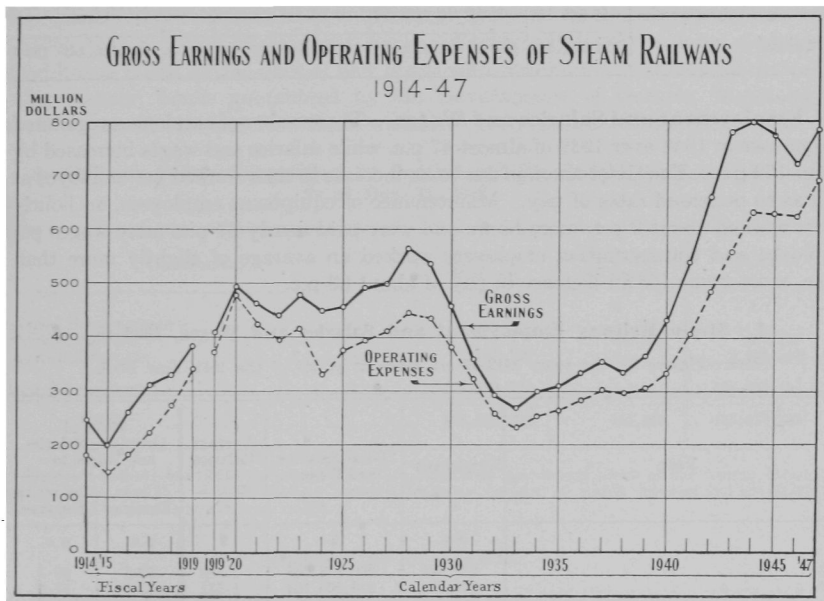


reductions in expenses during the depression period also maintained the high ratio. The period from 1938 to 1943 showed a sharp decline in this ratio, due primarily to the greatly increased freight traffic occasioned by the Second World War and a subsequent acceleration in gross earnings. A steadily rising trend has been in evidence since 1943 caused by higher costs for materials and labour.



5.—Earnings and Operating Expenses of Steam Railways, 1939-48

NOTE.—Gross earnings and operating expenses for the years 1875 to 1914 are given at p. 434 of the 1916-17 Year Book; those for 1915-25 at p. 550 of the 1941 Year Book; and for 1926-38 at p. 585 of the 1942 Year Book.

Year	Gross Earnings	Operating Expenses	Ratio of Expenses to Receipts	Per Mile of Line			Freight Train Revenue per Freight Train Mile	Passenger Train Revenue per Passenger Train Mile
				Gross Earnings	Operating Expenses	Net Earnings		
	\$	\$	p. c.	\$	\$	\$	\$	\$
1939.....	367,179,095	304,373,285	82.89	8,604	7,132	1,472	5.48	1.67
1940.....	429,142,659	335,287,503	78.13	10,074	7,870	2,204	5.63	1.97
1941.....	538,291,947	403,733,542	75.00	12,673	9,504	3,169	5.78	2.25
1942.....	663,610,570	485,783,584	73.20	15,659	11,463	4,196	6.53	2.93
1943.....	778,914,565	560,597,204	71.98	18,398	13,241	5,157	6.98	3.68
1944.....	796,636,786	634,774,021	79.68	18,861	15,029	3,832	6.91	3.82
1945.....	774,971,360	631,497,562	81.49	18,331	14,937	3,394	6.92	3.70
1946.....	718,501,764	623,529,472	86.79	16,967	14,924	2,243	6.83	3.21
1947.....	785,177,920	690,821,047	87.98	18,556	16,326	2,230	7.38	3.01
1948.....	875,832,290	808,126,455	92.27	20,702	18,661	2,041	8.38	2.92