River and the Great Lakes. Although other modes of transport—passenger cars, buses, trucks, aircraft and, quite recently, pipelines—gradually came into use, the position of the railways was not greatly affected by competition until the 1930's and was not seriously challenged until the late 1940's.

At the end of World War II, railways were handling nearly three-quarters of the ton-miles (one ton carried one mile) of the freight moved between cities; fifteen years later their share was barely one-half. The proportion carried by water was roughly unchanged during this period, rising only from 22 p.c. to 25 p.c. On the other hand, highway carriers moved only 3.5 p.c. of the freight traffic in 1945 but almost 11 p.c. in 1960, and pipelines, which did not exist for long-distance transport in 1945, carried almost 14 p.c. in 1960. Although the amount of freight and express moved by air jumped as much as 17 p.c. per annum in some recent years, air cargo still totals less than 1 p.c. of all intercity ton-miles. Indeed, in 1960 less than one and one-half pounds were moved by air for every ton moved by rail.

It should be noted that the foregoing data are for intercity traffic only and do not include rural, intra-urban and suburban carriage such as the local delivery of farm produce, coal, fuel oil, bread, milk and merchandise of all sorts—a traffic that has expanded greatly in the past fifteen years. Also, the figures relate to quantity rather than revenue, a distinction that is important since much of the traffic of railways, inland steamships and pipelines is carried at low rates per ton-mile. Truckers and, particularly, airlines handle the more valuable goods, usually those of light weight in proportion to their bulk, and typically at fairly high rates per ton-mile.

The passenger traffic trend has also been away from the railways. Accurate statistics on passenger-miles are available for railways, airlines and the larger bus companies but no one knows exactly how many people ride in automobiles in addition to the driver or how far they go. However, through a complicated procedure, it is possible to make rough estimates of automobile passenger-miles (one passenger carried one mile) and such estimates show that in 1928 the distribution of total intercity passenger-miles was 38 p.c. to railways, 2 p.c. to buses and 60 p.c. to private automobiles. During the War when gasoline was rationed and new automobiles and repair parts were generally unavailable, the proportion of passengers carried by rail was, of course, much greater but by 1949, when the automotive industry had recovered from its wartime restrictions and air travel was beginning to enter the picture, the proportions were roughly 19, 11, 68 and 2 for trains, buses, automobiles and aircraft, respectively. Over the next few years the Canadian population became much more mobile and the number of passenger-miles increased steadily and rapidly, but almost every year railways and buses supplied fewer intercity passenger-miles than they had the year before, which, of course, resulted in a slump in their share of the total market. By 1962 the ratios were more like 6 p.c. for trains, 4 p.c. for buses, 82 p.c. for automobiles and 8 p.c. for aircraft. Not taken into account is the basically urban or rural traffic, such as trips by children in school buses, by suburban dwellers commuting to work in a city, by farmers taking their families to a nearby town to shop or to church, and by neighbours visiting each other. The gist of the matter is that, while many of the figures used are far from precise, it is quite evident that passengers have been deserting trains and even buses to travel for relatively short distances by automobile and for longer distances by air.

These shifts in patterns of travel and carriage of freight have raised a succession of problems. If the railway problem had consisted merely of a relative decline in their part of the market, the rail companies might have met their difficulties by running fewer trains and by abandoning unprofitable branches. However, abandonment of all passenger service over a line or of the line itself requires approval of the Board of Transport Commissioners and, as the Board carefully weighs the inconvenience to the public arising from such abandonment against the monetary savings of the carrier, complete withdrawal of service is a slow process. Moreover, sudden and wholesale elimination of service must always be avoided in the interests of public acceptance.

Railways are also handicapped in trying to raise tolls. Higher fares encourage travellers to use their own cars or to use commercial aircraft. Rates on grain exported from Western Canada—the so-called Crow's Nest Pass rates—are held down legally to the level