

Canadian National Railway System, it is a multi-transport organization with a fleet of inland and ocean-going vessels as well as coastal vessels, a fleet of trucks, a chain of year-round and resort hotels, a telecommunications service, and a domestic and foreign airline service. Through a major subsidiary, Canadian Pacific Investments Limited, important interests are held in mining (i.e. Cominco Ltd.), oil and gas, forests products, real estate and related operations, hotel and food services, and steel production and associated services. The British Columbia Railway operates over a 1,000-mile route from North Vancouver to Fort Nelson in northeastern British Columbia. The Northern Alberta Railway, jointly owned by CP and CN, serves the area north of Edmonton with a 900-mile system. Northern Ontario is served by the provincially owned Ontario Northland Railways with a 600-mile system stretching from North Bay to Moosonee, and by the privately owned Algoma Central Railway operating over 300 miles of line between Sault Ste Marie and Hearst.

In addition, a US-Canada passenger service, inaugurated by the National Railroad Passenger Corporation (AMTRAK), is operated between Seattle, Wash. and Vancouver, BC and between Montreal, Que. and Washington, DC via New York City, Springfield, Mass. and resort areas in New Hampshire and Vermont.

The largest contributors to Canada's total 1973 railway revenue were Canadian National (52.7%) and Canadian Pacific (36.4%). The Quebec North Shore and Labrador Railway, built to transport ore and concentrates from the iron mines of the Schefferville and Wabush areas of Quebec and Labrador to water transportation facilities on the St. Lawrence River, accounted for 2.4% of the revenues. Other railways contributing 1.0% or more of the total revenue figure were the British Columbia Railway (2.2%) and the Ontario Northland Railways (1.0%).

In recent years the railways have faced strong competition from highway and air transport for the movement of people and goods. Still indispensable for carrying bulk commodities, railways are necessary to the development of natural resources located in isolated areas of Canada. Only pipelines have competed with railways in this respect by providing an economical means of transporting the products of oil and gas fields for long distances overland.

The rapid growth of containerization in recent years has made the integration of the services of railway, highway, shipping and other modes of transport of growing importance. However, because Canada's two major railways are already involved in several forms of transportation, they are in an excellent position to meet the challenge of this and other trends appearing in the transportation industry. Canadian railways have evolved over the past century from a position of virtual monopoly in the movement of goods and people by rail, through a highly competitive stage to the present system of co-operation and co-ordination with other modes of transport. This permits each type of transport to perform the particular function it can do best, thus establishing the most effective and economical system of transportation services possible.

15.2.1 Government aid

In the 19th century governments promoted the building of railways to provide transportation and communications across Canada. Private developers received assistance in the form of land grants, cash payments, loans or purchase of shares. Since the formation of the Canadian National Railway System, its debenture issues, except those for rolling-stock, have been guaranteed by the federal government. Provincial governments had guaranteed the bonds of some lines that were later incorporated in the CNR System. As these mature or are called, they are paid off by the CNR in large measure through funds raised by issuing new bonds guaranteed by the federal government. At December 31, 1974, railway bonds guaranteed by the Government of Canada amounted to \$596 million.

The National Transportation Act provides for normal railway subsidy payments of \$110 million for 1967, declining by \$14 million a year, the last payment being \$12 million for 1974; and allows railways to file claims and receive specific payments for losses incurred on branch lines and passenger-train services operated in the public interest. Total payments of \$159.6 million for 1973 represented specific payments to the two major railways, exceeding and replacing their shares of the normal subsidy. Claims for 1974 must be filed by June 30, 1975.

Truckers receive federal assistance through freight rate subsidies similar to the subsidies to railways provided under the Maritime Freight Rate Act. Since 1969 the Atlantic Region Freight Assistance Act has allowed subsidies on goods moved from Nova Scotia, Prince Edward Island, New Brunswick, the island of Newfoundland, and Quebec south of the St.