the provincially owned Ontario Northland Railways with a 600-mile (1 000 km) system stretching from North Bay to Moosonee, and by the privately owned Algoma Central Railway operating over 300 miles (500 km) 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 Vermont.

The largest contributors to Canada's total 1975 railway revenue were Canadian National (53.5%) and Canadian Pacific (36.8%). 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 2.0% of the revenues. Others contributing 1.0% or more of the total revenue were the British Columbia Railway (1.8%) 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 in isolated areas of Canada. Only pipelines have competed with railways in this respect by providing an alternate 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, through a highly competitive stage to the present system of cooperation and coordination with other modes of transport. This permits each type of transport to perform the particular function it can do best.

15.2.1 Government aid

In the 19th century governments promoted the building of railways. Private developers received assistance in the form of land grants, cash payments, loans or purchase of shares. Debenture issues of the Canadian National Railway System, except those for rolling-stock, are 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, 1975 railway bonds guaranteed by the Government of Canada amounted to $583 million.

The National Transportation Act provided 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. Total payments of $217.7 million for 1974 represented specific payments to the two major railways, exceeding and replacing their shares of the normal subsidy. Claims for 1975 had to be filed by June 30, 1976.

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. Lawrence River and east of Highway 23 to points in Canada outside that territory. In October 1970 assistance was authorized for goods moved by highway transport within that area as well. In April 1974 selective assistance for specified commodities moving by railway or