

Earnings and Expenses.*—The operating ratio, or ratio of expenses to revenues, of Canadian railways increased from around 70 p.c. to above 90 p.c., between 1917-20, and remained high thereafter. The United States Government took over the operation of the United States railways and increased the rates of pay of the railway employees, when that country entered the War of 1914-18. The Canadian railways were also obliged to make corresponding increases and these have been the chief factor in increased operating ratio. Declining revenues without corresponding reductions in expenses during the depression period also maintained the high ratio.

* See chart at p. 562.

7.—Earnings and Operating Expenses of Steam Railways 1915-39

NOTE.—Gross earnings and operating expenses for the years 1875-1914 are given at p. 434 of the 1916-17 Year Book. The analyses per mile of line and per train mile go back to 1908 only and are given for 1908-16 at p. 435 of the 1916-17 Year Book.

Year	Gross Earnings	Operating Expenses	Ratio of Expenses to Receipts	Per Mile of Line			Per Revenue Train Mile	
				Gross Earnings	Operating Expenses	Net Earnings	Gross Earnings	Operating Expenses
				\$	\$	\$	\$	\$
1915.....	199,843,072	147,731,099	73.92	5,616	4,152	1,464	2.144	1.585
1916.....	261,888,654	180,542,259	68.94	6,943	4,823	2,120	2.358	1.623
1917.....	310,771,479	222,890,637	71.72	8,051	5,774	2,277	2.683	1.925
1918.....	330,220,150	273,955,436	82.96	8,581	7,119	1,462	3.006	2.494
1919 ¹	382,976,901	341,866,509	89.27	9,947	8,879	1,068	3.683	3.292
1919 ²	408,598,361	376,789,093	92.26	10,568	9,745	823	3.817	3.520
1920.....	492,101,104	478,248,154	97.18	12,626	12,270	356	4.192	4.074
1921.....	458,008,891	422,581,205	92.25	11,636	10,735	901	4.376	4.038
1922.....	440,687,128	393,927,406	89.39	11,196	10,008	1,188	4.072	3.640
1923.....	478,338,047	413,862,818	86.52	12,098	10,434	1,664	4.180	3.616
1924.....	445,923,877	328,483,908	85.77	11,233	9,548	1,685	4.119	3.533
1925.....	455,297,288	372,149,656	81.70	11,383	9,222	2,161	4.132	3.378
1926.....	493,599,754	389,503,452	78.91	12,278	9,653	2,625	4.298	3.391
1927.....	499,064,207	407,646,280	81.68	12,350	10,047	2,303	4.221	3.448
1928.....	563,732,260	442,701,270	78.53	13,840	10,791	3,049	4.461	3.503
1929.....	534,106,045	433,077,113	81.08	13,068	10,596	2,472	4.492	3.643
1930.....	454,231,650	380,723,411	83.86	10,897	9,133	1,764	4.150	3.538
1931.....	358,549,382	321,025,588	89.53	8,502	7,612	890	3.747	3.435
1932.....	293,390,415	256,668,375	87.48	6,922	6,055	867	3.507	3.157
1933.....	270,278,276	233,133,108	86.26	6,365	5,490	875	3.528	3.153
1934.....	300,837,816	251,999,667	83.77	7,111	5,956	1,155	3.864 ³	3.128
1935.....	310,107,155	263,942,899	85.11	7,250	6,170	1,080	3.903 ³	3.193
1936.....	334,768,557	283,345,968	84.64	7,839	6,635	1,204	4.012 ³	3.298
1937.....	355,103,271	300,652,548	84.67	8,316	7,041	1,275	3.992 ³	3.366
1938.....	336,833,400	295,705,638	87.79	7,888	6,925	963	3.930 ³	3.331
1939.....	367,179,095	304,373,285	82.89	8,604	7,139	1,465	4.137	3.428

¹ Years ended June 30 for this and previous years. ² Years ended Dec. 31 for this and later years.

³ Revised since the publication of the 1940 Year Book.

8.—Distribution of Operating Expenses of Steam Railways, 1936-39

Item	1936		1937		1938		1939	
	\$	p.c.	\$	p.c.	\$	p.c.	\$	p.c.
Way and structures.....	60,378,275	21.31	58,309,150	19.39	55,217,352	18.67	57,624,668	18.96
Equipment.....	63,755,028	22.50	73,166,522	24.34	69,233,176	23.41	70,994,034	23.31
Traffic expenses.....	12,059,438	4.26	12,287,021	4.09	12,588,923	4.26	12,394,763	4.06
Transportation.....	130,780,123	46.16	139,108,818	46.27	140,347,953	47.46	144,196,332	47.38
General and misc. expenses.....	16,373,104	5.77	17,781,037	5.91	18,318,234	6.20	19,163,488	6.29
Totals.....	283,345,968	100.00	300,652,548	100.00	295,705,638	100.00	304,373,285	100.00