

Earnings and Expenses.—The operating ratio, or ratio of expenditure to revenue, of Canadian railways increased from about 70 p.c. to over 90 p.c. between 1917 and 1920, and remained high thereafter, owing largely to declining revenue without corresponding reductions in expenses during the depression period. The period from 1938 to 1943 showed a sharp decline in this ratio, caused primarily by increased freight traffic occasioned by World War II and a subsequent acceleration in gross earnings. A steadily rising trend since 1943 has been attributed to higher costs for materials and labour, although a decided reversal was shown for 1950 despite the nine day strike in late August. Expenses for 1951 show a considerable increase over the previous year accounted for by the wage increases received as a result of the strike settlement.

5.—Earnings and Operating Expenses of Steam Railways, 1942-51

NOTE.—Gross earnings and operating expenses for the years 1875 to 1914 are given in the 1916-17 Year Book, p. 434; those for 1915-25 in the 1941 Year Book, p. 550; for 1926-38 in the 1942 Year Book, p. 585; and for 1940-41 in the 1951 Year Book, p. 722.

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.	\$	\$	\$	\$	\$
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	14,724	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	1,600	8.38	2.92
1949 ¹	894,397,264	831,456,446	92.96	20,866	19,398	1,469	8.66	3.10
1950.....	958,985,751	833,726,562	86.94	22,311	19,397	2,914	9.45	3.19
1951.....	1,088,583,789	977,577,062	89.80	25,348	22,763	2,585	10.05	3.36

¹ Includes Newfoundland railways from Apr. 1.

6.—Distribution of Operating Expenses of Steam Railways, 1948-51

Item	1948		1949 ¹		1950		1951	
	\$	p.c.	\$	p.c.	\$	p.c.	\$	p.c.
Way and structures.....	159,963,352	19.8	164,891,364	19.8	163,998,704	19.7	202,490,988	20.7
Equipment.....	174,473,389	21.6	186,067,026	22.4	189,507,197	22.7	224,184,671	22.9
Traffic.....	16,801,286	2.1	17,612,056	2.1	18,591,724	2.2	19,958,080	2.1
Transportation.....	403,894,530	49.9	406,033,445	48.8	403,994,207	48.5	468,653,237	47.9
General and miscellaneous.....	53,083,898	6.6	56,852,555	6.9	57,634,730	6.9	62,290,086	6.4
Totals.....	808,126,455	100.0	831,456,446	100.0	833,726,562	100.0	977,577,062	100.0

¹ Includes Newfoundland railways from Apr. 1.

Employment and Salaries and Wages.—The number of railway employees increased in 1951 by 58 p.c. over 1939 while salaries and wages increased by about 212 p.c. Maintenance of equipment employees, on hourly rates, worked about 2 p.c. more hours and were paid 101 p.c. more wages per hour; average hours worked by transportation employees were slightly less than the 1939 average and their pay was increased by about 94 p.c. These figures reflect the increases received in the strike settlement in August 1950, and the conversion to the five-day week in 1951.