

The Pacific Great Eastern Railway, owned by the British Columbia Government, operates over an 800-mile route from North Vancouver to Fort St. John in the Peace River area of northeastern British Columbia, with several northern branch lines recently completed or under construction. Interline barge and rail connections at Vancouver provide a complete service to any railway point on the Continent. The completion in 1958 of the northern section of this line opened up to development the vast interior of the province, providing access to its rich natural resources and stimulating large-scale investment in new industrial plants throughout the area it serves. The PGE is fully dieselized and controlled by an intricate microwave system from its Vancouver offices.

Government Aid to Railways.—In order that the private railways of Canada might be constructed in advance of settlement as colonization roads or through sparsely settled districts where little traffic was available, it was necessary for federal and provincial governments and even for municipalities to extend some form of assistance. The form of aid was usually a bonus of a fixed amount for each mile of railway constructed and, in the early days, grants of land were also made other than for right-of-way. As the country developed, objections to the land-grant method became increasingly apparent and aid was given more frequently in the form of a cash subsidy for each mile of line, a loan or a subscription to the shares of the railway. Guarantees of debenture issues came later and, since the formation of the Canadian National Railways, all debenture issues of that System, except those for rolling-stock, have been guaranteed by the Federal Government. During the era of railway expansion before 1918, provincial governments guaranteed the bonds of some railway lines that afterwards were incorporated in the Canadian National Railway System. These bonds as they mature or are called are paid off by the Canadian National Railways, in large measure through funds raised by the issue of new bonds with Federal Government guarantee. Railway bonds guaranteed by the Government of Canada at Dec. 31, 1965 amounted to \$1,366,061,500.

For some years the Federal Government has been assisting shippers by bearing a portion of rail transportation costs on certain types of traffic moving between and within specific areas of Canada. Reimbursement to the railways for diminution of revenue resulting from these reductions has been provided through four principal plans: the Freight Rates Reduction Act (SC 1959, c. 27), which reduces for shippers, on certain classes of traffic, the full effect of the last freight rate increase authorized by the Board of Transport Commissioners for Canada in 1958; the East-West Bridge Subsidy, which provides reduced rates to shippers on certain traffic moving between Eastern and Western Canada; the Maritime Freight Rates Act (RSC 1952, c. 174), which reduces rates to shippers on traffic moving within and out of the Atlantic Provinces; and interim payments related to recommendations of the MacPherson Royal Commission. (See also p. 786.)

Subsection 1.—Railway Operating Statistics

Track Mileage.*—Construction was begun in 1835 on the first railway in Canada—the short link of 14.5 miles between Laprairie and St. Johns, Que.—but only 66 miles were in operation by 1850. The first great period of construction was in the 1850s when the Grand Trunk and the Great Western Railways were built as well as numerous smaller lines. The building of the Intercolonial and the Canadian Pacific Railways contributed to another period of rapid expansion in the 1870s and 1880s. In the last period of extensive railway building (1900-17), the Grand Trunk Pacific, National Transcontinental and Canadian Northern Railways were constructed.

There has been little change in total track mileage since the 1920s. The mileage peak was reached in 1959 and there has since been a gradual decline, new construction being more than offset by abandonment of unprofitable lines. In recent years, the development of a number of large projects in districts far removed from transport facilities and the

* Statistics for individual railways are given in DBS annual report *Railway Transport, Part III* (Catalogue No. 52-209).