

Earnings and Expenses.—The operating ratio, or ratio of expenses to revenues, of Canadian railways increased from around 70 p.c. to over 90 p.c. between 1917 and 1920, and remained high thereafter, due largely to declining revenues without corresponding reductions in expenses during the depression period. 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, 1940-49

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.	\$	\$	\$	\$	\$
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	3.63
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	14,724	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	19,102 ^r	1,600 ^r	8.38	2.92
1949 ¹	894,397,264	831,456,446	92.96	20,866	19,397	1,469	8.66	3.10

¹ Includes Newfoundland Railways from Apr. 1.

6.—Distribution of Operating Expenses of Steam Railways, 1946-49

Item	1946		1947		1948		1949	
	\$	p.c.	\$	p.c.	\$	p.c.	\$	p.c.
Way and structures.....	122,093,160	19.6	134,097,450	19.4	159,963,352	19.8	164,891,364	19.8
Equipment.....	135,933,150	21.8	145,614,589	21.1	174,473,389	21.6	186,067,026	22.4
Traffic.....	13,781,898	2.2	15,120,289	2.2	16,801,286	2.1	17,612,056	2.1
Transportation.....	304,519,437	48.8	347,620,755	50.3	403,804,530	49.9	406,033,445	48.8
General and miscellaneous.....	47,201,827	7.6	48,367,964	7.0	53,083,898	6.6	56,852,555	6.9
Totals.....	623,529,472	100.0	690,821,047	100.0	808,126,455	100.0	831,456,446¹	100.0

¹ Includes Newfoundland Railways from Apr. 1.

Employment and Salaries and Wages.—The number of employees registered an increase in 1949 over 1939 of almost 49 p.c. while salaries and wages increased by about 160 p.c. The latter rise was due to an increase in time worked per employee, also to increased rates of pay. Maintenance of equipment employees, on hourly rates, worked about 9 p.c. more hours and were paid nearly 71 p.c. more wages per employee; average hours worked by transportation employees were slightly less than the 1939 average and their pay was increased by about 68 p.c.