

for all intercity passenger trains previously operated by CN and CP rail and has integrated the passenger rail services staffs of the two railway companies under a single administration. Nearly 4,000 former CN and CP rail employees have joined VIA.

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, 1977 railway bonds guaranteed by the Government of Canada amounted to \$498 million. In recent years other forms of federal government assistance have included rehabilitation of railway branch lines and the acquisition and refurbishing of railway equipment.

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 \$275.8 million for 1976 represented specific payments to the two major railways. Claims for 1977 had to be filed by June 30, 1978.

In September 1978 a new assistance program was introduced on goods moving in the Atlantic region. This replaces subsidies previously received by railways under the Maritime Freight Rates Act and by truckers under a 1970 assistance program. The new program authorizes selective assistance on a designated list of commodities native to the region and requires carriers to reduce rates, otherwise applicable, by 15%. Air carriers and water carriers are also included in the revised program. Non-designated commodities were eligible for temporary provisional assistance which related to a 7.5% reduction in rates, until August 31, 1979. Since that date, assistance has been paid on designated commodities only.

15.2.2 Rail transport statistics

Trackage and rolling-stock. Table 15.2 illustrates the historical development of first main track from 28416 kilometres in 1900 to 69967 km in 1977. 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 1973-77.

Table 15.3 gives freight and passenger equipment in operation in 1976 and 1977. 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 1976 and 1977 is shown in Table 15.4 under the commodity structure adopted in 1970 based on Statistics Canada's standard commodity classification.

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. 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.