

The Maritime Freight Rates Act (17 Geo. V, c. 44), effective July 1, 1927, ordered that the accounts of the Canadian National lines east of Lévis and Diamond Junction, Quebec, be kept separate from those of the remainder of the Canadian National System. These lines were designated as the Eastern Lines of the Canadian National Railway, and the territory, which included Prince Edward Island, Nova Scotia, New Brunswick and a part of Québec, as the "select territory". The Act also ordered that local and westbound freight rates on the Eastern Lines and freight rates on all eastbound traffic originating on these lines be reduced by 20 p.c. The reductions applied only to rates on the Eastern Lines and not to railways beyond the "select territory". Other railways operating in the "select territory" were allowed to make similar reductions in their freight rates in that territory and to bill on the Board of Railway Commissioners of Canada for the difference in freight receipts due to such reductions. The railways making such reductions included these bills with their revenues and consequently their revenues were not reduced by the change in the rates. The Act provides that any deficit from the operation of these lines shall be met by a separate appropriation by the Dominion Government. For the six months, July-December, 1927, and the calendar year 1928, the Eastern Lines reported losses in revenues due to these reductions in rates of \$931,810 and \$2,151,528 respectively, and the deficit was therefore increased by that amount. The total paid to privately owned railways under the Act was \$421,655 for the six months of 1927, and \$828,893 for 1928. The four operating regions of the Canadian National Railway System were somewhat altered in consequence of the Maritime Freight Rates Act and are now divided as follows:—the Eastern Lines, including far the greater part of the former Atlantic region and the lines west to Lévis and Diamond Junction, a total of 3,104.36 miles; the Central region, from Lévis and Diamond Junction west to Port Arthur and Armstrong, including the line in the United States to Portland, Maine, a total of 7,459.71 miles; the Western region, including all lines west of Port Arthur and Armstrong, with the Duluth, Winnipeg and Pacific, a total of 10,912.89 miles; and the Grand Trunk Western, the lines in the States of Michigan, Indiana and Illinois, 991.53 miles.

The Quebec bridge across the St. Lawrence above Quebec city, with a main span of 1,800 ft., the longest in the world, and carrying a single track railway and accommodation for motor and pedestrian traffic, forms a connecting link in the Canadian National Railway System and is operated as a part of it.

Table 20 shows some of the more important train traffic statistics of Canadian National Railways operation for the years 1927 and 1928 (excluding the Eastern Lines and the Central Vermont Railway included in the similar table on pp. 663-4 of the 1927-28 Year Book).