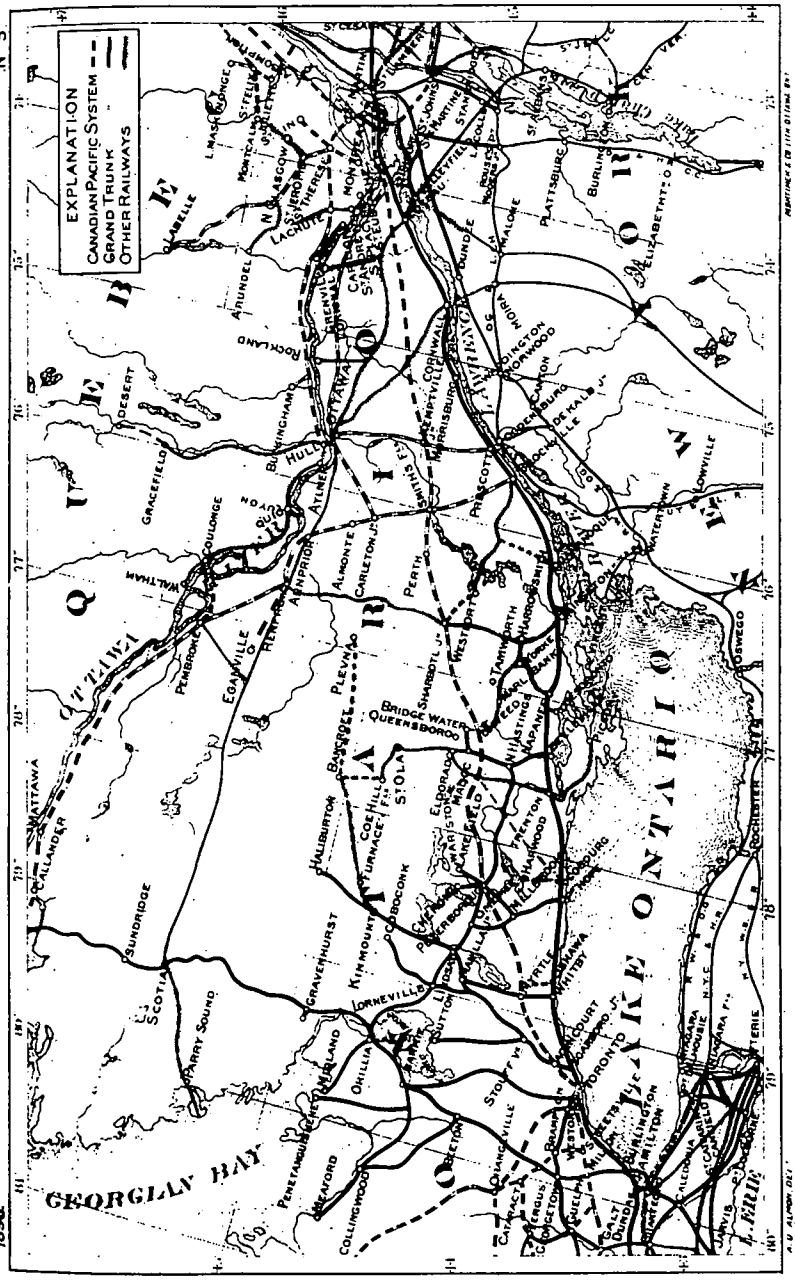
THE CANADIAN RAILWAY SYSTEM, 1896: DETAILS OF NOVA SCOTIA AND NEW BRUNSWICK



Source: Map reproduced from ***Annual Report of the Department of Railways and Canals, July 1, 1897 to June 30, 1898*** **(Ottawa: Queen's Printer, 1899).**

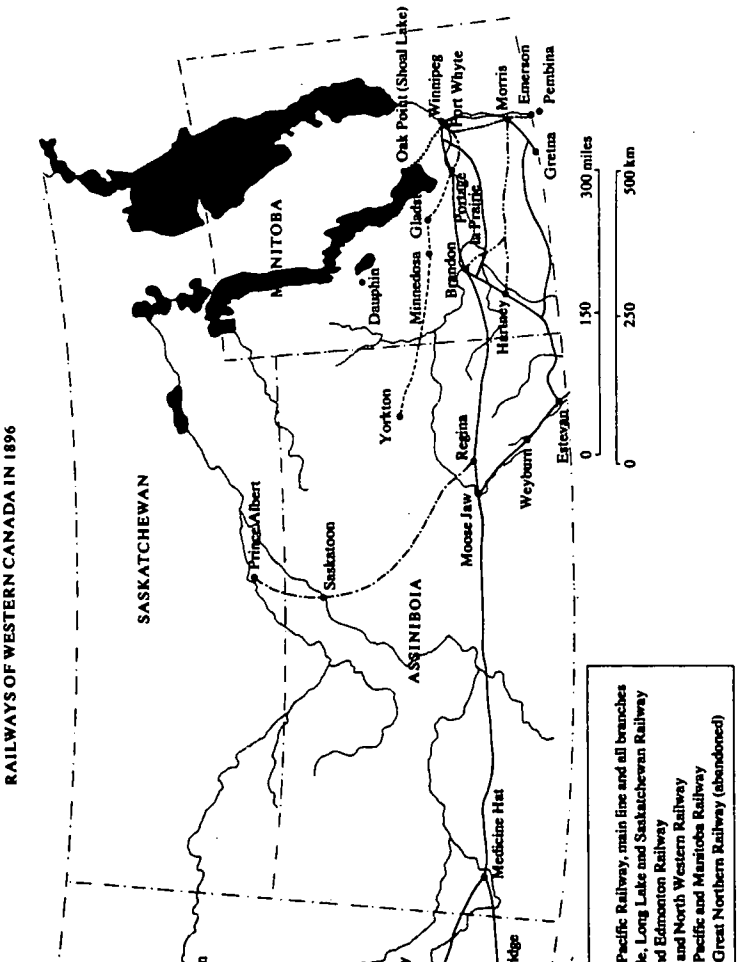
Figure 5

THE CANADIAN RAILWAY SYSTEM, 1896: THE CENTRE OF THE CANADIAN RAILWAY SYSTEM, MONTREAL–HAMILTON



Source: Map reproduced from ***Annual Report of the Department of Railways and Canals, July 1, 1897 to June 30, 1898*** (Ottawa: Queen's Printer, 1899).

Figure 6
THE CANADIAN RAILWAY SYSTEM, 1896: THE PRAIRIE RAILWAYS



Source: **Map reproduced from T. D. Regehr, *The Canadian Northern Railway, Pioneer Road of the Northern Prairies* (Toronto: Macmillan, 1976), p. 22**

Governments would aid railway development, often considerably. At the same time government, whether Dominion or provincial, had generally resisted direct ownership. There were the exceptions of the Intercolonial and Prince Edward Island systems. The ongoing operational losses of the two railways, however, generally reinforced rather than challenged the Government's desire to stay away from ownership.

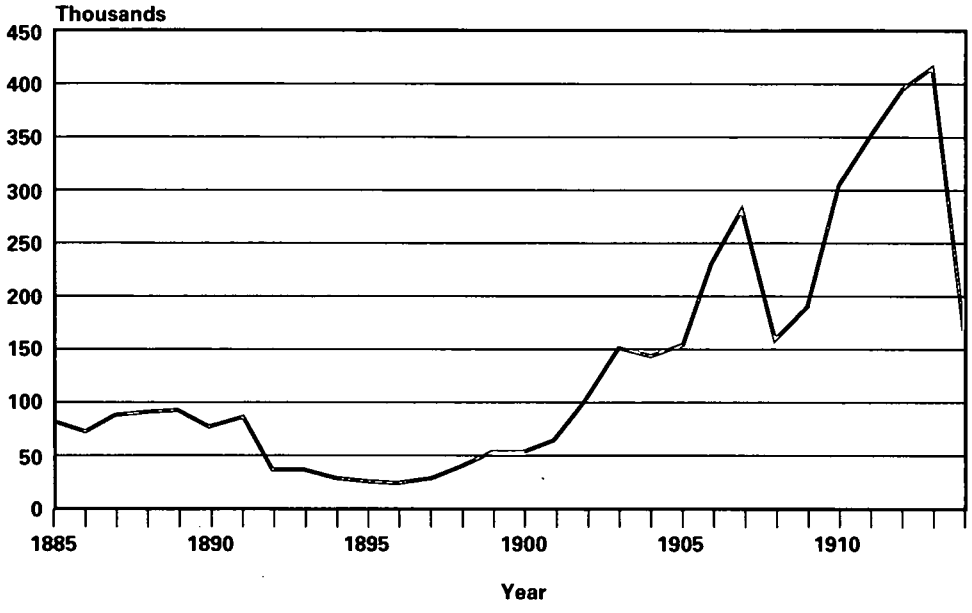
All in all the procedure of land and cash had not worked badly, though the landscape was littered with charters that had been abandoned and offers of land grants that had not been fulfilled. Now, as Canada began the period of greatest expansion in its history, the final great phase of railway expansion was about to begin. Ultimately this expansion would bring the old subsidy program crashing down and forced into creation a network of nationally owned and operated railways.

THE FINAL PHASE OF RAILWAY DEVELOPMENT: 1897–1917

Once again the prize was the West. After 1896, international economic conditions improved. Canada, especially the West, became the destination of choice for thousands upon thousands of immigrants (see Figure 7). Higher wheat prices also provided a rapidly growing export product. Reinforcing these trends was the inflow of British capital to the region. The long-anticipated Western boom was under way, and it continued almost uninterrupted for nearly 15 years. In the 1880s it seemed foolish and daring to talk of one transcontinental railway; now it was feasible to talk of two or even three. The relative stability of the railway system was about to be shaken as the Dominion entered the third and last phase of great railway expansion.

Forces in the West and the East had reasons to want railway expansion. After two decades of CPR monopoly many westerners were disgruntled with high freight rates and with CPR caution in expanding its branch-line network. Two railway entrepreneurs, William Mackenzie and Donald Mann, responded to the disgruntlement and to the profitable charters lying around by constructing a growing pattern of local lines around Winnipeg in the 1890s.[83] By the turn of the century their ambitions had grown, and preparations were under way to expand their line, now known as the Northern Railway, eastward to the Lakehead. There was even talk of heading westward toward the Rockies. For Prairie farmers dependent on the CPR such competition was a welcome thing, and they encouraged their legislatures and the company to move forward with the plan.

Figure 7
Number of Immigrants to Canada by Year, 1885-1914



Source: Statistics Canada, *Historical Statistics of Canada*, second edition, F.H. Leacy (ed.), 1983, Series A350.

In the East it was not regional grievances that were emphasized but the opportunity to make up for a squandered past. The Grand Trunk railway had in the 1870s refused to build an all-Canadian transcontinental line and had therefore been relegated to the sidelines as the CPR became one of the world's most famous railways and was even profitable. The Grand Trunk not only missed the opportunity to become a transcontinental but over the decades since the CPR's completion had been forced to wage an often vicious competition in the East with this upstart rival. Now the Prairie market seemed for the first time capable of supporting a second transcontinental, and the Grand Trunk was determined not to be left behind again.

Both railways followed the established pattern and turned to governments for support. The details of the subsidies, as is so often the case, are extremely complex and only of marginal relevance here. What is important is that a combination of politics, stubbornness and too much optimism meant that instead of choosing between one of the rivals for the new transcontinental

line, Canada got both. Initially the Grand Trunk, along with its newly created subsidiary, the Grand Trunk Pacific, was the favoured child of Prime Minister Wilfrid Laurier's Liberal government. Large subsidies were handed out, and the Government even agreed to construct the most unprofitable portion of the line (north of the Great Lakes) and then turn it over to the completed railway. The Northern Railway refused to back off, however, and used its considerable clout in the West to gain local support, including significant grants and guarantees from provincial legislatures. Then, when Robert Borden's Conservative party took power in 1911 the Northern was able to join the Grand Trunk at the federal trough.[84]

For the next several years the two railways proceeded to build lines across the Prairies along the old Yellowhead route. By 1907 they were in Edmonton, and both were determined to push through lines to the West coast that were, in many cases, practically next to each other. Government largesse, excessive optimism and business egos led to one of the greatest bursts of railway expansion in history. Prairie mileage had tripled to some 11,000 miles (17,700 km) by the eve of World War I. Overall, by 1915, as Michael Bliss has pointed out, Canada was the nation with "more railways per capita than any country in the world."[85]

These railways had been built at considerable expense to the Canadian taxpayer. As a matter of pride and public relations the railways sought to capture the public imagination as the CPR had done. The Northern Railway had the more authentic claim in this regard. With some justification it portrayed itself as the corporate entity that would finally rescue the western Prairies from CPR monopoly. This was the "West's own railway," which by its very existence would force the CPR to be more competitive in rates.[86] This belief was important both in the political support the Northern gained during its rapid expansion and in the considerable financial support given to it by western provinces like Manitoba. If the CPR capitalized upon the ideal of national unity, the Northern capitalized upon a sense of regional grievance.

The Grand Trunk and Grand Trunk Pacific had a more difficult time attaching themselves to the romance of Canadian railroading. The railway did have a positive image for good service in the East. It was an unknown in the West, however, and the seemingly rich deal it struck with Laurier's government to compete with the Northern did not endear it to Westerners. The railway's managers did take a leaf from the CPR and supported a book extolling the

virtues of the project. Its author looked to the imagery of both the Northern and the Canadian Pacific and made up in rhetoric what the Grand Trunk Pacific lacked in historical tradition. The Grand Trunk Pacific would take on the CPR, which "wielded its power in an autocratic manner." Once completed the "farmer would no longer be at the mercy of a railway octopus." The people who accomplished such works were, of course, heroes:

> When the Epic of the railway is written, the men who laid the foundations of the National Transcontinental will loom prominently therein. . . . They were not communicative; hardship, privation, peril, and sensational excitement had been encountered so frequently that they considered such a part of the daily round, and now that they could view them from afar, and a more distant date, they made light of them. But when I probed beneath the surface, as seated round the blazing fire in the lonely camp in the wilderness I drew them into conversation, and once more threw them back into the days when they were up in the forest toiling mighty hard to find that four-tenths of 1 per cent grade, they grew slightly reminiscent. And what stories they could tell! What thrills they could give![87]

Despite this author's enthusiasm, the "Epic" was never written. The Grand Trunk railway, though extremely well built, was never able to assert a romantic public image. Even the Northern, though supported by Westerners initially, found its own image floundering within a few years. For what these two railways conjured up in the public mind was not the romance of construction or even the opening of new districts but the sheer cost. Indeed, their experiences shifted the whole image of the railway in Canada generally. Before the new transcontinentals were built the public still revelled in the Victorian imagery of the railways as a symbol of progress and technological triumph. The expectation was that railway construction and expansion were a part of Canada's future. Even among Westerners who distrusted the CPR, for example, there was a continuous clamour that that railway build new branch lines. After the experience of the new transcontinentals the image shifted. Railways became associated with their costs as much as their results. The excesses of the early 20th century meant that henceforth both public and political attitudes to railway development would be much more cautious, even negative.

What happened in the interval is extremely complex. The business affairs of the Grand Trunk and Northern were a massive tangle of land grants, Dominion and provincial government arrangements, bank loans, share issues and holding companies. Amidst all the confusion, however, the story is actually fairly straightforward. First, the railways and the Government overestimated the ability of the nation to support a massively expensive new transcontinental line. Certainly they overestimated its ability to support two such lines. Second, the Government found itself drawn into the same sort of position it had experienced with the canals three quarters of a century before. Loans, subsidies and especially loan guarantees made the Government hostage to the railways. Even before World War I broke out, for example, the Dominion government had acquired some $40 million in Northern Railway stock, and that was only a fraction of the amount they had loaned out. The railways simply could not be allowed to go under. This was especially true because at least one province (Manitoba) and one bank (Bank of Commerce) were so heavily committed to the railways that their bankruptcy would have followed that of the railways almost immediately. Third, this overextension of resources was made much worse by World War I. A wartime economy pushed prices up rapidly. The costs of supplies, of locomotives and of labour all increased. At the same time the traditional source of foreign capital, the London money market, dried up in the face of wartime demands at home. By 1915 the Northern was effectively bankrupt. The Grand Trunk Pacific was not far behind.[88]

The Government sought answers to the chaos through a royal commission.[89] The Drayton-Acworth Commission was split ideologically. One faction hoped that a merger of the two railways might allow a continuation of the system in private hands. The other side, and ultimately the Government as well, saw this as unrealistic. The fact was that most of the railway funding, to the tune of a quarter of a billion dollars, was tied to government support.[90] To put this in perspective, the total revenue of the Canadian government on the eve of the war had been only $169 million. At the provincial level, British Columbia had guaranteed $40 million of Northern debt, and Manitoba had guaranteed $25 million. The annual revenues of the two provinces were, respectively, $10.2 and $4.1 million (1913 figures).[91] There was thus no real choice. The federal government decided in 1917 to nationalize the two railways.

The nationalization process was almost as complex as the financial free-wheeling that made it necessary. It was 1923 before the Government railways — the Prince Edward Island Railway, Intercolonial, Grand Trunk and Grand Trunk Pacific, Northern, as well as smaller railways — were formally amalgamated into the Canadian National Railway (CNR) system.[92] The Canadian government, which had for so long resisted any massive ownership of railways, now possessed nearly 22,000 miles (35,400 km) of track and a massive corporation, spanning a continent and employing nearly 100,000 people. It had also assumed a massive debt and, in a controversial move, put that debt on the books of the new Canadian National corporation. Thus CNR began life with long-term debts of nearly $2 billion! This made deficits inevitable, and these would be a harsh reminder of the nature of its birth. "The mood of the time in which Canadian National Railways were born was more critical than sentimental; more conscious of the burden that was to be carried than of the ambitions that had been foiled; more censorious of the sins of the fading companies than proud of the achievements they had made."[93] The Canadian railway system was, to all intents and purposes, complete.

4. The "Mature" Railway System and the Rise of the Car Culture: 1900–1945

Now that the railway system was in place, what did it mean in terms of passenger service? How much was the railway a part of the everyday life of the Canadian? In general terms, the railway network, so overbuilt from a financial point of view, gave the public good access in most settled parts of the nation. In the cities and larger towns, conveyance to the solid brick or stone railway station could often be made by public vehicle. In the larger cities street railways ran regularly along major thoroughfares. The traveller could therefore leave a house in Toronto, Montreal or elsewhere, walk to the corner and catch a street railway to the railroad station. Many passengers took their horse and buggy or, occasionally, went in the new device, the car. Outside the cities, of course, private transportation was all that was available.

In city or country, however, the destination was the train station. For it was there that connections to the outside world were made. In an era before competition, the station combined the role played by air terminal, bus

terminal and, of course, train station today. As the architecture of Union Station in Toronto (completed 1927) indicates, the stations themselves were opulent affairs, reflecting the power and substance of the railway's dominance over the nation's transportation network. The stations were, as the slogan of the time had it, "the crossroads of commerce."

This was more than an idle boast. The major stations were central to business and personal travel. At the major stations scores of trains departed daily.

Once in the station the passenger had access to the continent. Complex routings along different lines and different railways created a wide variety of choices of routes, destinations and levels of comfort. Indeed, the complexity and variety of the turn of the century timetables are more than normally striking for the contrast they present to the current atrophied state of passenger rail service in North America. Also striking and occasionally forgotten amidst the nationalist symbolism was the vast amount of railroad service to the United States. The Canadian Pacific and Grand Trunk both had regular service to all northern U.S. centres. For more distant points they provided transfers and through connections via U.S. lines.[94]

The passenger taking a long trip also had a number of options for sleeping accommodation. The Pullman sleeping car, developed in the United States, was widely used. Canadian Pacific even boasted that it had improved the Pullman and provided comfort superior to that of any U.S. line. The sleeper was also available in a series of classes. First class was a luxurious service, designed to attract the affluent family and business traveller. The tourist sleeper was less ornate but was only about half the cost of first-class accommodation. There was also the colonist sleeper, though the average intercity traveller was unlikely to use or even see this accommodation.[95] It was really designed for the special immigrant trains that had been so important before World War I.

Also, well before the 1920s, dining cars had become common. Earlier it had been normal for railways to schedule station stops so that passengers might eat — much as bus lines do today. Some of the CPR's first hotels in the Rockies, such as Mount Stephen House, were in fact way stations. The schedules did not leave people much time for a leisurely lunch. Twenty-minute to half-hour stops were considered adequate.[96] Such tight timing led to discomfort for passengers and undoubtedly delays for the crew. By the

20th century, however, the well-appointed dining car was one of the features expected by first-class passengers. These cars rarely made money for the railways, but they were a necessary service if railways were to compete. On longer trips and the most important lines, therefore, dining service was regularly available.

There were some alternatives to trains. On the Great Lakes and along the British Columbia coast, travellers could take steamships, many of them owned by CPR and integrated into train schedules.[97] For other trips people could simply travel by horseback, carriage or car. Such individual travel is impossible to measure, but over long distances it was certainly an inferior means of getting about. Nothing, however, could compete with the train, which completely dominated both commuter traffic and the long haul. In 1920 there were six train trips taken for every man, woman and child in Canada.[98] Fifty years later it was less than one — and the relative cost of train tickets had decreased in the interval. In the years between the turn of the century and the Great Depression, the normal business or personal traveller almost certainly took the train to travel between cities.

To maintain their dominant position after the war, however, the railways did have to develop new strategies. Before World War I, as has been discussed, two types of passenger predominated: the local commuter (mainly in Eastern Canada) and the immigrant. Though the train was a part of the rhythm of life, it was also a means to other unrelated activities — settlement, business or visits. By the 1920s, however, there were growing concerns about the future of both kinds of traffic. Most of that concern was focussed on the apparent end of massive immigration to Canada. Before World War I, immigration had reached historic highs, averaging more than a quarter of a million people a year. Naturally, the war brought a precipitous decline: immigration reached a low of 36,000 in 1915. More significantly, the recovery after the war was incomplete. The days of the "last best West" as a major destination for immigrants was over. Canada's primary agriculture frontier was now taken. This, combined with more restrictive rules, meant that half as many immigrants came to Canada in the 1920s as before the war. With a larger percentage of these staying in the urban areas of the East, immigrants could not provide the staple passenger traffic for the railways that they once had.[99] If the immigrants weren't coming in as great numbers, however, the railways hoped that the tourists would. In the 1920s the railways put a major effort into attracting the lucrative tourist dollar.

Tourism was not new to the railways. From the beginning the Canadian Pacific had made efforts to draw tourists to the West. Passenger agents in London and the United States, although concerned primarily with immigrants, distributed promotional pamphlets emphasizing the grandeur of the scenery and the comfort of the railway.[100] William Van Horne himself liked to make up advertising slogans, though they were noted more for their unusual nature than their staying power. The railways also gave free passage or other support to well-heeled travellers who intended to publish their experiences.

From the beginning the railways had tried to sell more than mere railway fares to tourists. As land sales attracted immigrants, so an integrated CPR package could attract tourists. By 1886, one year after the railway opened, there were three hotel dining stops in the mountains.[101] The next year, with the active encouragement of the CPR, Banff National Park was created by the Dominion government. The CPR quickly built a hotel on the site, and in 1888 the first version of the Banff Springs Hotel opened for business. By 1891 it was receiving more than 3,000 guests a year, almost all arriving by railway. Over the next decades the network was improved and extended. The "Chalet" Lake Louise (1890)[102] and Hotel Vancouver (1887) reinforced the network of hotels and emphasized the fact that tourism for the CPR increasingly focussed on the mountains. By the turn of the century the fare-paying passenger had an annotated timetable to describe local sites, several luxurious hotels at which to stop over, and possible side trips and excursions at various points along the way. There were also 115 sleeping cars to cater to the luxury, largely tourist, trade.[103]

All of this paled next to the efforts of the 1920s. The two railway companies made massive investments in the tourist industry. As one historian has said, "the hotel and resort war that took place in the later twenties cannot be explained by rational projections of expected profits."[104] It can be understood, however, by realizing that for the first time two complete transcontinental systems sought supremacy. Each resented the other, and both were led by determined, energetic individuals. Accordingly, millions of dollars were spent on constructing or renovating hotels still familiar today: the Bessborough in Saskatoon, the Nova Scotian in Halifax, the Chateau Frontenac in Quebec City and the Chateau Laurier in Ottawa. And in Toronto, Canadian Pacific built what was supposedly the largest hotel in the British Empire, the Royal York.[105] At $16.5 million it cost more than the annual revenue of six of Canada's provinces! Of course these hotels were for business

travellers as well as tourists. They were also a part of the railway's image, an image that would be increasingly difficult to maintain when the Great Depression hit within a few years.

Despite all these expenditures, the railways continued to focus their efforts for the tourist dollar in the mountains. By the 1920s the earlier facilities at Banff and Lake Louise had grown in size and splendour. To the north the Canadian National Railway built Jasper Park Lodge (1922). Along the CPR route through Banff, detailed guidebooks were available. These not only told you of the sites to be seen but all the activities that could be arranged as a part of your trip. Some of this was tremendously organized. It was possible, for example, to detrain at Banff, meet a prearranged guide, tour Banff, travel to Lake Louise ("a fire proof and modern hotel with accommodation for seven hundred guests"), spend the night there, get up in the morning for a motor trip to Emerald Lake and then go on to meet the train. The cost was $18.50.[106] Side trips were also possible at various sites in British Columbia.

Around the major cities of the country, railways provided another type of tourist service. From the 1890s on, the growing urban population of Canada, especially in Ontario and Quebec, had begun the ritual of escape to cottage country. Private cottages or resorts dotted along the Laurentian and Muskoka lakes created a lucrative market for trains. Even by the early 1920s cars were still relatively rare and a 100-mile (160 km) trip enough of an adventure that the trains captured a good deal of the trade. By the end of the decade, however, the car was beginning to have an effect on this trade.

Tourism was important not just for the railway revenues but for the way in which it further integrated the railways into the life of Canadians. Earlier sightseeing and adventuring across the wild West had now been replaced by a more sedate, widespread and family-oriented tourist trade. The grand railway hotels added to the glamour and romance of the railway system. The railways accordingly became associated with both the Canadian landscape and Canadian social activities — whether dining in the major urban hotels or backpacking in the Rockies. All of this added to the belief in the importance of the railway passenger system to the country as a whole.

Tourism and the increasing travel of the urban business class made the 1920s generally good years for the two major railway systems. Freight revenue was high, but so too was passenger traffic. In 1920 more than 50 million

passengers were carried on the railway system, an all-time high. Throughout the 1920s numbers well in excess of 40 million were common. Moreover, revenue for passenger traffic per train-mile increased in real terms throughout the 1920s. Overall, passenger revenue was an important part of the earnings of both CPR and CNR. In 1925, for example, CNR earned 19 percent of all revenue from passenger fares.[107] In contrast, 40 years later it would be 7 percent.[108]

The importance of these revenues was reflected in the service. Both major railways had more extensive passenger schedules in the 1920s than they had before or would after. The tourist who wanted to go westward from Calgary to Vancouver, for example, had a choice of four trains daily.[109] By the end of the decade the CNR had inaugurated a train that travelled from Toronto to Montreal in six hours. Even on the less popular runs the service was impressively complete and efficient. Many trains stopped at literally hundreds of communities while wending their way from one major centre to the next. Moreover, though major new routes were not opened in the 1920s, there had been continued construction of branch lines, especially on the Prairies. Thus despite of some closures and rationalizations resulting from the collapse of the Grand Trunk and the Northern, railway mileage in Canada increased by some 3,000 miles (4,800 km) in the course of the decade.[110] By that point most communities of any size in Canada outside of the North had access to a railway. At the end of the decade the train remained the common means of travel and a part of the ordinary daily routine and the special occasions of Canadians' lives. The railways remained king of passenger conveyance and passengers remained important to the railways.

THE RISE OF THE CAR CULTURE AND ITS CONSEQUENCES: 1900–1929

Even as the railway system matured a new technology was rising to challenge the dominance of the railway. In the 30 years after the turn of the century the car would revolutionize Canadian life. Government attention would turn increasingly from the overbuilt and expensive railway system to roads. The public itself, though far from abandoning the railway, found the car's flexibility and privacy tempting. Though another generation would pass before the car overwhelmed the railway as a vehicle for passenger service, the changes that took place within a generation were, nonetheless, spectacular.

At the turn of the century the car was still a toy, owned by only a handful of Canadians. Indeed, the first Canadian car would not be built until the next year. None of the legal structures, roads or governmental financial systems were designed with any thought of the car. There were no licensing provisions. In fact there were no rules at all except those that could easily be borrowed from statutes aimed at horse and carriage. In one generation all this changed. After the turn of the century the car became an increasingly common sight on Canadian streets. By 1914 there were more than 50,000 vehicles registered in Canada.[111] In the 1920s ownership exploded, turning the automobile into an everyday form of transportation for millions of Canadians. By the end of the decade Canada had the second highest per capita ownership of motor vehicles in the world, more than double the rate of the United Kingdom or France. The legal, cultural, governmental and fiscal structures of the nation had had to adapt to this new technology. Along the way the basic form of the modern Canadian road system and road policies emerged. Sometime in the period between 1900 and the later 1920s the car became a fundamental part of Canadian transportation.

There was no single inventor of the automobile. Rather, from the time of the industrial revolution people had tried to harness motorized power to the carriage. It was not until the 1890s, though, that the car was distinguishable as a new vehicle, though the technology remained primitive. Shortly after the turn of the century cars were numerous enough that laws began to appear on the books to deal with them. This was especially necessary in the United States, which was rapidly becoming the world's most motorized society. As early as 1901 New York State passed driving regulations and laws, and by 1905 most states had speed limits.[112]

Canada was not far behind. Like the United States it had a prosperous population with large disposable incomes. Canadians also had obvious reasons for being interested in improvements in transportation, given the size of the country. Also, except for a few areas, Canada was thinly settled and that meant that fixed forms of transportation like the railway could not possibly serve every community. A land vehicle freed from the track but able to achieve relatively high speeds possessed great potential for a geography like Canada's. Thus, living next to the United States, prosperous in its own right and with a real need for transportation innovation, Canada soon followed American footsteps into the automobile market.

The first Canadian car was built in 1901 by the T. A. Russell Company. Before long other entrepreneurs and innovative carriage makers followed suit. A competitive and as yet only loosely formed auto industry soon developed, mainly in Ontario. Ontario was also the province where the car was first seen with any regularity. In 1907, the first year for which statistics of car ownership are available, Ontario accounted for more than 70 percent of cars nationwide. Outside of the Windsor–Montreal corridor and the Vancouver–Victoria area, car ownership was still extremely rare. Only in this corridor were there sufficient wealth, population and, not incidentally, passable roads to encourage any sort of car ownership.

Even at this early date, however, the rise of the car had forced governments to respond. Ontario passed a registration provision in 1904, and within a few years other provinces followed suit.[113] New technology also brought new rules of the road. The car operated at high speeds compared with horse and carriage, and this created concerns about safety. Accordingly, it was not long before traffic violations and traffic accidents became an item of concern. Speed limits (usually 15 to 25 miles per hour (24 to 40 km/h)), regulatory codes and lists of fines and punishments became necessary. Only in Prince Edward Island was all this legislative activity muted. That province resolved the whole issue by prohibiting motor vehicles outright. Even when, in 1913, it decided to allow motor vehicles the province was hardly enthusiastic. Driving was banned Tuesday, Friday, Saturday and Sunday. Perhaps it is not surprising that the province had a mere 31 cars by the beginning of World War I.[114]

As society came to grips with the new technology, auto makers continued to improve their craft. Companies collapsed and new ones arose. Giants like Ford and Buick and Oldsmobile began to take a larger share of the market. The open car gave way increasingly to the closed one — a very practical development given Canadian winters. Air-cooled engines gave way to water-cooled ones. Steam engines yielded to gasoline engines. Horsepower increased, and at the top end of the market considerable elegance was possible. There was also tremendous development of ancillary industries. Parts became increasingly available, as did gasoline and service.

Most important of all, however, was the arrival of the relatively cheap and reliable car. In 1905 the average price paid for a car was in the neighbourhood of $1,784, or about 18-months' salary for a middle-class white-collar

worker.[115] Then, in one of the events that has become a legendary myth of industrial history, Henry Ford revolutionized production and design to produce the famous Model-T in 1908. Powered by a four-cylinder, 20-horsepower gasoline engine, the Model-T provided reliable transportation for $850. By the early 1920s up to a million Model-Ts were being sold every year in North America. Other companies quickly adjusted or, if they did not, sank into bankruptcy. By the 1920s several cars, such as Chevrolet, could reasonably claim price parity with the Model-T and superiority in design and comfort. The Model-T and its direct competitors made the car available to the middle class.[116]

These innovations accelerated the rate at which car ownership increased in Canada. As Table 1 indicates, the number of Canadian-owned vehicles in 1907 (2,130) had increased tenfold to 21,519 by 1911, and this number had more than tripled (69,598) by the beginning of World War I. Also, ownership had spread more evenly through Canada. Ontario drivers then owned less than a third of Canadian vehicles, and even Prince Edward Island had eased its anti-car position by World War I. As we saw above, it possessed 31 vehicles. The car had become a national institution.[117]

Table 1
AUTOMOBILE REGISTRATIONS, 1907–1929

Year	Number	Year	Number	Year	Number
1907	2,130	1916	123,464	1926	728,005
1908	3,033	1917	197,799	1927	836,794
1909	4,763	1918	275,746	1928	945,672
1910	8,967	1919	341,316	1929	1,070,664
1911	21,519	1920	407,064		
1912	34,136	1921	465,378		
1913	50,558	1923	513,821		
1914	69,598	1924	586,850		
1915	89,944	1925	652,121		

Source: Statistics Canada (formerly Dominion Bureau of Statistics), *Canada Year Book*, 1933, p. 686.

The real boom was yet to come. In 1918 the Mayor of Hamilton, surveying the likely demands of the post-war world, warned "This is not the time of railroads, but this is the time of good roads, and it is the time of automobiles. The traffic conditions have absolutely changed during the past few years."[118] Despite the recent collapse of the Grand Trunk and Northern it was far too early to sing the death knell of the Canadian railway. Nevertheless, the Mayor

had recognized an important point. The post-war world was car crazy. Even in 1921, when a vicious slump devastated many sectors of the Canadian economy, both automobile registrations and production continued upward! The Mayor was right. The time of the car had arrived.

James Flink, in his assessment of American automobile development, uses the term "car culture" to emphasize the pervasive influence the automobile has had on modern life. The car, Flink argues, "more profoundly influenced twentieth-century American historical development than the collectivity of reforms emerging from the so-called Progressive Era and the New Deal combined."[119] At some point the car became a sufficiently powerful presence that society began to revolve around it in myriad ways — from town planning to advertising to the economy. Thereafter nothing would ever be the same, and the arrival of the car culture, as much as World War I might be taken as the true end of the 19th century.

For Canada the car culture arrived in the 1920s. Whether judged by the diffusion of the technology, form of production or supporting infrastructure, the 1920s was a watershed decade for the car in Canada. The number of registrations rose to more than one million, and the number of persons per car dropped from 30 to 10. Throughout the decade registrations increased at an average rate of well over 10 percent a year. At the same time the horse declined in numbers for the first time since statistics had been kept. It would not recover.[120] On the production side, automobile manufacturing underwent a major series of consolidations, including the collapse of the last independent Canadian manufacturers by mid-decade.[121] It was also in these years that many of the modern distribution, marketing and advertising techniques associated with the car came into being. The development of the car culture also saw the formation of a more effective infrastructure. Automobile clubs, which had been irregular and largely local before the war, were expanded and organized. Likewise, anomalies in driving regulations (such as left-side driving) disappeared. Only one out of 10 Canadians may have owned a car, but the values of the automobile, its appeal to people and therefore its demands upon governments were far greater. The car culture had become a way of life.

The modern image of the car is ambivalent. Traditional images of romance compete with fears of pollution and safety. So it has been from the beginning. Carriage drivers protested against the fright to their horses caused by the

noise and speed of cars. The absence of driving tests and the basically dangerous nature of the vehicle quickly made traffic accidents an issue. Given these decidedly mixed reviews, the striking thing is the hold the car had on imaginations, even by the 1920s. This was not just a new appliance such as, say, the electric range, but a new experience, and the imagery of that experience must be understood if the place of the car in 20th century Canada is to be understood.

There is a fact that precedes the mythology, however. The automobile was an improvement over the horse, not just in personal but in social terms. The concept of *The Horseless Age*, as one American automobile journal was entitled, was appealing for many reasons. When the car was introduced it appeared to possess considerable sanitary and social advantages over the horse. The horse was an animal and that created obvious problems. In New York City, for example, about 1,250 tons (1,130 tonnes) of horse manure was removed each year. There were also thousands of horses found abandoned or dead by city officials annually. Both the refuse and the carcasses created horrendous odour and health problems. Horses also got ill, often with infectious diseases that threatened surrounding animal life and caused suffering for the animal. At least when a car broke down it did so in mechanical solitude. In sum then, the automobile was "cleaner, safer, more reliable and more economical than the horse."[122]

The image of the car has never rested on such mundane matters as health and economy, however. Practically from the beginning, enthusiasts attached a whole host of values to the car. Before long it had developed a mystique of its own. Sometimes this mystique could be expressed in terms as romantic and all-encompassing as those used by early promoters of the railroad. Chevrolet advertised its cars under the banner headline, "What Transportation Means to Civilization." Civilization, it determined, was the result of the interchange of individual thought, "and that thought could only be exchanged if transportation was available." The car was the superior form of transportation because "it is not limited to mass movements nor [sic] fixed routes" but could penetrate everywhere. It was, accordingly, the great civilizer of the modern age.[123] This was a common theme in the advertising, but it was far from restricted to advertising. W. H. Dandurand of Montreal, one of the foremost early car enthusiasts of Canada, sounded reminiscent of 19th century railway philosopher Thomas Keefer as he described what improvement of a highway did for the region south of Montreal: "The

schools are kept in good shape, the children are better dressed, the little girls wear new dresses and all the children wear boots. . . . Last year we noticed that they had flowers on their lawns and that they had real lawns on which they used lawn mowers and kept the grass nicely cut."[124] All this because the car could now readily traverse the area.

Such hyperbolic rhetoric points to an important theme of the age. This was a time of rapid urbanization. People feared that the movement to the city would undermine a moral fabric that, it was believed, rested in the countryside. The car provided a partial remedy to the problem. Rural families might be less tempted to throw their lot in with the cities if they were less isolated. The car provided an easy access from farm to city. On the other side, those who had already cast their lot with the city might at least escape the oppressive weight of concrete and brick to return to the countryside. Henry Ford summed it up with the comment "We shall solve the city problem by leaving the city."[125] The President of the University of Toronto, Robert Falconer, said much the same thing in 1915: "Is it not going to be possible to get people from the cities out into the country? Is it not possible to relieve the pressures of the cities?"[126]

These broad social values only indirectly translated to a personal appeal to the would-be car buyer and driver. In selling the car, advertisers used themes of status, taste, refinement and culture. Many of the themes would still be familiar today. A 1929 advertisement in *Canadian Motorist*, for example, portrayed a chic, modern woman standing beside the newest Hupmobile. "Sports ensemble by Regny. . . . Car by Hupmobile," ran the ad. An Essex Super Six sought to convince prospective buyers that they were conforming to popular taste, referring to "this country and world-wide conviction" about the quality of the car. Yet another ad — this one from an American publication — reassured potential buyers that to consider the 1921 Liberty put them among those "whose taste and means incline them to better things."[127] Such imagery was part of the new advertising culture that had developed in the years since the turn of the century. Indeed, the car and modern advertising grew up together, each reinforcing the other's hold over the public. The concept of being smart and elegant was used to sell everything from furniture to cigarettes. There were also aspects of the car that, though played upon by advertisers, were closer to the real mystique of the vehicle.

Central was the idea of independence. This was your personal vehicle that could take you where you wanted when you wanted. In dozens of advertisements and articles the theme of independence was promoted in myriad ways. To a surprising degree, women were depicted as the driver of the automobile. The message conveyed by those ads seemed to emphasize several things, all related to independence. The ads implied that it was easy to operate the car and that the modern woman need not fear this new technology. Any woman could do it. This was no small matter to a generation of women who, born and raised in cities, had increasingly less knowledge and skill in horsemanship. It was also a message not lost on the urban man who, though less willing to admit such things, was himself less skilled with the horse than his forefathers had been. "It's a man's car but it's a woman's car in the sense that it's so easy to operate," said an Overland ad in the early 1920s.[128] The image of the woman driver also linked the car to the modernity of the 1920s. The old Victorian days were gone. A woman who had access to a car wasn't dependent on some man but was free to go about her business. So efficient was the car, moreover, that family duties need not be forsaken in doing so. There was adventure to be had out there beyond the world of the family and the confines of the home. The car provided the means to discover it.[129]

The advertisements emphasizing independence were so powerful because they reflected a genuine public view of the car. Articles on motoring in the early years focussed less on mechanical attributes and speed than today's magazines and more on the romance and adventure of touring. The car was a vehicle that freed the individual from the fixed lines of the railroad and opened up whole new areas of countryside. Driving was still sufficiently new and the countryside sufficiently uncluttered by other cars that there was a real sense of adventure to motoring beyond the city. People, in the words of one article, became "Knights of the Road" heading out to to see what could be seen. Trips to the end of the road in Cape Breton or into the Rocky mountains were portrayed in 1929 in terms that are associated more with modern backpacking than with motoring in the 1990s.[130] The car was flexibility, independence and adventure rolled into one. A 1929 advertisement entitled "Beyond the Barriers of Everyday" caught the mood perfectly. The picture was of a family having a picnic in a wild, wind-swept setting reminiscent of a Group of Seven location. The father stands in the centre of the picture as if guarding the situation while a very lavish picnic is spread about. "Break down the barriers of everyday," the ad read. "There's happiness

ahead. . . . The outstanding Chevrolet is the magic carpet that lifts us far beyond the barriers of everyday life. The joys that lie round the turn of the road or over the hill. . . . You too, can seek and find them in your Chevrolet."[131]

The growth and development of Canadian roads must be set against the popularity of the automobile. Cars need roads, and it more or less followed from this that car enthusiasts were road enthusiasts. As the car became a part of Canadian culture the demand for roads grew. The translation of this demand into policy during the first generation of car ownership was extremely important. For by the late 1920s the whole complex set of lobby groups, policies and taxes that shaped roads in this country was in place. So too, to a surprising degree, was the modern Canadian road system, at least in embryonic form.

Support for improved roads predated the car. By the late 19th century both urban bicyclists (a new craze) and rural agriculturists were dissatisfied with the state of Canadian roads. Moreover, this was an age of reform — interlocked groups of social reformers were advocating everything from temperance to better sewers. Amidst the reformism there was, as well, social insecurity.[132] Farmers in central Canada in particular were nervous about the future as an increasing number of their children headed into the cities. Industry seemed poised to replace farming as the most important economic sector in Canada. Rural Canadians were an important force, however, constituting some 70 percent of all Canadians in 1891. They were determined to preserve their position in the community. New parties sprang into existence. Various campaigns sought to bring the benefits of the city to the countryside, hoping thereby to remove the temptation of the city. Over the next few years rural telephone systems and rural electrification would become major issues. Improved roads fit nicely into this program. Improvements would presumably reduce transportation costs and thus improve the farmer's standard of living. They would also reduce the isolation of the farm family and, it was hoped, lessen the attraction of the city.

Still, compared with the massive support of such movements as temperance, a small meeting at the Canadian Institute in Toronto on February 9, 1894 did not seem very significant. Indeed, Andrew Pattullo of Oxford County opened the meeting with the comment that "the attendance will not be very large this morning," and he apologized for the absence of any important political figures. It was in this unlikely atmosphere that the Ontario Good

Roads Association was formed, and the date is as good as any to mark the turn-around of the Canadian road system.[133] For despite Pattullo's deprecatory comments, the good roads movement in Ontario received a significant amount of attention. Cabinet ministers and senior government officials regularly attended. Before long good roads associations sprang up in other provinces. By 1914 F. H. Dandurand of Montreal had successfully formed a Canadian Good Roads Association. In 1917 it was chartered by the Dominion Parliament.[134]

The good roads movement was begun by farmers. Initially, farm associations and ministers of Agriculture showed the greatest interest in it. It was the rise of the car culture, however, that turned the good roads movement into a national cause. Moreover, the movement, though very much the outgrowth of the era's reformism, was unique in the way it blended politics and science. The annual meetings were combinations of technical discussions of road building, discussions of motoring activities and political rallies designed to impress government and public both with the need for better roads. The associations also became significant political forces. From the beginning they attracted the attention of provincial governments. In 1915 (the first year the national proceedings were published) a combined Dominion-Ontario meeting in Toronto showed that the elite members of society had recognized the importance of good roads. The Mayor, the President of the University of Toronto, provincial civil servants and government ministers all attended. It was thus no exaggeration when the Ontario Minister of Public Works concluded that "You have laid the foundation by creating a public opinion" on the matter of roads and that as a result the principles are no longer debated. It is a question of "devising ways and means to meet the different situations."[135]

In 1915 the car was not yet a mass phenomenon. After World War I the car culture took hold, and so too did the Canadian Good Roads Association (CGRA). In 1920 the CGRA held its annual meeting in Winnipeg, the first one held outside of central Canada. Through the 1920s newspapers carried extensive coverage, and the old central Canadian organization was increasingly a national one. In 1925 the Governor General, Lord Byng, attended its annual banquet, and national as well as provincial figures clamoured to be associated with the organization. The attraction of the movement reflected both the public mood and the prestige of a lobby association that was dedicated to the scientific improvement of the Canadian road system.[136]

Paralleling the good roads movement were the provincially based motor associations that would eventually evolve into the Canadian Motor League. A U.S.-inspired network of non-elite associations of local automobile clubs dedicated to the promotion and assistance of "automobility" soon took root. The development of these associations varied considerably from province to province. By World War I the Ontario Motor League was a well-established body with connections to both the Ontario Good Roads Movement and the government. In other provinces a provincial body was still well in the future. It was 1926, for example, before the Alberta Automobile Association came into being as a result of the merger of local clubs.[137]

Like the good roads associations, the motor associations became lobby groups. As early as 1915 the Ontario Motor League was instrumental in arranging a reciprocal licence agreement between Ontario and New York State. Previously drivers had to buy a New York licence plate before they could cross the border.[138] Interprovincial and international reciprocity soon became the norm, thus extending the horizons of the car driver and the potential of the tourist industry. Other campaigns followed, including one to get all Canadian provinces to have motorists drive on the right. As the automobile numbers increased the motor associations also campaigned for more traffic safety. The motor associations also collaborated with and supported the good roads associations that had grown up in various provinces.[139]

There were differences in the evolution of the two types of associations, however. The good roads associations quickly developed a technical interest, and the problems of road construction as much as government policy became their focus. Also, the various provincial good roads associations were, by the 1920s, overshadowed by the national body. In contrast the automobile associations had always had a "facilitation" role. They were the clubs of the drivers, and therefore travel guides, insurance schemes, international driving permits and club associations dominated their non-lobbying interests.[140] They were, overall, definitely non-technical in orientation. Also, in contrast to the good roads movement, the motor associations remained provincially based. Though the Canadian Automobile Association (CAA) was formed in 1915, it was merely a paper organization until 1957. Even today the CAA is small compared with the huge provincial counterparts that underpin it.

Several forces thus came together to shape road policy in the first 30 years of the 20th century. The primal force was the new technology of the car. Both as a form of practical transportation and as a cult of adventure and

freedom, it created a totally unprecedented demand for good roads. Already in place as that demand grew, however, were a series of provincial organizations and then a national one dedicated to the improvement of roads, connected to the engineering and political elites of the day and seemingly well received by press and public. Then, parallel with the growth of the car came the car club, lobbying in the name of the driver and linked to the good roads associations, sometimes formally yet always informally.

These developments meant that government neglect of roads soon changed. Even before the car really took hold, the good roads movement and the demands of modern industrial society began to affect policy. In Quebec the provincial government moved through the Department of Agriculture in 1897 to give subsidies to municipalities for road improvement. In New Brunswick where intermunicipal roads were under direct provincial control, planning and funding improved. In Ontario a "Provincial Instructor in Road Making" was appointed in 1896, but the most important step came in 1901 when the *Highway Improvement Act* was passed. This provided a subsidy from the province to county road operations and marked the beginning of a long-term trend toward centralization in road construction. In Quebec, Acts in 1907, 1911 and 1912 regularized the principle of a provincial presence in both the funding and construction of roads.[141]

Centralization was necessary, for the car made the jurisdictional boundaries of the 19th century obsolete. When roads were relatively marginal feeder systems, it was enough for local units to take responsibility for them and to use the inefficient statute labour system to maintain them. Once the car arrived this had to change. For one thing, the longer distances now travelled on land meant that the burden on roads in an area might come from residents miles away. For another, the growing importance of the road system demanded some consistency of funding and construction. As early as World War I, for example, the City of Toronto realized that there was little point in improving its own roads if, once the traveller hit the city limits, travel ground to a halt. It therefore convinced the Ontario government to create the York Highways Commission to develop and maintain roads for 15 miles (24 km) around the city.[142]

The inappropriateness of local government being responsible for road policy after the advent of the car was recognized across the country. The next decades saw a trend toward centralization of road responsibilities. By World

War I most provinces had a distinct roads department or a division within departments of public works. The previously purely local system was complicated by a series of statutes and policies that provided subsidies to local units of government and saw the provinces directly involved in road construction. There was even federal involvement. In 1911 Robert Borden's Conservatives came to power. Borden pledged to take a more active role in facing modern problems than had his laissez-faire predecessor, Wilfrid Laurier. One of the first steps the Government took was to introduce a bill to provide federal funds to assist in the development of a national trans-Canada highway. The bill was defeated by a hostile Senate, but at the end of World War I the Government reintroduced it in slightly different form and passed it as the *Canada Highways Act*.[143] The involvement of the federal government, along with the growing role of the provinces, indicates just how far roads had come from being a purely local matter.

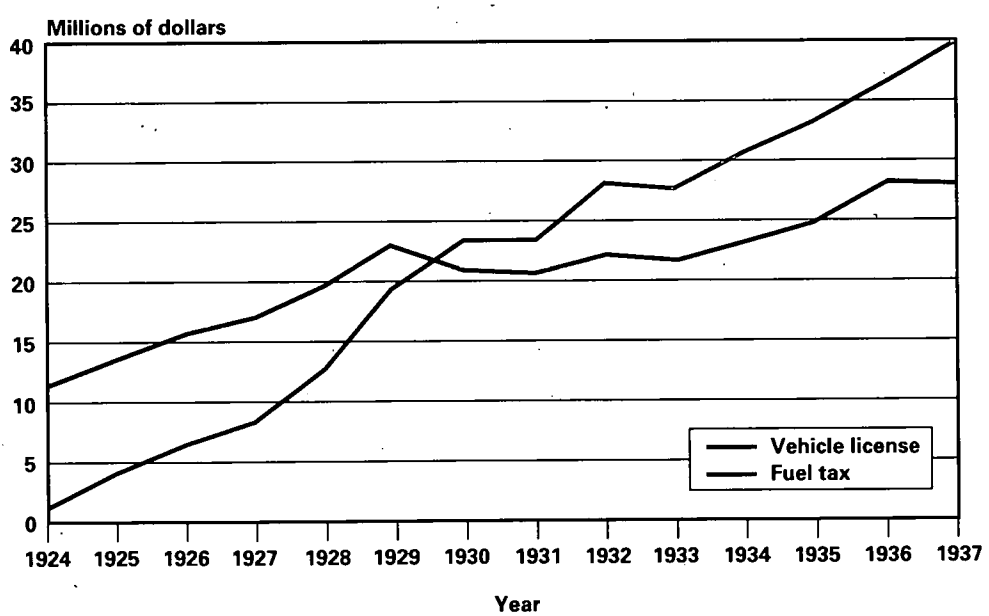
The emerging programs of road subsidy and construction at the provincial level were extremely expensive. Fortunately, the car, which was what created the burden, also provided the solution. Taking their precedent from the United States, the provinces began to impose taxes on cars to cover the costs involved in supporting them. Motor vehicle licensing provided an early source of revenue. Ontario began the practice in 1903, registering all of 220 vehicles that year.[144] Before World War I the registration or licence fee was also adopted by other provinces.

By far the most lucrative source of revenue, however, was inspired by a number of Western states shortly after the war. Beginning in 1919 Oregon, New Mexico and Colorado taxed fuel to raise money specifically for road construction. By 1925 the tax had proven so lucrative that some 44 states had adopted it.[145] Not surprisingly, the provinces were quick to notice the tax. They were facing unprecedented costs as the demands for roads grew. The *Canada Highways Act* only made the pressure greater: it had provisions for Government funding on a cost-sharing basis. If the provinces were going to take full advantage of this federal largesse, they were also going to have to pour large amounts of money into the road system. The fuel tax had the dual attraction of being lucrative and focussed on the very group that would most benefit from the new roads — the car user. In 1922, Alberta was the first province to implement a fuel tax. By the late 1920s every province had one.[146]

Initially the fuel taxes were modest and seen as a supplement to licence fees. It did not take governments long to discover that a hidden user-tax like this was more lucrative and elastic than increases in licence or similar fees. As a hidden tax and as one that varied depending on the use of the vehicle, it also seems to have been more accepted. There was some outcry in Ontario when the first fuel tax was increased in 1925, but generally the motoring public seems to have been relatively willing to accept the burden.[147] By the end of the 1920s a series of tax increases and the growing number of cars on the road meant that fuel taxes surpassed licence fees (see Figure 8). Within a few years fuel taxes accounted for approximately three quarters of all user-impost revenue.[148]

By the mid-1920s then, some important principles had been established for road policy. Most importantly, the new cost of roads had been met to a large degree by new taxes on road users. Over time the exact percentages of user-taxes devoted to highways would vary. In the 1920s, though figures

Figure 8
Comparative Provincial Revenue from Fuel Taxes and Licensing Fees



Source: Statistics Canada (formerly Dominion Bureau of Statistics), *Canada Year Book*, 1925–1945.

are imprecise, it appears that road costs outstripped taxes. In contrast, during the Great Depression the cash-starved provincial governments spent less on roads than they took in. Then, after World War II, the percentages dropped again as massive road-building efforts were undertaken. In general, however, a rough correlation was maintained over the long term between user-tax revenue and expenditures. Occasionally this tie was required by legislation, but even where it was not the correlation existed as a matter of policy. Various commissions and investigations during the interwar years restated the principle that user-taxes on motorists should provide the basic tax support for the highway system.[149]

Two other precedents were set in the 1920s. First, the roads were to be public property. This may seem obvious, but remember that railroads were not public property (except when bankruptcy left no choice) and there had been considerable use of toll roads in the 19th century. By the 1920s, however, toll roads had fallen out of favour and were gradually assumed by the appropriate government. In Ontario, for example, the last toll road was made free in 1926. It would be another generation before toll roads reappeared.

Second, though roads were clearly a provincial matter, the federal government had recognized the overwhelming importance of the system and become involved. The 1919 Act, originally intended to expire in 1924, was in fact extended to 1928. The Act set aside $20 million of federal government money for cost sharing with the provinces. Each province would have access to $80,000 automatically. The rest was to be divided up in proportion to population. To qualify for the money the provinces had to be meet standards of construction established by the federal government. These were not high by modern standards but do indicate the roadway system was being designed for cars rather than foot or horse traffic. The federal government also had a say over which roads were eligible, though any main road seems to have been accepted. In this age of criticism of anti-patronage sentiment, all contracts had to be let by tender. When these conditions were met the cost-sharing system would come into effect: the federal government would pay 40 percent; the provincial government, 60 percent.[150] The federal assistance does seem to have been important in the great construction effort of the 1920s. The provinces were provided with welcome financial assistance at a time when there was tremendous demand for new roads. The federal involvement also set a precedent. Thereafter provinces continually sought greater federal involvement in the highway system. The federal

government's involvement, however, has been intermittent: the Government oscillates between a desire to create a truly national highway system and a reluctance to get involved in a very expensive area outside its own jurisdiction.

The basis of the modern road system was established in the 1920s. In 1918 most of the system was still primitive. The only significant stretch of paved highway outside the cities was the concrete highway between Toronto and Hamilton. Only in parts of southern Ontario and in the area surrounding Montreal could one talk of a road system suitable for cars. Even then the roads were seasonal, closing down whenever the snow got too deep. In Nova Scotia, where the roads were better than in many provinces, the system was still sufficiently fragile that there was a provincial law on the books prohibiting motor traffic during the spring thaw.[151] The side of the road the motorist should drive on varied from province to province, and British Columbia had only just asserted uniformity on that *within* the province.[152]

The 1920s revolutionized Canadian highways in several ways. First, the technical obstacles to the development of a modern highway system were overcome. Roads designed for the horse and wagon were not suitable for the car. The speed and design of the car created new demands for gentle curves, limited grades and smooth surfaces. As well the wear and tear of cars were such that even a well-designed carriage road was unsuitable for car traffic. As the President of the Ontario Good Roads Association put it in 1914, "the automobile itself is quite a harmless instrument — a broad soft tire, but the rapidity at which it is driven upon our roads makes it a regular road smasher."[153] In the first 20 years of the century, failure to understand the implications of this fact led to numerous errors of planning. "Waterbound macadam," for example, reacted very differently under horses and cars. The slow, steel-rimmed wagon wheels compacted the macadam surface. The fast, rubber-tired car carved deep ruts into it.[154] In all areas, from drainage to gravel coverage to safe curvature, the car road had requirements considerably different from those of the older wagon road.

Second, until well into the 1920s only Ontario really had the demand or resources to create a full-fledged system of highway construction and maintenance. Other operations appear to have been relatively haphazard. In Alberta, for example, only one quarter of the maintenance appropriation was spent in 1922. Partly as a result of this, the legislature slashed the budget for 1923, leaving Public Works without the funds to do any but "the most urgent work."[155] That same year the entire maintenance cost for

the main Edmonton–Calgary highway was only $6,961. The same general records of small expenditures, ad hoc arrangements and lack of long-term policy appear as well in the records of other provinces, or at least such other provinces as bothered to print annual reports on highway activities at all.

This changed dramatically through the decade. A 1923 report by the Ontario Minister of Highways said, "A much greater expenditure is to-day necessary and justifiable, as compared with the days when roads carried horse-drawn traffic alone."[156] Certainly roads received a great deal more attention than they ever had before. With aid from the Dominion government, provincial highway budgets multiplied many times through the decade and became one of the major expenditures. Highway departments expanded and became much more involved in long-term development strategies rather than merely keeping existing roads passable. In British Columbia, for example, work began on the tremendously expensive trans-provincial highway, which, when finished would create "a serviceable highway from the Coast to the Crowsnest Pass."[157] In Alberta the *Canada Highway Act* encouraged the province to create a high-quality north-south highway. By the end of the decade maintenance expenditures on it were 25 times higher than they had been in 1923.[158] In Ontario the emphasis was on the development of the King's Highway system, including a considerable amount of hard surfacing. New Brunswick was starting from somewhat farther behind than Ontario, but it too put considerable funds into developing a main trunk system and improving rural roads.

The final change came in the response to weather. Until the 1920s roads were at the mercy of nature. Snow-removal equipment was primitive and the expenditure small. Ontario, for example, spent less than $5,000 a year on snow removal through the early 1920s. Quebec spent less. The result was that roads, as always in the past, were in effect seasonal operations outside of the cities. Improved surfaces and drainage lengthened the season, but a snowstorm still shut the system down. Cars disappeared and sleighs took over. The roads "returned" to the 19th century.

As cars, buses and commercial vehicles became a standard part of the national culture and economy, however, such seasonality inflicted an ever greater social and economic cost. By the later 1920s all provinces were making more of efforts to create an all-weather road system. Ontario bragged that it maintained some 1,200 miles (1,900 km) of roads all winter (though snow could and did shut them for days at a time). Other provinces had neither the

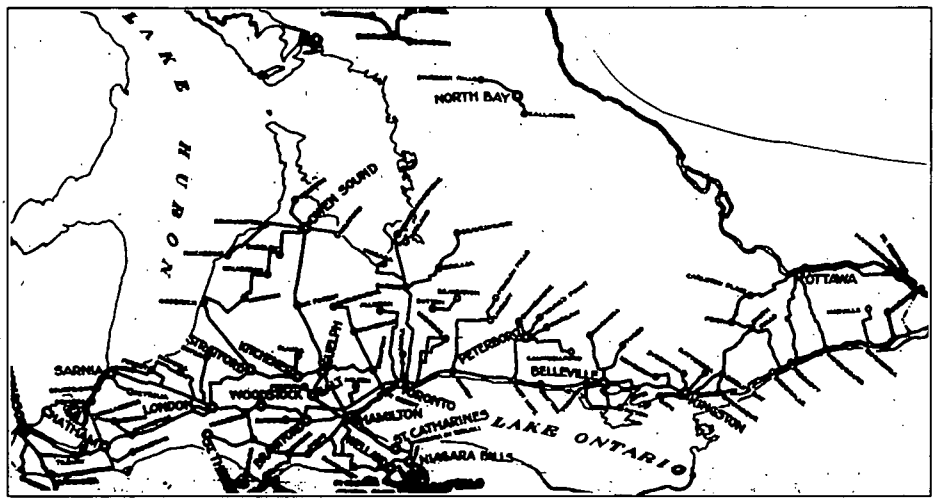
hard-surface mileage of Ontario nor the same money to spend on snow-removal equipment. Nevertheless, all provinces sought to keep at least the main highways open through the winter.[159] It would be another generation, however, before year-round car travel became the norm outside the cities of Canada.

What did this all mean by the end of the decade? What was the state of the Canadian highway system at the onset of the Great Depression (and it wouldn't change much for the next few years)? How, if at all, were railways affected by the rising popularity of the car? The most striking thing is the change that had taken place in a decade. There were still a good many bad roads, but the Canadian highway system had been redesigned and rebuilt for the car. Tracks had been turned into regularly passable roadways. Links between cities had been upgraded so that intercity automobile travel was routine, at least over short and medium distances. Nor was the car an exotic sight any more. Summer traffic on the Toronto–Hamilton road was upwards of 5,000 cars a day by 1926, and by the end of the decade the main road out of Vancouver was carrying more than 9,000 cars a day.[160]

In contrast to the spread of the car, the use of the horse was declining. At the end of World War I roads everywhere had to carry both horse-drawn and motorized traffic. By the end of the decade the horse and carriage had become an increasingly rare sight along major highways, especially in the more urbanized east. Not only were there fewer of them, but as car numbers and rates of speed increased it took a degree of hardiness to bring a horse onto the main highways. Horses and carriages were now more or less confined to rural areas, and even there they tended to stay off the main roads.

Related to the motorization of the roadway was the development of commercial bus service. Through the 1920s bus service improved. In 1926 regular coach service began between Calgary and Banff. By the end of the decade the main cities of Alberta were served by scheduled bus lines.[161] In Ontario, as Figure 9 indicates, an extensive system of bus routes had been developed, providing the first significant competitor to railways for the public passenger dollar. Railways, indeed, had now cast aside their earlier friendly attitude toward the car and were increasingly demanding that buses "pay their fair share." Complex studies and adjustments of licence fees, gasoline taxes and related issues would become a major subject of discussion through the depression years as all modes of commercial carrier found their revenues in decline.[162]

Figure 9
1927 Bus Routes In Ontario



Source: Ontario, ***Annual Report of the Department of Public Highways,*** **1927, p. 188.**

For all the improvements that had been made in the road system, two facts that emphasize the limitations that still existed stand out. First, driving in the 1920s meant driving for the most part on gravel or unpaved roads. In Alberta, for example, the bulk of federal funds under the *Canada Highway Act* had gone to improve the main north-south route, Highway 2. By the end of the decade the province could boast of a "modern" gravel highway extending from Lethbridge to Edmonton. North of that it was still a rudimentary dirt road. A small section (70 miles [113 km]) was even paved in the early 1930s, but the Great Depression meant that most of it was gravel until after World War II.[163] The same conditions prevailed in Manitoba and Saskatchewan and through much of the Maritimes.

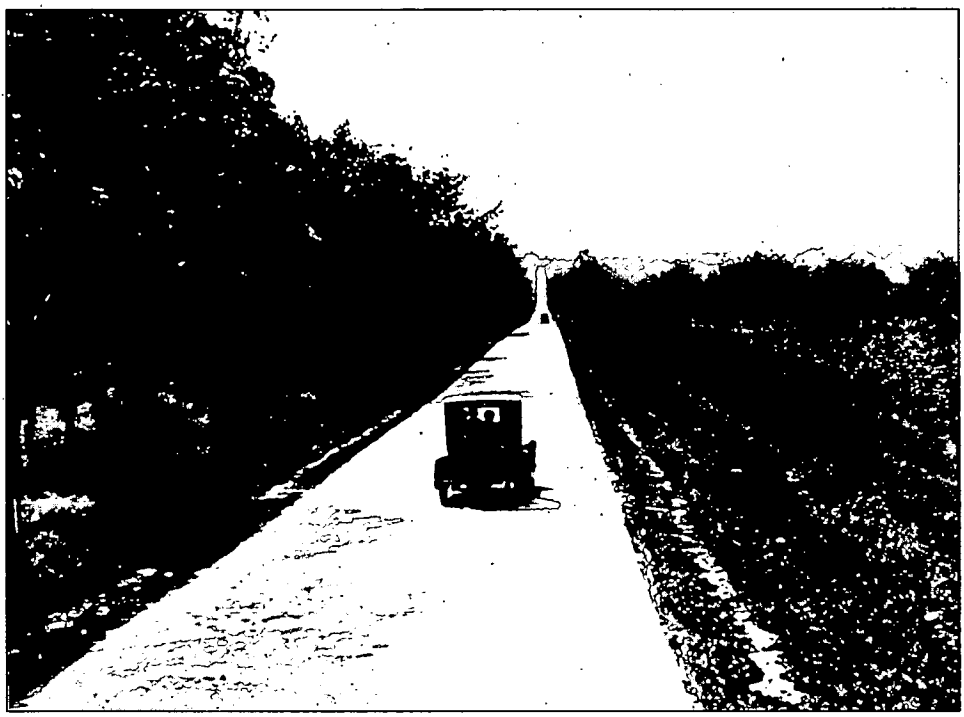
There were exceptions to this rule in the vicinity of the major urban centres. British Columbia's roads on the lower mainland and southern Vancouver Island had hard surface by the later 1920s. So too did Quebec's highways in the vicinity of Montreal. Ontario had by far the most extensive system, with some 1,800 miles (2,890 km) hard surfaced in one fashion or another as early as the mid-twenties.[164] The main highways westward and eastward from Toronto were paved, and it was possible to go all the way to Montreal

or Windsor on a paved highway. Even in Ontario, though, pavement was restricted to the major arteries. If one deviated from what is now known as the corridor, gravel became the rule. Only about 5 percent of Ontario highways were hard surfaced by the end of the decade. Moreover, even the paved highways were relatively narrow, with 18-foot (5 m) surfaces and gravel shoulders (see Figure 10).

At the end of the 1920s Canada's highway system was also limited by its regional nature. The *Canada Highway Act* had not tied grants to any sort of trans-provincial linkages, and provincial governments followed traffic demand rather than encouraging interprovincial links. At the end of the decade it was still impossible to drive across Canada. British Columbia was not connected to Alberta despite the efforts to create a trans-provincial highway. Ontario was not connected to itself: there was no road around the north of Lake Superior. Given the accessible American road system, the problem was probably more symbolic than real. More difficult and more costly was simply the patchiness of the Canadian road system. Except perhaps in the Windsor–Montreal corridor, long-distance travel by car was still difficult. Speed limits were still relatively low (they varied, but 30–35 mph (48–56 km/h) outside cities was typical). "Good roads" were still confined to the major transportation corridors and oriented on provincial rather than national needs. Whereas the railroad system had strong nationalist associations, the road system was, after the first 30 years of the car, regional in orientation and uneven in standards.

The car was sufficiently important by the 1920s, though, that the railways began to complain about "unfair competition." "Motor vehicle competition by private automobile, bus and motor truck," complained the CNR in 1931, "has made serious inroads into the railway's traffic. . . . The use of the motor vehicle beyond its proper economic sphere can have no other effect than to increase the total cost of transportation to the citizens of Canada."[165] That "proper sphere," apparently, did not include competition with railways. Concern focussed on two areas in the interwar years. The first, not relevant to this paper, was short-haul freight: commercial trucking firms entered into competition with railways quite early and quite effectively. The second is relevant, however: the railways saw the car and bus as just as much a threat to passengers as to freight.

Figure 10
No. 2 Provincial Highway, 5 Miles East of Bowmanville



Source: Ontario Archives, Negative No. A0913 (reproduced in Ontario, *Annual Report of the Department of Public Highways*, 1926, Frontispiece.)

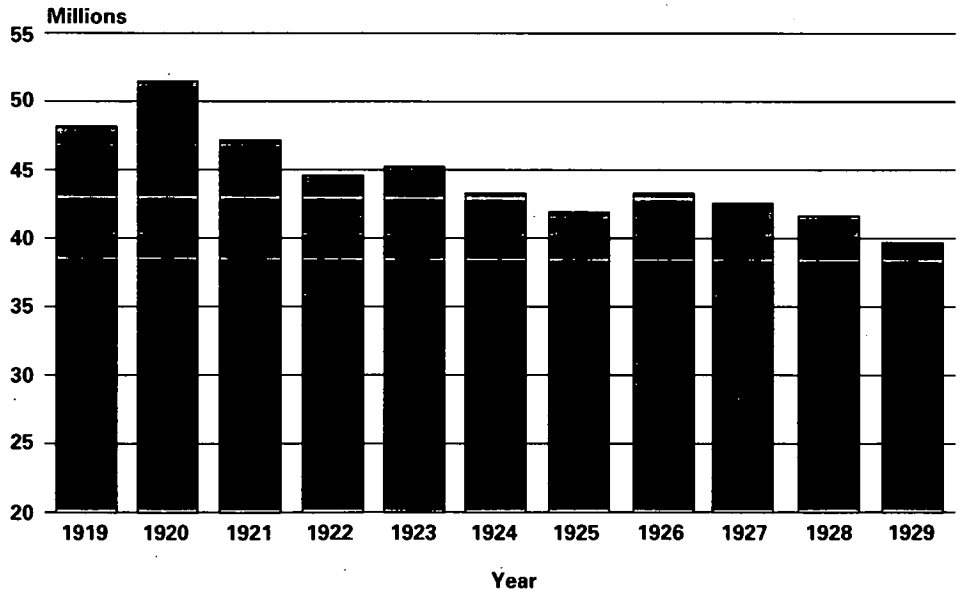
The main concern was the attractiveness of the car to the individual or family going a relatively short distance. A trip from, say, Hamilton to Toronto or Brandon to Winnipeg by horse and wagon was not competitive with the speed, comfort and even cost of the train. The same could not be said when it came to a comparison between the train and the car. Even more threatened was the very short haul. Why travel according to someone else's schedule over a distance of 10 or 15 miles when you could simply start the car and drive off?

An historian of the Canadian national system confirmed the concerns of railways, noting that the "motor car had taken a heavy toll of railway passenger traffic."[166] The statistical material available also shows some support for the railways' fears. Though the 1920s were generally good ones for the railways, several indicators imply either a static or somewhat declining

passenger market. As Figure 11 indicates, for example, there was a slow decline in the number of railway passengers through the decade despite improving economic conditions after 1921 and a growing population. Figure 12 also gives at least indirect evidence that there was a correlation between the rise in cars and the erosion of passenger numbers on the railways.

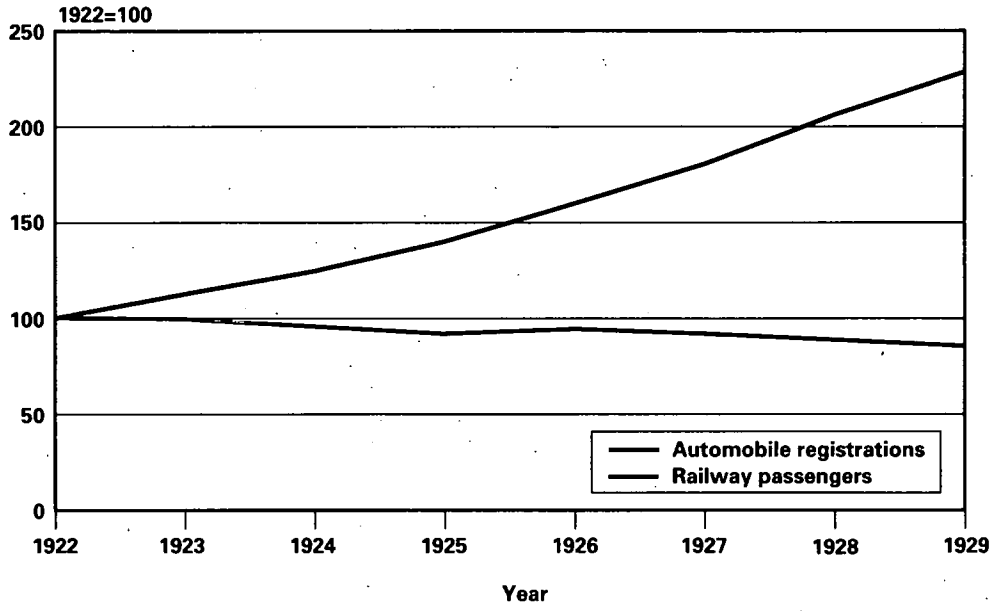
The competition from cars and buses at any time between the wars should not be overstated, however. For one thing there was simply not enough of them. As mentioned, even by 1929 there was only one car for every nine Canadians. For the great majority of Canadians, public transportation was still the standard means of travel. Even for those who had cars, the technology and infrastructure of motoring were not yet adequate for regular travel over anything but the shortest distances. Cars had come a long way in the decade, but they were still designed for relatively low speeds and short distances. Suspension systems were rudimentary. Most cars were not heated. For that reason as well as the primitive nature of snow clearance, much motoring was a seasonal phenomenon.

Figure 11
Number of Railway Passengers Carried, 1918–1929



Source: Statistics Canada (formerly Dominion Bureau of Statistics), *Canada Year Book*, 1930, p. 626.

Figure 12
RAILWAY PASSENGERS AND AUTOMOBILE REGISTRATIONS, 1922–1929



Source: Statistics Canada (formerly Dominion Bureau of Statistics), *Canada Year Book*, 1930.

Between the wars the most serious challenge to the railway came in a specific area, short-haul commuter traffic. It was the electric and street railway, designed for brief trips and constructed in and around those urban areas where roadways were usually best, that faced the brunt of the competition. Electric railway mileage peaked in the late 1920s, and thereafter abandonment rather than construction was the trend. By the 1950s many cities had totally abandoned their electric rail systems. Others had only a vestige of this once crucial urban and commuter link.[167] Across greater distances, however, the car was but a minor threat to the dominance of the railways in passenger travel. The commercial airplane was such an insignificant factor before World War II that all discussion of it is best deferred until after 1945.

THE GREAT DEPRESSION

In 1929 the economy turned downward as world commodity prices collapsed. Canada, as a major exporter of such commodities, was quickly affected. The Prairies had a bad year in 1929, and by 1930 the economy was in trouble across the country. For the next three years the Canadian and world economies

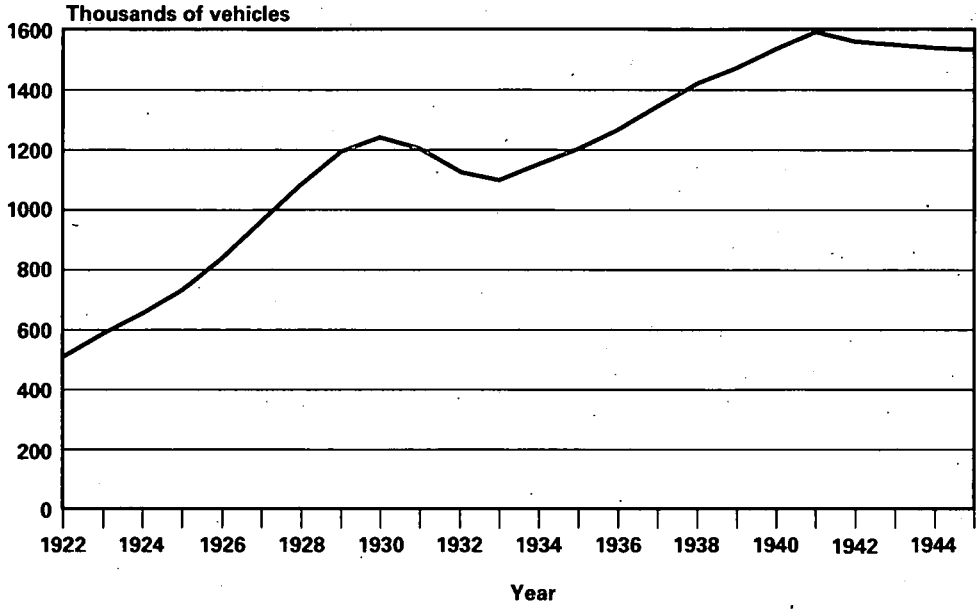
would continue to shrink until, at the bottom, world trade was at only one third of the level of 1929. Then, for the rest of the 1930s, there was only slow and intermittent improvement. Not until the World War II was the Canadian economy prosperous once again. In the intervening years all aspects of Canadian passenger transportation were affected.

The Great Depression rapidly brought the highway boom of the 1920s to a halt. This is hardly surprising. The depression shrank the financial resources available to governments. In 1930 provincial revenues had reached an all-time high of $188 million. By 1933, the low point of the depression, they had dropped to $152 million, or by almost 20 percent.[168] At the same time provinces were being pulled by bankrupt cities into more and more involvement in relief programs. As a result deficits rose and so too did the pressure to cut costs wherever possible. Road programs were a natural target. For one thing, government cutbacks are often carried out at the expense of the infrastructure. Capital projects can readily be delayed. So too can maintenance, which can be minimized with the recognition that a delay of a year or two will unlikely do much harm.

Another factor reinforced the tendency to delay capital construction. With the depression, automobile ownership ceased to increase at anything like the rate it had before. Indeed, for a period between 1931 and 1934 absolute automobile ownership decreased in Canada (see Figure 13). This would happen again, though at a lesser rate, between 1941 and 1945 as wartime restrictions curtailed production. Even when registrations did turn upward in the later 1930s the rate of growth was much slower than in the 1920s (see Figure 14).

At a time when governments were starved for revenue this decrease in the rate of growth of cars for some 15 years (and absolute drop in ownership for part of the time) provided a welcome respite. Capital expenditures could be slashed not just on the basis of fiscal necessity but because of decrease in demand. Maintenance was in theory less affected by the halt in the growth in the number of cars, but that too was cut back severely. Revenue decreases, said the 1932 *Alberta Annual Report of the Department of Public Works*, "made it imperative to curtail highway expenditure to such an extent that the utmost economy and watchfulness became necessary." The *Ontario Highways Report* for 1933 referred to a decrease in activity both in maintenance and construction because of "the depressed state of the financial economy."[169] It was the same everywhere as provinces finished off old projects and postponed or cancelled new ones.

Figure 13
REGISTERED MOTOR VEHICLES

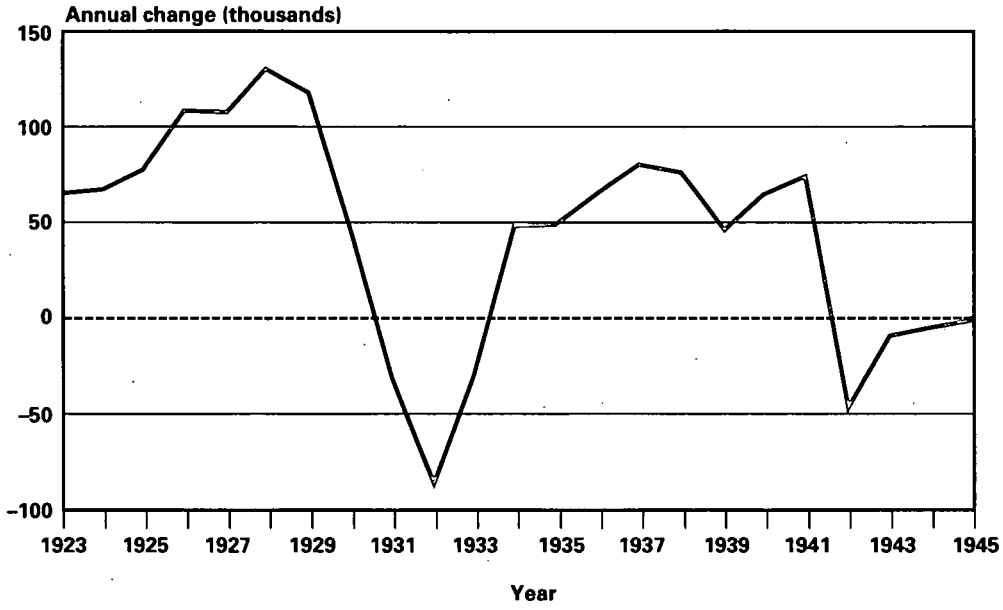


Source: Statistics Canada, *Historical Statistics of Canada*, second edition, F.H. Leacy (ed.), 1983, Series T147-194.

The overall decrease in provincial expenditure on roads was dramatic, declining by 60 percent between 1930 and 1933. Thereafter expenditures increased, but it was 1937 before highway expenditures recovered to previous levels. In the meantime user taxes on cars actually increased: cash-starved governments raised the vehicle registration fees and fuel taxes repeatedly through the decade. At the end of the 1920s user fees had recovered only about 50–60 percent of the total provincial highway expenditure in Canada. In five of the 10 years of the Great Depression user revenue matched or exceeded total provincial highway expenditure. User taxes were now subsidizing general revenue rather than vice versa. This pattern would become even more dramatic in World War II as road taxes outstripped expenditures during every year of the war, sometimes by as much as 50 percent.

Hard as the roads were hit, the railways were hit harder. The depression affected them almost immediately. Revenues dropped in 1929 and again in 1930 as wheat shipments declined from the Prairies. Then, as the depression hit home, people travelled less on business or pleasure, and passenger

Figure 14
MOTOR VEHICLES REGISTERED



Source: Statistics Canada, *Historical Statistics of Canada*, second edition, F.H. Leacy (ed.), 1983, Series T147-194.

traffic plummeted. The joint operating revenue of the two systems decreased from $469 million to a low point of $262 million, a decline of 45 percent. In response, both railway systems scrambled to avoid collapse. They reduced their operations, drastically slashing the number of trains, maintenance levels and the work force. By the low point, activities had been cut to the point that it was as if one of the railway systems had disappeared.

The two railways were affected differently. CPR was better able to weather the storm, though it had to suspend dividend payments for the first time since the completion of the transcontinental line and even had to turn to the government for some short-term debt guarantees.[170] Things were worse for CNR. The fixed debt CNR had inherited from the Grand Trunk and Northern railway systems meant that even in good years it was difficult for it to meet expenses and debt charges. To make matters worse, CNR was not really a coherent network of railways. It was a patchwork, put together from all those overextended, non-viable lines the government had assumed over the years. Finally, CNR had been as aggressive as CPR in adding to Prairie

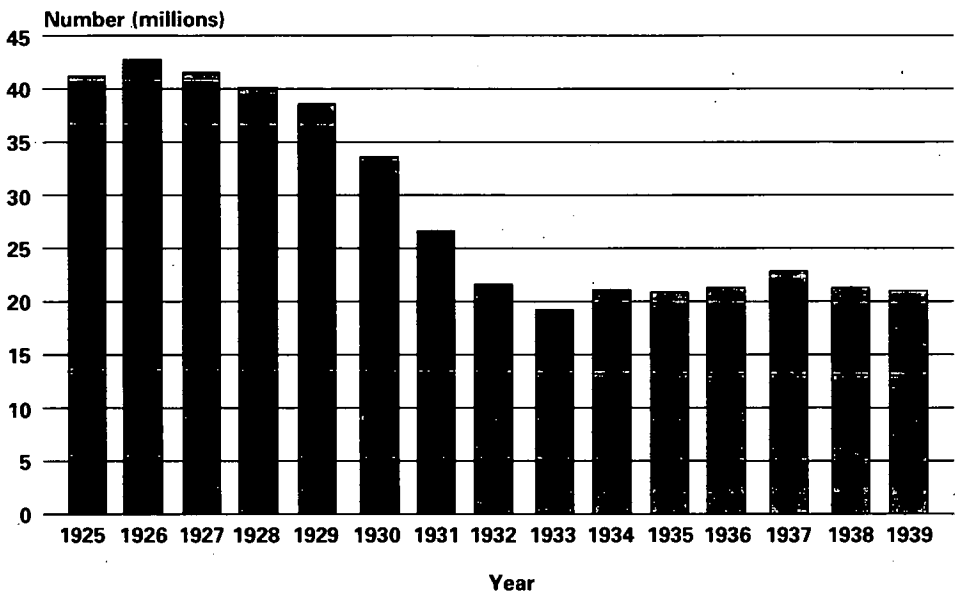
branch lines through the 1920s, which of course added to the debt as well.[171] At the beginning of the Great Depression CNR's debt was massive, equivalent to one quarter of the national debt.

CNR's financial position made it especially vulnerable to the depression. In 1929 CNR had an operating revenue of nearly $260 million, against operating expenses of just under $215 million; the profit therefore was approximately $45 million, excluding payments on debt. By 1933 revenue had declined to less than $150 million; operating expenses, to $143 million. The ongoing operation was just a little more than half the size it had been before the Great Depression.[172] In the same period, the number of employees declined from more than 111,000 to 70,000.

Passenger systems played an important part in both the decline in revenue and the reduced services. During the 1920s, as we have already seen, passenger- related services like hotels had been major expenses for both systems. A 1931 royal commission used the benefit of hindsight to condemn the two railways for creating "a standard of passenger travel quite beyond the needs of the country" and for excessive expenditures on hotels.[173] Then, after all that expenditure, passenger travel collapsed. As Figure 15 indicates, the decline in ridership continued until 1933, by which time the railways were carrying half the passengers they had in 1928. Thereafter the decline halted, and there was even some improvement. Even after a decade, however, passenger traffic had improved only marginally from its low point and was far below the level of the 1920s.

Passenger revenue declined even more sharply than passenger numbers. As Table 2 shows, between 1929 and 1930 CNR experienced a 14 percent drop in passenger revenue, with another 29 percent drop in 1931. People simply could not afford to travel any more. Sir Henry Thornton, President of the company, had always been interested in passenger service. Nevertheless, the company was desperate and immediately moved to slash expenses. New car orders were delayed. Some of the more expensive luxury services (for example, parlour cars, sleeping cars) were cancelled on various runs, and services themselves were slashed. The number of passenger-miles decreased by 480,000 in 1930, more than 3 million in 1931 and close to 5 million in 1932. The CNR *Annual Report* commented that this was "equivalent to wiping out practically one-third of the passenger train service operated in 1929."[174]

Figure 15
THE DEPRESSION AND THE DECLINE IN RAILWAY PASSENGERS



Source: Derived from Canadian National, *Annual Report*, for the years 1926–1939.

Table 2
CANADIAN NATIONAL RAILWAY PASSENGER REVENUE, 1929–1940

Year	Passenger revenue ($000)	Passenger revenue as % of operating revenue
1929	32,013	12.32
1930	27,537	12.42
1931	19,657	11.09
1932	17,259	10.71
1933	15,032	10.12
1934	17,554	10.65
1935	17,863	10.31
1936	17,022	9.12
1937	18,945	9.55
1938	18,097	9.93
1939	17,817	8.74
1940	21,702	8.77

Source: Derived from Canadian National, *Annual Report*, for the years 1930–1940.

Some writers have looked back on the Great Depression as a fundamental turning point in the history of passenger transportation on railways. Until then, this argument goes, the railways had seen passenger transportation (and ancillary services) as an important part of their revenue and as a matter of prestige as well. Then, with the depression, the whole emphasis on passenger service shifted from growth to retrenchment and from prestige to liability. Rail passenger service never recovered thereafter.

There is some evidence for this. There is no doubt that the Great Depression brought a tremendous reduction in service. A good many marginal routes were cancelled; services on others were cut back. The public, which had become accustomed to ever-improving regularity and proximity of passenger services, now experienced the reverse. Even as the Great Depression lifted and some services were restored, rail transportation was not as it had been before. Many of the routes were not revived, and on more major runs there were fewer trains scheduled than before. Even well into the boom times of the World War II, for example, passenger-miles were well below what they had been in the 1920s. As we have seen, both railways trimmed operating expenses by reducing capital expenditures and deferring indefinitely much-needed maintenance on tracks and equipment. Trains became a little more infrequent, services a little more difficult to get at and the level of comfort a little lower. As we will see, the war provided the railway with certain advantages, and a sharp increase in ridership resulted. The conditions during the war were abnormal, however, and once it ended the railways found themselves facing more competition than ever. The decade of the Great Depression and the reduction in equipment and service did much to undermine the railways' ability to meet that competition.

Another reason to think of the 1930s as a turning point comes when one looks at the relative importance of passenger traffic on the system. For it was in the 1930s that passenger traffic on both major lines began to slip in importance. As Table 2 shows, CNR's passenger traffic accounted for 12.32% of revenue in 1929 and only 8.74% a decade later. The same relative decline occurred on the CPR: 6.7% in 1929 and only 4.8% a decade later.[175] When these figures are put together with the lesser declines in the relative importance of passenger revenue of the 1920s, the cumulative trend is quite significant. Passenger services were becoming a peripheral part of the railway operations.

Finally, the 1930s were a turning point because of the changes in the relationship between the railways and the Government. Not surprisingly, given the importance of the railways to the national economy and the tremendous burden that CNR placed upon the Dominion treasury,[176] there was a great deal of controversy surrounding the beleaguered railways in this decade. There were parliamentary hearings, the already-mentioned royal commission and some significant alterations in Government regulatory practices. Sir Henry Thornton, the pro-passenger head of CNR, was removed and CNR was placed first under a board of commissioners and then returned to its traditional form of governance. In 1936 the Department of Transport was formed, replacing the old Department of Railways and Canals.

Perhaps the most important change in passenger transportation arose from the growing concern of the Government. It asserted with increasing force its right to intervene in railway business decisions with an eye to the public good. Of course, as we saw earlier, this precedent was well established under the common-carrier rule. Since 1903 the Board of Railway Commissioners had sought to protect passengers' basic health and safety as well as regulate the passenger fare system. Still, at the beginning of the 1930s, railways made the decisions about what trains to run and whether they should be run at all. The Minister of Railways and Canals summed it up in 1933 when queried about cutbacks in passenger service in northern Ontario. "Such matters as running trains are not discussed in any shape or form with the government. That is entirely a question of railway management."[177]

Such attitudes were feasible as long as the overall railway passenger system was healthy and, for the most part, expanding. The Great Depression destroyed any such assumption. Passenger service was decidedly no longer a growth industry. As with railway service generally, the tendency was now toward a reduction rather than improvement in service. The government increasingly feared, however, that in the panic of railways to reduce expenses the welfare of the public would be ignored. In such circumstances the Government felt bound to step in. Thus in 1933 it passed a new statute requiring railways to get the approval of the Board of Railway Commissioners before abandoning lines.[178] This stopped short of Government supervision of specific passenger services, but it was a significant change in the previous assumption that such matters were best left to the companies involved. Over the next few years both CNR and CPR regularly applied for permission to abandon lines and, on average, won the right to do so in about half the

cases. Thus the Great Depression set precedents for dealing with a new reality — declining service. The Government extended the precedent of the common carrier by asserting its right to control branch-line abandonment. The railways, for their part, found themselves in the uncomfortable position of being forced to operate unprofitable lines. Though these precedents applied to abandonment, the practices could and would be extended to the provision of specific services within a few years.

The railways did provide a cheap service for a population that could afford little more. CNR boasted in 1934 that standard fares amounted to only 2.25 cents a mile (1.4 cents a kilometre).[179] Along the way, however, the sharp drop in revenues forced CNR to reduce the choice of trains and the level of service. By the end of the 1930s the train was not as accessible or convenient a mode of travel anymore. Also, despite some improvements such as a limited introduction of air-conditioned cars after 1935, passenger equipment was allowed to run down in the 1930s. The war only exacerbated the problem so that by 1945 equipment was increasingly unreliable and shabby. Massive overhauls and purchases would be needed to bring it back to the standards of pre-depression days. Finally, all of this was happening as the relative importance of passenger service was declining. Passenger service, once the most prestigious part of a railway's business, was not yet seen as an undesired burden, but it was increasingly an operation of peripheral importance.

WORLD WAR II

World War II saved the railways from imminent collapse. The Great Depression came to a rapid end as the nation produced the goods for a modern industrial war machine. On the Prairies wheat harvests recovered along with world wheat prices, and grain shipments on the railways recovered in parallel, first to pre-depression levels and then to new records. The operating revenues of both railways shot up even more dramatically than they had fallen at the beginning of the 1930s, increasing by 67 percent between 1939 and 1941.

Initially, in a trend that continued from the late 1930s, most of this improvement was in freight services. In the case of CNR, for example, 1939 saw freight revenues increase by 14.6 percent, compared with a 1.5 percent decrease for passenger revenue.[180] It was not long, however, before passenger travel

also boomed. The number of passengers carried by the railways tripled between 1939 and 1944 (the peak year). Revenue expanded accordingly, reaching all-time highs in both current and constant dollars.[181] By the end of the war some 60 million passengers rode the trains — five trips for every Canadian citizen.

Much of the boom in passenger travel during World War II was a short-term anomaly, for the recovery of passenger service, spectacular though it was, did not represent a return to a more competitive and hence more profitable position for the long term. With the one exception of 1944, passenger traffic did not recover to a point where it could match the ridership of the 1920s. Railways did as well as they did in the war years for very specific reasons. Car transportation was severely restricted by two factors. Canadians had not replaced their cars very quickly during the depression years. For a time registrations had actually decreased, and even toward the end of the 1930s people tended to hang onto the existing vehicle, make one more round of repairs and hope the thing would run another winter rather than go into debt or squander precious savings to buy a new one. By the beginning of World War II, therefore, Canadian cars were rather old overall. Undoubtedly there would have been massive replacement of them in the prosperity of the war years except that production of new cars effectively ceased by 1940 or 1941. No doubt there was tremendous demand for cars, but they were simply not available. Car registrations actually declined during the World War II, as did the number of miles driven.[182]

There were additional restrictions. Gasoline rationing began in 1942, thus limiting the amount of driving owners of cars could do. Even commercial activities were restricted. Intercity bus trips were restricted to no more than 50 miles (80 km).[183] Taxi travel between cities was also effectively prohibited. Airline travel was still in its infancy, and during the war regular flights were practically impossible to get. Thus, for the duration of the war, there was no real commercial competition for the railways over longer distances: this was a time when wartime business, troops coming home on leave, and relatives visiting troops on station created more than enough traffic to make up for the absence of immigrants or tourists. The formal railway rates for passenger services were not increased during the war because the rates, as with much else in Canada, were frozen under Wartime Prices and Trade legislation. Nevertheless, railways were effectively able to increase revenue by dropping the deeply discounted excursion fares that had been used to lure customers during the Great Depression.

The wartime boom in passenger travel, therefore, did not mark a return to the golden pre-depression years. Yet it was important not just because it rescued railway passenger services from insolvency but because it introduced a new generation to train travel. The train took the soldiers off to war, and the train brought them back home. The train took the young bride off to Halifax or Esquimalt or elsewhere to meet her husband on shore leave from the Navy. The train moved the war materials and responded efficiently to the crisis of these years. Once again, the train's role as a part of the sense of national identity was reinforced.

5. The Competitive Era and the Rise of the Passenger Policy Issue: 1945–1967

> . . . we find that there is little social justification and less economic, for the permanent provision of railway passenger services as we know them today. The public, by and large, has already indicated its preference for other modes of travel. . . . (MacPherson Commission, 1961)[184]

Until sometime around World War II, passenger transportation in Canada was dominated by the railway companies. The car had made inroads, but these had been limited by the Great Depression and by wartime restrictions on production. In contrast, the post-war era brought the end of dominance by railways as the car achieved hegemony over shorter distances and the airplane over longer ones. As this happened the railway passenger travel networks became extremely costly to maintain. From the later forties onward the companies sought to reduce or eliminate specific services and increasingly looked for internal forms of cross subsidization and then direct Government support. Politicians and the public, who until then had been focussed on freight rates, increasingly turned their attention to the passenger issue.

Many services have disappeared with minimal fuss when outcompeted by newer forms. Lake- and ocean-going passenger ships disappeared, as did most streetcars. Aficionados lamented their passing, and a few editorials complained about the disadvantages of the loss of service. Generally, however, neither Government nor the public expected such transportation systems to remain beyond their competitive life. Passenger railways were and are a different matter, however. The railway was so vital in the recent past

of the nation and its mythology so entwined with national history that abandonment could not be considered just another step in the evolution of technology. Further, the well-entrenched doctrine of the common carrier meant that there were numerous precedents for treating the railways as a public commodity. There were also a rising number of precedents for subsidization of railway services in the name of some national or regional goal. Currents of nationalism from the mid-1950s onward complicated the issue. The abandonment of the railway seemed tantamount to weakening Canada. Regional balances came into question as outlying communities and smaller urban centres complained that the destruction of rail service was a betrayal of their place in the nation. All of these debates occurred against ever-mounting passenger rail losses and a more competitive transportation network.

In rough terms the post-war era can be divided into two parts. The first part, from 1945 to the mid 1960s, was one in which passenger transportation and passenger transportation policy was in a state of uncertainty. The government, faced with political pressure on issues like freight rates and line abandonments, did not really look at passenger transportation as a distinct problem. In the meantime travel by car and air was expanding rapidly, changing the economics of passenger rail more quickly than the railways could adjust their policies or practices. The railways were still interested in providing passenger service, but both they and Government seemingly underestimated the changes that would be needed to cope with the new conditions of the post-war situation. The report of the 1961 *Royal Commission on Transportation* (MacPherson Commission) and the passage of the *National Transportation Act* (1967) mark a rather drawn-out transition to the second post-war era. By this time the Government recognized that the previously powerful passenger rail system was less able to compete with other modes. The Government sought to deal with the situation by allowing a combination of abandonment and subsidy, depending on social and economic circumstances. Thereafter passenger rail became a subsidized system in which various policy steps attempted to balance public demands for ongoing rail transport against governmental desires to reduce subsidies and rationalize the system.

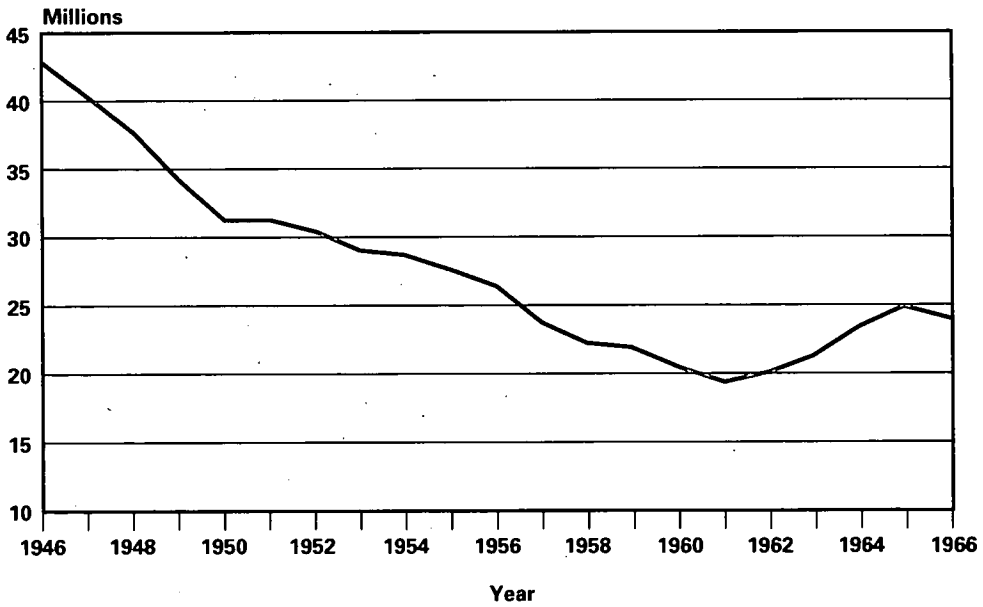
Two things link these distinct periods. The Government increased its activity and investigation in the area of transportation in the post-war period. There were two royal commissions on railway problems in just over a decade. In between there was a third (the Gordon Commission),[185] which dealt with the issue as a part of Canada's economy. Freight and passenger rates, which

had been more or less stable for a generation, were increased several times, then reduced, and then subsidized as Government sought a solution for the changing situation. Subsidies multiplied in size and diversity.[186] Through all the changes both the Government and the public wrestled with two difficulties. The first problem, as a post-war transportation economist put it, was whether "transportation services to be regarded as business institutions like department stores, factories, or farms, or are they to be looked upon as almost eleemosynary agencies wherein the cost-revenue relationship is subordinate to the welfare of the public?"[187] The second problem was to recognize that a system of regulation that had grown up because of the power and effective monopoly of the railways now had to be readjusted because of their weakness in the face of cars, buses, and airplanes.

THE RISE OF COMPETITION IN THE POST-WAR ERA

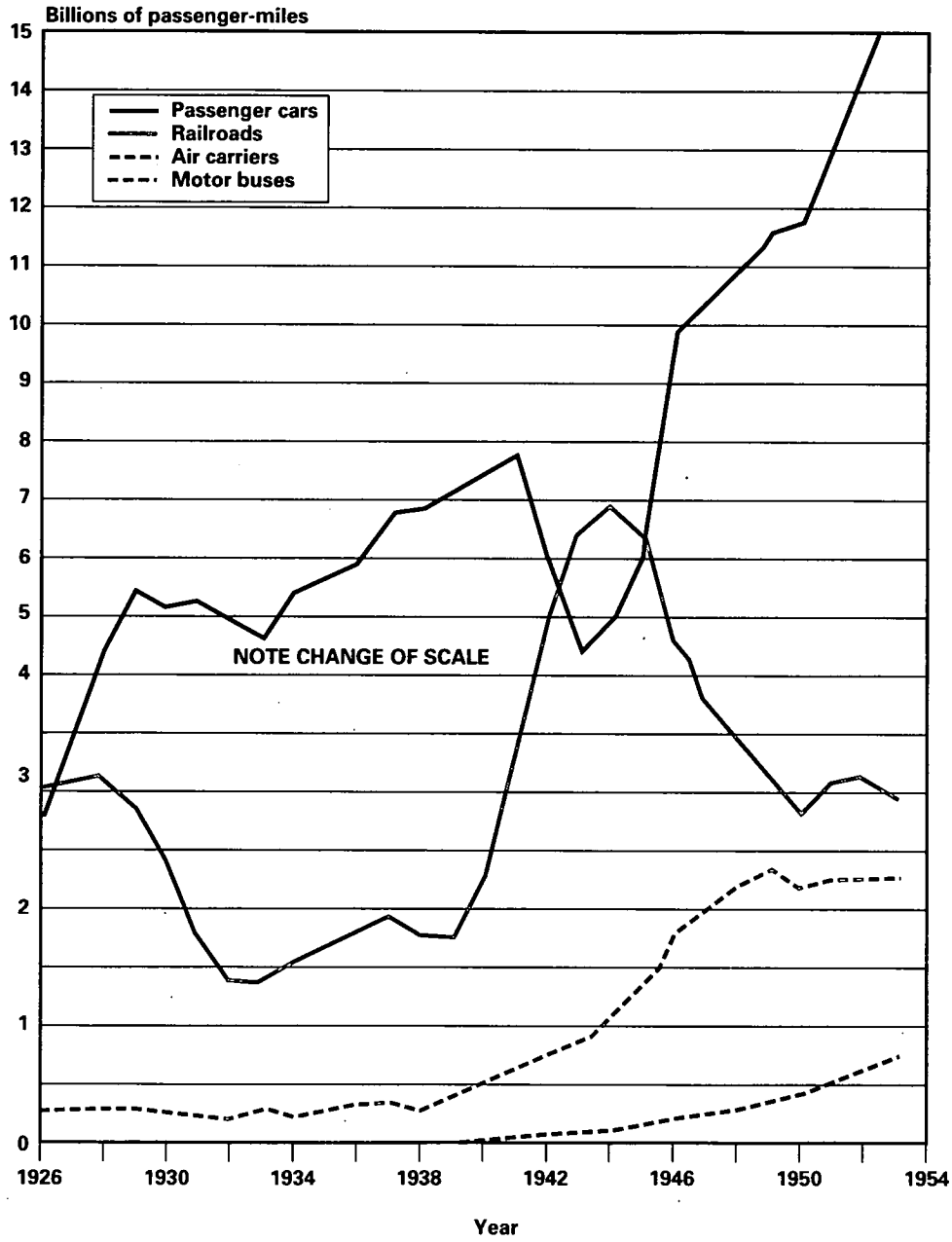
The decline of railway control of land travel after World War II is readily demonstrated. Every measure indicates the same story. After the records set during the war, passenger travel by railway dropped sharply. As Figures 16 and 17 show, the railways quickly found that the ridership levels

Figure 16
Number of Railway Passengers



Source: Statistics Canada (formerly Dominion Bureau of Statistics), *Canada Year Book*.

Figure 17
ANNUAL VEHICLE-MILES OF TRAVEL IN CANADA, 1926–1953



Source: Gordon Donald Campbell, "An Analysis of Highway Finance and Road User Imposts in Canada," PhD thesis, Purdue University, 1956, p. 62.

of the war years were artificially high. Conversely, car miles increased dramatically once wartime restrictions disappeared. A steady downward trend in both the absolute and relative position of railways began that continued until, by the end of the 1950s, ridership levels were returning to those of the depression era.

Revenue followed numbers. Railways could not increase fares to make up for declining ridership because that would only accelerate the desertion to other modes of transportation. Instead, to keep customers they had to cut fares. Excursion packages, discounts and group rates were used to woo passengers. Some of these helped, but the general trend was irreversible. This is especially striking because revenue was falling, even though Canada's population was rapidly growing as a result of the famous baby boom and high post-war immigration. As Table 3 indicates, the population was using railways much less frequently on a per capita basis. Travelling by train was a much less common experience by the 1960s than it had been even 15 years earlier. The long-term trend was even more dramatic. Average Canadians of the early 1960s took only one fifth as many trips as their grandparents had in the 1920s.

Table 3
Annual Rail Passenger Revenues and Ridership, 1946–1966

Year	Passenger revenue (millions of 1971 dollars)	Passenger trips per Canadian
1946	222.22	3.53
1947	178.46	3.26
1948	148.31	2.99
1949	146.72	2.60
1950	131.66	2.27
1951	134.85	2.21
1952	134.17	2.09
1953	128.36	1.93
1954	121.81	1.86
1955	122.96	1.73
1956	124.53	1.62
1957	122.91	1.38
1958	106.47	1.25
1959	100.27	1.20
1960	93.14	1.09
1961	81.60	1.03
1962	79.84	1.04
1963	77.07	1.09
1964	81.04	1.19
1965	81.61	1.25
1966	75.21	1.16

Source: Statistics Canada, *Historical Statistics of Canada*, second edition, F.H. Leacy (ed.), 1983, Series T44, T62.

In the 1930s the railways had suffered along with the rest of the economy. This time revenues were declining despite national prosperity. With the exception of only a couple of short-term recessions, Canada underwent steady economic expansion from the war's end until the later 1960s. In the case of railway travel, however, the economic boom only exacerbated the difficulties of passenger transportation, for it enabled the more rapid introduction of alternative forms of technology, the car and the airplane.

CARS AND ROADS IN THE POST-WAR ERA

At the end of the war the desire for the car presented a classic case of pent-up demand. The war years had brought full employment, and the nation had quickly climbed out of the depression. Under normal circumstances the aged fleet of cars possessed by Canadians would have been turned in over a period of years. New buyers would have entered the market as economic circumstances warranted. As we have seen, however, car production was halted during the war. It was thus the railway that reaped the benefits of wartime travel. The demand for the car continued to build, however, and in the post-war period the car was no longer a luxury but a necessity.

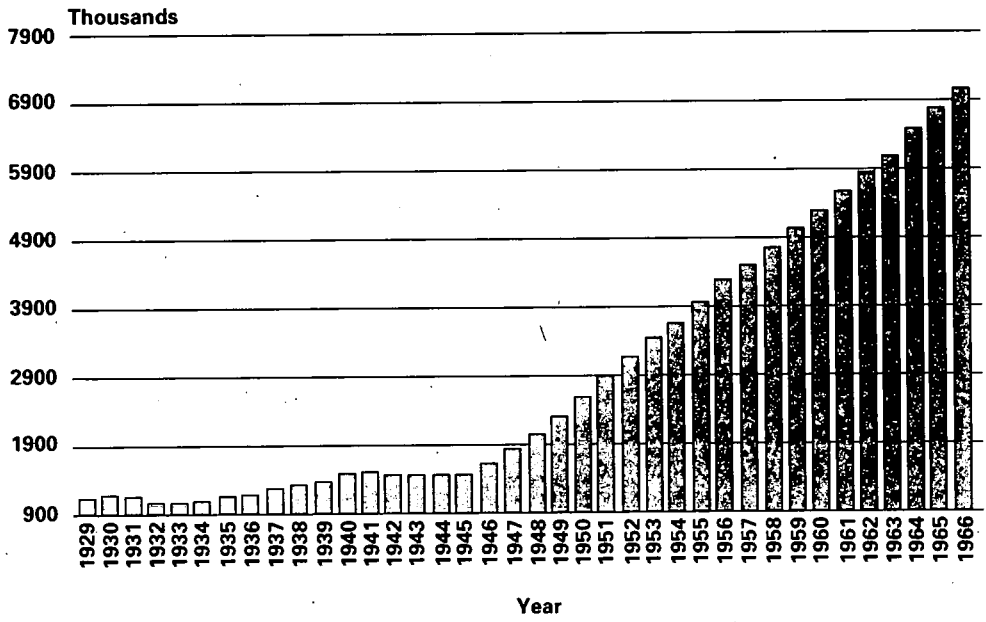
The only thing that was required to release this pent-up demand was prosperity. That came. The period from 1945 through the later 1960s was one of the most prosperous in Canadian history. The average Canadian's standard of living would double in these years, and one of the things that Canadians saw as an absolutely necessary part of that rising standard was a car. After more than 15 years of practically no growth Canadian car registrations exploded following the war (see Figure 18). In 1946, despite limited production of cars, registrations increased by 74,000; in 1947, by 136,000. By 1952 registrations were double those of 1945. It was estimated that more than 50 percent of Canadian families owned a car by then. "In other words," said one contemporary observer, "it required only seven . . . years to duplicate the motor vehicle production and ownership achievements of the previous 45 years."[188] That was just the beginning. A decade later car registrations had doubled again. In 1945 one in eight Canadians had owned a car. By 1954 it was one in four and by 1965 one in three.

Patterns of ownership also changed. First, class ceased to be a serious barrier to car ownership. By the 1960s all but the very poor owned a car, and other factors, such as age or disability, were more likely to prevent car

ownership than income. Second, regional variations in per capita ownership decreased. From the beginning, Ontario had had more cars per capita than any other province. In 1945 that was still the case: Ontario had more than twice as many cars per capita as, for example, Quebec. In contrast, by the mid-sixties the differences between provinces were relatively small.[189] The car had become a mass phenomenon.

Critics have railed against the car of the 1950s. They have pointed out, with some reason, that it was overpowered, ridiculously unsafe and a polluter. Such criticisms did not reflect the popular mood. North Americans felt a tremendous attachment to their cars in the post-war decades, for however far it fell short of the ideal, the 1950's car was a great improvement over what had gone before. It was more powerful, smoother riding, heated and, after the mid-1950s, often equipped with a radio. The average worker of 1955 could afford a car immeasurably superior to that of his parents. Moreover, for the suburban family the car was essential. No other alternative was competitive in time or money for the thinly populated suburbs. In other words, the love affair with the car starts from a practical base.

Figure 18
AUTOMOBILE REGISTRATIONS



Source: Derived from Statistics Canada, *Historical Statistics of Canada*, second edition, F.H. Leacy (ed.), 1983, Series T147-194.

The 1950's car wasn't just a practical appliance. The decades immediately after the war were dominated by the belief that what was modern was good. The old dusty ways of the Victorian era or, more recently, the staleness of the depression were to be swept aside by new technologies and new designs. The old represented poverty at home and appeasement and lack of confidence abroad. The new ways and new technologies symbolized the massed technological inventiveness of Western society — the same inventiveness that had won the war.[190] This was a technological age, and the car was the item of technology closest to the average citizen.

Modernist enthusiasm was focussed as much on design as on technology. There was a belief that post-war democracies were building a new society from the ruins of war and depression. The ranch-style bungalows, the modernist buildings that dotted the cities and the grand physical projects like the St. Lawrence Seaway and Trans-Canada Pipeline reflected the faith that progress came through modern techniques applied to the physical environment. Design reflected what has aptly been termed the "populuxe syndrome" — imitations of luxury on cheaply designed mass-production items.[191] There was also an element of insecurity beneath all the rhetoric about progress and development. The ownership of family assets meant a great deal to a generation of Canadians brought up in the substandard housing of the Great Depression or in the overcrowded housing market of war.

The appeal of the car was that it so neatly combined these two deeply felt characteristics of the age — faith in technology and insecurity. On the one hand, the car, with hydro-glide transmissions, swept-fin styling and a great deal of chrome, was the primal example of the populuxe age run rampant with such suggestive names as Strato-Chief, Rocket '88, Bel Air and Biscayne, it was deliberately associated with both technology and luxury. On the other hand, the car reflected the desire of the post-war generation to raise their families with a degree of comfort and security unknown when they themselves were children. "Give Your Family Big Car Dependability," ran one Chevrolet ad, with a picture of parents and two children cruising along the inevitable open road.[192] Ford blatantly sought to capture the hopes and anxieties of the age when it wrote its own version of the history of the car in a one-page ad entitled "Escape to the Greenbelt." It was a story of inner-city decay and violence contrasted with suburban peace and tranquillity. "The whole population is moving from the stone and steel of the city toward the fresh air, the light, the trees and living space of the suburbs."[193]

As the above ads indicate, car advertising was selling a way of life. Practically without exception the car and its proud owner were depicted in country settings. Usually there was a married couple, occasionally with others present as well. The settings were always pleasant, often in the fall (when the new models came out) and often associated with such activities as picnics and sports. Typical was a later General Motors ad depicting a man fishing in an idyllic brook in a wooded glen. On the bank of the stream is his new Chevrolet. "When George Martin goes fishing," reads the copy, "he gets away from his worries. He forgets about missiles [this was 1961], taxes and the other problems that are a part of daily life."[194]

The road, the corollary to the car, appealed to many of the same values. It too was the product of technology and sought to transform the quality of life through physical development of the infrastructure. When the Gardner Expressway was first announced by Metro Toronto Council, the *Telegram* ran a one-word headline: "Whoosh."[195] The speed and freedom of the car meant nothing without the road designed to handle it.

On a more practical level, highway traffic had now become so important that good roads were an important aspect of economic prosperity. Indeed, the rhetoric about the importance of a good road infrastructure is reminiscent of earlier debates about railways. A 1956 Ontario government study argued that "there is a direct relation between the level of economic activity and the volume of highway travel," and then proceeded to set up a chain of cause and effect that rested on good highways. "Increasing industrial, agricultural and mining output, as well as expansion of commerce and tourism, are all promoted by highway transport. In turn, they generate new requirements for better highway facilities. The higher standard of living and more leisure made possible by expanding production are reflected in increased motor vehicle ownership and travel."[196] A Quebec report shortly after the war made the relationship even more stark. Highways, it said, are "of primordial importance for the future development of our Province."[197] R. O. Swain, head of the International Federation of Highways, saw even more far-reaching implications during a speech in Toronto in 1954. "The highways of tomorrow will provide an efficient and effective distribution of goods and commodities sufficient to generalize better living for peoples in all walks of life." It was not just goods however. "With the highways of tomorrow will come a better and closer relationship between Canadians of the East and the members of

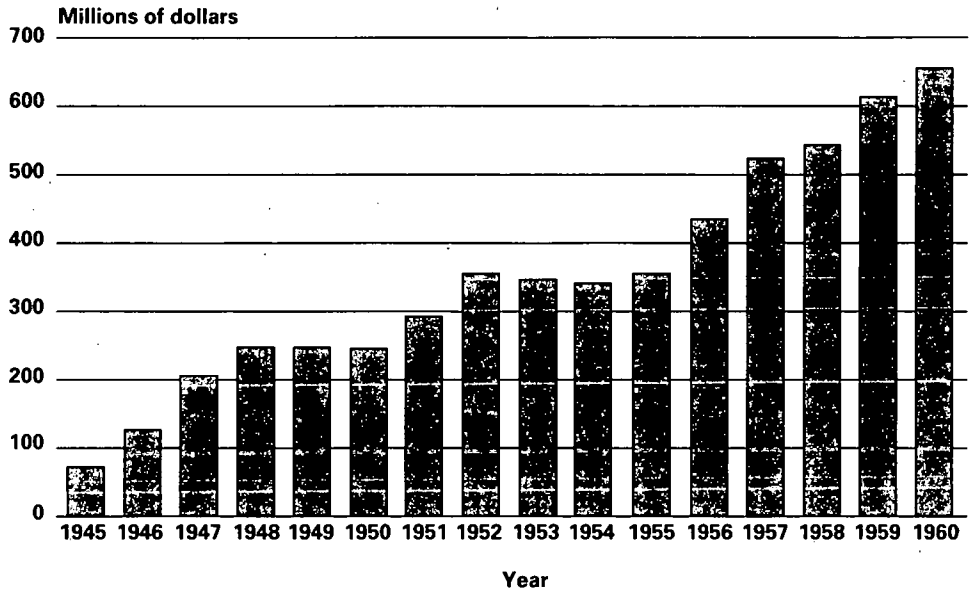
your own family in Western Canada. Likewise, all of you will enhance life with a closer and friendly spirit of cooperation with your neighbors in the Western Hemisphere."[198]

From a later perspective what is striking in the rhetoric of roads and cars between 1945 and 1965 or so is what might be termed the "absence of doubt." In more recent decades, as we shall see, the car's proliferation has generated heated debate. Environmental concerns, urban desires to preserve neighbourhoods, and a reaction against the free-wheeling materialism of earlier decades have created a counter-image to the powerful concepts of freedom and open road evoked by the car. The 1950s and early 1960s were not given to such discussion, however. This was an age when the concept of pollution was sufficiently undeveloped that architects designed "living garages," a sort of combination family room-garage. This way one could combine those modern symbols, the car and the TV, in one room![199] The concern was not with constraining the vehicle but that highway construction keep up. One Minister of Public Works summed the mood up after complaining about the way in which car production had overwhelmed Canadian roads. "I do not contend that it is a bad thing to make motor cars; only that it is a bad thing that we cannot adequately serve motor cars with modern roads."[200] It is a statement that summed up the road policy of two decades.

These post-war attitudes had a dramatic affect on government policy and the state of Canadian roads. In 1945 user taxes generated $119.8 million from motor vehicles, considerably more than the $73 million the provinces spent on roads. Fifteen years later a buoyant economy and large increase in registered vehicles had increased the user taxes to more than $530 million. As Figure 19 shows, however, the provinces had increased expenditures even more, to $657 million. Thus user taxes accounted for roughly 80 percent of expenditures.

A couple of trends are apparent in these figures. First, continuing a tendency that went back to the 1920s, the provinces were assuming an ever greater share of road costs. Provincial expenditures rose roughly nine times in the 15-year period after the war. In contrast, municipal expenditures had risen only 2.25 times. Second, from 1945 to 1960, transportation-related items were the single biggest cost of the provincial governments as a whole, representing about 22 percent of total expenditures. In 1975, by contrast, health, education, and social services all outranked transportation. Truly the 1950s were the age of infrastructure improvement.[201]

Figure 19
PROVINCIAL ROAD EXPENDITURES, 1945–1960



Source: Derived from *Canada Year Book*, 1945–1963.

Aside from saying that this was a period of rapid development, it is difficult to describe in a coherent manner exactly what was done in the period from 1945 to 1965. One of the difficulties is that at mid-century there was a disparity among provinces in the number and quality of existing roads. Southern Ontario was already fairly well paved even before the war began. In contrast, when Newfoundland entered Confederation in 1949 it was still impossible to drive across the island and there were practically no paved roads outside of the immediate vicinity of St. John's. There were also extensive differences within provinces. British Columbia's lower mainland was also well served by roads, but much of the interior was impassable part of the year and served even in summer only by dirt or gravelled roads.

Still, allowing for some generalization, there are certain distinct patterns discernible.[202] This was a period of road improvement rather than one of new roads. The overall road mileage in Canada in 1965 was roughly the same as it had been two decades earlier. What changed was the quality of main and secondary roads as curves were straightened, surfaces upgraded and level crossings eliminated. There were also shifts of emphasis as time

went on. In the first years (roughly to the mid-1950s) the emphasis seems to have been on the increase of paved mileage. The provinces sought to extend the sort of roads that already existed around large cities to link smaller cities and towns. Paved mileage in Ontario, for example, increased by some 50 percent between 1945 and 1955. Other provinces, starting as they did from a lower base, had even more impressive percentage gains.[203]

By the late 1950s the emphasis shifted back to the links around and between the large cities. Congestion on the main arteries between large urban centres had become a serious problem. In response, planners and governments looked to multi-lane divided highways, or freeways. In 1945 the only inter-city divided highway in Canada was the Queen Elizabeth Way (QEW) between Toronto and Hamilton. It had opened in 1937. Even after six years of post-war construction there was only 202 miles (325 km) of freeway in the nation, practically all of it in Ontario. By the mid-1960s the system had expanded to 1,646 miles (2,649 km).[204] Many of the highways most familiar to motorists throughout Canada were planned and constructed in the 10 years from the mid-fifties to the mid-sixties. These include Ontario's Highway 401, begun earlier but completed only in the early 1960s; the 403, linking the 401 to the QEW in Toronto; the Laurentian Autoroute, constructed in the late 1950s; the Sherbrooke Autoroute, constructed in the early 1960s; the twinned Highway 2 in Alberta between Edmonton and Calgary; the twinned highway eastward from Vancouver toward Hope; the Manitoba Ring Road and the Queensway in Ottawa.[205] Nothing was more symbolic of the changes that had taken place since the war than the appearance across Canada of these limited-access, high-speed, divided highways.

Though there is no "typical" province, the experience of Quebec in these years illustrates the type of activity that went on. Until the period after World War II, Quebec's efforts at road construction had been intermittent. There were several reasons for this. First, the number of car owners was much lower in Quebec than in Ontario. At the beginning of the war, for example, Quebec had 225,000 motor vehicles, compared with more than 700,000 in Ontario. Second, government philosophy emphasized the virtue of the parish and rural life and did not put a high premium on development that would link the countryside more closely to the town. Further, the same conservatism meant that government tended to move reluctantly into large-expenditure areas.

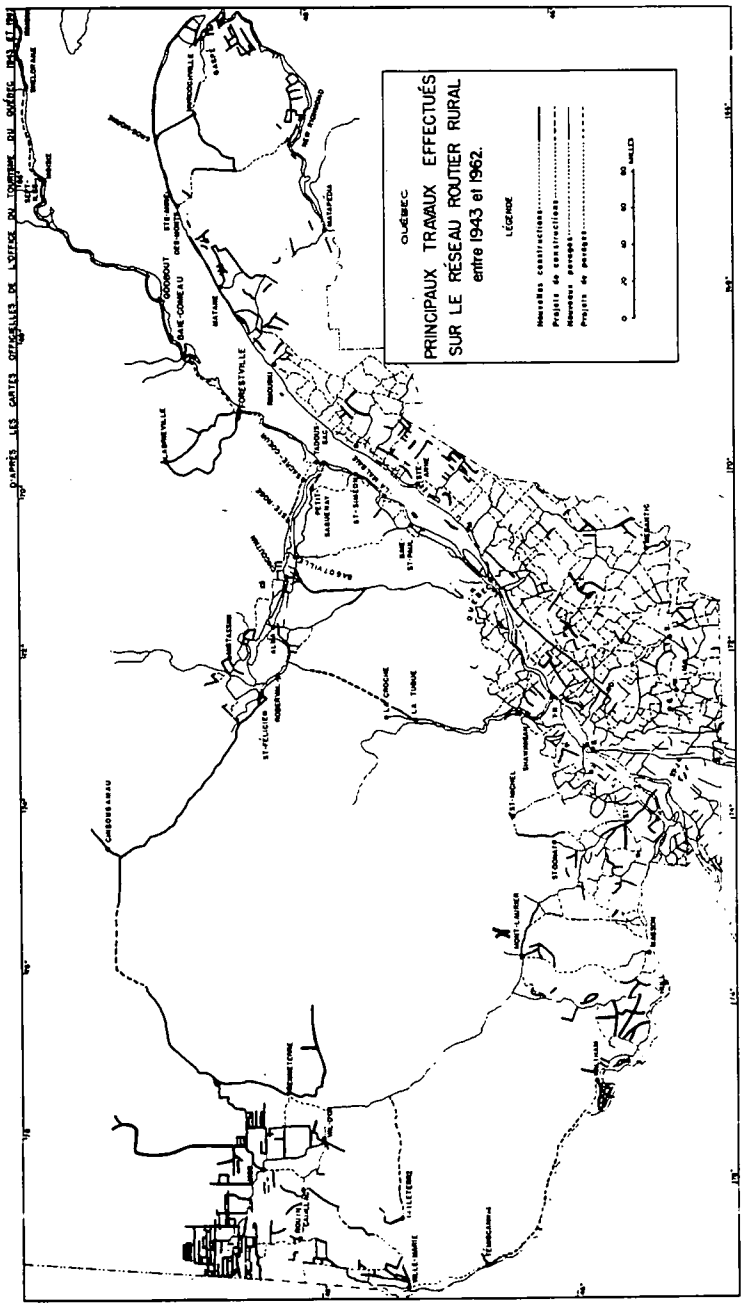
In 1944, however, a government commission investigated the state of Quebec roads. It found them abysmal outside the larger metropolitan areas and detrimental to trade, tourism and even to the prized rural life. There was an element of politics in this, as the Union Nationale party had just been restored to power and could blame its predecessors, the Liberals, for the ills that beset Quebec roads. Still, the report was essentially accurate. As of 1945 only about 10 percent of Quebec roads were paved, and only about 50 percent had any surface other than dirt. Likewise, only about 10 percent of roads outside of municipalities were kept open in winter. The great majority of road mileage was still seasonal, rough and inappropriate for the modern car.[206]

Such a situation was increasingly intolerable. The end of the war saw an upsurge of car ownership in Quebec, as elsewhere in the country. Even the valued rural farmer, as the government admitted, was increasingly dependent on good roads both for the marketing of goods and as a social amenity. As a result the government embarked on a program to reconstruct the roads of the province. In 1945 the budget for provincial roads was $25 million. By 1955 it was more than $93 million.[207] The emphasis was initially on improving rural roads. Created partly as patronage, partly from philosophy and partly out of necessity, the government program nevertheless accomplished a great deal. As Figure 20, which is a reproduction of the original map, indicates, by the mid-1950s major improvements had been carried on through the Gaspe region, the Saguenay region and the Laurentians. Quebec could boast that almost 25 percent of its total road system was paved, the highest in the country.[208] It was now possible to drive from new Brunswick to the Ontario border on modern, paved roads. Likewise, at least in the southern part of the province, most farmers were only a few miles at most from pavement. Equally dramatic improvements had been made in winter accessibility. By 1956 three quarters of the province's road system was open all year round.

By the late 1950s the original impetus of the 1944 plan was losing steam. The road system to the parishes was much improved, but, as with elsewhere in the nation, serious problems of congestion were developing around the major cities. Montreal's problems were especially acute. Traffic from the city northward to the Laurentians tripled between 1937 and 1954, and even though improvements had been made to the road system there, congestion was a major problem. In 1957 the government adopted a novel approach — or perhaps reinvented an old one — to resolve the growing

Figure 20

Major Works Carried Out on Quebec's Rural Road Network Between 1943 and 1962



Source: Michel Bérard, *Les Routes du Québec* (Quebec Department of Roads, 1964), p. 41.

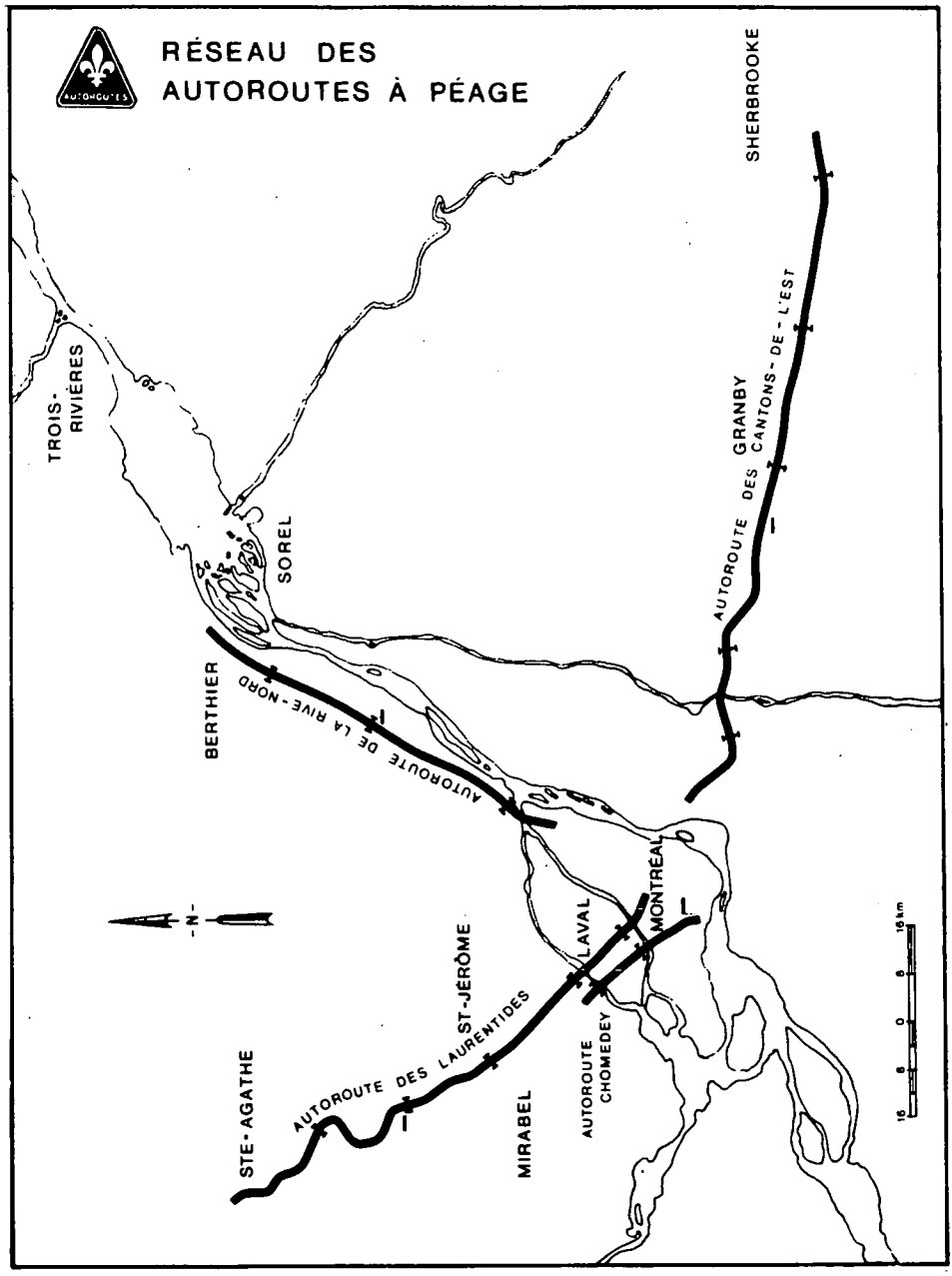
difficulty. The Laurentian Autoroute Authority (LAA) was formed. This was a private body that, with funds borrowed from the government, was to construct a modern, divided, six-lane highway from Montreal to Saint Jerome. LAA built the 39-mile (63 km) Autoroute by 1959 and operated it as a toll road. As with the 19th century toll road, the idea was that the public would pay for superior service, in this case a 70 mile per hour (110 km/h) uninterrupted trip to Montrealers' favourite holiday spot.[209] With the completion of this route the LAA was given an expanded jurisdiction and began construction on highways south of the St. Lawrence. Eventually a complex of autoroutes became a basic part of Quebec's road system (see Figure 21 which is a reproduction of the original map).

Quebec nicely represents the problems of uniqueness and generalization in any discussion of roads. It was unique in its governmental philosophy and in its reliance on a semi-private road authority for some of its projects. At the same time it typified the general Canadian pattern outlined above. Initially the emphasis was on expanding the network of paved roads beyond the major centres. Then, by the late 1950s and early 1960s attention shifted back to the problems of major urban centres and the congestion that had become a part of life there. Also, like other jurisdictions, Quebec responded with the freeway solution. Multi-lane divided highways with high speeds and limited access seemed to provide the key to the future.

Whether in Quebec or in other provinces, the massive transformation of Canadian highways did not take place without problems. A massive allocation of government funds and national physical resources were dedicated to highway construction in the years after the war. As one speaker said to the Canadian Good Roads Association (CGRA), the 1950s were "the most frantic period yet" in the history of road building.[210] The problem was not a lack of money. This was a buoyant time for governments and the public seemingly had great enthusiasm for road construction. A survey taken in 1954, already a year of significant construction, asked if the public would be willing to pay higher taxes to generate additional construction. The answer was two to one in favour of the idea. One Highway Minister commented, "there is no government that is held back in its road and street programs by an unwilling public or by rebellious taxpayers."[211]

The problems came mainly from the sheer demand put upon physical and human resources. Provinces, especially smaller ones, had to build up the requisite staff of experts to handle the complex engineering issues of modern

Figure 21
NETWORK OF TOLL ROADS, QUEBEC



Source: Map reproduced from Office des Autoroutes du Québec, *Rapport d'activités*, 1981, p. 5.

road-building. This was a time when engineers were in short supply, however, and it was often very difficult to get or keep skilled and experienced road engineers. The same was true of skilled labour. In addition, during the the Korean War (1950–53), the Government imposed allocation rules for vital goods such as steel. As a result many provinces had to delay bridge-building programs considerably.[212] The provinces desperately tried to keep up to public demand. It is hardly surprising, therefore, that pressures began to develop for the Dominion government to take an active role in highway development.

THE HIGHWAY CRISIS AND THE FEDERAL PRESENCE: 1949–1967

Until the 1950s, federal involvement in road-building was sporadic. The various Canada Highway Acts of 1919 to 1928 had allocated $20 million to assist provinces in the years after World War I. In the 1930s roughly $30 million had been spent on a road program designed to assist the unemployed. During and after World War II, however, the federal government had withdrawn from most road construction. From 1946 to 1949 federal highway expenditures averaged less than four percent of that of the provinces. Indeed, cooperation between provinces had been much more significant than between federal and provincial governments. For one thing the CGRA had evolved into a quasi-interprovincial forum on highway policy. Provincial ministers of highways or their equivalents routinely headed the organization, and provincial funding supported it. The Good Roads Technical Council provided a liaison branch on highway specifications, construction methods and surfacing materials. There was also direct interprovincial cooperation on the necessary details of highway construction. A road to the provincial border was quite useless, after all, if it didn't connect with another road.

By the early 1950s the provinces were clamouring for assistance. Several arguments were used to justify the demands upon the federal government. First, roads on a modern scale had not been envisaged by the framers of the Constitution, and assistance was therefore needed. Second, the federal government reaped various fiscal benefits from the improved road system. Not only were there excise taxes on cars and, during the war, federal gasoline taxes, but the commerce that generated federal taxes depended on the road system being built by the provinces. As A. R. Morrison, President of the Canadian Automobile Association, said at one point, road construction has always been based on a user-pay philosophy. "Those who benefit from roads should pay for them." The Dominion benefitted and the Dominion

should pay.[213] Third, there were even attempts during this Cold War period to borrow American precedents and argue that a good road system was key to national and civil defence. "Should atomic warfare break out, there is only one defence for civilian population — flight. Transportation itself is not the problem. The entire population of our cities could be moved if there were roads to carry the vehicles."[214] It is doubtful that any specific argument carried much weight. Their urgent repetition, however, did convey the sense of crisis felt by the provinces as well as the message that there would be little complaint about federal invasion of provincial jurisdictions.

The post-war years did bring greater federal involvement in road construction. At the end of World War II there was a strong inclination on the part of federal ministers and officials toward central planning. The Rowell-Sirois report still echoed in the mandarinate's ears, and at the 1945 Dominion-Provincial Conference on Reconstruction numerous plans were put forward to implement new programs. In a very practical sense, the federal government had the money. Despite the debt created by the war, post-war revenues were healthy. The Government ran surpluses nine out of the 10 years between 1947 and 1957.[215] Available money allowed the officials of the day to follow their inclinations! In other words, the general climate at the federal level was right for a positive response to provincial concerns.

The highway issue also had a specific appeal for the federal government. The Canadian highway system was, as has been mentioned, regionally oriented. This was understandable given that it was the provinces that were doing the planning. For a long time, however, car enthusiasts, road planners and federal officials had lamented the absence of a meaningful cross-Canada highway. By the 1950s it was theoretically possible, at least in summer, to make the trek from coast to coast. It was not practical, however. The east-west connections were generally weak and in parts of the country non-existent. Anyone travelling from east to west invariably headed south of the border. The dream of a national east-west highway, however, was a natural one for a generation that was nationalist and inclined toward big developmental projects.

The Trans-Canada was first mentioned in its new form at the 1945 Dominion-Provincial Conference on Reconstruction as one of many schemes for the post-war period.[216] Unlike many other ideas at the conference, though, it was not killed by provincial opposition. In 1948 a more specific proposition received support from most provinces, and in 1949 Robert Winters, the

Minister of Reconstruction, presented a bill to Parliament.[217] With support from all sides of the House, the *Trans-Canada Highway Act* became law in December 1949.

The parliamentary discussion on the bill is revealing. This was a project in which national pride and symbolism rather than commerce dominated — national unity, trade, public demand and national defence were all given as good reasons for the immediate pursuit of the highway project. Though it would never command the federal resources of its 19th century counterpart, there was a sense that the road was the 20th century equivalent of CPR. "The fathers of confederation," said one MP, "realized that the building of a railroad was a national responsibility. I believe the government should realize that the building of a trans-Canada highway is also a national responsibility."[218] This was echoed later by the minister in charge of the project. "Our undertaking is the largest East-West construction project since the building of our Canadian Pacific and Canadian National Railways."[219]

The bill itself was straightforward. As with many other federal-provincial programs, there was a cost-sharing arrangement. The federal government agreed to pay 50 percent of the costs on approved highway projects. The Department of Reconstruction was initially the federal agency involved, but when Robert Winters moved over to Public Works he took the Trans-Canada project with him. To be approved the project had to fit into the overall Trans-Canada route. Construction would have to meet specific standards set by the federal government after negotiation with the provinces. The federal government would have no proprietary interest in the highway after it was built and no responsibility for maintenance.[220] The maximum federal contribution under the bill was to be $150 million, and the completion date was set for December 1956. By the end of 1950 all provinces except Quebec and Nova Scotia had signed the agreement; Nova Scotia signed it in 1952; Quebec, in 1960. In the meantime, though, Quebec built its east-west provincial highway to the general standards set out in the Trans-Canada specifications, so Quebec's delay in joining did not really affect the progress of a Trans-Canada system.[221]

The possible rate of construction as stated in the agreement was unduly optimistic. Given the already extensive highway program in most provinces, it was impossible to shift sufficient resources to the Trans-Canada in time to complete it by 1956. Provinces dedicated resources and effort to the Trans-Canada only in proportion to the way it fit provincial priorities. Thus, for

example, Saskatchewan and Manitoba saw the development of a first-class east-west highway link as highly desirable and made considerable progress. For Newfoundland the highway and the federal funds provided a much desired opportunity to have paved highway communication across the entire island, but limited local funds and the poor state of the provincial highway system made it impossible to move too quickly. On the other hand, Ontario was interested mainly in the Trans-Canada in the south and did not devote effort or attention to the difficult stretch around the Great Lakes. British Columbia faced a horrendous task through the mountains and proceeded slowly. Finally, even had the will been there, the amount of money and time needed were greater than original projections had suggested.

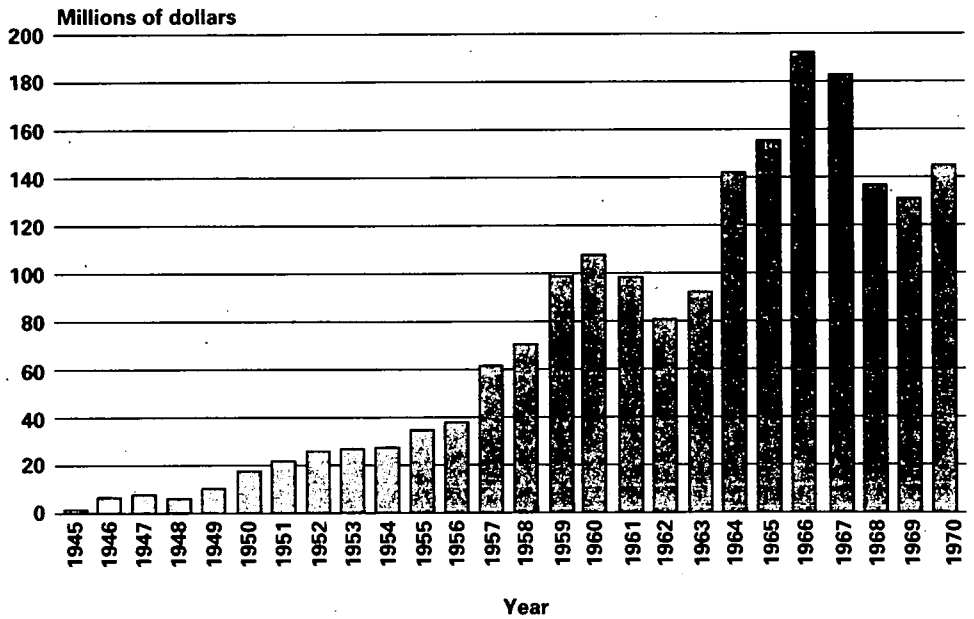
After early brave pronouncements on the progress of the highway the federal officials soon became worried. Unless the provinces "markedly step up their efforts," warned the Department of Public Works in 1954, very few would complete the work by the deadline.[222] By 1955 the "very few" provinces had become none, and by October of that year a federal-provincial conference was called to amend the agreement. It was a sign of the fiscal health of the federal government and its commitment to the project that it not only extended the deadline for completion to 1960 and increased the amount of money available but changed its funding formula as well. Robert Winters, the Minister of Public Works, noted that there was real lack of progress in many of the provinces on about 10 percent of the mileage. In most cases this was the most difficult or lowest priority section of highway — around the north of Lake Superior in Ontario, for example. In response Winters created what became known as the 90/10 formula: the federal government would pay 90 percent of the cost on 10 percent of the mileage within any given province.[223]

This broke the logjam. All sections were now tackled and real progress was made even on the most difficult sections. Still, it was expensive and time consuming. The federal government had to increase its contribution to $350 million in 1959 and to $400 million in 1960. It extended the deadline time and time again. In 1962 it held a lavish and much publicized opening ceremony at Rogers Pass.[224] In fact, though, this was public relations more than reality. It wasn't until the late 1960s and several million dollars more had been spent that the Trans-Canada Highway was fully completed. Still, by the time of the Rogers Pass ceremony it had finally become possible to drive through Canada on "passable mileage" from sea to sea.[225]

There were other federal road projects. With the Trans-Canada still under way, the new Conservative government of John Diefenbaker began the "Roads to Resources" program in 1958. The fiscal arrangements were the same as with the original Trans-Canada proposal: a 50 percent cost-sharing arrangement with the provinces. In a sense, however, this program was a precedent in its own right. Unlike the Trans-Canada project, which was focussed on a particular route and a particular nationalist goal, this program was open ended in terms of roads and brought the federal government into a project that was potentially open ended in terms of commitment to provincial highway programs along the frontiers.[226] It is also a prime example of what was earlier termed the absence of doubts. Neither government nor opposition nor interest group raised the sort of environmental and sociological questions that such northern projects would create in later decades.[227] Thus for the next 10 years the Roads to Resources program poured another $75 million dollars into provincial road-building schemes.[228]

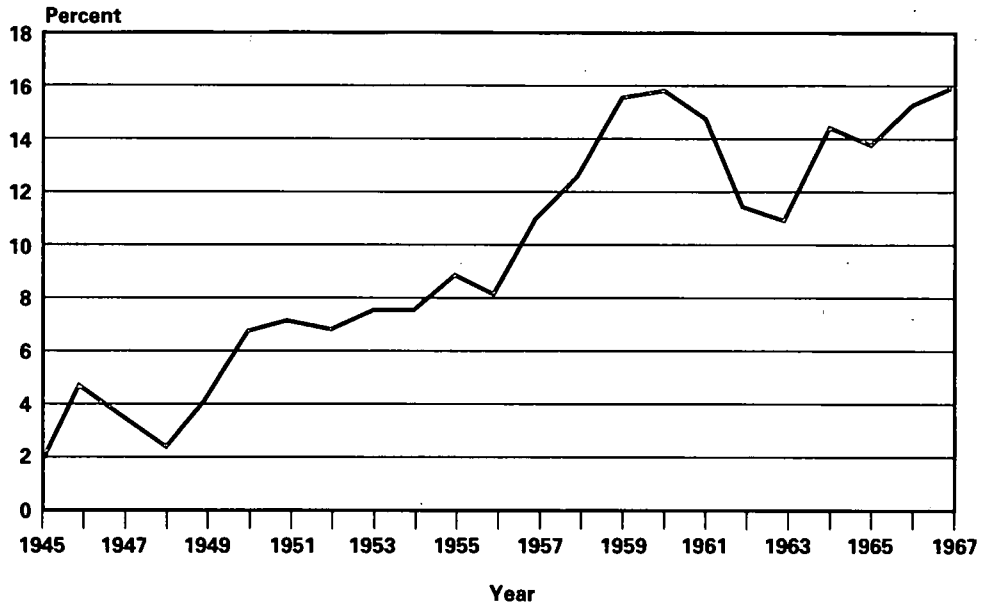
The Trans-Canada project and the Roads to Resources program seemed at the time to indicate that the federal government had committed itself to a significant ongoing presence in road-building. As Figures 22 and 23 show,

Figure 22
Federal Expenditures on Highways, 1945–1967



Source: Statistics Canada, *Road and Street Mileage and Expenditure*, Catalogue No. 53-201, for years 1945–1970.

Figure 23
THE GROWING FEDERAL CONTRIBUTION TO HIGHWAY COSTS: FEDERAL EXPENDITURES AS A PERCENT OF PROVINCIAL



Source: Statistics Canada, *Road and Street Mileage and Expenditure*, Catalogue No. 53-201, for years 1945–1968.

the contributions of the federal government to roads had been going up steadily in both absolute and relative terms through the 1950s and early 1960s. The relative figures are especially significant, given the fact that provincial expenditures had been increasing at a rapid rate throughout this period. More and more it looked as if the pattern of centralization that had seen road expenditures move from locality to province was continuing, this time with the growing presence of the federal government.

Yet the principles underlying federal involvement in roads were vague. Federal involvement really came about because there was the money to get involved, because there was a hue and cry for help from the provinces, and because certain major projects appealed to federal politicians and planners. Though the provinces were increasingly dependent on a federal presence in road construction, there was nothing here that was not more or less ad hoc. Should any or all of the above conditions change, federal involvement could easily shrink back to minor levels.

THE AIRPLANE

Airline travel as a mass phenomenon is a very recent event. As of 1962 nearly 60 percent of adult Canadians had *never* been on an airplane. Even in 1976 a full third of Canadian adults had never flown.[229] Given these figures and given the high percentage of people who travelled only rarely, it would seem that even after 20 or 30 years of extremely rapid expansion the airplane was a form of transportation reserved under normal circumstances for the well-off traveller and for the business executive whose company saw the extra costs as worthwhile in terms of time saved. Nevertheless, rapid growth in the 20 years after the war provided a new source of competition for the railways. They had already lost much of their local and feeder traffic to the car. Now, at the other end of the market, the airplane was an ever more potent alternative.

Commercial airline service on a small scale dates back to the 1920s in Canada. Bush pilots ferried customers to locations inaccessible by railway or car. Municipalities developed rudimentary airstrips to encourage the development of local flight. In the 1930s business interests, including the railways, attempted to develop a national airline under the title of Canadian Airways Limited. Government had an interest in all of this preliminary activity and wanted to encourage some sort of coherent domestic system that had a chance of survival. Given this and given the dominance of the railways in passenger transportation, it made sense to organize air travel as an extension of the two giant railway concerns. The idea was that CNR and CPR would put up the capital and create something like a reorganized Canadian Airlines. That failed because CPR had no desire to move into a corporate structure involving a large Government presence. By this time C. D. Howe, the Minister of Transport, was enthused by the idea of a national airline, however, and he pushed forward an organization in which the new national airline, Trans-Canada Air Lines (TCA), would be a government body, wholly owned by Canadian National Railways.[230]

There is a large element of the ad hoc in the way this all unfolded. The Government decision to create a new nationally owned transportation corporation at a time when CNR losses were seriously affecting the national debt seems curious indeed. It can be explained only by the fact that initially

there was supposed to be a large element of private capital; by the fact that the Minister of Transport, C. D. Howe, was an enthusiast for such schemes; and by the widespread assumption that the airline business was, after all, a fairly small-scale enterprise. Before the war, TCA's operating expenses were less than 3 percent of Canadian National's. During the war TCA slowly expanded operations to meet demand. Not surprisingly, such expansion was severely limited by the demands the war placed upon the economy as a whole.

Thus, at the end of the war, commercial air travel was still in its infancy. Indeed, from the perspective of the 1990s, the growth of air travel after the war dramatically emphasizes the technological and commercial revolution that has occurred in the past 45 years. As of December 1945, TCA's total fleet consisted of 11 Lockheed 14-08s, 14 Lockheed Lodestars and three DC3s. Total seating capacity for the entire fleet was 369 people! The airline carried 183,000 passengers, or one third of one percent of the number of people the railways carried that year. TCA had only 5,299 route miles (8,528 km), and several major Canadian cities were not yet served by air at all.[231]

There were good reasons for this primitive service, aside from the disruptive effects of the war. Airline travel was fast, of course, but it was still relatively uncomfortable and unreliable. None of the aircraft commercially licensed in Canada were pressurized. This meant that oxygen masks had to be broken out for flights over the Rockies. These limitations, coupled with the harsh vibration of the twin-engine piston propellers, created a real necessity for that airsickness bag (which is still there as an anachronism in modern flight). Weather could prove a serious problem for even the most hardy. Because aircraft could not climb above weather, they were often grounded by it. Longer flights, especially in winter, often arrived many hours, or even days late, if they left at all. The public responded by avoiding the plane in the winter season, contributing to an amazing 44 percent differential between summer and winter traffic in the years immediately after the war.[232] Even when there were no problems or delays, longer flights were hardly speedy by today's standards as the following morning transcontinental flight schedule for 1945 indicates.

Trans-Canada Air Lines
1945-46 Flight Schedule
Montreal to Vancouver

8:25 a.m.	Depart Montreal
9:10 a.m.	Arrive Ottawa
10:55 a.m.	Arrive Toronto
2:10 p.m.	Arrive Kapuskasing
4:20 p.m.	Arrive Armstrong
5:55 p.m.	Arrive Winnipeg (CST)
7:20 p.m.	Arrive Regina
9:55 p.m.	Arrive Lethbridge (MST)
12:00 a.m.	Arrive Vancouver (PST)

Source: National Archives of Canada, Record Group 46, Series DIII, Vol. 656.

In the years immediately following World War II, however, the airline companies moved aggressively. Both TCA and Canadian Pacific Airlines (CPA) made large-scale purchases of new equipment, though Government restrictions meant that CPA's mandate was primarily international rather than domestic. The Canadair Northstar was introduced in the late 1940s in an arrangement, partly subsidized by Government, to provide the aircraft company with peacetime work. The Northstar was faster and larger than earlier planes, with a seating capacity of 40. It was also pressurized. This allowed easier flights over the Rocky Mountains and better escape from weather patterns. The duration of flights from Montreal to Vancouver decreased from 16 hours to 13 hours. The Northstars also allowed the introduction of commercial trans-Atlantic flights, with planes travelling to London from Montreal in 15 hours by 1947.[233]

The Northstars were followed through the 1950s by more advanced planes. The 60-seat Super Constellation was first delivered to TCA in 1954. It was the largest commercial plane ever licensed in Canada and was such a novelty that some 30,000 Canadians lined up at airports when the airline put it on public display. It was followed by the Viscount (1955) and the Vanguard (1960). All of these planes represented significant improvements in comfort, cost-effectiveness and speed. Yet all were introduced within 15 years of the end of the war. In 1961 the arrival of the first DC-8s brought commercial jet travel to Canada.[234]

The investment by the airlines was supported by growing Department of Transport investment in facilities. Navigational supports, airstrips, terminals and an improved meteorological service all developed rapidly to match the changing technology and growing demands of the airplane. As Table 4 indicates, Department of Transport capital expenditures on air services multiplied nearly ninefold in the decade 1951 to 1961. By the end of that time there were 120 airports operated by the Department.[235] It was a level of subsidization that caused bitter resentment among railways.

Table 4
TRANSPORT AIR SERVICE CAPITAL EXPENDITURES

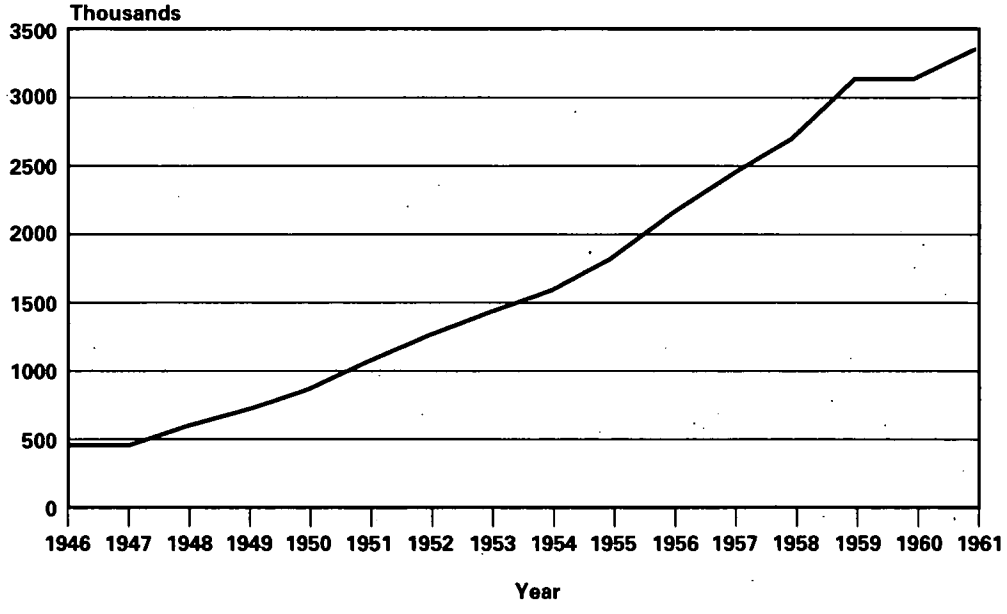
Year	($000)
1951	8,625
1952	9,896
1953	12,141
1954	14,742
1955	25,625
1956	32,952
1957	46,018
1958	63,003
1959	64,555
1960	63,420
1961	73,534

Source: **Canada, Department of Transport Air Services, *Canada in the Jet Age, A Report on a Study of Department of Transport Air Services Needs, 1962–1972*, November 1962, Appendix.**

The investment in equipment and airports helped create the most important statistic of all, a tremendous increase in passenger travel. Each year after the war there were new customers. TCA's 183,000 passengers at the end of the war increased to 427,967 by 1947, even before the Northstar was fully in service. By 1949 this number had increased to 648,574. By 1954 it was 1,438,349, an eightfold increase in a decade. Route miles of the airline increased from 5,299 (8,528 km) at the end of the war to 8,362 (13,457 km) in 1950. By then most major and intermediate Canadian cities had scheduled air service. Henceforth airline expansion was concentrated domestically on increased frequency rather than on new routes. The growth of international connections across the Pacific (CPA) and to the West Indies (TCA), however, expanded international mileage.[236]

As these figures imply and as Figure 24 further demonstrates, the growth in air travel was tremendous in the 15 years after the war. At the war's end, air travel was still an uncommon experience for Canadians. Senior business and government officials used it under the pressure of time. Tourism was developing, but it was still the rare family that in 1948 or, for that matter, 1953 would pack the children into the Northstar and head off across country. It required a sense of daring, above average-affluence and probably distant relatives before people thought of travelling as families on the plane. Most Canadians had never been on an airplane. By the end of the 1950s that was changing. Air travel was not yet the practically universal phenomenon it became by the 1970s. Still, it was by 1960 a common form of business travel and was seriously affecting the railway in that market. Tourism was expanding as well: families were lured by the introduction of holiday packages, southern routes and more comfortable aircraft.

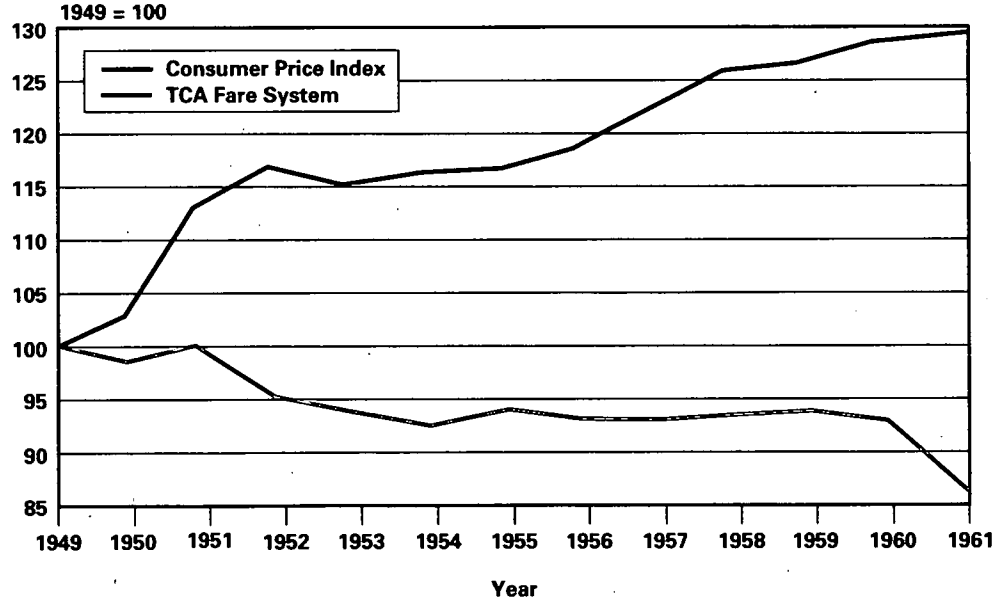
Figure 24
NUMBER OF AIRLINE PASSENGERS



Source: Derived from Statistics Canada, *Historical Statistics of Canada*, second edition, F.H. Leacy (ed.), 1983, Series T199.

Contributing to this growth, and resulting from it as well, was the rapidly declining real cost of air travel. Until well into the 1950s air fares were quite high and thus reserved for those with expense accounts or unusually high incomes. Air travel might have been faster than the train, but it was also considerably more expensive.[237] Throughout the 1950s those costs kept coming down. Economies of scale generated by larger airplanes and increasing passenger volumes meant that airlines could absorb increases in the cost of living, whereas railways could not. Thus in 1954 TCA could boast that "there has been no major fare increase by TCA since 1947" and that "It is the Company's aim, within the bounds of economic stability, to make air travel financially available to more people."[238] By the 1960s the introduction of tourist and then economy fares lowered the cost of air travel still further. Now TCA could boast that Canadians had "the lowest air fare structure in the world" and could back it up with a chart that showed the plummeting real cost of fares since the war (see Figure 25).[239]

Figure 25
Index of TCA Fares versus Consumer Price Index, 1949–1961



Source: Trans-Canada Air Lines, *Annual Report*, 1961.

The perception of the airplane and air travel during the years of growth was complex, though firm conclusions await full-length study. This perception combined a number of ideas, some of them contradictory. The airplane represented adventure. For most individuals the idea of airline travel was still exciting and a little daunting. Even after the Viscounts, Vanguards and especially the DC-8s made travel comfortable and routine, the memory of the earlier noisy planes, unpressurized cabins and vulnerability to weather remained in the public mind. There is also the simple fact that the idea of going up in the air was anything but routine when the majority of the populace had never done so.

This was not the image airlines wanted, and through the 1940s and 1950s their ads downplayed adventure. In fact, the advertisements downplayed the entire experience of travel. Instead they emphasized one of two things. The first approach was to stress the technological advantages of air travel. Advertisements talked about the newness, superiority and design of the latest airplanes. The second, and more common, approach was to ignore the travel experience and technology altogether in favour of emphasizing the point of destination. The message was significant both for what it conveyed and for what it ignored. The airline could take you almost instantly to a reunion with friends, loved ones or tourist spots far away. For the most part, however, they did not really pretend they would do so in great comfort or that the actual act of travelling would be a highlight of your vacation or business travel. The romance of the airline, then, was not in the mode of travel but in the destination.[240]

The message got through. By the 1960s the miniscule competitor of the 1940s had become a serious challenger to railways. There was now one airline passenger for every five rail passengers. Moreover, those airline passengers were being drawn from two very important market segments. First, the airlines were pulling away the long-distance traveller, the one least likely to turn to the car as an alternative. Second, they were drawing the affluent business traveller, the regular user both of the train and of luxury services like sleeping and dining cars. The car had done much to destroy the train's hold over the short- and medium-haul passenger. The airline prevented the railway from holding control of the long-haul market. Increasingly the railway, which had possessed a near-monopoly on land travel only a generation

before, was without a certain market for its product. This meant that the passenger business, never a very profitable aspect of railways, was beginning to stand out as a very expensive activity.

Even so, airline expansion has to be kept in perspective. It would take another major era of growth before the airplane overtook the train as the most common form of intercity public transit. By the early 1960s the first great flurry of growth in air travel was over. The airlines had reached the limits of their current market, and the phenomenal increases of the 1950s slowed down to staid growth rates of 3–4 percent a year through the recessionary early 1960s. This slowdown came just as the airlines were investing heavily in jets, and the volume-based profits of past years gave way to operating losses. The expenditures, the slow rates of increase in passenger numbers and the losses all meant that the airlines had to pause to take stock through the first part of the decade. The airlines were discovering other factors affecting their ability to cover the travel market. The growing size of airplanes, the development of jet service, and the loss of passengers to continually improved cars and roads made short-haul flights to regional centres unprofitable. Technology also forced change. By the late 1950s the new, larger aircraft could not land on the runways of some of the smaller airports. As a result TCA began, for the first time, to abandon centres. In 1961, for example, it made moves to shut down routes to a number of Manitoba and Saskatchewan communities.[241] By the 1960s, therefore, the first great phase of airline expansion was over. For at least the next several years the inroads the airlines made into the intercity market were modest. Not until the 1970s did the next era of significant expansion begin. By that time the railroads were already beginning to retreat from the passenger business.

There is a final point to be made about the development of air travel and that is that there was little effort to develop an integrated train-plane system. From the beginning the planes competed with rather than extended the railway network. There is a certain irony in this, given that initially both TCA and CPA were subsidiaries of railway corporations. In part this was a reflection of Government attitudes. As Studnicki-Gizbert has noted, transportation policy in Canada was "modally oriented" and often seemed designed to keep the various services separated rather than integrated.[242] In part this may have reflected the traditional view that railways were too powerful and needed control rather than extension. At any rate, despite the existence of the Department of Transport and despite the nominal ownership of TCA by

CNR, airports and air services developed apart from rail services. Even the partial exception of CP's fleet of ships, trains and airplanes made little difference to the outcome. The ships were being sold off, and the passenger rail service was declining in frequency and importance.

THE POLITICIZATION OF THE RAILWAY PASSENGER ISSUE

Perhaps surprisingly, railway passenger service was not a particularly sensitive issue until well after World War II. Of course people had always wanted railways to run in their communities or regions, and the assumption had been that such lines included adequate passenger services. There was also a recognition by the railways that passenger services of high quality were expected. If the railways forgot, they were quickly reminded. Thus when CNR president Donald Gordon considered reducing transcontinental service after the war, he backed off because it hurt the public image of the railway to even consider such cuts. "Its impact on our freight service was much greater than expected. We saw that our analysis of what might be called the psychological effects of our cancellation had not been good."[243] Nevertheless, until the 1950s neither the railways nor Government focussed on passenger traffic policy. It was an issue largely buried within the more contentious problem of freight. Once the question of passenger rail did emerge as a distinct issue, however, it quickly became politicized. For underlying it were not only economics and local community service but also highly volatile regional and nationalist sensitivities. These sensitivities shaped the railway and government response to the new competitive era that existed and led directly to the current policies and problems of passenger rail.

The relationship between passenger service and regional grievance is especially important in understanding what has happened since 1950. Of course, regional concerns have always played a part in railway policy. As we saw earlier, the Canadian government gave support to the Intercolonial, the Prince Edward Island Railway and CPR in response to regional concerns. Even after the railways were completed, regional politics often seemed to be railway politics. Yet, except for the past few decades, passenger service was not a part of this debate. Only as that service went into decline did the regions of Canada make the issue of adequate passenger service a matter of regional equity. Once they took up the issue, however, they could draw upon a rich tradition of regional rhetoric about the proper role of railways.

They could also point to policy precedents in which railway activities had been constrained in the name of regional concerns. That tradition involved freight rates; accordingly, discussion of passenger transportation and regional grievance must begin not with passengers at all but with freight.[244]

Both the Maritimes and the West have been very much involved in the regional criticisms of the railway system and of Government policies toward railways. The precise timing and nature of their concerns have been different, however. In the West many of the battles were fought and resolved before the turn of the century. From the beginning there was a tremendous dislike of the monopoly position of CPR. The lack of competition allowed the railway to make arbitrary rules on, say, loading and unloading grain unless the Government intervened. It also enabled the railways to set rates much higher in the West than in the East. In the 1880s, for example, general freight rates in Manitoba were about 50 percent higher than in Ontario. There were also a great many complaints about the absence of branch lines. CPR's policy in this area reflected a sensible, even cautious, policy of building only as traffic warranted. To the pioneer settler or local business on the frontier, however, the railway was the lifeline to the outside world, and it was natural that they would press for more rapid extension of the railway network.

By the beginning of the 20th century the West had achieved many results from its continual political agitation. The Crowsnest Pass agreement in 1897 set fixed rates (the Crow rates) for the hauling of grain and eased Western concerns in that crucial area. At the same time, the government further recognized the national importance of the relationship between the railways and the wheat economy by passing such legislation as the *Manitoba Grain Act*. Then, of course, the new transcontinental railways broke the monopoly of CPR and increased the area of the region easily reached by railway. By the 1920s the West was relatively well covered by branch lines, and though everybody loved to hate CPR, Western grievances had turned to other issues.[245]

In the Maritimes the timing was different. Discontent with the fruits of Confederation had created an on-again off-again series of complaints about regional issues. That discontent, however, had abated somewhat in the prosperity of the Laurier years and, at any rate, had never been focussed on the Intercolonial Railway in particular. By the 1920s, however, the grievance was much worse. The Maritime economy was shrinking relative to the rest

of Canada, and while other parts of the country enjoyed a reasonable prosperity by 1923, the Maritimes remained mired in recession. The situation had deteriorated so badly in both political and economic terms that a royal commission (the Duncan Commission) was appointed to investigate Maritime grievances.[246]

By now the Intercolonial Railway was very much a focus for Maritime discontent. This was due partly to the animosity generated by freight rate changes shortly before World War I and partly to the absorption of the railway into the new CNR system. There was more to it than that, however, for the railway was a symbol of what Confederation had promised to the region and not delivered. This view, which remained fairly constant, was neatly summed up by a Nova Scotian submission to the Duncan Commission.[247] Whereas, the presentation concluded, the Province of Canada had numerous reasons to support Confederation, Nova Scotia had only two: "1. That an Intercolonial railway be built." and "2. That in general, and specifically as a result of the building of that railway, these provinces were to share in the internal commerce which the creation of the Dominion was intended to promote." As the trade was not up to expectation and as, indeed, the Maritimes had declined economically since Confederation, the region was entitled to further support on "equitable and national grounds."[248]

The claim is an interesting one, for it ties the fate of the railway and the charges by a railway not to a specific legal argument but to an historical intention or assumption. It was no longer sufficient that the railway was built and operated; it should be built and operated in such a manner as to overcome regional disabilities. The concept of the railway as a political instrument of regional equalization is clearly expressed here. Moreover, the principle was accepted, at least implicitly. In the wake of the royal commission the Dominion government passed the *Maritime Freight Rates Act*, which directly subsidized Maritime railway shipments as a part of the national arrangement.[249]

The Crow rates and the subsidy clauses in the *Maritime Freight Rates Act* therefore were precedents for treating railway charges not as instruments of profit and loss but as national policy instruments in the face of regional concerns. Nor was there any doubt about the right of the the Board of Railway Commissioners to determine both freight and passenger charges. In so doing they took "equitable treatment" and other such issues under

consideration. Generally, however, the Board did not see its mandate as extending in a very broad way to issues of regional equalization. Nor did it see that as something for which the railways were responsible. "Railways are not required by law," it wrote in one decision, "and cannot in justice be required, to equalize natural disadvantages such as location, cost of production and the like."[250] There were thus two somewhat antagonistic principles at work within the governmental and public perceptions of the railway's role. All agreed that equitable rates were desirable, and this was worked towards throughout the 20th century. At the political level, however, and especially in the East and the West, railway rates were seen as instruments of a broad national policy that transcended the interests or rights of the individual corporation.

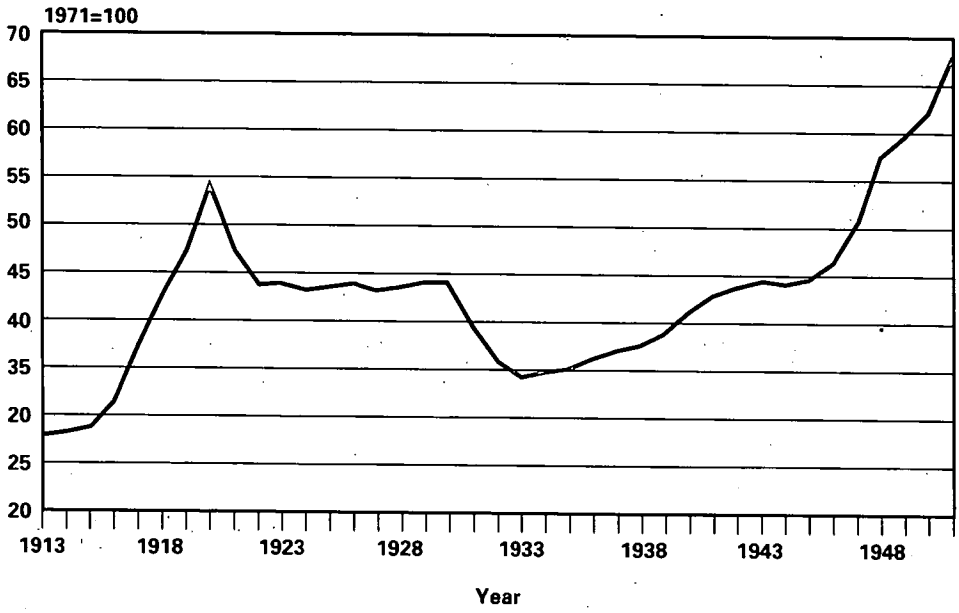
After the Duncan Commission the whole issue of freight and passenger rates became less controversial. This was due in large part to the simple fact that rates were not increasing. In the wake of the inflation of World War I there had been a series of rate increases approved by the Board of Transport Commissioners. Thereafter, however, the regulated passenger and general freight rates remained unaltered. (The first-class passenger rate was 3.45 cents per mile except in the mountains, where it was 4 cents a mile.)[251] The maximum proved profitable for the railways as the general price level declined after 1920. During the Great Depression, of course, railways found they had to lower rates much below the maximum allowable in order to generate business. During World War II, as we have seen, wage and price controls were in place. Besides, the railways made a healthy profit within the existing standards. Thus, though there was a regulatory system, the rate levels had been set so generously in the 1920s that in effect market rates, not regulation, determined passenger and freight tariffs between 1921 and 1945.

After World War II all that changed. As rates again became unstable they again became more political. As wartime price controls came off, inflation increased and for the first time the price index rose above what it had been just after World War I. The Korean War, which began in 1950, added to inflation. As Figure 26 indicates, for the first time since the years immediately after World War I there was a significant increase in the cost of living in Canada. Two additional factors made this increase in prices worse for the railways. First, there was a growing discontent in the workforce. In the immediate post-war years a series of labour disputes disrupted railway traffic and increased labour costs. Second, the railways were faced with daunting

capital costs. Deferral of capital purchases during the Great Depression now came back to haunt the companies. In addition new technologies, such as efficient diesel locomotives, appeared necessary if the companies were to operate efficiently. The conversion process, however, would be an expensive one.

The old standard rates quickly came under pressure in such circumstances, and the Board of Transport Commissioners was faced with a series of requests for adjustment. There were freight rate adjustments of 21% in 1948, 8% and then a further 16% in 1949, and 20% in 1950.[252] The increases reawakened the regional concerns that price adjustments had always brought forth. When the freight increase went before the Board in 1948, seven of the nine provinces objected. Both national parties passed resolutions expressing concern, and the Government responded by appointing a royal commission on transportation (the Turgeon Commission).

Figure 26
Consumer Price Index, 1913–1951



Source: Statistics Canada, *Historical Statistics of Canada*, second edition, F.H. Leacy (ed.), 1983, Series K8.

The Turgeon Commission was the last one in which passenger issues remained marginal. As it noted, there were only a few isolated complaints about the quality of passenger service, largely from the island provinces, and one complaint about passenger fares from British Columbia that cited the mountain differential rate built into the standard fare. In this latter case, however, the railways accepted the idea of abolition and the differential rate soon disappeared.[253]

Despite the limited attention it gave to passenger transportation, the Commission is of importance here for two reasons. First, the Commission marked the return to the political arena of the hotly contested battles of the 1920s on regional equity and railways. Much of the same rhetoric was used and, if space allowed, one could show how provincial submissions returned to practically all the concerns of the earlier years.[254] The origins of the Commission, which as it somewhat tartly pointed out were definitely political, demonstrate what one critic has termed the "ideology of freight rates."[255] Second, the Commission is important because in its recommendations it supported a principle that in recent years had been used by the railways in their application for freight increases — cross subsidization. The sharp rise in expenses and the decline in passenger services were a growing concern of the railways immediately after 1945. At that time they did not seem to have had any intention of eliminating or even sharply reducing passenger services. What they did do, however, was argue that passenger service losses should be considered in freight rate increases. Freight rates, in other words, should subsidize the passenger service. The Commission agreed. "The freight and passenger services are essential and if the passenger fares cannot be raised to produce sufficient revenues to enable the passenger traffic to pay its own way the freight traffic must bear the burden."[256]

There are several points of interest in all this. First, the regional position on passenger transportation was negative: both the Western provinces and those in the Maritimes saw lower freight rates as more important than the railway subsidization of passenger service. This continued the long-standing practice of emphasizing freight while taking passenger service for granted. Second, the Turgeon Commission represents a break from the past in that the railways were now becoming concerned about their rising passenger deficits. That anxiety had prompted the railways to at least raise the question of subsidization of their passenger service. Third, all the parties involved seem caught between older and newer conceptions of the transportation

industry in Canada: the traditional view of railways as a monopoly to be controlled was challenged by a newer view that railways were a declining industry, faced with fierce competition and a shrinking percentage of the transportation market. Regulation designed to control a monopolistic industry was now turning to subsidy issues in the face of a troubled one. Amidst all this, as A. W. Currie pointed out, the Commission "displays the confusion of objective which has characterized the history of transportation in Canada almost from the beginning." Were railways businesses, entitled to maximize profit and pursue corporate goals, or were they agencies of social well-being in which profit was secondary?[257]

Through the 1950s more and more policy makers began to realize that the competitive position of the railway had indeed changed and that this was especially true in the case of passenger services. Previously, the public had not lobbied strongly on questions of passenger routes and the Board of Transport Commissioners as well as the politicians had generally accepted railway decisions on the services to be provided, increased or dropped. All that, however, had rested on the assumption that the overall level of passenger service was likely to remain the same or improve. As it became apparent that services were shrinking affected communities, the press and apparently the public at large became more insistent that the railway should be viewed as an essential service. Cases for reduction of service or abandonment proceeded through channels only slowly and with great outcry. This left the railways caught between irreconcilable forces. Passenger services were becoming more and more of a burden. By 1958 the railways estimated their annual losses on passenger service to be more than $56 million.[258] It was no longer feasible for railways to absorb such losses or for adjustment of freight rates to cover it. On the other hand, the slowness of the regulatory system prevented railways from adjusting services in an attempt to maximize efficiency. Uncertainty discouraged investment in new plant, and the problems of discontinuance made introduction of new passenger routes a very dubious proposition. The railways remained committed to passenger service, but for the first time in the history of the nation there were worries that railway passenger service might be unable to compete succcessfully in the intercity market.

This was clearly recognized by a royal commission on transportation established under the Diefenbaker government (MacPherson Commission). Though freight rates and their increase were the basic reason for the appointment

of the Commission, it, unlike its predecessor, found a great deal of public concern about the quality and future of passenger services. Numerous municipalities and interest groups complained that declining service, actual or planned, threatened their well-being. At the same time there was also a feeling among witnesses that passenger services were too costly and that something had to be done to rationalize the system, though usually at somebody else's expense.[259] For their part the railways pushed hard to encourage a facilitated system of service abandonment and, where services "are held to be necessary in the public interest," to develop Government subsidy programs.[260]

In attempting to sort out all the concerns, the Commission started with a point not fully understood by the earlier Turgeon Commission. The problem, it concluded, was that both the Government and the public were behind the times in their conception of railways. Railways were no longer the giant monopolists of former years but faced instead a very competitive environment. Yet the regulatory system, the political arena and public pressure all worked against any flexible response by the railways. This was as true in passenger services as in freight.

> In this [adjustment to competition] they were handicapped, not only by federal regulatory requirements, but also by public pressure which customarily took the form of intense resistance to the dislocations which might be occasioned by these adjustments. For example, such matters as the removal of passenger services operating at a loss or the abandonment of unprofitable branch lines proved virtually impossible to decide with reference to normal commercial operation.

At another point the Commission noted pointedly that the railways are accused of deserting communities by withdrawing passenger-train service, when a more objective view would be that the communities have deserted passenger train service.[261]

If Canadian transportation were to adjust to the requirements of the last half of the century, the Commissioners concluded, the railways had to be given increased flexibility. They were no longer dominant in transportation and indeed, in passenger services, were now minor participants. If they were to continue to have any role in that area they must be left with the freedom to invest where they could make money and to get out of the business where

there was no money to be made. The whole thrust of the Commission was thus toward deregulation and, to the extent that regulations continued, a recognition that railways should no longer be singled out for regulation not faced by other carriers.

Yet, in a significant qualification, the Commission drew upon an idea that the railways themselves had argued. Canada had always faced the dilemma of requiring certain transportation services when the market itself did not justify such services. The response had traditionally been Government support in one form or another. Now that rail passenger services seemed to be in difficulty, it was only natural to apply the principle to that sector. This would be done in two steps. First, said the Commission, there should be a transitional period of four years in which the railways would be subsidized for moving slowly to rationalize services. Such subsidies would run from $62 million in 1961 to $12.4 million by 1965. By the end of that period, however, much of the passenger service in the nation was expected to disappear. Second, railways would thereafter remain on a more selected range of potentially profitable lines and would be subsidized indefinitely on those crucial passenger lines where "no reasonable alternative public highway exists."[262]

The MacPherson Commission is significant in the history of Canadian transportation, for it marked a bold departure from past thinking. First, it challenged many of the myths about the power of railways and the public complaints that railways must provide adequate passenger services. Railways were neither as powerful nor, given modern public habits, as essential as had been previously argued. Accordingly, the Commission accepted the railways' complaints about being forced to continue services that were no longer required or profitable. Second, in the name of the public interest, the Commission altered the nature of subsidies to passenger services. Cross subsidization from freight to passenger services would not be favoured in the future. Instead, the subsidies would be direct, with the Government accepting the responsibility and the taxpayer footing the bill in instances where services were thought essential. The combination of public subsidy and service reduction practically guaranteed that passenger services, which had so recently become politicized, would remain highly controversial in the future. At the same time the assumption was that railways would significantly rationalize passenger services. The up-front subsidy should ensure that the public and politicians did not get too carried away preserving non-essential passenger trains.

Things did not work out as neatly as the MacPherson Commission or its supporters had hoped. The minority governments that characterized the 1960s hindered the introduction of new legislation and discouraged bold steps. Amendments to the *Railway Act* were prepared under the Conservative government in response to the MacPherson Commission. In 1964, under a Liberal government, a version of this bill was actually introduced in the House of Commons, only to die in committee. By that time the new Minister of Transport, J. W. Pickersgill, took the logic of the MacPherson Commission one step further. If railways were no longer the dominant form of transportation in Canada, it made little sense to deal with the problem by looking only at railways. By 1966 the Department of Transport was ready with a complicated bill designed not only to deal with the specific problems of the railways but also to create an agency that could look at the issues of transportation from an integrated perspective.[263] The result was the *National Transportation Act* (NTA), which became law in 1967.[264]

In principle the NTA adopted the concepts put forth by the MacPherson Commission as modified by subsequent public pressures and political concerns. Those modifications, however, proved to be significant. In terms of passenger transportation the Act extended the principle that the public interest had to be weighed (through hearings before the newly constituted Canadian Transport Commission [CTC]) before steps were taken to abandon branch lines or passenger services. Then, if service was deemed to be necessary despite losses, the government was obligated to pay 80 percent of such losses.

There were also important departures from recommendations of the MacPherson Commission. First, the Commission had not envisaged a "super-agency" to handle transportation matters. Second, the MacPherson Commission had clearly intended that Government support of passenger routes come into play only under relatively extreme circumstances, "where no alternative exists."[265] The NTA took a more open-ended approach, however, and included such considerations as "future transportation needs" and the politically loaded possibility of appeal to the Governor General in Council.[266] Related to this, the MacPherson Commission had not considered partial subsidies, but the drafters of the legislation were concerned that total subsidization would lead to profligate attitudes on the part of the companies. It was uncertain whether the Government, faced by contradictory arguments from the public and corporations, had decided the NTA subsidies were largely transitional to allow the rationalization and abandonment of passenger

services or part of a national commitment to low-cost, publicly supported rail transit. What was certain is that with the NTA the new reality of inter-modal competition and an ailing passenger rail sector had been recognized in law.

6. The Modern Era: 1967–1990

The years after 1967 mark the most recent phase in the history of Canadian transportation and transportation policy. The many battles that have been fought over passenger transport in these years pose a danger for the historian. Never in the history of the issue have so many papers poured forth from the corporations, lobby groups and especially government. They range from careful and detailed studies of technical issues by the new Research Branch of the CTC to wide-sweeping generalizations about the importance of service by politicians protecting local constituencies. Yet from an historical perspective the period from the passage of the NTA until now is extremely brief. It is important to step back from the trees (or ex-trees now converted into memos) and try to single out the major landmarks and trends of the last 20 years.

From this more remote perspective, four things happened that set the stage for the various debates. First, within a very short time it became apparent that the Government was not going to apply the NTA subsidies stingily. The new CTC and the Government were cautious in their approach to railway abandonment.[267] Second, the railways finally abandoned any hope that the passenger business could be revived. Third, the annual cost of the subsidies increased much more rapidly than had been expected. By the early to mid-1970s the Government was seeking to extricate itself from the subsidy system. Ministerial decisions in 1976, 1981 and 1989 to reduce passenger service reflected this Government desire to rationalize passenger rail and, not incidentally, to reduce the subsidy levels. Fourth, while the Government was searching for a solution to the ever more expensive rail passenger service, a new ambivalence was creeping into policy on roads and cars. Energy crises, pollution concerns and other issues meant that an improved highway system seemed a dubious alternative as a form of passenger transportation.

All of this activity led to considerable comment from a public that talked in one fashion and acted in another. People weren't leaving their cars to return to the rails, but they continued to see passenger rail service as desirable

and viable. There was a continued attachment to railway travel even among those who rarely or never took trains. The image of the railway corporation as the rapacious monopolist of yesteryear also created scepticism about railway motives in abandoning passenger service. Had they really tried to make it profitable? Was the bad service perhaps a deliberate response to subsidization? There was also confusion because the continued success of European railway systems and the increasing success of the Amtrak system in the United States seemed to contradict the Canadian experience of the last 20 years. Each attempt to cut back passenger rail service brought an angry response. It is thus in this modern era that the dichotomy between public attitudes and Government policy is most pronounced. It is in this era as well that there is a sharp gulf between the public consumption of passenger rail services and public support for the continuation of those services.

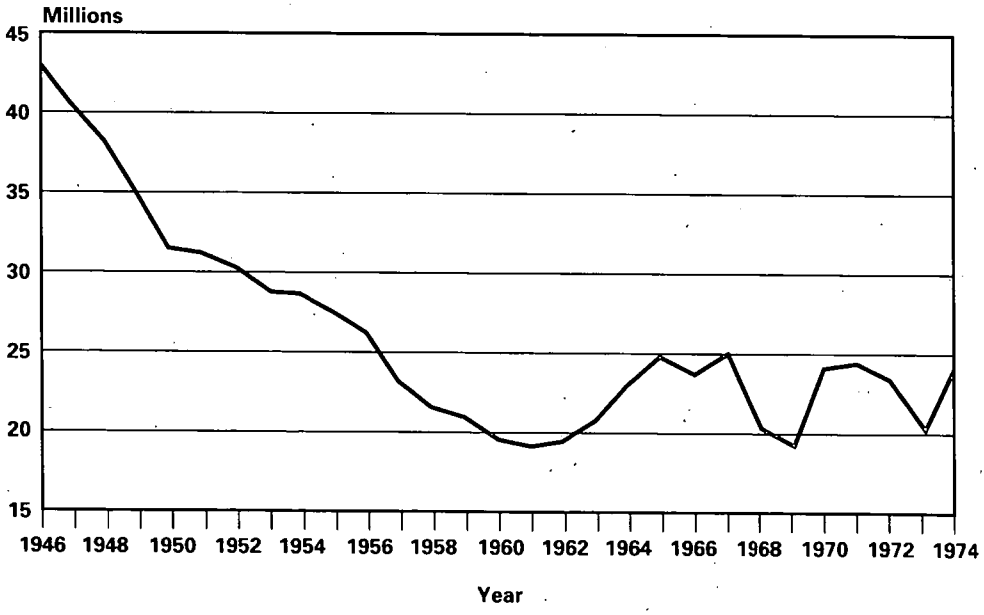
Another characteristic of the modern era has been the increasing influence and importance of other carriers. The airline industry went through another period of growth, and by the 1980s middle-income Canadians routinely used airlines for long-distance trips. For business it had become the standard mode of travel, even for relatively short distances. At the same time the automobile became ever more ubiquitous. Between 1961 and 1975 motor-vehicle registrations doubled, to one vehicle for every two Canadians. Theoretically, everybody in the nation could have been travelling in a car at the same time and have left the back seat empty! By the late 1970s all but the poorest of Canadian families owned cars.

Such patterns are apparent only in hindsight. In 1967, nothing was yet certain. Though there were accusations that the railways were deliberately chasing passengers away, every indication is that as of 1967 the railways were still attempting to make passenger service viable.[268] Beginning in 1963 CNR undertook a number of initiatives, including a flexible system of pricing known as the "Red, White and Blue" fares. These were designed to encourage off-peak travel at lower cost. A variation of the idea was soon adopted by CPR. Both railways upgraded their transcontinental service during the decade. CNR also spent considerable money and effort trying to draw traffic on the heavily travelled Toronto–Montreal corridor. The introduction of the *Rapido* in 1965 made the route, at least according to the Company, the "fastest train passenger service in North America for a comparable distance."[269] Plans for a new Turbo train called for a further reduction in time by the end of the decade. There were also inventive new partnerships

emerging as provincially subsidized commuter systems appeared in Ontario. The GO system, first appearing in 1967, marked the reappearance of an older role for the railway — carrying short-haul commuters. Commuters would form an ever-greater proportion of total train ridership through the 1970s.

There were also hopeful signs that the long decline of ridership was coming to an end. In fact, after a generation of decreases, the late 1960s saw an actual growth in the number of passengers carried (see Figure 27). A growing population, especially the large youth population of the 1960s, needed public transportation. From a low of fewer than 19 million riders in 1961, numbers increased to more than 24.5 million in centennial year. Over the next several years those numbers remained more or less stable, fluctuating between 20 and 25 million or, to put this in perspective, about one trip per year per Canadian.[270] Finally, the NTA system of subsidies *seemed* to be working as the MacPherson Commission had intended despite the cautious approach taken toward abandonment of services. In the late 1960s and very early 1970s subsidies to railways declined consistently. By 1971 railway subsidies for passenger travel had been halved to $53.9 million.

Figure 27
Number of Railway Passengers



Source: Statistics Canada, *Canada Year Book*, and railway company annual reports.

SUBSIDIES AND CUTBACKS

Yet all of this proved illusory. If there was ever a chance that passenger railway travel could be retained while the subsidy system was phased out, that chance disappeared with the changing economic fortunes of the 1970s. From World War II until the later 1960s Canada had experienced one of the greatest periods of sustained growth in its history. Any recessions were brief and not too severe. This meant that passenger transportation policies, whether in the public or private sector, were formed against the background of expectations of continued economic growth and prosperity. Then, in the early 1970s, the period of prosperity faded away. The 1970s were to be marked by growing "stagflation."[271] For the next decade economic growth remained unsteady and significant inflation created instability. One component of this stagflation was especially important to the transportation sector. The large-scale increase in energy prices in 1973 had ominous implications for transportation. Travel (or the carriage of goods) became more expensive relative to other activities, and Canadians curtailed travel or sought ways to make it more economical.

All sectors of the transportation industry were hurt by stagflation in general and by the energy-price shock in particular. The airline industry experienced some of its worst years ever in the early 1970s, and both the number of passengers and number of passenger-miles decreased — a very rare event in an industry known for growth.[272] North American car makers laid off thousands of workers. Consumers turned increasingly to smaller, cheaper and more gas-efficient cars. The airline and car industries, though they might suffer in the short term, operated from a position of relative strength. Their technology was still in demand. Car registrations did not decline, though people moved to smaller vehicles, and after the short retrenchment of the early 1970s, airline ridership again began to increase.

Long after the immediate impact had worn off, however, the energy crisis affected discussions of transportation in Canada. The concerns about conservation that the crisis awakened accentuated a public and official shift toward the automobile that was already under way. People would not give up their cars to any great degree, nor did the 1950s imagery of freedom and status disappear. However, a counter-image was now developing that emphasized the negative side of a society dependent on the automobile. A series of events, from safety concerns through energy and pollution concerns,

meant that the "absence of doubt" that characterized public investment in roads in earlier decades disappeared. In the last couple of decades there have been all sorts of doubt.

There had always been some critics of the suburban mythology, and the lamentable safety record of cars had been a cause of concern in the 1950s as much as in other decades. In those years, however, the reply to the critics was not to fetter the car but to design it or its transportation routes better. Modern highways would provide greater safety and better separation from local streets and generally improve the quality of life. Underlying these attitudes towards progress through to the mid-1960s was the belief that technology was a positive force. The unleashing of corporate and governmental inventiveness would, as was discussed earlier, improve peoples' lives. By the late 1960s this was an increasingly challenged proposition. For the age was, in many ways, dedicated to a cynicism about material progress and to the developmental orientation that had gone before. The North American automobile, as the symbol of the modernism and technology, was bound to come under criticism.

The critique came in stages. Initially, the car lost some of its personal glory as a symbol of technology's benefits. The North American automobile, so glorified by an earlier generation, turned out to be a shoddy example of technology. The publication of Ralph Nader's *Unsafe at Any Speed* in 1965 helped create a new ambivalence toward the North American car.[273] Technological progress, said this new perspective, was largely illusory — a matter of design and gimmicks. Underlying it all was a cavalier attitude toward such basics as safety and reliability. People still loved their cars but they were no longer certain they could trust them.

A second source of concern arose because the pressure for highway development was moving to the cities. Municipal expenditures on streets continued to climb in the late 1960s even as those by federal and provincial authorities levelled off or declined. Yet the car posed real problems to urban life. The vision of gargantuan expressways bisecting city centres was increasingly unacceptable. From the politicians' point of view it was too expensive. At the unofficial level, citizen resistance grew as city neighbourhoods feared they would be sacrificed in the name of suburban traffic flow. The highly publicized fight to stop the Spadina Expressway in Toronto in the early 1970s and the debate over the "Third Crossing" of Burrard Inlet in

Vancouver made it apparent just how politically charged such issues could become.[274] Thus the combination of urban problems and contemporary sensibilities made the automobile-oriented transportation system seem increasingly dubious, at least in and around the big cities, by the early 1970s.

Neither Nader's crusades nor the urban concerns of the early 1970s, however, had as much impact as the energy crisis of 1973. Then critics of the car could claim not just that the vehicles were badly made or that urban congestion was a problem but that the very act of driving a car was socially destructive. Numerous popular books proclaimed that the energy crisis had brought the North American automotive dream to a crashing halt. One work, attacking the automobile society upon which North American development had been based for the last quarter century, even gained the imprimatur of the Governor General in the form of a foreword. It was a sign of the times.[275] So too was the new image of the car. From the symbol of freedom it had become the metaphor for rapaciousness and inefficiency. "I should like to dedicate this essay," said one critic in a book aimed at engineers, "to the majority of mankind which has no hope at all — and, I sincerely hope, no ambition, of owning an average American car. This paragon of ecological virtue has an astonishing capacity for swallowing non-renewable resources. Quite apart from its contribution to the death rate, air pollution, noise and blighting of the city and countryside, the typical U.S. car spends much of its time transporting 1.5 people."[276]

Criticism also moved inside government circles. The official Canadian position became, at least implicitly, anti-automobile. Energy conservation was, for at least a decade, a matter of official concern and exhortation to the public. An Office of Energy Conservation was established, and the Canadian government threw its support behind measures to conserve energy. The automobile was, as everyone knew, something less than energy efficient and therefore governmental efforts at energy conservation meant government efforts to downgrade the place of the car in Canadian transportation. Federal departments like Energy, Mines and Resources warned that Canadians must abandon their dependence on the car and move "from single passenger cars to multi-passenger cars, buses and trains, and greater use of public transit systems."[277] A Department of Transport study referred to the car as "the most dangerous mode [of transportation]; a major source of congestion in high density areas; inefficiently used in terms of loads and peak periods; the largest source of pollution and energy consumption;

and most subject to weather vagaries."[278] The Science Council of Canada wrote a series of reports through the decade that urged the preservation of alternative forms of transportation and warned of the impending crisis in energy supplies.[279]

We could go on with examples but the point is fairly obvious. In Canada as in the United States the basic perspective on the car had changed.[280] The critics, previously in a minority, had now become the prevailing wisdom. That wisdom could be summed up to the effect that even if the car was not inherently bad as a transportation medium (and that was a point of debate) the way the North American car culture had evolved was socially and economically destructive. Overly large cars — often used by single passengers — vast freeway systems and excessive commuting distances had created problems of safety, urban pollution, energy depletion and social dispersal. Some of these issues could be ameliorated by better and more efficient cars, but the preferred solution was alternative transportation systems. Certainly none of the problems could be solved by building more freeways. That only encouraged more cars.

The result was the end of the single-minded focus on cars and roads that had characterized the past decades. In Ontario, for example, the Department of Highways was, in 1971, merged into the much larger and diverse Department of Transportation and Communications. "Transportation today, however, is not confined to highways. It has acquired an all-encompassing role," concluded the final report of the old department.[281] Two events were especially symbolic, however. The first involved the Canadian Good Roads Association, which dates back to 1914 and, through the Ontario Good Roads Association, to 1894. Over the years it had been the centre of discussion on and support for improved Canadian roads. Yet in 1970, arguing that "we in CGRA are aware that roads alone will not solve our transportation problems," it changed its name to the Roads and Transportation Association of Canada.[282] Second, Statistics Canada had, since the late 1920s, published figures on road expenditures in Canada. The beginning of such regular information had marked the new rise to importance of the road in Canadian life. In 1976, however, it discontinued the series. It was a symbolic reflection of the decline in the perceived national importance of road construction.[283]

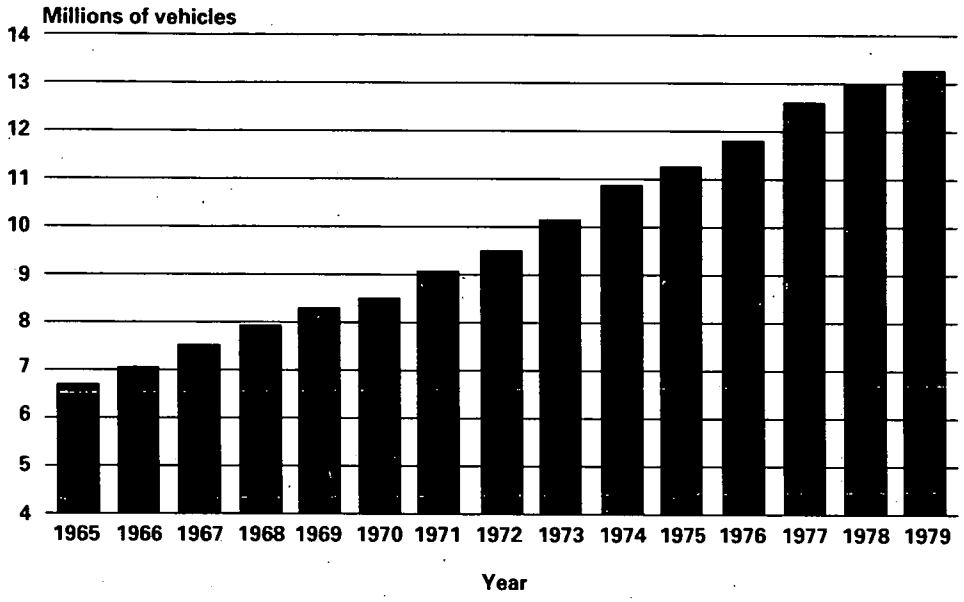
The shift, though important, must be qualified, however. The 1970s saw paradoxical pulls exerted on governments. Despite the concern with energy conservation and despite the talk of alternative modes of transportation, the

number of cars continued to increase in Canada (see Figure 28). The public was not going to be wooed away from the car, and thus governments were torn between searching for alternative forms of traffic and responding to ongoing congestion on the roads. This made transportation policy difficult to define. The prevailing wisdom was to woo the people out of their cars. In some places efforts were made, with some success, to do so. The GO train system in Ontario, for example, provides a perfect example of the shifting priorities of the provincial government.[284] GO was an exceptional system, however, based in the largest metropolitan concentration in Canada. Most places had neither the provincial revenue nor the population density to support such a system.

The rise of concern about the automobile was paralleled by declining investment in the road infrastructure of the nation. As late as 1966 *Road and Wheel*, the magazine of the CGRA, proclaimed that Canada was headed for a record year in road building, characterized "by large and more complex projects." The next year the headlines trumpeted that construction had reached $1.6 billion and that the record pace was continuing.[285] In fact, however, changes were in the air. In 1967 both federal and provincial road expenditures decreased in real terms. The provincial cut was especially severe: it was the greatest percentage drop since the great boom had begun at the end of the war. The next few years saw the trend continue. In real dollars, expenditures on rural roads would not reach 1966 levels again for more than a decade (see Figure 29). Even then the recovery was short lived, and by the 1980s real-dollar expenditures had plunged once again.

The near-disappearance of the federal government from road construction was an especially dramatic aspect of the turnaround in road policy. Once the Trans-Canada and Atlantic Development grants wound up by the 1970s the federal government was little involved in highway policy. Expenditures fell in absolute terms to only a small portion of what they had been a decade before. In relation to provincial highway expenditures they became insignificant, declining from their peak of 16 percent in the mid-60s to less than 5 percent by the early 1980s and to less than 4 percent by the end of the decade.[286] The basis of involvement had also become less unified, appearing for the most part under the Regional Development program under a series of ad hoc non-legislated arrangements with provinces known as ERDAs (Economic and Regional Development Agreements). There was nothing in size or cohesion to compare with the Trans-Canada program or even the Roads to Resources program of earlier decades.

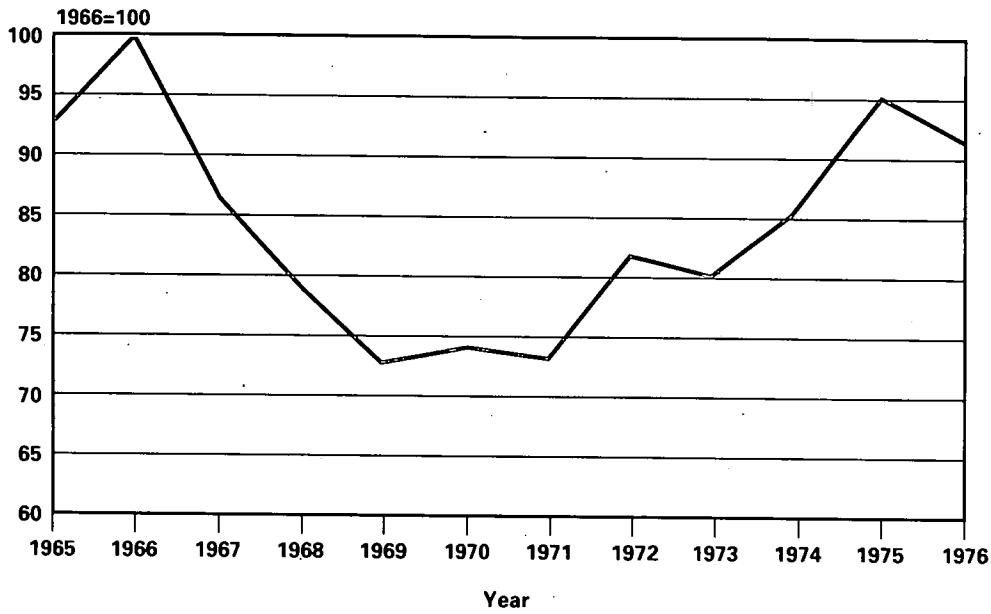
Figure 28
AUTOMOBILE REGISTRATIONS, 1965–1979



Source: Derived from Statistics Canada, *Vehicle Registrations*, Catalogue No. 53-219.

Growing doubts about the car culture complicated the debate over the decline of rail passenger service. As issues of energy conservation and pollution came to the fore the train was looked upon relatively favourably, especially when compared with the automobile. The railways were obviously unable to continue without large- scale subsidization and yet, as Via 2000 and other pressure groups reminded the Government, the railway was exactly the sort of alternative that the nation needed if the car was to be used more sparingly. Much of the argument in favour of the train is explicitly or implicitly based on the "social costs" of the car and hence the desirability of Government support for national rail passenger service. By the mid-seventies federal subsidies of passenger rail service were generally higher than federal contributions to highway construction. This was a reversal of orientation from the 1960s. Then the federal involvement in the Trans-Canada system and the MacPherson Report's recommendation that the federal government get out of the railway subsidization business seemed to point the way to the future.[287]

Figure 29
THE END OF THE HIGHWAY BOOM: PROVINCIAL PLUS FEDERAL REAL EXPENDITURES ON ROADS, 1966–1976



Source: Statistics Canada, *Canada Year Book*, 1966–1978.

Non-economic or non-direct economic arguments could be made that the railway should be preserved not in the name of nostalgia but for the social benefit it could confer.[288] Despite this, the economic instability of the 1970s was ultimately disastrous for the rail passenger industry. The decrease in travel, along with the more competitive alternatives to rail passenger service, meant that the railways' hopes of finding a core of profitable routes proved illusory. As Otto Lang, Minister of Transport in the mid-1970s, put it, "there were, in fact, no profitable routes."[289]

The absence of any profitable routes made unworkable the principles underlying both the NTA subsidy system and the CTC caution toward reduction in services. The hope had been that profitable routes could, with the assistance of conservative rationalization and subsidization, support the non-profitable routes. Now it turned out there was no cross subsidy. The railway companies were left in an economic "no-man's land," directed to maintain a high level of railway services, subsidized for 80 percent of their losses but

required to pick up the difference. Moreover, even if the subsidies had been total there was still an opportunity cost. Every railway prediction was that freight traffic was going to increase continuously over the next several years. Every dollar, every locomotive and especially every mainline track that was cluttered up with money-losing passenger services prevented railways from meeting the demand on the freight side.[290] The absence of any profitable routes was equally disturbing to Government officials. The basic problem can be seen in the subsidy figures. After reaching the low point of $53.9 million in 1971 Government grants to railways began to go up. By 1973 the subsidies had increased to more than $130 million; by 1974, to $164 million. Also, an unprecedented two thirds of these subsidies were now going to passenger services. This was not something envisaged by either the MacPherson Commission or the framers of the NTA.[291]

These forces set off a chain reaction. Until now at least CNR if not CPR had maintained an interest in passenger services. By the mid-1970s, however, the railways spent most of their time trying to get out of the business. In the Government there was a growing cynicism about the future of passenger services. It was a technocratic era, and the romance of railway travel seemed to have little impact upon the Department of Transport, which looked increasingly to the bottom line cost of maintaining services for a shrinking clientele. "Described in extreme terms," said one mid-1970s study from the Department, "it would be cheaper for the government to buy a bus ticket for each rail-passenger and give it to him free of charge, than to subsidize the rail-passenger traveller as at present; and bus service is available alongside most of the rail routes involved and in the case of many routes, air service as well."[292]

Until then political leaders had been very cautious about any policy of rationalization. Jack Pickersgill had captured the flavour of the political view of railway matters when he commented in 1966 that "transportation has the capacity to arouse emotions and prejudices . . . more completely than questions of race, religion or language."[293] It is not surprising that his successors had been reluctant to pursue a policy of passenger rail reductions. The CTC, taking its cue from the political and public mood, had also been cautious in its approach to reductions in passenger service and branch lines.[294] The rising deficits and the studies within the civil service had their impact, however. By 1976 the politicians were convinced. In January of that year the Minister of Transport, Otto Lang, announced a transport policy aimed at

rationalization of railway passenger service.[295] This decision, to accept the inevitable public criticism and to try to reduce the cost of railway services, is important. What Lang did was to force action on an agenda that had been in the making since the MacPherson Commission. Passenger services would be reduced and the political consequences would be accepted. A core of services, however, would be preserved and upgraded. Ever since this statement was made debate on transportation policy in Canada has revolved around the wisdom or folly of the actions put in motion that day.

Formally, Lang did two things through the policies he enunciated in January 1976. First, he instructed the CTC to look at passenger rail service with an eye to rationalization.[296] These instructions gave three basic roles for passenger trains: as short- to medium-distance carriers between cities; as commuting trains; and as transcontinental carriers providing a high level of comfort.[297] In effect, this put the emphasis on the Windsor–Quebec City corridor and on the transcontinental trains. This left the CTC with a difficult task. It did not know specifically what levels of service or subsidy the Government considered reasonable, only that rationalization was desirable. Nevertheless, the CTC responded to Lang's directive by proposing reductions in service and holding public hearings across the country. After considerable controversy and much press coverage, the CTC proposed a series of reductions, mainly affecting underutilized regional routes.[298]

The second thing Lang did was remove the burden of passenger service from the existing railway corporations. He did this by using the unusual method of an appropriation vote to create VIA Rail in 1977. In 1978 it became a Crown corporation.[299] If the Government was to revive passenger service given the disinterest of the railway corporations, such an agency made sense. It ended the pretence that railway passenger service was still a private business. The Crown corporation would, presumably, be more interested in providing adequate passenger service for the simple reason that that was its purpose. VIA was not without its critics, however. Then and since, defenders of rail passenger service have argued that VIA was without a legislative mandate, was unsupported by the Government and was thereby destined to fail to attract passengers.

The cuts and the creation of VIA were met by new counter-balancing forces. In Ottawa, and then across the country, a group of individuals drew upon a British precedent to create a lobby group in support of alternative

transportation. The existence of Transport 2000 and other lobby groups ensured that in the future Government moves on rail service would face close scrutiny. The 1977 reductions in service also had an impact upon the public at large. As we have seen, the public hearings and the resultant newspaper coverage awakened public interest.[300] Certainly the hearings in 1977 generated a great deal of attention and controversy. This was especially true in the Maritimes. Both the transport needs of the region and the tradition that tied railway service to the Confederation pact made for lively discussions when the CTC Rail Committee came to the region in May 1977 to discuss rationalization.[301]

There were also forces in the public sector that began to reconsider rail service. If nothing else, there was VIA Rail. Its very purpose revolved around the provision of passenger service. Its existence, therefore, created an additional voice in support of adequate passenger service. Immediately upon organization VIA undertook a large-scale marketing campaign that succeeded in increasing ridership and operating costs dramatically in the first couple of years of operation. This emphasis not on profit but on service and ridership is reflected in the Corporation's annual reports of the first decade. These reports consistently point to the social and political significance of passenger transport. They also show that VIA is aware that its audience is the public service and the politicians rather than the shareholders of a private corporation. "Now here are we," wrote the President in the 1985 *Annual Report*, "the present inheritors of that remarkable tradition, feeling somewhat insecure or uncertain about whether the long progression is still relevant." The service still had a place however. "One can only conclude that as a nation we have not yet found the right way to think about passenger rail. Yet find it we must, unless Canada is to lose a vital link between its citizens. . . . Surely we should not break a tradition that is emotionally important to many Canadians because of its pivotal role in our history."[302]

In the meantime the public service tried to grapple with the issue. Rail passenger service was costing the public treasury a great deal of money, but the automobile's dominance continued to raise social and energy concerns. Indeed, the striking thing about Government studies in the later 1970s and early 1980s is the amount of time spent on the subject of that most anaemic of all modes, the passenger rail system.[303] In effect the controversy of 1976 and 1977 had raised in a serious way the question of the mix of transport

modes in the Canadian future and had done so when the car was under greater criticism than ever before as a wasteful, dangerous and expensive form of mobility. In the latter part of the 1970s, reported the Science Council of Canada, the car "captured approximately two-thirds of the annual growth [of the transportation market], with the other third going to air travel. At a time of energy conservation this is not happy news."[304]

In the past decade the other major force driving Government policy has been the national deficit. Through the 1970s the deficit increased dramatically. By the early 1980s it was becoming a significant, negative economic force and a political issue. Simply put, cynicism about the future of rail travel drove Government policy in the 1970s. In the 1980s the despair lessened as lobby groups, VIA Rail and others began to look for ways to rejuvenate the system. Even as the fatalism toward passenger rail lessened, however, the imperatives of Government finance took over. The 1980s were not times conducive to massive and unproven investments in passenger rail technology. Instead, Government watched as total subsidies to VIA Rail increased to more than $300 million by 1980 and to more than $600 million by 1982. Attempts to reduce the deficits in 1981 met with massive public reaction, more hearings and polls that showed that the majority of Canadians wanted rail service maintained.[305] The Opposition Party commissioned its own task force and created a lively defence of railways that received considerable press and public attention.[306] The overall pressure was so great that in an equally controversial move many of the reductions in service were subsequently restored.

To some degree Government policy was floundering by the early 1980s, being pushed to and fro by contrary pressures. Public opinion ran against reductions in service, and there was no consensus among the government's advisors on direction that passenger transportation should take. Yet the rising national deficit and the rising railway subsidies prevented any sort of bold initiative. VIA Rail was widely seen, justly or not, as half a solution: a company without a mandate and without adequate funds. An Ontario task force report was especially critical, arguing that "VIA has no effective ability to operate passenger rail services in Canada, little control over systems and costs, cannot set its own budgetary priorities or effectively plan or experiment with different levels of service."[307] VIA was now by far the most expensive part of the railway system for the taxpayer, absorbing nearly three quarters of all subsidies.[308]

Against this backdrop of uncertainty, the most recent effort to break the logjam came with the newly elected Government's rapid move to alter the whole approach to passenger transportation in Canada. Feeling that the complex set of regulations and hearings inhibited innovative solutions, the Conservative government moved toward a simplified regulatory system where necessary and a deregulated system where possible. The idea was for "less regulation, leading to less government interference, [which] will encourage innovation and enterprise."[309] This policy, which was reflected in the new *National Transportation Act, 1987*, is still evolving and is therefore beyond any historical study. The new approach had effects on passenger transportation, but to uneven degrees. Rail service was not really affected that much. VIA, after all, had as its primary role the provision of passenger service rather than profit. It was cost conscious to a degree and for some time had been emphasizing "corridor services" to increase revenue. Deregulation did not change that emphasis and did not open the way to wholesale line abandonment. So long as the subsidies were maintained there was no purpose in doing so. In fact, when the next and most recent round of rail service cuts came, they did so in the traditional way and for the traditional reasons. The Government ordered the cuts made because of the increased deficit.[310] Likewise, the process of cuts engendered the same round of studies, controversy and outrage by opposition parties that had met both the 1977 and 1981 cuts.[311] All of this indicated, of course, that passenger rail service was far beyond the state where it could be considered in normal free-market terms.

There was a second effect upon passenger service, however. Deregulation had a significant impact on the airline industry. Despite the temporary setbacks in the wake of the 1973 energy crisis, the industry had seen healthy growth. Between 1972 and the mid-1980s passenger figures doubled, reaching 29 million by 1986, far eclipsing the number of train passengers.[312] The rapid shift that took place is brought into perspective by recalling that only 20 years before, five times as many people travelled by train as by plane. Thirty years before, 15 times as many did. Airline traffic continued to expand for many reasons. The standard of living had increased by the mid-1960s to the point where a larger percentage of the population could afford air travel. The improved technology and possibilities of wide-bodied jets allowed better service, as did fuel-efficient jets. Nor was flying the unknown quantity that it had been 20 years before. Most people took it for granted and used the technology freely. Increased volumes, in turn, allowed the

appearance of regional airlines and smaller planes that aimed to draw smaller communities into the air network and thereby displace alternative modes of travel.

Perhaps the most important factor increasing air travel was the effective lowering of costs to the consumer with the introduction of discount fares. In the early 1970s, as part of "package vacations," the CTC allowed airlines to introduce "charter-type fares" on scheduled services in 1977. These fares, hemmed around with restrictions on booking, cancellation and time of travel, nevertheless attracted economy-conscious travellers to airlines. Then, beginning in 1979, seat sales were introduced.[313] The initial conditions became successively less onerous, especially under the trend to deregulation in recent years. Thus, even before the mid-1980s move to widespread deregulation, the CTC had given the airlines much more flexibility. As a result, rail travel and to a degree even long-distance bus travel lost much of the cost advantage they had always possessed.

When sweeping deregulation was introduced in the mid-1980s, the airline industry was by far the most affected. Accordingly, there was a great deal of scrambling as the two major carriers (Air Canada and Canadian Pacific) sought to increase their market share. There were also dramatic changes in the field as the successful charter company Wardair entered and then failed in the scheduled market. There was also the purchase of Canadian Pacific by the aggressive regional carrier Pacific Western (and later the purchase of Wardair) to form Canadian Airlines International. As well there were the rise, fall and reorganization of several regional carriers. All of this is far too recent to assess in any definitive way. Two things are apparent, however. First, the highly competitive struggle for market share brought at least a temporary lowering of real air travel costs through much of the decade, further hurting VIA's ability to compete. Second, the oligopolistic situation of the airline industry and the regulations that carefully divided up routes had provided the industry with financial security and stability for the first 40 years after the war. Obviously this is no longer the case. Deregulation, the globalization of the industry, the projected open-skies agreement and congested airports have turned stability into instability. Speculation abounds that there will be a failure of a major airline, leaving Canada with only one national carrier within a decade. It is all very reminiscent of the way in which CPR and CNR were viewed in the interwar years.[314] Certainly, no

transportation system can be set up for the future that blithely assumes airlines will be able to bear the national burden any more than the railways were a generation before.

7. Conclusion: Concerns and Myths in Contemporary Canada

As Canada moves into the 1990s public transportation is in a state of flux. The crisis of the railways has not been resolved, and there is still a lively debate between those who see rail services as essential to our future and those who see their abolition, at least outside the corridor, as essential to national solvency. The public seems to want better rail services but is increasingly pessimistic that this is a realistic expectation. The airline industry has probably never been so unstable as in the past few years. Corporate takeovers, the whole rise of the hub and spoke system, the controversy over the Pickering airport a few years ago and the growing congestion of places like Pearson Airport hint at limits to growth in the immediate future. Thus, though the technology of air travel will continue to be essential, it is uncertain what forms of corporate or route reorganizations will take place as the industry adapts to new circumstances. Buses continue to absorb a significant degree of travel, some of which would formerly have been undertaken by the train. Still, their services remain largely unintegrated with other modes, and over long distances they remain favoured only by those in lower economic groups. Only the automobile continues with relentless force to expand its dominance over the lives of Canadians.

This instability has led to a search for new policies, yet here too contradictory forces buffet decision makers. Lobby groups, such as Transport 2000, have continued to hammer home an effective defence of passenger rail and have been supported by other lobby groups, by opposition parties, and by other levels of government. In the meantime the Transportation Association of Canada has argued that the federal government must return to large-scale road investment if Canada's infrastructure is to be maintained.[315] The public is in the most paradoxical position of all. For it is the public's choice of transportation modes, especially its overwhelming attachment to the car, that has determined much of the policy of these years. The public is also one of the staunchest defenders of passenger rail transport. In 1981, when a series of VIA cuts were introduced, a Gallup poll indicated that a plurality of Canadians in *every* region wanted service retained or improved. Even

when people were asked if they would be willing to have taxes increased to support passenger rail service, the support continued in every region except Quebec.[316] The situation had not changed eight years later. When the Government moved to reduce VIA services in 1989 a poll indicated that an overwhelming 89 percent wanted VIA continued; this time there was majority support in every part of Canada. A clear majority (54 percent) actually wanted VIA service expanded.[317]

Such support indicates that Canadians, even those who don't use the train, have a strong set of emotional attachments to passenger rail traffic. To understand why such attachments exist it is necessary to move from rational cost-benefit analysis or specific patterns of use to the realm of myth. A myth in historical terminology is not necessarily false, though it can be. Rather, a myth is a collection of beliefs and assumptions held to be true by a wide segment of the population, whether true or not. Canadian railways, because of their long history and recent controversial debates, are associated with a number of popular myths. Individual myths or elements of myths appeal to different segments of the populace and are used by different interest groups. As a totality, however, they possess a powerful collective hold over the thinking of the Canadian public and explain why policies to cut back services have been resisted so strongly.

The first and most potent of the myths is the nationalist myth. It developed around the time the Canadian Pacific was constructed. It was strengthened over the years by a combination of railway image building, public association of railway travel with "seeing the country," academic assessments of the importance of East-West links, and popular portrayals of the romance and adventure of the railway. A Gallup pollster summed up the power of this myth in response to the overwhelming support of VIA in 1989: "The trains are almost folklore in Canadian history, going back to the opening of the West and the national policy of John A. Macdonald."[318]

There are two striking things about this myth. First, though most of the railway's business and its most important national role have always been freight, it is passenger service that evokes the emotional response. It is not enough for wheat to travel East to West — people must. Second, it is striking how populist this myth is. Many of the arguments about railways are technical and are, at least in detail, for the experts and enthusiasts. The nationalist myth is something that is not determined by expertise or by the special

interest groups, though of course it has been encouraged by them. It simply reappears at every point in which the public has input. The most recent example comes from the Spicer Commission's "hot line" and citizen forums. People resented the dismantling of such "national symbols" as the Canadian Broadcasting Corporation and passenger rail.[319]

Also, though all rail passenger services are lumped together under the national myth, at the real heart of that myth are the transcontinental trains. "They are," concluded the President of VIA, "a unique and historic national symbol, a means of enhancing national unity and a contributor to tourism."[320] "The closing of trans-Canada passenger service on the Canadian Pacific Railway," argued Transport 2000 recently, "is both a real barrier to communication and a symbolic attack on national unity."[321] "VIA Rail — National dream fades," trumpeted the headline in the *Toronto Star* during the most recent round of cuts.[322] Thus, public mythology can be focussed. The attachment to trains is really an attachment to passenger services and in particular to the grand tradition of the Canadian transcontinentals. Moreover, this nationalist attachment is not predicated on the belief that a rail service will save the country. Rather, it is seen in conjunction with a number of other forces as a part of the fabric of Canada.

Subsets of this national mythology exist in each of the regions. Sometimes it is purely a localized version of the national romance of railways. The 1977 cuts led journalist Jean-Paul Desbiens to reminisce about trips from Metabetchouan to Quebec City. Significantly, he saw his personal experience as part of the national experience, saying that it was "Trains: to people and to the land, a heritage. He remembers them well."[323] In most cases, as we have seen, the regional variations emphasize the relationship of that particular region and the "national compact" — a compact that includes train services. Behind this is a more general principle that in the regions emphasizes the national policy role of the railways, or what the MacPherson Commission referred to as the tradition of obligation.[324] Emphasizing this aspect of the railways subordinates profit or economic rationalization in favour of regional equity and national policy. As well-known Manitoba historian W. L. Morton testified before the MacPherson Commission, regulation of railways "was necessary to ensure that railways indeed fulfilled their role in national policy by providing the various regions of Canada with railway services on terms and rates equitable as between the public and the railways and as between the different regions of the country." An economist from

Saskatchewan saw the national myth by definition as uneconomic and therefore argued that railways should not be thought of in purely economic terms. "It is from the attempt to reorient trade from its economic pattern that most of our subsequent difficulties have arisen."[325]

A second and quite different myth exists about rail passenger service. This, for lack of a better term, might be referred to as the "if only" myth. The argument here is that in fact rail passenger service is viable if only some certain steps are taken or some previous arrangement had not been made. If only tracks were upgraded to allow faster service. If only car users had to pay their fair share of road costs. If only the railways had not charged VIA such exorbitant rates for running rights, old rolling stock and so on.[326] The list could go on, but the basic point can be made in one citation. "We agree with Transport Canada that current rail service is untenable. The erosion of passenger services is real but given the virtual neglect of the rail mode over the past twenty years, it was inevitable."[327] In one form or another all the "if only" myths rest on the belief that the decline in rail service came from neglect, bad planning or hostile, air-minded bureaucrats.[328] Also essential is the corollary belief that good planning, effort, investment and a far-sighted government can turn the decline around.

The interesting thing about this myth is that unlike the previous one it is testable in normal economic and planning terms. Cost-benefit analyses can be done on technology improvements, alternative routings, integrated stations, an altered VIA mandate and so on. What makes this a myth and not just a proposition to be tested is its endlessly varied possibilities. Either side in the debate can easily maintain a position for or against rail travel whatever proposition is proven or disproven. Other issues are simply introduced. As a parliamentary committee reported in exasperation during the 1989 debate on cutbacks, "the Committee was confronted with a plethora of divergent statistics put forward by various witnesses with great persuasion and conviction. . . . The observation the Committee would like to make is that statistics can be used to make anyone's case or position sound persuasive."[329] The statistics are just a subset of the whole "if only" debate. What is important here is not the truth or falseness of any particular assertion (though ultimately it is very important) but the very persistence of the debate. It reflects a widely held belief that neither the railways (for reasons of policy) nor the Government (for reasons of cost) has given passenger service an adequate opportunity to prove itself.

The third myth could be described as the social-benefits myth, and its characteristics borrow from both of the other major myths. The argument here is that whether or not passenger rail travel could be made profitable, it is worth the subsidy for social reasons. The 1970s argument about passenger service in an energy-conscious community that we have already discussed is a primary example of the myth of social benefits. More recently energy has become less of an issue, but another environmental issue, pollution, has replaced it as a focal point of discussion. Such environmental issues are joined by a myriad of others, some more reasonable in their claims than others. Thus, for example, train service is often seen as a means of transportation equity: the poor, elderly, and those with disabilities or from isolated communities are more likely to need the train than others. Regional equity is also involved, but more important recently has been a hinterland-metropolis approach in a more general sense. The marginal communities, whether in small-town Ontario, the Maritimes, or the North, are seen as dependent on trains in a way that large urban centres with good airports and roads are not. A 1977 editorial in the Toronto *Globe and Mail*, "Count the Social Costs Too," which condemned reductions of train service into Sudbury, perfectly illustrated this very potent concern. Cost efficiency, it said, left the Northern communities feeling "abandoned, neglected." Subsidies were especially necessary to prevent "inconvenience to thousands of small communities." Then, in an appeal to the national myth, it concluded, "We would never have built the railways if Otto Lang had always been in Transport."[330]

As was just mentioned, the social-benefits myth touches upon both the national identity myth and the "if only" myth. Canadians are well attuned to the general themes of pollution, energy consciousness and regional equity. To the extent that these themes are hammered home by supporters of passenger rail, therefore, trains become a "good thing" deserving support. This makes the national symbolism of the train all the stronger. Not only is it a part of our history, but as an institution, it still deserves support from the public purse. Likewise with the "if only" myth, the belief is reinforced that if it were only possible to measure and charge the true social and individual costs of such modes as the car, passenger rail would thrive, perhaps even without subsidy!

There are lesser social-benefits myths as well. An element of train travel is the sense of community it brings. Neither the automobile, with its privacy, nor the airplane, where people largely stay in their seats, gives the sense of

interaction that the train provides. "You meet such friendly people," recounted a New York couple in Jasper recently. "We almost hated to get off the train to come here [Jasper Park Lodge]."[331] This sense of interaction and community appeals, at least in theory, to a good many Canadians, even when they do not take the train with any regularity.

Finally, there is what might be termed an "if . . . then" myth, which reflects a fear of what the decline in train service means to the community involved. It is not that the loss of a passenger train or so would actually seriously undermine the community but that the loss of passenger service is taken as part of a wider economic decline. For this reason it is the smaller cities, often in the Maritimes, that fight the hardest to retain a service. Their people do not use the service more than anyone else, but the jobs the railway provides, even if relatively few, and the symbolism involved in shutting yet another link between this community and "mainstream Canada" make railway closures an emotional issue. This theme applies equally to air services. Adequate train and air services to major points symbolize a city's status, are seen as essential to encourage growth, and are a part of the employment base of the community. It is the one area, therefore, where there may be a direct trade-off between trains and planes. Better plane service could be exchanged for reduced train service.[332]

It is beyond the scope of this paper to unravel or test the many complex beliefs contained within these three major myths. Indeed, many of them are untestable, and many others, such as the national symbolism of the railway, do not lend themselves to specific cost judgements. The point is that they exist. Some may be accurate, some not. They reflect a strongly consistent part of Canadian public psychology, however, and may explain why a transportation system such as rail passenger service, so long underfunded and underutilized, has refused to die. It may also indicate that any blend of transportation systems developed for the future will have to take into account what the public expects of its national transportation system in psychological and social as well as economic terms. Certainly that has been the case through the history of the nation. Emotion and myth were important in William Hamilton Merritt's dreams of canals, Thomas Keefer's philosophizing on railroads, the nation-building imagery of CPR, C. D. Howe's aspirations for a national airline, and the Canadian fascination with the car. Everything indicates that emotion and myth will continue to be important in the future.

ENDNOTES

1. Edith Dyell, *Canada: The New Nation* (Toronto: W. Gage, no date), pp. 390–91. This was a standard textbook for Grade 7 in Ontario schools for many years in the 1950s and early 1960s.

2. A great deal has also been written about the role of geography. For a brief example see Cole Harris, "The Myth of the Land in Canadian Nationalism," in *Nationalism in Canada*, edited by Peter Russell (Toronto: McGraw-Hill Ryerson, 1966), pp. 27–46.

3. D. A. MacGibbon, *Railway Rates and the Canadian Railway Commission* (Boston: Houghton Mifflin Co., 1917), p. 54.

4. The best overview of the freight-rate controversy in Canadian history is Howard Darling, *The Politics of Freight Rates: The Railway Freight Rate Issue in Canada* (Toronto: McClelland and Stewart, 1980).

5. Edwin C. Guillet, *The Story of Canadian Roads* (Toronto: University of Toronto Press, 1966), p. 14.

6. W. J. Eccles, *The Canadian Frontier, 1534–1760* (New York: Holt Rinehart and Winston, 1969), pp. 4–5.

7. For an overview of the French regime see G. P. de T. Glazebrook, *A History of Transportation in Canada*, Vol. 1 (Toronto: McClelland and Stewart, 1964), Chap. 1.

8. Ibid., Vol. 1, p. 68.

9. See Glazebrook, *A History of Transportation in Canada*, Vol. 1; Donald Creighton, *The Commercial Empire of the St. Lawrence* (Toronto: Macmillan, 1956); Doug Owram, *Building for Canadians: A History of the Department of Public Works 1840–1960* (Ottawa: Public Works Canada, 1979).

10. Glazebrook, *A History of Transportation in Canada*, Vol. 1.

11. As Konrad Studnicki-Gizbert has pointed out, Canada was, in modern terminology, a developing country in terms of transportation until the 20th century. It had no infrastructure, and yet an infrastructure was crucial to further development. Accordingly, it had to expend a large portion of available funds on construction. See Konrad Studnicki-Gizbert, "Transportation," in *The Canadians 1867–1967*, edited by R. C. Brown and J. M. S. Careless (Toronto: Macmillan, 1967), pp. 502–24.

12. H. G. Aitken, *The Welland Canal Company: A Study in Canadian Enterprise* (Cambridge: Harvard University Press, 1954), p. 86.

13. As an example see Peter Baskerville, "Entrepreneurship and the Family Compact; York-Toronto, 1822–1855," *Urban History Review*, 9 (1981), pp. 15–34. See also Owram, *Building for Canadians*, chaps. 2–3. As Creighton has shown, the situation in Lower Canada before the rebellion was more complex, with divisions along linguistic lines often impeding development. By the time of the canal-building era in the 1840s, however, a coalition of commercially minded politicians, both francophone and anglophone, had accepted the basic need for development.

14. This notion of a head-on battle with the United States for trade supremacy is best described in Creighton's classic study, *The Commercial Empire of the St. Lawrence.* See also Gilbert Tucker, *The Canadian Commercial Revolution 1845–1851* (New Haven: Yale University Press, 1936).

15. National Archives of Canada (NAC), Records of State for Upper Canada (RG 1E3), Vol. 60A, Council Chambers, January 8, 1799.

16. The protest was contained in Robert Gourlay's 1819 grievances against the Upper Canadian government. See Gerald Craig, *Upper Canada, The Formative Years 1784–1841* (Toronto: McClelland and Stewart, 1963), p. 94.

17. Speech of R. B. Sullivan, cited in *British Colonist*, September 1, 1841.

18. See A. W. Campbell, *Road Bulletin* No. 2 (Ontario Department of Agriculture, 1896) for a strong condemnation of the statutory system.

19. Glazebrook, *A History of Transportation in Canada*, Vol. 1. Chap. 4 has a short history of roads in New France and early Upper Canada. See also Guillet, *The Story of Canadian Roads*, Chap. 1.

20. Guillet, *The Story of Canadian Roads*, pp. 65–66.

21. Glazebrook, *A History of Transportation in Canada*, Vol. 1, p. 101.

22. Ibid., p. 134.

23. Ibid., p. 137.

24. Walter Houghton, *The Victorian Frame of Mind* (New Haven: Yale University Press, 1957); Asa Briggs, *Iron Bridge to Crystal Palace: Impact and Images of the Industrial Revolution* (London: Thames and Hudson, 1979).

25. Thomas Keefer, *The Philosophy of Railroads* with an Introduction by H. V. Nelles (Toronto: University of Toronto Press, 1972), p. 3. Original published in 1849.

26. Ibid., p. 10.

27. See, as early examples, Millington Henry Synge, *Canada in 1848* (London, 1848) and F. A. Wilson and A. B. Richards, *Britain Redeemed and Canada Preserved* (London, 1850). For an American counterpart see Asa Whitney, *A Project for a Railroad to the Pacific* (New York, 1852).

28. On the railways' impact on industry see Paul Craven and Tom Traves, "Canadian Railways as Manufacturers, 1850–1880," in *Perspectives on Canadian Economic History*, edited by Douglas McCalla (Toronto: Copp Clark Pitman, 1987), pp. 118–43.

29. Kenneth Norrie and Douglas Owram, *A History of the Canadian Economy* (Toronto: Harcourt Brace Jovanovich, 1991), pp. 225–27.

30. Glazebrook, *A History of Transportation in Canada*, Vol. 1, Chap. 5; G. R. Stevens, *History of the Canadian National Railways* (New York: Macmillan, 1973); J. M. S. Careless, *The Union of the Canadas: The Growth of Canadian Institutions 1841–1857* (Toronto: McClelland and Stewart, 1967).

31. *Statutes of the Province of Canada*, 12 Vict. c. 29.

32. Ibid., 14 & 15 Vict. c. 51.

33. W. L. Morton, *The Critical Years: The Union of British North America 1857–1873.*

34. G. R. Stevens, *Canadian National Railways*, Vol. 1 (Toronto: Clark Irwin, 1960), pp. 172–85.

35. Robin Winks, *Canada and the United States; The Civil War Years* (Montreal: Harvest House, 1971), Chap. 6.

36. *Statutes of Canada*, 31 Vict. (1867–1868), c. 13, *An Act respecting the construction of "The Intercolonial Railway"*; British Columbia Terms of Union, 1871; s. 11: Prince Edward Island Terms of Union, 1873.

37. Cited in Owram, *Building for Canadians*, p. 96.

38. See Sir Sandford Fleming, *The Intercolonial* (Ottawa: Queen's Printer, 1877).

39. Ernest R. Forbes, *The Maritime Rights Movement, 1919–1927: A Study in Canadian Regionalism* (Montreal: McGill-Queen's University Press, 1979), pp. 22–23, 25–27.

40. Silver Donald Cameron, "The Iron Road to Yesterday and Tomorrow," cited in Jo Davis, *Not a Sentimental Journey: What's behind the VIA Rail cuts and What YOU can do about it* (Gunbyfield Publishing, 1990), p. 18.

41. Peter George, "Rates of Return in Railway Investment and Implications for Government Subsidization of the Canadian Pacific Railway," *Canadian Journal of Economics* 1 (1968): pp. 740–62; and his "Rates of Return of Government Subsidization of the Canadian Pacific Railway: Some Further Remarks," *Canadian Journal of Economics* 8 (1975): pp. 591–600. For a criticism of George see Lloyd J. Mercer, "Rates of Return and Government Subsidization: An Alternate View, *Canadian Journal of Economics* 6 (1973): pp. 428–37.

42. *Canadian Pacific Facts and Figures* (Canadian Pacific Foundation Library, 1946), p. 71.

43. See, as one of hundreds of examples, *Toronto Globe*, December 13, 1880.

44. *The Economist*, 39 (February 19, 1881), p. 219.

45. Advertisement in *Maclean's Magazine*, April 15, 1949, p. 5.

46. See as examples J. C. James and Alan MacDougal, *The Western Division of the Canadian Pacific Railway* (London: Institute of Civil Engineers, 1884); Harry Jones, *Railway Notes in the Northwest* (no publisher, 1884); J. H. Secretan, *Canada's Great Highway: From the First Stake to the Last Spike* (London: John Lane, The Bodley Head Ltd., 1924); Sir Sandford Fleming, *Report on Surveys and Preliminary Operations on the Canadian Pacific Railway up to January 1877* (Ottawa: McLean Roger, 1877).

47. J. P. Sheldon, *To Canada and through It with the British Association* (Ottawa, 1885).

48. R. G. MacBeth, *The Romance of the Canadian Pacific Railway* (Toronto: The Ryerson Press, 1924), p. 46.

49. Cited in John Murray Gibbon, *Steel of Empire: The Romantic History of the Canadian Pacific , the Northwest Passage of Today* (New York: Bobbs-Merrill, 1935), p. 296.

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51. Allen Smith, "The Myth of the Self-made Man in English Canada 1850–1914," *Canadian Historical Review* 59, 2 (June 1978), p. 189.

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53. Walter Vaughan, *The Life and Work of Sir William Van Horne* (New York: The Century Co., 1920), p. 34.

54. Heather Gilbert, *Awakening Continent: The Life of Lord Mount Stephen, Vol. 1: 1829–91* (Aberdeen: Aberdeen University Press, 1965); D. Cruise and A. Griffiths, *Lords of the Line* (Markham: Viking, 1988); Pierre Berton, *The Last Spike: The Great Railway 1881–1885* (Toronto: McClelland and Stewart, 1971).

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56. *Canadian Pacific Facts and Figures*, p. 10.

57. Goldwin Smith, *Canada and the Canadian Question*, with an introduction by Carl Berger (Toronto: University of Toronto Press, 1971), p. 4. Original published in 1891.

58. O. D. Skelton, "General Economic History 1867–1912," in *Canada and Its Provinces*, Vol. 9, edited by Adam Shortt and Arthur Doughty (Toronto: Glasgow Brook and Co., 1914), pp. 95–276. O. D. Skelton, *The Railway Builders: A Chronicle of Overland Highways* (Toronto, 1916).

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60. W. A. Mackintosh, "Economic Factors in Canadian History," *Canadian Historical Review* IV, 1 (1923).

61. Carl Berger, *The Writing of Canadian History: Aspects of English-Canadian Historical Writing since 1900*, second edition (Toronto: University of Toronto Press, 1986), p. 97. See also Harold A. Innis, "Transportation as a Factor in Canadian Economic History," in *Essays in Canadian Economic History*, edited by Mary Q. Innis (Toronto: University of Toronto Press, 1956), pp. 62–77.

62. See Barry G. Ferguson, "The New Political Economy and Canadian Liberal Democratic Thought: Queen's University 1890–1925" (PhD thesis, York University, 1982), p. 124 ff.

63. On nationalism and historical interpretation see Ramsay Cook, "La Survivance English-Canadian Style," in his *The Maple Leaf Forever*, 2nd edition (Toronto: The MacMillan Company of Canada Limited, 1977).

64. Berger, *The Writing of Canadian History*, pp. 241–42.

65. Creighton, *The Commercial Empire of the St. Lawrence.*

66. Donald Creighton, *John A. Macdonald: Vol. 2: The Old Chieftan* (Toronto: Macmillan, 1955).

67. Pierre Berton, *The National Dream: The Great Railway 1871–1881* (Toronto: McClelland and Stewart Limited, 1970), p. 7.

68. "Towards the Last Spike," lines 222–23 in *E. J. Pratt: Complete Poems*, edited by Sandra Dwja and R. G. Moyles (Toronto: University of Toronto Press, 1989), pp. 124–25.

69. John Murray Gibbon, *Steel of Empire.*

70. Ernest R. Forbes, *The Maritime Rights Movement*, p. 27.

71. Ontario, *Royal Commission on Transportation, 1938* (Toronto: King's Printer, 1939), p. 52.

72. Good Roads Association of the Province of Ontario, *Annual Report, Vol. II. 1894* (Toronto, 1895), p. 15.

73. See comments of Andrew Pattullo, on "Road-Making," in *Report of the Good Roads Association of the Province of Ontario* (Toronto: Warwick Bros., 1895), pp. 9–10.

74. On the Dawson route see *Annual Reports of the Department of Public Works, 1868–1873* and Owram, *Building for Canadians*, pp. 107–10. On the Yale Road see Guillet, *The Story of Canadian Roads*, pp. 91–101.

75. Morris Zaslow, *The Opening of the Canadian North 1870–1914* (Toronto: McClelland and Stewart Limited, 1971), p. 106.

76. O. D. Skelton, *General Economic History of the Dominion 1867–1912* (Toronto: Publishers' Association of Canada, 1913).

77. S. J. McLean, "National Highways Overland," in *Canada and Its Provinces*, Vol. 10, edited by Adam Shortt and Arthur Doughty, pp. 359–472.

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79. See *Provincial Statutes of Canada*, 14 & 15 Vict, c. 51.

80. Some of the best travelogues include J. Ewing Ritchie, *To Canada With Emigrants* (London, 1885); Douglas Sladen, *On the Cars and Off: Being a Journal of the Pilgrimage along the Queen's Highway to the East, from Halifax Nova Scotia to Victoria in Vancouver's Island* (London, 1895); B. Pullen-Burry, *From Halifax to Vancouver* (London, 1912). On British travellers in Canada generally during these years see R. G. Moyles and Doug Owram, *Imperial Dreams and Colonial Realities: British Views of Canada 1880–1914* (Toronto: University of Toronto Press, 1988).

81. See, for example, Canadian Pacific Railway (CPR), *Fishing resorts along the Canadian Pacific Railway, eastern division: where to go for trout, bass and maskinonge, and what it costs to get there* (Montreal, 1887); CPR, *Mississauga: a wonderfully interesting two hundred and seventy-five mile canoe trip through the Mississauga Forest reserve* (Montreal, 1921).

82. Figures from W. Kaye Lamb, *History of the Canadian Pacific Railway* (Toronto: Macmillan Publishing Co., Inc., 1977), Appendix, pp. 446–47.

83. For the most comprehensive study of Canadian Northern see Ted Regehr, *The Canadian Northern Railway: Pioneer Road of the Northern Prairies 1895–1918* (Toronto: Macmillan Publishing Co., Inc., 1976).

84. R. C. Brown and G. R. Cook, *Canada 1896–1921: A Nation Transformed* (Toronto: McClelland and Stewart, 1974), pp. 148–53, 200–203; John Eagle, "Sir Robert Borden and the Railway Problem in Canada Politics, 1911–1920" (PhD thesis, University of Toronto, 1972.)

85. Michael Bliss, *Northern Enterprise: Five Centuries of Canadian Business* (Toronto: McClelland and Stewart, 1987), p. 328.

86. T. D. Regehr, "The Canadian Northern Railway: The West's Own Product," *Canadian Historical Review* 50, 2 (June 1970).

87. Frederick A. Talbot, *The Making of a Great Canadian Railway* (Toronto: The Musson Book Company Limited, 1912), pp. 18, 26, 71.

88. Brown and Cook, *Canada 1896–1921*, pp. 200–203.

89. Canada, *Report of the Royal Commission to Inquire into Railways and Transportation in Canada* (Ottawa: King's Printer, 1917).

90. Stevens, *History of the Canadian National Railways*, p. 277.

91. Statistics Canada, *Historical Statistics of Canada*, second edition, F.H. Leacy (ed.), 1983, Series H448–H457.

92. The actual bill creating the CNR was passed in 1919. *Statutes of Canada*, 9–10 Geo. V, c. 13.

93. Glazebrook, *A History of Transportation in Canada*, Vol. II, p. 176.

94. There is a series of timetables available in what is known as the Peel collection of the University of Alberta library. This material on routes and services draws heavily upon these as well as upon more general railway histories. Also, those books designed for the railway buff provide exceptional detail on the interior of coaches, facilities available, etc.

95. Lamb, *History of Canadian Pacific*, p. 268.

96. Canadian Pacific Timetable, 1897. Stopover for Field House.

97. Lamb, *History of Canadian Pacific*, chaps. 17, 23.

98. Number of train trips derived from *Canada Year Book*, 1919–1929.

99. Immigration in the 1930s would effectively disappear, going to as low as 5 percent of the pre-World War I figures. See Statistics Canada, *Historical Statistics of Canada*, Series A350.

100. The basic background on the 19th century tourist efforts of the Canadian Pacific is drawn from E. J. Hart, "See This World Before the Next: Tourism and the CPR," in *The CPR West*, edited by Hugh A. Dempsey (Vancouver: Douglas and McIntyre, 1984), pp. 151–69.

101. Mount Stephen House at Field, Glacier House at Glacier, Fraser Canyon House at North Bend.

102. The initial chalets at Lake Louise were very small. It was not until after the turn of the century that there was significant hotel accommodation on the shores of the lake.

103. Lamb, *History of Canadian Pacific Railway*, p. 268.

104. John Herd Thompson with Allen Seager, *Canada 1922–1939: Decades of Discord* (Toronto: McClelland and Stewart, 1985), p. 94.

105. On the railway hotels generally, see Howard Kalman, *The Railway Hotels and the Development of the Chateau Style in Canada* (Victoria: University of Victoria, 1968).

106. CPR, *Your Journey through the Canadian Rockies between Calgary and Vancouver* (1928).

107. Canadian National Railway System (CNR), *Annual Report for 1925*, p. 8.

108. CNR, *Annual Report for 1965.*

109. CPR, *Your Journey.*

110. *Canada Year Book*, 1930, p. 620.

111. *Roads and Transportation Association of Canada 1914–1974* (Ottawa: RTAC, 1974), p. 2.

112. James J. Flink, *The Car Culture* (Cambridge: MIT Press, 1975), p. 26–27.

113. *Statutes of Ontario*, 3 Edw. VII (1903), c. 27. Quebec introduced legislation in 1906. See *Statutes of Quebec*, 6 Edw. VII (1906), c. 13.

114. *Statutes of Prince Edward Island*, 3 Geo. V (1913), c. 7.

115. Flink, *The Car Culture*, p. 29 gives the average automobile price. The salary estimate comes from Statistics Canada, *Historical Statistics of Canada*, Tables E41–E48.

116. John B. Rae, *American Automobile Manufacturers: The First Forty Years* (Philadelphia: Chilton Press, 1959) discusses the growth of the auto industry in some detail.

117. Statistics Canada, *Canada Year Book*, 1933, p. 686.

118. "Address" of the Mayor of Hamilton, Canadian Good Roads Association (CGRA), *Proceedings* (1918), p. 5.

119. Flink, *The Car Culture*, p. 2.

120. Statistics Canada, *Canada Year Book*, 1933, p. 244.

121. Norrie and Owram, *A History of the Canadian Economy*, Chap. 17.

122. Flink, *The Car Culture*, p. 35.

123. Tad Burness, *Cars of the Early Twenties* (New York: Chilton Book Company, 1968), p. 77.

124. W. H. Dandurand, "Address," CGRA, *Proceedings* (1915), p. 16.

125. Flink, *The Car Culture*, p. 39.

126. R. A. Falconer, "Address," CGRA, *Proceedings* (1915), p. 35.

127. *Canadian Motorist*, April 1929, p. 163; August 1928, p. 296; Burness, *Cars of Early Twenties*, p. 160.

128. Burness, *Cars of Early Twenties*, p. 194.

129. This commentary rests on advertisements in John D. Bondt, *Canada on Wheels* (Oberon Press, 1970); Burness, *Cars of Early Twenties*; the Ontario Motor League Publication, *Canadian Motorist* 1926–1930. For a somewhat different view see Charles Sanford, "Woman's Place in American Car Culture," in *The Automobile and American Culture*, edited by David Lewis and Laurence Goldstein (Ann Arbor: The University of Michigan Press, 1981), pp. 137–52.

130. As examples see the following articles from the *Canadian Motorist*: Bonnycastle Dale, "Sights of The Knights of The Road," June 1928, pp. 205–07; Clara Dennis, "Into the North of Cape Breton by Motor," June 1929, pp. 125–27+.

131. *Canadian Motorist* (May 1929), p. 217.

132. Mariana Valverde, *The Age of Light, Soap, and Water* (Toronto: McClelland and Stewart, 1991) gives an overview of some of the reformism of the age.

133. *Report of the Good Roads Association* (Toronto: Ontario Department of Agriculture, 1894), p. 5.

134. *Statutes of Canada 1917*, 7-8 Geo. V, c. 74. Roads and Transportation Association of Canada, *Roads and Transportation Association of Canada, 1914–1974*.

135. CGRA, *Proceedings* (1915).

136. On the 1920 meetings see CGRA, *Proceedings* (1920). For a sense of the public attention and for the details of the 1925 national meeting see the Transportation Association of Canada, *The Canadian Good Roads Association Scrapbook*, for 1925.

137. Tony Cashman, *The Alberta Motor Association: A History*, p. 1.

138. Canadian Automobile Association Headquarters, Ottawa, Binder entitled "Historical Documents, 1916–1967, Section 1916" (henceforth termed CAA Binders).

139. William Findlay, "Value of the Local Association in a Nation-Wide Highway Movement," CGRA, *Proceedings* (1920), pp. 43–46.

140. On the international background of the Motor Club concept see Margaret Anderson "Outline of the History and Background of the World-Wide Automobile Association," CAA Binders, File 1961.

141. *Statutes of the Province of Ontario*, 1901, 1 Edw. VII, c. 32; *Statutes of Quebec 1907*, 7 Edw. VII, c. 3; 1912, 2 Geo.. V, c. 17, 21, 22, 23.

142. Thomas Church, "Address," CGRA *Proceedings* (1915), p. 12.

143. *Statutes of Canada*, 9-10 Geo. V (1919), c. 54. "The Canada Highways Act."

144. Ontario, *Report of the Royal Commission on Transportation*, 1938, p. 85.

145. Flink, *The Car Culture*, p. 149.

146. Alberta was followed by Manitoba in 1923; Prince Edward Island in 1924; Ontario, Quebec and British Columbia in 1925; Nova Scotia and New Brunswick in 1926; and Saskatchewan in 1929. Source: Ontario, *Report of the Royal Commission on Transportation*, p. 92.

147. Transport Association of Canada Library, "Canadian Good Roads Association, Scrapbooks, 1925."

148. Gordon Donald Campbell, "An Analysis of Highway Finance and Road User Imposts in Canada" (PhD thesis, Purdue University, 1956), pp. 97–99.

149. For a discussion of this relationship see Nancy Bryan, *More Taxes and More Traffic* (Toronto: Canadian Tax Foundation, 1972), p. 4; Saskatchewan, *Report of the Royal Commission on Taxation* (Regina: Queen's Printer, 1965), p. 34; Ontario Department of Highways, *A Plan for Ontario's Highways* (December 1956), p. 20.

150. *Statutes of Canada*, 9-10 Geo. V (1919), 13-14 Geo. V (1923), c. 4; 15-16 Geo. V (1925), c. 4.

151. Guillet, *The Story of Canadian Roads*, p. 163.

152. Previously, cars on Vancouver Island had to drive on the left side of the road; those on the mainland, on the right.

153. N. Vermilyen, President's Address, "Proceedings of the Twelfth Annual Meeting of the Ontario Good Roads Association," 10 in *Ontario Sessional Papers* XLVI (1914).

154. G. W. Tillson, "Wearing Surfaces," CGRA, *Proceedings* (1915), pp. 27–33.

155. Alberta, *Annual Report of the Department of Public Works, 1922*, p. 7; *1923*, p. 8.

156. F. C. Biggs, *Report of the Accomplishments of the Highway Department of the Province of Ontario covering the Years 1920, 1921 and 1922* (Toronto: Government of Ontario, 1923), p. 3.

157. British Columbia, *Report of the Minister of Public Works, for the Fiscal Year 1928–29*, p. 6.

158. Alberta, *Annual Report of the Department of Public Works, 1928-29*, p. 15.

159. This material is drawn from the annual reports of the various provinces for the 1920s. On the specific Ontario mileage see Ontario, *Annual Report of the Department of Public Highways, 1926.*

160. Ontario, *Annual Report of the Department of Public Highways, 1927*, p. 74; British Columbia, *Report of the Minister of Public Works, 1928–29*, p. T78.

161. D. G. Wetherall and I. Kmet, *Useful Pleasures: The Shaping of Leisure in Alberta 1896–1945* (Edmonton: Alberta Department of Culture and Multiculturalism, 1990), p. 16.

162. See Ontario, *Report of the Royal Commission on Transportation*, 1938, Table A10.4 for a sense of relative rail-bus costs in the 1930s.

163. Alberta, *Annual Report of the Department of Public Works*, 1926–1930.

164. *Ottawa Journal*, April 18, 1925.

165. CNR *Annual Report for 1931*, p. 7.

166. Stevens, *History of Canadian National Railways*, p. 370.

167. Ian Drummond, *Progress without Planning: The Economic History of Ontario from Confederation to the Second World War* (Toronto: University of Toronto Press, 1987), p. 270.

168. Statistics Canada, *Canada Year Book*, 1933, p. 856.

169. Alberta, *Annual Report of the Department of Public Works, 1933–34*, p. 7; Ontario, *Annual Report of the Department of Public Highways, 1933*, p. 9.

170. Lamb, *History of the Canadian Pacific Railway*, p. 333.

171. On CNR in the 1920s see Stevens, *History of the Canadian National Railways*, chaps. 19 and 20.

172. These and other CNR numbers during the Great Depression are from CNR, *Annual Report*, 1929–1939.

173. Canada, *Report of the Royal Commission on Railways and Transportation in Canada, 1931–32* (Duff Commission) (Ottawa: King's Printer, 1932), p. 43.

174. CNR, *Annual Report for 1932*, p. 4.

175. These CPR numbers are derived from CPR, *Annual Report*, 1929–1939.

176. A. W. Currie notes that in the 1930s the annual CNR deficit was approximately equivalent to the entire revenue generated by Dominion income tax. A. W. Currie, *Canadian Transportation Economics* (Toronto: University of Toronto Press, 1967), p. 10.

177. Canada, House of Commons, *Debates*, February 7, 1933, pp. 1867–68.

178. *Statutes of Canada*, 23-24 Geo. V, c. 23, s. 3.

179. CNR, *Annual Report for 1934*, p. 3.

180. CNR, *Annual Report for 1939*, p. 4.

181. These figures derived from Statistics Canada, *Canada Year Book*, 1939–1946, and annual reports of the railways, 1939–1945.

182. Statistics Canada, *Historical Statistics of Canada*, Series T147–T162.

183. Canada, Privy Council Office, *Canadian War Orders and Regulations, 1942* (Ottawa: King's Printer, 1942); Department of Munitions and Supply, *Transit Controller*, October 31, 1942, Transit Order 3-B.

184. Canada, *Report of the Royal Commission on Transportation*, Vol. I (Ottawa: Queen's Printer, 1961), p. 46.

185. Canada, *Final Report of the Royal Commission on Canada's Economic Prospects* (Ottawa: Queen's Printer, 1957).

186. For an analysis of subsidy patterns see K. Studnicki-Gizbert, draft manuscript on Transportation Policy in Canada, Chap. 2, p. 4.

187. Currie, *Canadian Transportation Economics*, p. 15.

188. Campbell, "An Analysis of Highway Finance and Road User Imposts in Canada," p. 59.

189. Derived from Bryan, *More Taxes and More Traffic*, Table A-16. See also Michel Bérard, *Les Routes du Québec* (Quebec: Minister of Roads, 1964), p. 63.

190. There is a great deal of literature on this, especially in the United States. See, for a quick overview, William L. O'Neill, *American High: The Years of Confidence 1945–1960* (New York: The Free Press, 1986). Note especially his comments on "Automania," pp. 29–32.

191. Thomas Hine, *Populuxe* (New York: Alfred A. Knopf, 1986).

192. *Maclean's*, December 1, 1946, pp. 42–43.

193. *Newsweek*, August 4, 1952, pp. 32–33.

194. *Maclean's*, July 29, 1961, p. 3. See also, Elizabeth Macfarlan, "The Attachment to the Automobile: With Reference to Non-economic Factors Underlying this Attachment," a working paper prepared for the Royal Commission on National Passenger Transportation, November 14, 1990.

195. Toronto *Telegram*, May 3, 1954, p. 6.

196. Ontario Department of Highways, *A Plan for Ontario Highways*, p. 7.

197. Province of Quebec, *Annual Report of the Roads Department for 1946–47*, p. 11.

198. CGRA, *Proceedings* (1954), p. 8.

199. Hine, *Populuxe*, p. 56; to be fair, the combination family room-garage never really caught on. Even in an age relatively unconcerned with pollution, the combination of carbon monoxide and family living seemed to strain the love affair with the car.

200. "Report of the President," CGRA, *Proceedings of the Thirty-Fourth Convention of the Canadian Good Roads Association* (Victoria: CGRA, 1953), p. 6.

201. Bryan, *More Taxes and More Traffic*, Table 2; Statistics Canada, *Historical Statistics*, Series H197–H208 and H317–H331.

202. Perhaps the best single source for the road operations of the various provinces is in the "Roads Roundup" published each year as a part of the CGRA *Proceedings*.

203. Ontario Department of Highways, *A Plan for Ontario Highways*, p. 13.

204. *Road and Wheel*, Vol. XV, No. 1 (February 1966), p. 1.

205. See "Roads Roundup" of the CGRA, *Proceedings* (1960, 1961, 1962, 1963).

206. Province of Quebec, Minister of Highways, *Annual Report*, 1946–1947, pp. 11–13. See also Bérard, *Les Routes du Québec*, p. 49.

207. Statistics Canada, *Canada Year Book*, 1949, 1957.

208. Province of Quebec, *Annual Report*, 1959, p. 7.

209. Province of Quebec, *Annuaire statistique*, 1958, pp. 473–75.

210. J. H. Perry, "The Taxpayer's Viewpoint," CGRA, *Proceedings* (1953), p. 115.

211. Wilfred Sanders, "Assessing Public Opinion Concerning Highway Policy," CGRA *Proceedings* (1954), p. 79; Gordon Taylor, "Annual Review of the President," CGRA, *Proceedings* (1955), pp. 9–15.

212. See generally the "Roads Roundup" of the CGRA, *Proceedings* (1950–1956) and the annual reports of the departments responsible for highways in various provinces for the same years.

213. See the Symposium, "Who Shall Pay for the Roads We Need?" CGRA, *Proceedings* (1953), pp. 84–98 for comments on issue generally. For the Morrison citation see p. 96.

214. Canadian Automobile Association Library, "Brief Concerning Canadian Highways Presented to the Honourable R. H. Winters," 1955, p. 4.

215. On federal fiscal policy in these years see Robert Campbell, *The Politics of The Keynesian Experience in Canada, 1945–75* (Peterborough: Broadview Press Ltd., 1987). The post-war budget figures are on p. 228, Table VII.

216. Canada, *Dominion and Provincial Submissions and Plenary Conference Discussions*, August 6, 1945, p. 81.

217. Canada, House of Commons, *Debates*, November 21, 1949, pp. 2023–24.

218. Ibid., pp. 2027–28.

219. National Archives of Canada (NAC), Records of the Department of Public Works (DPW), Accession 84-85/61, Vol. 1206, File 90-0-1, Part 3, "Address by Robert Winters, November 1951."

220. *Statutes of Canada*, 1949, 13 Geo. VI, c. 40. The road was to be constructed as a two-lane paved highway, 24 feet wide, with 10-foot shoulders and maximum grades of 6 percent. For a brief summary of the fiscal arrangements concerning the Trans-Canada see Bryan, *More Taxes and More Traffic*, pp. 135–42.

221. "Roads Roundup — Quebec," CGRA, *Proceedings* (1954), p. 64.

222. DPW, *Annual Report of Proceedings under the Trans-Canada Highway Act*, 1954, p. 1.

223. NAC, Records of DPW, Accession 84/85/61, Vol. 1206, File 90-0-1, Part 4, Robert Winters to J. T. Douglas, October 21, 1955.

224. DPW, *Annual Report Proceedings under the Trans-Canada Highway Act*, 1958–1962 gives a summary of the various amendments and details of progress.

225. Ibid., 1962, p. 3.

226. For a brief history of the Roads to Resources Program see Guillet, *The Story of Canadian Roads*, Chap. 13.

227. Robert Bothwell, Ian Drummond and John English, "Canada since 1945," in *Power, Politics and Provincialism*, revised edition (Toronto: University of Toronto Press, 1989), pp. 187–88. For a good example of the lack of such concerns see Guillet's comments on the flexibility of roads. They, he said, could be built and abandoned "without loss, having paid for themselves many times over," *The Story of Canadian Roads*, p. 189.

228. Bryan, *More Taxes and More Traffic*, p. 139, Table 29.

229. Canadian Institute of Public Opinion, Gallup poll, September 5, 1962; *Gallup Report*, November 27, 1976.

230. Robert Bothwell and William Kilbourn, *C. D. Howe: A Biography* (Toronto: McClelland and Stewart, 1979), pp. 108–109. See also Studnicki-Gizbert, draft manuscript, pp. 285–94.

231. Trans-Canada Air Lines (TCA), *Annual Report for 1945*, pp. 5–7.

232. Gordon R. McGregor, *The Adolescence of an Airline* (Montreal, 1970), pp. 8–9.

233. TCA, *Annual Report for 1947*, p. 9.

234. For very brief summary of developments in TCA see C. A. Ashley, *The First Twenty-Five Years: A Study of Trans-Canada Airlines* (Toronto: Macmillan Co. of Canada, 1963).

235. Canada, Department of Transport, *Canada in the Jet Age: A Report on a Study of Department of Transport Air Services Needs 1962–1972* (Ottawa: Department of Transport Air Services, 1962), p. 25.

236. TCA, *Annual Report*, 1945–1954.

237. It is difficult to make direct comparisons, given the different types of services involved. TCA measurements indicate, roughly, that air travel cost twice as much per passenger-mile as rail travel in 1955.

238. TCA, *Annual Report 1954*, p. 9.

239. TCA, *Annual Report 1961*, p. 7.

240. There are no detailed studies of the imagery or selling techniques of the airlines. These comments are drawn from *Maclean's* and *Chatelaine* from 1945 through 1961, as well as from more limited checks of the newspapers of the period. As John Helliwell commented to me, however, the imagery of the airplane in the North is quite different. There it was much more of a lifeline to the outside world. Equally, the mythology surrounding the Northern bush pilot takes on some of the romance associated with pioneering adventures. See John Condit, *Wings Over the West: Russ Baker and the Rise of Pacific Western Airlines* (Vancouver: Harbour Publications, 1984); Tony Foster, *The Bush Pilots: A Pictorial History of a Canadian Phenomenon* (Toronto: McClelland and Stewart, 1990).

241. TCA, *Annual Report 1961*, p. 9.

242. Studnicki-Gizbert, draft manuscript, Part II, p. 100.

243. Stevens, *History of the Canadian National Railways*, pp. 437–38.

244. For a detailed study of the freight-rate issue — one quite critical of the way it has evolved — see Howard Darling, *The Politics of Freight Rates: The Railway Freight Rate Issue in Canada* (Toronto: McClelland and Stewart, 1980).

245. D. J. Hall, "The Manitoba Grain Act: An Agrarian Magna Charta?" *Prairie Forum* 4, No. 1, pp. 105–20; Gerald Friesen, *The Canadian Prairies: A History* (Toronto: University of Toronto Press, 1984), chaps. 9 and 10.

246. See Canada, *Report of the Royal Commission on Maritime Claims* (Duncan Commission) (Ottawa: King's Printer, 1927).

247. Forbes, *The Maritime Rights Movement, 1919–1927*, pp. 25–27.

248. Province of Nova Scotia, *A Submission of Claim with Regard to Maritime Disabilities within Confederation* (1925), p. 53.

249. *Statutes of Canada*, 17 Geo. V, c. 44.

250. *CNR vs. CPR et al.* 39 CRC 1, 25–7. Cited in Canada, *Report of the Royal Commission on Transportation*, 1951, p. 24.

251. Currie, *Canadian Transportation Economics*, p. 298.

252. Darling, *The Politics of Freight Rates*, p. 185.

253. Canada, *Report of the Royal Commission on Transportation*, 1951, p. 35.

254. See as an example Province of Manitoba, *Manitoba's Submissions to The Royal Commission on Transportation* (Winnipeg, 1949), pp. 19–28.

255. Darling, *The Politics of Freight Rates*, Chap. 9.

256. Canada, *Report of the Royal Commission on Transportation* 1951, p. 137.

257. Currie, *Canadian Transportation Economics*, p. 15.

258. Canada, *Report of the Royal Commission on Transportation*, Vol. I (1961), p. 58.

259. Canada, Royal Commission on Transportation, *Submissions* (1961).

260. Ibid., Vol. 4, "Submission of Canadian National Railway," p. 5.

261. Canada, *Report of the Royal Commission on Transportation* 1961, Vol. I, pp. 11, 44. See also F. W. Anderson, "The Philosophy of the MacPherson Royal Commission and the National Transportation Act: A Retrospective Essay," in K. W. Studnicki-Gizbert, *Issues in Canadian Transportation Policy* (Toronto: Macmillan of Canada, 1974), pp. 47–75.

262. Canada, *Report of the Royal Commission on Transportation* (1961), Vol. I, p. 60.

263. On the background of the *National Transportation Act*, see Canada, House of Commons, *Debates*, 1966, pp. 7988–98. Also, Interview with J. W. Pickersgill, March 7, 1991.

264. *Statutes of Canada*, 14-15-16 Eliz. II, c. 69.

265. Ibid., s. 314J deals with passenger service reductions. On the whole question of the relationship between the NTA and the MacPherson Commission, see Anderson, *Philosophy of the MacPherson Royal Commission*, pp. 47–75.

266. *Statutes of Canada*, 14-15-16 Eliz. II, c. 69, s. 314J.

267. J. W. Pickersgill, who headed the CTC through part of this period, said that the Commission took a cautious approach to abandonment partly to prevent continual recourse to appeals to the Governor General in Council. Interview with J. W. Pickersgill, March 7, 1991.

268. Canada, House of Commons, *Debates*, September 2, 1966, p. 8038 and December 21, 1966, p. 11490 provide examples of accusations that railways were deliberately running passenger service into the ground. The Minister of Transport from 1964 to 1967 felt that the railways were sincerely making an effort in the passenger area. Interview with J. W. Pickersgill, March 7, 1991.

269. CNR, *Annual Report for 1965*, p. 10.

270. Note that as of 1970 commuters on the GO system were added to railway passenger statistics.

271. Norrie and Owram, *A History of the Canadian Economy*, Chap. 22.

272. Canadian Transport Commission (CTC), Research Branch, *Productivity Analysis of the Canadian Airline Industry*, working paper prepared by P. S. Dhruvarajan and R. F. Harris, pp. 67–69. Air Canada, *Annual Report* 1972–1976.

273. Ralph Nader, *Unsafe at Any Speed: The Designed-in Dangers of the American Automobile* (New York: Grossman Publishers, 1965).

274. Darryl Newbury, *Stop Spadina: Citizens Against an Expressway* (Mississauga: Commonact Press, 1989); *Vancouver's Transportation Future* (Simon Fraser University, Geography Dept., 1972).

275. Robert Bott, David Brooks and John Robinson, *Life After Oil: A Renewable Energy Policy for Canada* (Edmonton: Hurtig, 1983).

276. G. Leach, "Energy and the Car," in Meredith Thring, *Mankind and the Engineer*, Vol. 2 (Herts: Pereginuin, 1974), p. 108.

277. Energy, Mines and Resources Canada, *Energy Futures for Canadians* (Ottawa: Supply and Services, 1978), p. 97.

278. Transport Canada, *An Interim Report on Inter-City Passenger Movement in Canada* (Ottawa: Department of Transport, 1975), p. 77.

279. See, for example, Science Council of Canada, *Canada as a Conserver Society*, Report 27, (Ottawa: Supply and Services, 1977) or *Transportation in a Resource Conscious Future: Intercity Passenger Travel in Canada*, Report 34 (Ottawa: Supply and Services Canada, 1982).

280. On the changing perspective in the United States see Robert Ackerstone, "Some Milestones of Automotive Literature," in *The Automobile and American Culture*, edited by David Lewis and Laurence Goldstein (Ann Arbor: University of Michigan, 1980), pp. 394–404.

281. Ontario, *Annual Report of the Department of Highways*, 1971, p. 1.

282. "President's Address," CGRA, *Proceedings* (1970), p. 4.

283. The DBS Series was 53-201, "Road Mileage and Street Expenditures."

284. On GO see Ontario, *Annual Report of the Department of Highways*, 1969, p. 1.

285. *Road and Wheel*, XV, 1 (February 1966), p. 1; XVI, 1 (February 1967), p. 1.

286. On 1980s see Council of Ministers Responsible for Transportation and Highway Safety, *National Highway Policy for Canada, Phase 2*, Table TA.

287. Canada, *Report of the Royal Commission on Transportation*, Vol. 1 (1961), pp. 26–28.

288. Michael Jackson, "Introduction," in *Proceedings of the First National Rail Passenger Conference*, edited by Michael Jackson (University of Regina, Department of Extension, 1977), pp. 4–5.

289. Ibid., "Address by Hon. Otto Lang," p. 16.

290. Interview with Otto Lang, Winnipeg, March 5, 1991.

291. Howard J. Darling, "An Historical Review of Direct Transport Subsidies in Canada," a report commissioned by the Canadian Transport Commission (June 1975). See also CTC Research Branch, *A Review of the Existing Intercity Passenger Transport Systems* (1975), Table 8.2, which gives a route by route breakdown of the subsidies as they were in the early 1970s.

292. Transport Canada, *An Interim Report on Inter-City Passenger Movement in Canada*, p. 115.

293. Canada, House of Commons, *Debates*, September 1, 1966, p. 7989.

294. See CTC, *Annual Report* 1970–1973 for summaries of decisions in this area. In discussing the CTC policy in these years Jack Pickersgill, as head of the CTC, believed that that body should not get ahead of public or political opinion and thereby face possible reversal of

its decisions and undermining of its credibility. Interview with J. W. Pickersgill, March 7, 1991. See also CTC, Research Branch, *An Analysis of Railway Transport Committee Decisions 1967–1980* (Ottawa: CTC, 1982).

295. Canada, House of Commons, *Debates*, January 29, 1976, pp. 10437–47.

296. For the directives to the CTC see Transport Canada, *Highlights of Rail Passenger Policy Announcement by Transport Minister Otto Lang*, January 29, 1976.

297. Canada, House of Commons, *Debates*, January 29, 1976, p. 10438. Interview with Otto Lang, March 5, 1991.

298. CTC, Railway Transport Committee, *Final Plan for Eastern Transcontinental Passenger Train Service* (June 1977); *Preferred Plan for Western Transcontinental Passenger Train Service* (April 1977). See, for press coverage, *Globe and Mail*, February 15, 1977, p. B1; April 18, 1977, p. 6; May 3, 1977, p. B1; May 28, 1977; *Winnipeg Free Press*, March 22, 1977, p. 6; May 18, 1977, p. 7.

299. Vote 52d Department of Transport *Appropriation Act* No. 1, 1977.

300. Interview with Harry Gow, President of Transport 2000, January 15, 1991.

301. For a sense of the attention, see the *Halifax Chronicle-Herald*'s reporting of the CTC, Rail Committee hearings in May 1977. *Halifax Chronicle-Herald* May 16, 1977, p. 1; "Nova Scotia notebook," May 17, 1977, p. 6; "Funds key to rail's survival," and "Service should be tied to usage — MP," May 19, 1977, p. 1; "Real study needed on transportation," May 20, 1977, p. 6.

302. VIA Rail Canada Inc., *Annual Report 1985*, p. 10.

303. For a few examples see, Science Council of Canada, *Transportation in a Resource-Conscious Future*; CTC, Research Branch; David McQueen, "Aspects of Rail Passenger Policy in Canada," memo, unpublished, 1984.

304. Science Council of Canada, *Transportation in a Resource-Conscious Future*, p. 57.

305. On the opposition to cutbacks see the testimony in Progressive Conservative Party, *The Last Straw*. On the Gallup figures see *Gallup Report*, October 24, 1981, which showed that 51 percent of Canadians disapproved of cutbacks in rail passenger service and only 27 percent approved.

306. Progressive Conservative Party, *The Last Straw*.

307. Ontario Task Force on Provincial Rail Policy, *The Future of Rail* (Toronto, 1981) pp. 43–44.

308. Statistics Canada, *Rail in Canada 1987* (Ottawa: Statistics Canada, 1989), p. 24.

309. Transport Canada, *Freedom to Move: A Framework for Transportation Reform* (July 1985), p. 1.

310. "Will there be a future for Via Rail?" *Globe and Mail*, January 19, 1989, p. A6.

311. See, as examples of public concern, *Montreal Gazette*, April 13, 1989, p. A1, "81% tell Gallup they want Ottawa to retain VIA"; April 14, 1989, p. D3, "VIA needs more help, not less"; *Globe and Mail*, p. A5, "Howls of protest over cuts in Atlantic Canada"; *Winnipeg Free Press*, October 5, 1989, p. 1, "VIA cuts greeted with tears, cheers" and p. 6 "Much pain; little gain"; *Halifax Chronicle Herald*, October 5, 1987, p. B1, "VIA cuts met with fear, anger" and "Passengers ponder life without VIA."

312. Statistics Canada, Catalogue No. 51-206 and 51-002.

313. JoAnne Bonnyman and Robert Dodd, "A Review of Low Priced Air Fares 1979" (Ottawa: CTC, Passenger and Aviation Economics, Research Branch, November 1980).

314. It is interesting that neither J. W. Pickersgill nor Otto Lang, when interviewed as part of this project, were very optimistic about the survival of the two airlines. Interviews of March 5, 1991 and March 7, 1991.

315. Roads and Transportation Association of Canada, *Roadway Infrastructure Study* (Ottawa: RTAC, 1987).

316. *Gallup Report*, October 24, 1981. It should be noted that opinion in Quebec was very close (41 percent to 40 percent).

317. *Gallup Report*, April 13, 1989; *Winnipeg Free Press*, July 10, 1989, p. 28.

318. "Polls show travel sacred to Canadians", *Winnipeg Free Press*, July 10, 1989, p. 28.

319. See, most recently, the comments of the public before the Royal Commission on National Passenger Transportation itself. Canada, Royal Commission on National Passenger Transportation, *Getting There: The Interim Report of the Royal Commission on National Passenger Transportation* (Ottawa: Supply and Services Canada, 1991), pp. 133–34.

320. VIA Rail Canada Inc., *Annual Report 1985*, p. 9.

321. Transport 2000, "Submission to the Royal Commission on National Passenger Transportation," (1991) p. 4.

322. "VIA Rail: national dream fades," *Toronto Star*, March 28, 1989, p. A4.

323. Jean-Paul Desbiens, "Trains: to people and to the land, a heritage. He remembers them well," *Globe and Mail*, May 7, 1977, p. 6.

324. Canada, *Report of the Royal Commission on Transportation* (1961), p. 32.

325. Canada, Royal Commission on Transportation, *Submissions*, Vol. 30, p. 4416; Vol. 33, p. 5184.

326. For a good example of the arguments along these lines see testimony in Progressive Conservative Party, *The Last Straw*.

327. Transport 2000, "Brief to the Railway Transport Committee at Maritime Rail Passenger Hearings, April, 1977," p. 6.

328. Transport 2000, "Inter-City Railway Passenger Transportation in Central Canada over the Next Ten Years: A Public Interest Approach to Development" (September, 1979), p. 2.

329. Canada, House of Commons, Standing Committee on Transport, *Report to the House*, November 8, 1989, p. 3.

330. "Count the social costs too," *Globe and Mail*, April 18, 1977, p. A6.

331. This unscientific observation by the author came during a March visit to Jasper. The couple had travelled from Montreal to the mountains.

332. Canada, Royal Commission on Transportation, "Hearings At Fredericton," *Submissions*, Vol. 3, November 9, 1959. Both the official delegation from the city and the Chamber of Commerce looked at air travel and concentrated on adequate direct routes rather than the particular mode of travel.