One of the most important railroad towns in Ontario was North Bay. Founded in 1881 as a construction camp for the Canada Central Railway, a segment of the Canadian Pacific transcontinental line, North Bay gained its prominence by the great fortune of its location. In the early days of railway technology, the distance between terminals was limited to about 190 kilometres – roughly as far as the small, wood-burning locomotives could travel before they needed to "wood up." From the station at Chalk River to "the great north bay" of Lake Nipissing was about 190 kilometres, so the terminal was fixed there versus farther west or east.

Steel reached North Bay on November 9, 1882 with the arrival from the east of the "Lucy Dalton." As of that date, North Bay was the farthest western point on the national dream of a coast-to-coast railway, the fledgling CPR. The town would eventually become the hub of rail lines running in all directions. The Grand Trunk, which took over the Northern Railway in 1888, arrived from Gravenhurst in 1889. Starting in 1902 the construction of the Temiskaming & Northern Railway (Ontario Northland) opened up the northern Ontario mining districts from North Bay. Until 1908, all Southern Ontario freight passed to and from the western provinces through North Bay.

But in 1882 when John Ferguson built the first shingled house in town, he did so among a jumble of stumps, railroad ties and poles that were scattered over the muskeg. Trails meandered in all directions; years would pass before any one of them could be called a road. In March 1883 when Florence Howey and her husband stopped over on their way to their new home in Sudbury, they arrived to a train station that was a long, low, log building with a telegraph office at one end, the dining room at the other and a waiting room in the centre. Since no platform had been constructed, they had to step out of the train and then slide in the sand down to the door of the station.