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OPERATING REVENUES, EXPENSES & STATISTICS
RAILWAYS IN CANADA
WITH ANNUAL OPERATING REVENUES OF
\$500,000 OR OVER

For the Twelve Months ended December 31, 1950

A new all-time high was reached in railway operating revenues for the twelve months of 1950 when the total exceeded \$946,534,000 and registered an increase of 7.1 p.c. or \$65,181,000 over the previous record attained in 1949. Indeed, with the addition of the earnings of the smaller lines that do not report monthly and Canadian National lines in the United States, this great and essential industry had its first Billion Dollar year with a total of some \$1,035,000,000. While current dollars may be of questionable worth for comparative purposes, total railway earnings at the turn of the present century were only \$72 millions annually and the total capital invested but 80 p.c. of the revenues earned last year - truly a prodigious and spectacular growth within a half century. In 1940 operating revenues were \$424,821,000 and the advance in the past decade was thus 121 p.c.

Operating expenses for 1950 were held to a very minor increase over 1949 and totalled \$824,259,730 against \$822,704,286 one year earlier, up only \$1,555,444. The nine day strike at the end of August affected both revenues and expenses but its short duration precluded important changes to either account. Net operating revenues were nearly double those for 1949 and reached \$124,294,758. Railway tax accruals rose from \$17,508,644 to \$30,691,191, up 75.3 p.c. Debits for hire of equipment were reduced \$2,006,567 to \$10,071,285 while joint rents were increased \$250,767 to \$2,035,235. The resulting operating income for the year was an encouraging \$81,497,049, a betterment of \$50,218,470 over that for 1949 and indicated that the industry as a whole earned more than sufficient to meet all interest and other commitments. This reversal of the trend follows two consecutive deficit years in net income and resulted primarily from the granting of higher freight rates and mail pay coupled with a good volume of business. However, the average level of freight rates in Canada still remains one of the lowest of any nation in the world.

Freight revenues for the year advanced 8.7 p.c. or \$60,757,450 over 1949 to a new peak of \$761,839,302. Volume carried was increased only 0.85 p.c., while revenue ton miles declined 1.6 p.c. Passenger fares produced \$78,003,509, a drop of 7.6 p.c. or \$6,388,134 from 1949 levels. Mail pay augmented by retroactive payments grossed \$14,088,868, an advance of \$4,748,639. Express receipts were up fractionally to \$35,871,761. Other passenger train revenues and water line were lower, showing decreases of 7.4 p.c. and 4.7 p.c., respectively. The "all other" account produced \$4,899,806 or 12.1 p.c. more to gross \$45,345,549 for the year.

The expense items moved within narrow range. Maintenance of ways and structures at \$161,211,941 eased \$874,564 under 1949 expenditures while equipment maintenance required \$188,024,417 or \$3,319,355 above the previous year. Traffic expenses moved up to \$18,528,052 against \$17,561,532 one year earlier. Transportation charges were \$400,021,227, down \$2,647,468 from the revised total of \$402,668,595 for 1949. Miscellaneous charges were 4.8 p.c. lighter while general expenses rose 3.3 p.c.

Mileage operated at 43,319 miles increased some 272 miles with the addition of the Temiscouata to the National report. Revenue passengers carried totalled 28,819,527, down 11.2 p.c. or 3,632,130 from the preceding year. The rail strike plus diversion to airlines, buses and private cars cut into passenger volume. Average journey was 37 miles against 98 in the previous year. Loaded freight car miles increased 1.2 p.c., while empty mileage was reduced 2.7 p.c.

Total pay roll, including some retroactive amounts not debited to monthly accounts, was \$498,753,327 for 179,189 employees. This compares with \$498,971,667 paid to 180,826 employees during 1949. Pay roll and employment were affected by the strike. Pay roll chargeable to railway operating expenses increased from \$464,002,746 in 1949 to \$467,167,752. Average freight receipt per revenue ton mile was 1.379 cents against 1.249 cents in 1949 and 1.176 cents in 1948, while passenger receipt per mile rose to 2.796 cents compared with 2.967 cents in 1949 and 2.404 cents one year earlier.

CANADIAN NATIONAL RAILWAYS: Operating revenues reached a record at \$478,872,047 for the year against \$438,407,729 in 1949 and \$422,544,985 in 1948. The advance over 1949 was \$40,464,318 or 9.2 p.c. Expenses were held to a rise of 2.7 p.c. or \$11,259,528 to total \$436,022,347 despite increased freight traffic, higher wage rates and material costs. Taxes rose \$572,220 to \$7,659,261. Hire of equipment charges were up \$21,528 while the credit on rents improved \$6,815. Operating income showed a splendid betterment from \$3,521,047 in 1949 to \$32,138,904 for Canadian lines in 1950. The addition of \$8,305,426 from United States lines of the System produced operating income of \$40,444,330 compared with \$5,546,817 one year earlier and \$10,175,630 for 1948. The income deficit for the System's 1950 operations was pared from \$42,043,026 in 1949 to only \$3,261,235, or less than the overall deficit on the Newfoundland and Temiscouata lines. Freight haulage produced revenues of \$379,599,415 during the year reflecting higher rates and heavier traffic handled. This is a gain of 11.8 p.c. or \$40,125,001 over 1949 and is an all time high. Tonnage carried rose 1.9 p.c. and revenue ton miles 0.8 p.c. Passenger fares were down 8.4 p.c. or by \$3,375,940 to \$36,718,754 as numbers carried dropped 10.5 p.c., and passenger miles 13.3 p.c. Express receipts were nearly maintained. Other passenger train revenues were off 7.6 p.c. All expense items except miscellaneous were heavier. Maintenance of way and structures increased \$2,126,102 to \$79,428,416 and equipment maintenance was up \$8,259,147 or 6.5 p.c. over 1949 to \$102,211,357. Traffic charges advanced 4.1 p.c., while transportation took \$219,620,584 against \$217,571,177 one year earlier. General expenses totalled \$21,293,658, up 4.1 p.c. Total pay roll required \$278,169,550 for 101,936 employees compared with \$273,495,882 going to 101,397 workers during 1949. Payments were thus up 1.7 p.c. and employment 0.5 p.c.

CANADIAN PACIFIC RAILWAY COMPANY: The Company reported their best year since 1944. Operating revenues were at a new high of \$378,576,688, up \$15,324,594 or 4.2 p.c. over 1949, while operating expenses were reduced by 3 p.c. or \$9,934,439 to \$323,711,953. Railway taxes jumped \$10,611,147 to total \$17,226,607. Hire of equipment produced a credit of \$1,641,031 against a debit of \$1,336,025 in 1949. Rents increased \$236,554 to \$1,258,802. The resulting operating income of \$38,020,357 showed an improvement of \$17,388,388 over the \$20,631,969 for 1949 and compares with \$18,419,166 in 1948. With income from other sources the company had \$44 million available for dividends and surplus against \$28 million in the previous year. Freight receipts increased 4.8 p.c. or some \$13,973,000 over 1949 to \$306,055,749, despite a drop of 4.5 p.c. in volume carried and 5.4 p.c. in revenue ton miles. Passenger fares slipped 7.6 p.c. or \$2,859,460 to \$34,927,310 with numbers declining 11.9 p.c. and mileage 10.6 p.c. Mail revenue, bolstered by back pay and better rates, improved \$2,259,831 to \$6,537,065. Express business rose 2.4 p.c. but other passenger train and water line receipts sagged 7.2 p.c. and 14.9 p.c., respectively. "All other" account gained \$2,432,630 or 18.8 p.c. Maintenance charges were reduced 4.1 p.c. on ways and structures to total \$67,954,982 while equipment was pared 3.9 p.c. or \$2,886,107 to \$72,667,089. Traffic expenses were up 7.4 p.c., but transportation eased \$4,797,784 or 3.1 p.c. to \$149,163,789. Miscellaneous charges declined 5.8 p.c., while general expenses rose 3.5 p.c. to \$18,001,459. Total pay roll, including retroactive payments, was \$190,057,456, down 2.7 p.c. Employees numbered 67,252; this was 2,288 or 3.3 p.c. less than in 1949. The net earnings for the year of \$38,020,357 represent a return of 3.5 p.c. on the net investment of the company in rail property.

OPERATING REVENUES, EXPENSES AND STATISTICS OF CANADIAN RAILWAYS
For the twelve months ended December 31, 1950

	ALL RAILWAYS		CANADIAN NATIONAL RAILWAYS		CANADIAN PACIFIC RAILWAY CO.	
	1950	1949	1950	1949	1950	1940
OPERATING REVENUES						
Freight	\$ 761,839,302	\$ 701,081,852	\$ 379,599,415	\$ 339,474,414	\$ 306,055,749	\$ 292,082,977
Passenger	78,003,509	84,391,643	36,718,754	40,094,694	34,927,310	37,786,760
Mail	14,088,869	9,340,230	6,266,495	4,145,432	6,537,065	4,277,234
Express	35,871,761	35,738,631	X 25,902,664	X 26,102,238	8,400,223	8,206,448
Other passenger train	10,037,011	10,833,313	4,193,800	4,536,458	5,588,391	6,023,704
Water line	3,348,487	3,512,415	-	-	1,364,043	1,603,694
All other	45,345,549	40,455,743	26,190,919	24,054,493	15,703,907	13,271,277
Total Railway Operating Revenues	948,534,488	885,353,827	X 478,872,047	X 438,407,729	378,576,688	363,252,094
OPERATING EXPENSES						
Maintenance of way and structures	161,211,941	162,086,525	79,426,416	77,300,314	67,954,982	70,872,355
Maintenance of equipment	188,024,417	184,705,062	102,211,357	95,952,210	72,667,069	75,653,176
Traffic	18,528,052	17,561,532	8,395,710	8,065,299	8,788,477	8,179,977
Transportation	400,021,227	/ 402,668,695	219,620,584	217,571,177	149,163,759	153,961,543
Miscellaneous operations	13,821,485	14,521,015	5,074,622	5,423,599	7,136,207	7,582,779
General	42,632,608	41,161,457	21,293,658	20,450,220	18,001,459	17,396,562
Total Railway Operating Expenses	824,239,730	/ 822,704,286	436,022,347	424,762,819	323,711,953	333,646,392
OPERATING INCOME						
Net operating revenue	124,294,758	/ 62,649,541	42,849,700	13,644,910	54,864,735	29,605,702
Railway tax accruals	30,691,191	/ 17,508,644	7,659,261	7,087,041	17,226,607	6,615,460
Hire of equipment	Dr. 10,071,283	/ Dr. 12,077,850	Dr. 3,146,957	Dr. 3,125,429	Cr. 1,641,031	Dr. 1,336,025
Joint facilities rents	Dr. 2,035,235	Dr. 1,784,468	Cr. 95,422	Cr. 88,607	Dr. 1,258,802	Dr. 1,022,248
Operating income	81,497,049	/ 31,278,579	32,138,904	3,521,047	38,020,357	20,631,969
OPERATING STATISTICS						
Average miles of road operated	43,319.17	* 43,047.26	22,516.06	* 22,231.01	17,018.6	17,031.2
/ No. of tons carried (Rev. Fr.)	157,212,280	* 155,893,127	66,560,958	* 65,303,758	53,915,746	56,445,684
No. of tons carried one mile " " Thous.	55,255,339	/ * 56,147,374	27,744,278	* 27,529,332	22,940,604	24,260,588
No. of tons carried one mile (All Fr.) "	60,529,042	/ * 61,532,907	30,844,193	* 30,235,041	24,932,541	26,709,152
Gross ton miles, excl. of locomotive & tender "	132,741,122	/ 132,989,194	67,120,966	64,880,012	53,995,103	57,185,084
No. of revenue passengers carried	28,819,527	* 32,451,657	15,652,118	* 17,494,105	10,541,492	11,969,457
No. of revenue passengers carried one mile "	2,789,672	* 3,164,665	1,307,014	* 1,507,466	1,242,279	1,389,395
Freight train miles	80,747,051	81,021,546	40,751,841	38,947,926	33,426,482	35,636,927
Passenger train miles	43,250,896	45,107,052	20,646,422	21,936,367	19,621,491	20,117,297
Total train miles (rev. and non rev.)	126,571,508	128,623,945	62,969,737	62,319,664	53,862,683	56,608,206
Freight car miles - loaded	2,100,303,028	2,075,750,206	1,075,280,891	1,033,116,305	842,523,726	870,820,265
Freight car miles - empty	907,989,934	932,818,822	448,818,922	430,019,338	370,636,322	413,608,211
Passenger train car miles	390,963,514	411,412,708	191,293,881	198,322,930	170,624,054	176,734,322
Total amount of pay roll	\$ 3/498,753,327	\$ *498,971,667	\$ 278,169,550	\$ *273,495,882	1/ 190,057,456	\$ 195,401,427
Number of employees	179,189	* 180,826	101,936	* 101,397	2/ 67,232	69,520
Pay roll chargeable to rly. operating expenses	\$ 4/467,167,732	\$ *464,002,746	\$ 257,979,633	\$ *250,268,031	\$ 179,878,655	\$ 184,870,924
DAILY AVERAGES PER MILE OF ROAD OPERATED						
Operating revenue	\$59.99	\$56.35	\$58.27	\$54.03	\$60.94	\$58.43
Operating expenses	52.13	52.36	53.05	52.35	52.11	53.67
No. of tons moved one mile (Rev. Fr.)	3,495	3,573	3,376	3,335	3,693	3,903
No. of tons moved one mile (All Fr.)	3,828	3,916	3,753	3,726	4,014	4,297
No. of revenue passengers carried one mile	176	201	159	186	200	224
AVERAGES PER FREIGHT TRAIN MILE						
Freight revenue	\$9.43	\$8.65	\$9.31	\$8.72	\$9.16	\$8.20
No. of tons of freight (Rev. Fr.)	684	693	681	707	686	681
No. of tons of freight (All Fr.)	750	759	757	776	746	749
Gross ton miles	1,644	1,641	1,647	1,666	1,615	1,605
Loaded freight cars	26.0	25.6	26.4	26.5	25.2	24.4
Empty freight cars	11.2	11.5	11.0	11.0	11.1	11.6
AVERAGES PER PASSENGER TRAIN MILE						
Passenger train revenues	\$3.19	\$5.11	X \$3.54	X \$3.41	\$2.83	\$2.80
Passengers carried	64	70	65	69	63	69
Passenger cars	9.0	9.1	9.3	9.0	8.7	8.8
Average operating expenses per train mile	\$6.51	\$6.40	\$6.92	\$6.82	\$6.01	\$5.89
Average length of haul (Rev. Fr.) Miles	351	360	417	422	425	430
Average passenger journey Miles	97	98	84	86	118	116
Average tons per loaded freight car mile	28.8	29.6	28.7	29.3	29.6	30.7
Average freight receipt per revenue ton mile	1.379¢	1.249¢	1.368¢	1.233¢	1.334¢	1.204¢
Average passenger receipt per passenger per mile	2.796¢	2.667¢	2.809¢	2.660¢	2.812¢	2.720¢
Ratio of operating pay roll to operating revenues	49.3%	52.4%	53.9%	57.1%	47.5%	50.9%
Ratio of operating expenses to revenues	86.90%	92.92%	91.05%	96.89%	85.51%	91.85%

1/ Includes \$1,025,112 retroactive pay August 31 to December 15, 1950.

2/ Includes \$1,016,951 retroactive pay August 31 to December 15, 1950.

3/ Includes \$1,025,112 retroactive pay not shown in monthly reports.

4/ Includes \$1,016,951 retroactive pay not shown in monthly reports.

5/ Revised to include Newfoundland.

X - Includes gross express revenue.

* Includes statistics for Newfoundland District.

/ Includes duplications.

/ Revised.



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CANADIAN NATIONAL SYSTEM

(Steam Lines in Canada and United States)

For twelve months ended December 31

	1950	1949
<u>OPERATING REVENUES</u>		
Canadian Lines	\$ 478,872,047	\$ 438,407,729
United States Lines	74,959,554	62,315,657
Total	553,831,581	500,723,386
<u>OPERATING EXPENSES</u>		
Canadian Lines	436,022,347	424,762,819
United States Lines	57,974,732	53,738,841
Total	493,997,079	478,501,660
<u>NET OPERATING REVENUE</u>		
Canadian Lines	42,849,700	13,644,910
United States Lines	16,984,802	8,576,816
Total	59,834,502	22,221,726
<u>OPERATING INCOME</u>		
Canadian Lines	32,138,904	3,521,047
United States Lines	8,305,426	2,025,770
Total	40,444,330	5,546,817