

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, 1966 amounted to \$1,325,461,500.

As discussed on pp. 792-793, the National Transportation Act (SC 1967, c. 69), administered by the Canadian Transport Commission, expresses a national transportation policy for Canada aimed at the development of "an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost". The new law is expected to provide the railways with greater freedom to meet the competition with which they are faced and to develop as an integral part of today's complex transportation system.

Under the Act, the 1966 level of Federal Government rail subsidy of \$110,000,000 a year will decline by \$14,000,000 a year until it disappears at the end of 1974. The Crows Nest Pass rail rates on grain and flour from Western Canada and the rates under the Maritime Freight Rates Act remain in force. The so-called "bridge subsidy" paid under the Railway Act to the major railways for operation of lines through the light-traffic territory in the Lake Superior District ceased at the end of 1966 but the reduction in freight rates made possible by the bridge subsidy remains in force. After a period of one year of the coming into force of Part V of the National Transportation Act and upon authorization of the Canadian Transport Commission, the railways will be permitted to make successive annual increases for a period of three years to the freight rates over the territory formerly covered by the bridge subsidy, to yield additional operating revenues after one year of \$3,000,000, after two years of \$2,000,000 and after three years of \$2,000,000.

Section 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 opening up of the Northwest Territories have necessitated the building of branch lines. Those completed up to 1956 are listed in the 1957-58 Year Book, p. 815, and those completed from that year to 1966 are mentioned in subsequent editions. During 1967, 130 miles of the 235-mile track to give access to Alberta's northern resources were completed and grading was in process on the remainder of the line which will be operated by CN under a lease arrangement with the Government of Alberta. In northwestern Ontario, a 67-mile

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