

the development of natural resources in isolated areas. Only pipelines have competed with them by providing an alternate economical means of transporting the products of oil and gas fields for long distances overland.

The rapid growth of containerization has made the integration of railway, highway, shipping and other modes of transport of growing importance. Canada's two major railways are already involved in several forms of transportation. They have evolved from a virtual monopoly, through a highly competitive stage to co-operation and co-ordination with other modes of transport.

15.2.1 Government aid

In the 19th century governments promoted railway building. Private developers received assistance in 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, 1976 railway bonds guaranteed by the Government of Canada amounted to \$574 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 \$255.7 million for 1975 represented specific payments to the two major railways, exceeding and replacing their shares of the normal subsidy. Claims for 1976 had to be filed by June 30, 1977.

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 highway transport to points in Canada outside the territories was authorized at a level of 50% of that portion of the freight rate earned within the particular territory.

15.2.2 Rail transport statistics

Trackage and rolling-stock. Table 15.2 illustrates the historical development of first main track from 28 416 kilometres in 1900 to 70 471 km in 1976. It also presents statistics on main and other types of track by province and territory and that operated by Canadian carriers in the US for the years 1972-76.

Table 15.3 gives freight and passenger equipment in operation in 1975 and 1976. Freight carrying capabilities of the railways are steadily being improved with larger, more efficient cars and locomotives and modernized handling and terminal services. Each year hundreds of units, particularly freight cars, are converted and modified for specific types of traffic or are replaced by special-purpose equipment for particular hauling jobs. Because of the fuel consumption efficiency of the railways and higher fuel costs, there is a trend to greater freight movement by rail. Container and piggyback traffic has also increased.

Revenue freight. Total freight carried by all common carrier railways (including national loadings and receipts from US connections) in 1975 and 1976 is shown in Table 15.4 under the commodity structure adopted in 1970 based on Statistics Canada's standard commodity classification. Despite some loss of continuity with previous data, the new commodity breakdown permits improved comparisons with other series (such as water transport, imports and exports) which are also based on this classification.