

changes in air transportation prices, showed a three-fold increase. In 1961, operating revenues were at about \$260 million, as were operating expenses. In 1985, they had increased, respectively, to \$857 million and \$841 million.

There have been some exceptions to this pattern of steady upward growth. In 1983, as Canada and the world community experienced an economic slowdown, both operating costs and revenues stagnated from the previous year. The loss amounted to approximately \$14 million. In 1984, the industry again returned to profitability, with a recorded net income of \$80 million. In 1985, industry operating revenues peaked at \$5.5 billion, representing an increase of 8.5% over the previous year.

### 13.3 Rail transport

In Canada, railways began carrying passengers nearly 150 years ago. Built initially to link the Atlantic and Pacific Coasts, Canada's major railways were instrumental in opening the West to settlement. Now they are concerned principally in the movement of freight, especially bulk commodities, to processing plants or to markets. Passenger services over their lines are provided by a separate corporation.

In recent years, railways have faced strong competition from highway and marine transport. Still indispensable for carrying bulk commodities, railways facilitate 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 contributed momentum to the integration of railway, highway, shipping and other modes of transport. Canada's two major railways are heavily involved in several forms of transportation. They have evolved from purely rail operations to highly-integrated multimodal transportation systems.

#### 13.3.1 Railway systems

Canadian railway transport is dominated by two transcontinental systems, supplemented by some 30 regional railways. The government-owned Canadian National Railway system is the largest transportation enterprise and operates the longest trackage in Canada. It serves all 10 provinces and the Great Slave Lake area of Northwest Territories. CP Rail, operated by a joint-stock corporation, Canadian Pacific Ltd., provides services in eight provinces.

Regional railways provide railway services meeting the special needs of their areas of operation, particularly in British Columbia and Northern Ontario. In addition, both Canadian railways and US railroads provide connecting services between the two countries.

#### 13.3.2 VIA Rail Canada Inc.

**VIA Rail Canada Inc.**, a Crown corporation, runs passenger trains over CN and CP tracks. It was incorporated in January 1977 with a mandate to revitalize passenger rail services in Canada and to manage and market them on an efficient commercial basis, reducing the financial burden on the government. VIA operates under contract with the federal government to provide designated passenger rail services, entering into contracts with the railways for the operation of trains. Its income is derived from passenger revenues and payments received from the federal government under passenger rail service contracts. With the exception of commuter services, VIA is totally responsible for all intercity passenger trains previously operated by CN and CP Rail, and has integrated the passenger rail services staffs of the two railways under a single administration.

#### 13.3.3 Rail transport statistics

**Trackage and rolling stock.** A new statistical series on first main track and rolling stock was introduced with 1982 data. This was a result of new reporting requirements by the Canadian Transport Commission.

Table 13.4 presents statistics on mainline track operated by area for the years 1982 to 1984. Table 13.5 gives freight and passenger equipment in operation at year end for the years 1982 to 1984.

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 and replaced by special-purpose equipment for particular hauling jobs. Passenger trains as well are lighter and faster than formerly, with meal service modelled more on the airlines and take-out counters than on hotel dining-rooms.

**Revenue freight.** Total freight carried by all common carrier railways, including national loadings and receipts from US connections, in the years 1980-84, is shown in Table 13.6 under the commodity structure adopted in 1970, based on Statistics Canada's commodity classification. In 1984, a total of 255 million tonnes of freight were carried.