

**Capital structure and finance.** Tables 15.5 - 15.8 give information on capital investment in road and equipment, and on operating revenues, expenses and net income of all common carrier railways operating in Canada, except those of the Cartier Railway which are not available. In transportation statistics a distinction is made between expenditures and expenses. In the following data, the term expenses refers to the cost of furnishing rail transportation service and of associated operations, including maintenance and depreciation of the plant used in such service.

The capital structure of the Canadian National Railway system is presented in Table 15.6 and financial details of operations in both Canada and the United States in Table 15.7. Revenues and expenses include those of express and commercial communications and highway transport (rail) operations. Tax accruals and rents are charged to operating expenses.

Total operating revenues and expenses of common carrier railways operating in Canada (except the Cartier Railway) continued to rise, both reaching peak levels in 1976; increases over 1975 amounted to 16.8% and 9.8%, respectively (as calculated from Table 15.8). A net operating income of \$116.6 million was recorded in 1976.

## Road transport

15.3

The federal government establishes motor vehicle safety standards, while registration of motor vehicles and regulation of motor vehicle traffic lie within the jurisdiction of the provincial and territorial governments.

### Federal safety regulations

15.3.1

The Motor Vehicle Safety Act, in effect since January 1971, establishes mandatory safety standards for new motor vehicles to ensure minimum standards of vehicle safety and environment protection. The standards are for the safe design, construction and functioning of new motor vehicles in order to save lives and prevent injuries. The legislation, administered by the transport department, applies to all new motor vehicles manufactured in or imported into Canada. It requires that all such vehicles and their components meet motor vehicle safety regulations at the point of manufacture or importation and obliges manufacturers to issue notices of safety defects. The safety of vehicles in use is a provincial responsibility.

The road and motor vehicle safety branch of the transport department administers the Motor Vehicle Safety Act and the Motor Vehicle Tire Safety Act, and enforces regulations pertaining to them. It joined with the provinces in a five-year co-operative program aimed at reducing by 15% the fatality rate on Canadian roads by 1979. In 1976, for the first time in 10 years, the fatality rate dropped markedly by 30% from the all-time 1973 high. The department is also constructing a motor vehicle test centre at Blainville, Que., and conducting research into cost-effective measures to improve traffic safety. The branch works closely with other federal government departments, the provinces and international organizations on specific road safety projects.

Safety regulations currently include 43 standards for the design and performance of passenger cars, trucks, buses, motorcycles, competition motorcycles, minibikes and trailers; six standards limiting motor vehicle exhaust, evaporative and noise emissions; and 11 standards for snowmobiles. These standards are reviewed and revised regularly to keep pace with engineering or technical advances. The regulations require all Canadian motor vehicle manufacturers or distributors to apply the national safety mark, accompanied by a label certifying compliance with all applicable federal motor vehicle safety standards, to every classified vehicle produced after January 1, 1971. Vehicles imported for sale or private use must also be certified.

The Motor Vehicle Tire Safety Act, adopted by Parliament in April 1976, provides authority for the enforcement of minimum safety standards for certain motor vehicle tires manufactured in or imported into Canada.

### Motor vehicle and traffic regulations

15.3.2

Motor vehicle and traffic regulations in force in 1977 are outlined in Table 15.14. This table includes requirements in all provinces and territories for a driver's licence for