The largest contributors to Canada's total 1972 railway revenue were Canadian National (52.4%) and Canadian Pacific (36.6%). The Quebec North Shore and Labrador Railway, built to transport ore and concentrates from the iron mines of the Schefferville and Wabush areas of Quebec and Labrador to water transportation facilities on the St. Lawrence River, accounted for 1.8% of the revenues. Other railways contributing 1.0% or more of the total revenue figure were the British Columbia Railway (2.3%) and the Ontario Northland Railways (1.1%).

In recent years the railways have faced strong competition from highway and air transport for the movement of people and goods. Still indispensable for carrying bulk commodities, railways are necessary to the development of natural resources located in isolated areas of Canada. Only pipelines have competed with railways in this respect by providing an economical means of transporting the products of oil and gas fields for long distances overland.

The rapid growth of containerization in recent years has made the integration of the services of railway, highway, shipping and other modes of transport of growing importance. However, because Canada's two major railways are already involved in several forms of transportation, they are in an excellent position to meet the challenge of this and other trends appearing in the transportation industry. Canadian railways have evolved over the past century from a position of virtual monopoly in the movement of goods and people by rail, through a highly competitive stage to the present system of co-operation and co-ordination with other modes of transport. The latter approach permits each type of transport to perform the particular function it can do best, thus establishing the most effective and economical system of transportation services possible.

15.2.1 Government aid

In the 19th century governments promoted the building of railways to provide transportation and communications across Canada. Private developers received assistance in the form of land grants, cash payments, loans or purchase of shares. Since the formation of the Canadian National Railway System, its debenture issues, except those for rolling-stock, have been 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, 1973, railway bonds guaranteed by the Government of Canada amounted to $803 million.

The National Transportation Act provides for normal railway subsidy payments of $110 million for 1967, declining by $14 million a year, the last payment being $12 million for 1974. The Act also allows railways to file claims and receive specific payments for losses incurred on branch lines and passenger-train services operated in the public interest. Total payments of $125.5 million for 1972 represented specific payments to the two major railways, exceeding and replacing their shares of the normal subsidy. Claims for 1973 must be filed by June 30, 1974.

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.

15.2.2 Rail transport statistics

Track mileage and rolling-stock. Total railway track mileage in Canada has changed little since the 1920s. Table 15.2 illustrates the historical development of first main track mileage from 17,657 miles in 1900 to 38,805 in 1920 and to 44,025 in 1972. The same Table presents statistics on main and other types of track mileage by province and territory and that operated by Canadian carriers in the US for the years 1968-72.

Table 15.3 compares freight and passenger equipment in operation in 1971 and 1972 with that in use in 1960. Privately owned cars, which include cars owned by non-rail industrial firms such as oil, chemical and railway car leasing companies that furnish freight cars to, or on behalf of, any railway line, have increased greatly in number. The figures given of rolling-stock in operation do not reflect, however, the offsetting trend toward larger, more efficient cars and locomotives or the steady improvement in speed of movement facilitated by modernized han-