

CATALOGUE No.

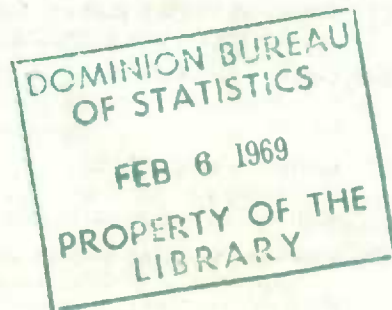
52-204

ANNUAL



RAILWAY EXPRESS

1967



Published by Authority of
The Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS
Transportation and Public Utilities Division
Transportation Section

February 1969
8702-511

Price: 25 cents

Reports Published by the
Transportation and Public Utilities Division
dealing with

RAILWAY TRANSPORT STATISTICS

Catalogue number	Title	Price
Periodical		
52-001	Carloadings (Four times a month) Cars of revenue freight loaded in Canada by eastern and western divisions, by commodity, comparative and cumulative totals. Railway cars loaded in piggyback service and three-year summary of all loadings and tonnages. One issue each month includes chart, index and summary of piggyback loadings	10¢ a copy, \$3.00 a year
52-002	Railway Freight Traffic (Quarterly) Revenue freight carried by railways in Canada, originated, terminated, received from and delivered to United States rail connections, by commodity and by province	50¢ a copy, \$2.00 a year
52-003	Railway Operating Statistics (Monthly) Financial and operating statistics of class I and II railways in Canada, including separate details of Canadian National and Canadian Pacific Railways. 10¢ a copy, \$1.00 a year	10¢ a copy, \$1.00 a year
Annual		
52-201	Canadian National Railways Financial and operating statistics of the entire system, 1923 to date	\$.50
52-202	Canadian Pacific Railway Company Financial and operating statistics of the entire system, 1923 to date50
52-204	Railway Express Financial, operating, employment and mileage statistics of railway express companies25
52-205	Railway Freight Traffic Summary of year's issues of quarterly report 52-002; with supplementary regional distribution and net movement of commodities	1.00
52-206	Railway Operating Statistics Summary of year's issues of monthly report 52-003; separate detail for Canadian National and Canadian Pacific Railways25
52-207	Railway Transport: Part I Comparative summary statistics50
52-208	Railway Transport: Part II Financial statistics75
52-209	Railway Transport: Part III Equipment, track and fuel statistics50
52-210	Railway Transport: Part IV Operating and traffic statistics50
52-211	Railway Transport: Part V Freight carried by principal commodity classes	1.50
52-212	Railway Transport: Part VI Employment statistics50
Occasional		
52-501	Railway Employees and Their Compensation Comparative data relating to all classes of employees; 1926 to 1951. Reference paper No. 3825

Remittances should be in the form of cheque or money order, made payable to the Receiver General of Canada and forwarded to the Publications Distribution, Dominion Bureau of Statistics, Ottawa, or to the Queen's Printer, Hull, P.Q.

RAILWAY EXPRESS

1967

INTRODUCTION

The organization of express operations in North America dates back to 1839. In that year, a former conductor on the Boston and Worcester Railway named William Frederick Harndon advertised arrangements to carry small parcels and packages between Boston and New York and to attend to the purchase of goods as well as the purchase of drafts, notes and other financial papers. Alvin Adams, also of the United States, followed with a similar service in 1840 and during the next five years express systems were incorporated by numerous others, and operated between the more important towns in the U.S. The celebrated "pony express" was started in 1860 providing service between San Francisco and St. Joseph, Missouri.

The Canadian Express Company was incorporated in 1865 and thus was the pioneer express company in Canada. The Grand Trunk Railway purchased its' capital stock in 1891. The Dominion Express Company was incorporated in 1882 in trust for the Canadian Pacific and the Canadian Northern Express Company appeared in 1902 operating over Canadian Northern lines. On the taking over of the Canadian Northern and Grand Trunk Railways by the Government and the consolidation of the Canadian National System, the express businesses of the two companies were amalgamated under one management from 1921 and named Canadian National Express. The Central Canada Express Company was taken over by Canadian National in 1928 but during the next year, on the formation of the Northern Alberta Railways, the express business formerly handled by Canada Express became a department of the new company.

When there was a general consolidation of railways in the United States during the First World War, the express companies operating on Canadian sections of U.S. railways were amalgamated under the name American Railway Express. This was succeeded in 1930 by the Railway Express Agency, which is now owned by the principal Class 1 railroads in the U.S.

In the beginning, express companies in Canada set their own rates but in 1906 they were placed under the Railway Commission. In 1919 a rate system was established which grouped the country into three main blocks or districts for express purposes and in 1928 a regular tariff was established for air express between Toronto and Rimouski; the first regular organized air express service in this country.

Express traffic is carried by railways, airlines, motor transport and steamship. In addition to the movement of goods, express companies offer other

services, one of which is the transmission of money, through the medium of travellers' cheques, money orders and other types of financial paper.

Today, there are two express companies in operation in Canada, the Canadian Pacific Express Company and the Railway Express Agency, and three railways having departments to handle their express services. These are the Canadian National Railways, the Algoma Central Railway and the Northern Alberta Railways.

During the past few years the Canadian Pacific and the Canadian National Railways have introduced and are continuing to develop new integrated services for package freight and less than carload shipments. Merchandise Services and Express-freight, as they are called by the CPR and CNR respectively, are an attempt to provide a speedier, more economical and more flexible service for shippers, through the coordination and use of piggy-back and other rail and highway transport techniques.

CP's Merchandise Services embodies the integration of express, rail L.C.L. and truck operations, and all ground service for air cargo and air express. This involves the consolidation of the passenger train express service, cartage, pick-up and delivery, and freight shed operations into a single operation with its own handling, loading and hauling facilities.

Introduced on a gradual basis in 1959 on Vancouver Island, Merchandise Services was extended to various points in British Columbia in 1960. Alberta in 1961 and Saskatchewan and Manitoba to the Lakehead in 1963. In Eastern Canada the operation is not yet fully integrated but consolidation of express and less-than-carload freight handling was completed in 1964.

CN's coordinated service, Express-freight, emerged from the gradual consolidation of express and L.C.L. freight services across the system and is based on trains handling the long haul between centrally-located road-rail terminals, and highway vehicles performing pick-up and delivery services in the districts surrounding these central points. Important operational concepts of the plan are the railhead principle and the master agency idea; the former refers to a community which becomes designated as the main distributing center for a defined area; the latter provides customers in smaller, scattered communities surrounding the railhead with the advantages of urban-type railway communications and service.

Introduced on an experimental basis in the Atlantic Region in 1959, Express-freight is now operating at a number of communities across the CN system.

Combined rates affecting express and less than carload shipments which became effective during 1967 has made it difficult to separate revenues between the two types of traffic and with the physical integration of traffic the separation of expenses becomes obscure. In this respect 1967 revenues and expenses of the Algoma Central Railway are included in railway operations with the exception of revenue derived from money orders and C.O.D. cheques.

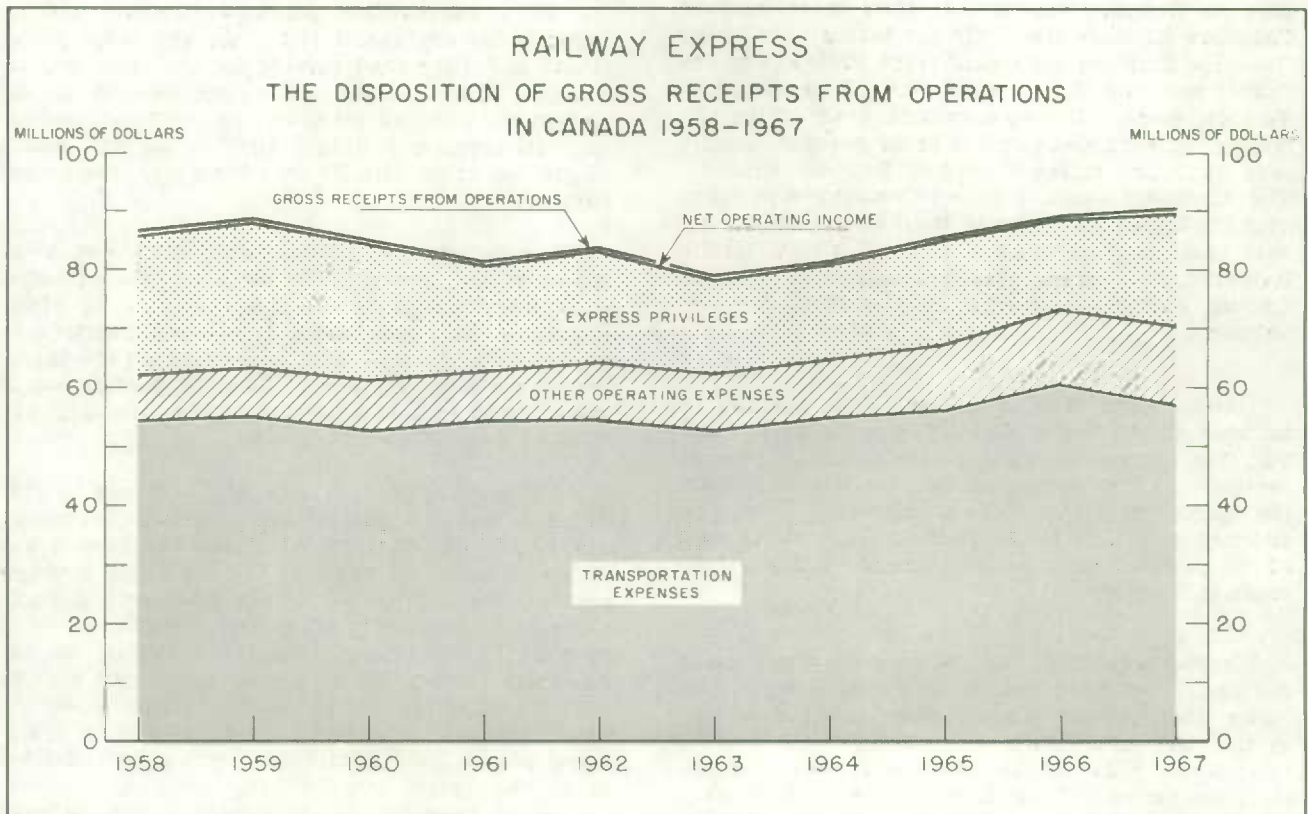
The effects of the changing express concepts on statistics reported in this publication are difficult to measure and will remain so until the integration processes have been completed. At that time it is proposed to review this publication and incorporate any necessary changes in the presentation of the data.

To eliminate duplicate reporting and to uncover statistical gaps, the Dominion Bureau of statistics uses the Canadian Standard Industrial Classification (S.I.C.).

The Standard Industrial Classification (Catalogue No. 12-501) provides a set of groups and classes suitable for the compilation of statistics related to different industries. The building block (reporting unit) which is fitted into the above

structure is the "establishment". An establishment can be defined as the smallest unit which is a separate operating entity capable of reporting principal elements of input and output. While the establishment is typically a factory, mine, store or similar unit and in most cases is a separate firm. It may encompass two or more operating units which are not necessarily in the same location. It can also be an individual working on his own account.

Industry 506, Railway Transport, as classified in the S.I.C. includes establishments primarily engaged in operating railways. The kinds of activities normally carried on by railway establishments embraces the operation of commuter service (but not street railways), maintenance of way and structures, maintenance of equipment (including that carried on in railway shops) dining car and sleeping car services, freight, express and the operation of railway terminal facilities. Road transportation services operated by railway establishments and providing pick-up and delivery for the freight or express services of the railway are included in this industry but long distance trucking owned by railway companies is usually set up as separate establishments classified to the trucking industry.



Statistical Analysis, 1967

Gross receipts of the larger rail express companies in 1967 rose 1.5 per cent to \$90,565,028 from \$89,265,075 in 1966. Express privileges (rights granted express companies to handle express matter on trains and at stations) amounted to \$19,283,852 as compared with \$15,631,246 the

previous year. As a result, operating revenues (gross receipts minus express privileges) decreased 3.2 per cent to \$71,281,176 from \$73,633,829 in the earlier year. Operating expenses declined 3.5 per cent to \$70,483,002 from \$73,051,191, resulting in a net operating income of \$798,174 as compared to \$582,638 in 1966.

A breakdown of express operating revenues shows that those incidental to transportation totalled \$88,585,841 in 1967, up from \$87,546,470 one year earlier. Other revenues such as customhouse brokerage fees, money orders, travellers' cheques, etc., aggregated \$1,979,187 in contrast to \$1,718,605 in 1966.

As in the past, transportation expenses accounted for over 80 per cent of all operating costs. The 1967 figure amounted to \$57,046,480 and this compared with \$60,569,119 in 1966.

Investments in real property and equipment at the close of 1967 advanced to \$13,210,922 from \$12,981,148. The amount of outstanding capital stock remained the same as the previous year at \$6,071,119.

The number of employees engaged in rail express operations in Canada continued to decline in 1967, reflecting the further integration of express personnel into railway operations. Employees dropped to 4,892 in 1967 from 6,205 a year earlier and from 8,282 in 1963. Total salaries and wages in 1967 declined to \$25,699,120 from \$31,226,983 but average annual earnings rose to \$5,253 from \$5,033 a year earlier. Commissions paid to other than express employees amounted to \$971,037 as compared with \$1,014,540 in 1966.

During 1967 express services as provided by railways operating in Canada were available over a combined land, sea and air distance of 86,874 route miles. This compared with 82,840 miles in 1966.

December 18, 1968.

Railway Express, 1967

	Algoma Central Railway	Canadian National Express Company	Canadian Pacific Express Company	Northern Pacific Railways Company	Railway Express Agency Inc.	Total
	dollars					
Operating revenues:						
Transportation:						
Express	-	53,838,544	32,206,624	211,739	1,510,892	87,767,799
Miscellaneous	-	129,027	689,015	-	-	818,042
Totals	-	53,967,571	32,895,639	211,739	1,510,892	88,585,841
Other:						
Customhouse brokerage fees	-	242,306	21,711	-	-	264,017
Order and Commission Departments	-	-	-	-	-	-
Rents of buildings and other property	-	-	5,830	-	-	5,830
Money orders, domestic and foreign	-	264,834	284,531	-	-	549,365
Travellers' cheques, domestic and foreign	-	1,025	107,923	-	-	108,948
"C.O.D." cheques	-	477,881	347,685	-	-	825,566
Telegraphic transfers	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Other revenue, Financial Department	-	-	96,507	-	-	96,507
Miscellaneous revenues	-	111,028	-	3,109	14,817 ¹	128,954
Totals	-	1,097,074	864,187	3,109	14,817	1,979,187
Gross receipts from operations	-	55,064,645	33,759,826	214,848	1,525,709	90,565,028
Express privileges, Dr.	-	11,753,144	6,949,663	73,918	507,127	19,283,852
Total operating revenues	-	43,311,501	26,810,163	140,930	1,018,582	71,281,176
Operating expenses:						
Maintenance	-	2,691,415	2,290,479	244	80,403	5,062,541
Traffic	-	324,395	316,736	14,656	22,503	678,290
Transportation	-	35,470,036	20,549,725	117,812	908,907	57,046,480
General	-	2,956,473	2,308,776	17,533	67,065	5,349,847
Provision for income taxes	-	-	153,300	-	-	153,300
Other taxes	-	1,141,955	1,044,447	1,471	4,671	2,192,544
Total operating expenses	-	42,584,274	26,663,463	151,716	1,083,549	70,483,002
Income account:						
Operating revenues	-	43,311,501	26,810,163	140,930	1,018,582	71,281,176
Operating expenses	-	42,584,274	26,663,463	151,716	1,083,549	70,483,002
Net operating income (or loss)	-	727,227	146,700	Dr. 10,786	Dr. 64,967	798,174
Other income	-	-	141,648	-	-	141,648
Other deductions	-	-	59,387	-	-	59,387
Net income (or deficit)	-	727,227	228,961	Dr. 10,786	Dr. 64,967	880,435
Capital stock:						
Common, issued at par value	-	1,000,000	4,250,000	-	-	5,250,000
Preferred, issued at par value	-	-	-	-	-	-
Amounts payable to affiliated companies	-	821,119	-	-	-	821,119
Totals	-	1,821,119	4,250,000	-	-	6,071,119
Investments at December 31, 1967:						
Real property	-	-	1,474,399	7,464	-	1,481,863
Equipment	-	-	9,906,017	1,923	-	9,907,940
Other	-	1,821,119	-	-	-	1,821,119
Totals	-	1,821,119	11,380,416	9,387	-	13,210,922

See footnote at end of table.

Railway Express, 1967 - Continued

	Algoma Central Railway	Canadian National Express Company	Canadian Pacific Express Company	Northern Alberta Railways Company	Railway Express Agency Inc.	Total
Tax accruals:						
Newfoundland	\$ -	5,466	-	-	-	5,466
Prince Edward Island	\$ -	708	-	-	-	708
Nova Scotia	\$ -	8,179	16,215	-	-	24,394
New Brunswick	\$ -	10,202	8,424	-	-	18,626
Quebec	\$ -	92,495	17,812	-	4,125	114,432
Ontario	\$ -	231,983	93,965	-	Cr. 1,852	324,096
Manitoba	\$ -	30,302	7,674	-	1,334	39,310
Saskatchewan	\$ -	31,022	253	-	-	31,275
Alberta	\$ -	13,800	5	251	-	14,056
British Columbia	\$ -	12,661	143	70	1,064	13,938
Northwest Territories	\$ -	-	-	-	-	-
Yukon	\$ -	-	-	-	-	-
Federal Income Tax	\$ -	-	153,300	-	-	153,300
Other government of Canada	\$ -	705,137	899,956	1,150	-	1,606,243
Totals	\$ -	1,141,955	1,197,747	1,471	4,671	2,345,844
Financial paper issued:						
Money orders sold, domestic and foreign	\$ -	60,096,634	37,187,573	-	-	97,284,207
Travellers' cheques sold, domestic and foreign	\$ -	309,510	11,910,794	-	-	12,220,304
"C.O.D." cheques issued	\$ 17,326	2	14,486,238	-	36,014	14,539,578
Telegraphic transfers	\$ -	-	85,147	-	-	85,147
Totals	\$ 17,326	60,406,144	63,669,732	\$ -	36,014	124,129,236
Equipment inventory:						
Road vehicles used in express service:						
Motor trucks	No. -	-	1,135	-	-	1,135
Trailers, road equipment: semi-trailers and full trailers	" -	-	493	-	-	493
Automobiles	" -	-	10	-	-	10
Road vehicles used in cartage service:						
Trucks	" -	-	-	-	-	-
Trailers	" -	-	-	-	-	-
Automobiles	" -	-	-	-	-	-
Platform vehicles:						
Trucks, hand	" -	-	-	19	-	19
Trucks, motor driven	" -	-	55	-	-	55
Other	" -	-	-	-	-	-
Employees, salaries and wages:						
Full time employees:						
Number	-	1,181	3,689	9	13	4,892
Salaries and wages	\$ -	6,821,648	18,782,150	52,894	40,363	25,697,055
Part time employees:						
Number	-	-	3	..	-	-
Salaries and wages	\$ -	-	3	2,065	-	2,065
Commissions paid	\$ -	148,209	809,762	13,044	22	971,037
Express offices:						
Number in Canada at Dec. 31, 1967	-	1,020	898	36	-	1,954
Number of offices selling money orders	4	1,051	995	-	-	2,046
Number of branch offices selling money orders	-	1,206	1,470	-	-	2,676

See footnotes at end of table.

