

Pacific, and the Grand Trunk proper, and that they should be administered on purely business principles by a board of trustees, such compensation as seemed proper to be decided by arbitration and given to the shareholders of the Canadian Northern and the Grand Trunk.

The process of the acquisition of these railways and the financial results of their operation down to the end of 1938 are described in the latter part of Subsection 2, pp. 645-651.

The Royal Commission of 1931.—During 1930 and 1931 both freight and passenger traffic declined until new low records were being established each succeeding month. Freight and passenger revenues consequently decreased at alarming rates and with increased capital expenditures and fixed charges, the financial condition of Canadian railways demanded readjustment. To study the situation and, if possible, to remedy it, the Government appointed a Royal Commission which, on Sept. 13, 1932, submitted its report, summarized at pp. 648-650 of the 1933 Year Book. During the following session of the Dominion Parliament, legislation known as the Canadian National-Canadian Pacific Act (c. 33, 1933) was passed. A summary of this legislation is given at p. 655 of the 1936 Year Book.

Subsection 1.—Mileage and Equipment.

The first great period of construction (as shown in Table 1) was in the 1850's, when the mileage grew from 66 to 2,065. A lull in the 1860's, was followed by the second in the 1870's and 1880's; the third great period of construction was between 1900 and 1917.

1.—Record of Steam Railway Mileage, 1835-1938.

Year.	Miles in Operation.	Year.	Miles in Operation.	Year.	Miles in Operation.	Year.	Miles in Operation.	Year.	Miles in Operation.	Year.	Miles in Operation.
	No.		No.		No.		No.		No.		No.
1835....	1	1863....	2,189	1879....	6,858	1895....	15,977	1911....	25,400	1925....	40,350
1836-46..	22	1864....	2,189	1880....	7,194	1896....	16,270	1912....	26,840	1926....	40,350
1847-49..	54	1865....	2,240	1881....	7,331	1897....	16,550	1913....	29,304	1927....	40,570
1850.....	66	1866....	2,278	1882....	8,697	1898....	16,870	1914....	30,795	1928....	41,022
1851.....	159	1867....	2,278	1883....	9,577	1899....	17,250	1915....	34,882	1929....	41,380
1852.....	205	1868....	2,270	1884....	10,273	1900....	17,657	1916....	36,985	1930....	42,047
1853.....	506	1869....	2,524	1885....	10,773	1901....	18,140	1917....	38,369	1931....	42,280
1854.....	764	1870....	2,617	1886....	11,793	1902....	18,714	1918....	38,252	1932....	42,409
1855.....	877	1871....	2,695	1887....	12,184	1903....	18,988	1919 ² ...	38,329	1933....	42,336
1856.....	1,414	1872....	2,899	1888....	12,163	1904....	19,431				
1857.....	1,444	1873....	3,832	1889....	12,628	1905....	20,487	1919 ³ ...	38,495	1934....	42,270
1858.....	1,863	1874....	4,331	1890....	13,151	1906....	21,423	1920....	38,805	1935....	42,916
1859.....	1,994	1875....	4,804	1891....	13,838	1907....	22,446	1921....	39,191	1936....	42,552
1860.....	2,065	1876....	5,218	1892....	14,564	1908....	22,966	1922....	39,358	1937....	42,727
1861.....	2,146	1877....	5,782	1893....	15,005	1909....	24,104	1923....	39,654	1938....	42,742
1862.....	2,189	1878....	6,226	1894....	15,627	1910....	24,731	1924....	40,059		

¹ First railway construction begun but line not open for traffic until 1836. and previous years.

² As at Dec. 31 for this and later years.

³ As at June 30 for this

In total railway mileage Canada now ranks fourth with 42,742 miles, the United States, Soviet Russia, and British India being the only countries with greater total mileages. In miles per capita only Australia has a greater average, the figure for Canada being one mile of line for each 267 persons (exclusive of 339 miles, chiefly main lines, of Canadian railways crossing over United States territory).

Construction has been most active in Manitoba, Saskatchewan, and Alberta during the period 1929-38, while there has been a tendency for mileages to decline slightly in the other provinces, because of the abandonment of unprofitable lines.