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# RAILWAY EXPRESS

1969



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- 52-205 **Railway Freight Traffic**  
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Employment statistics.

**Occasional**

- 52-501 **Railway Employees and Their Compensation**  
Comparative data relating to all classes of employees; 1926 to 1951. Reference paper No. 38.

*In addition to the selected publications listed above, the Dominion Bureau of Statistics publishes a wide range of statistical reports on Canadian economic and social affairs. A comprehensive catalogue of all current publications is available free on request from the Dominion Bureau of Statistics, Ottawa 3.*

# RAILWAY EXPRESS

1969

## INTRODUCTION

### A Word of Caution

The revolutionary changes which have taken place in this industry in recent years have made year-on-year comparisons of express statistics subject to grave misinterpretation if not viewed in their proper perspective. For example the sharp decline in the number of employees between 1966 and 1968 does not reflect any great curtailment of operations, but rather a decision by one major road to transfer most of its express employees from the express department to the railway proper. The introduction of new combined rate systems for express and L.C.L. freight, plus the introduction of the Merchandise Services concept involving the integration of express, L.C.L. and truck traffic have greatly complicated the accounting in this area.

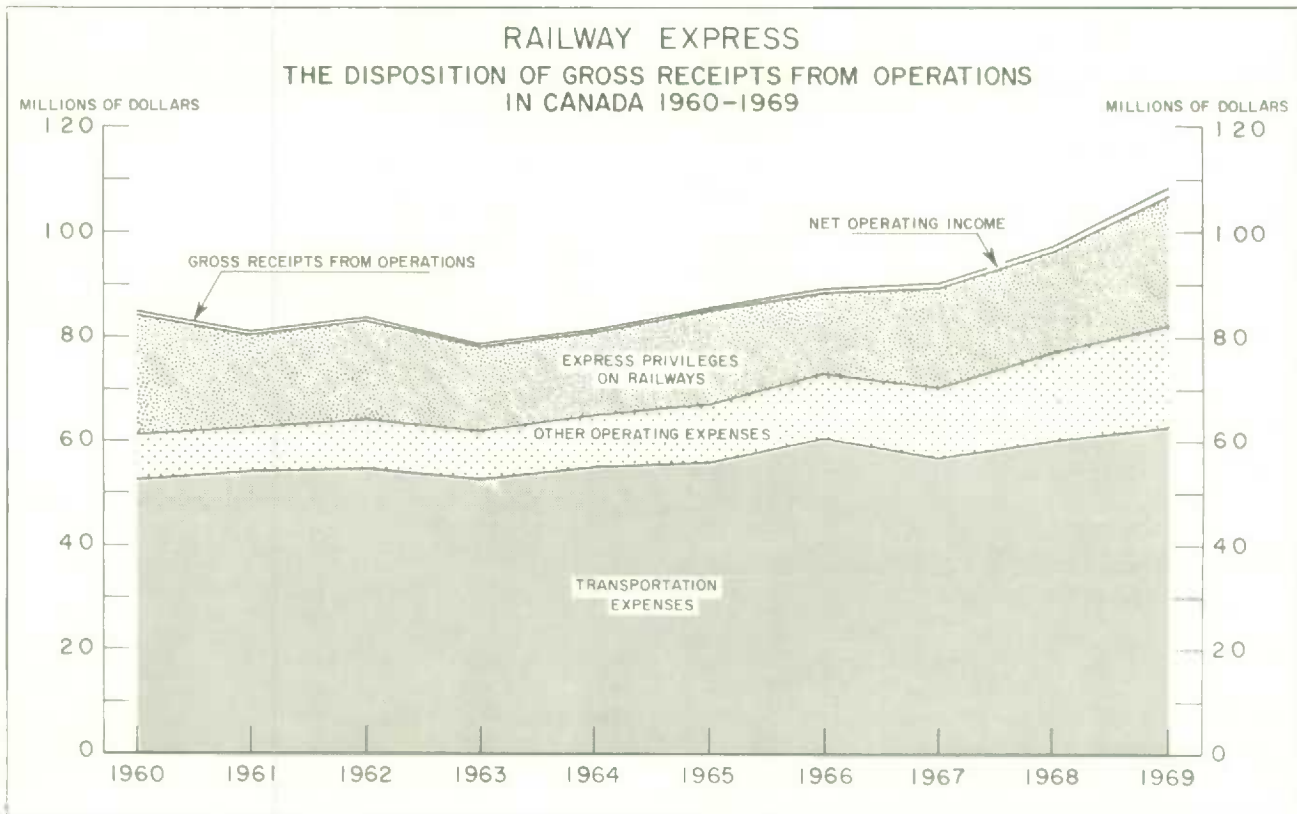
The whole area of express statistics is presently under review by DBS in view of the above changes. In the meantime users are advised to consult this office or one of the railway or express companies whenever data from this publication is being used to support wage cases, in economic analyses, or in other important studies.

### Results of 1969 Operations

Gross operating revenues reported by express carriers rose 11.4 per cent to \$108,589,451 in 1969 from \$97,483,178 in 1968. Express privileges (amounts paid the railway companies for using railway transportation facilities) rose to \$24,355,029 from \$19,078,939 the year before. As a result net operating revenues came to \$84,234,422, up from \$78,404,239 in 1968. Operating expenses came to \$82,621,930 leaving the usual small profit on the books of the express operators. Net income, including other income and deductions, came to \$1,620,862 compared with \$1,326,032 the previous year.

Money orders and other financial paper issued totalled \$117,557,992, down 9.4 per cent from the 1968 figure of \$129,721,857.

The number of express offices in Canada at year end was reported as 2,630 by the 4 major carriers, up from a total of 1,891 a year before. Route mileage covered in Canada rose slightly to 88,015 from 87,663 the year previous.



### **Basis of Industrial Classification**

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 operations owned by railway companies are usually set up as separate establishments classified to the trucking industry.

### **Historical Background**

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 1968 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.

Sept. 1, 1970.

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#### SYMBOLS

The following standard symbols are used in Dominion Bureau of Statistics publications:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil or zero.
- amount too small to be expressed.
- p preliminary figures.
- r revised figures.

Railway Express, 1969

	Algoma Central Railway	Canadian National Railways	Canadian Pacific Express Company	Northern Alberta Railways Company	R.E.A. Express (Canada) Limited	Total
	dollars					
<b>Operating revenues:</b>						
Transportation:						
Express .....	-	70,582,742	31,935,908	311,725	2,990,093	105,820,468
Miscellaneous .....	-	-	430,205	-	-	430,205
<b>Totals</b> .....	-	<b>70,582,742</b>	<b>32,366,113</b>	<b>311,725</b>	<b>2,990,093</b>	<b>106,250,673</b>
Other:						
Customhouse brokerage fees .....	-	-	-	-	-	-
Order and Commission Departments .....	-	-	-	-	-	-
Rents of buildings and other property .....	-	-	-	-	-	-
Money orders, domestic and foreign .....	-	587,838	121,677	-	-	709,515
Travellers' cheques, domestic and foreign .....	-	-	29,233	-	-	29,233
"C.O.D." cheques .....	1,501	350,072	220,062	-	1,674	573,309
Telegraphic transfers .....	-	-	-	-	-	-
Letters of credit .....	-	-	-	-	-	-
Other revenue, Financial Department .....	-	-	-	-	3,543	3,543
Miscellaneous revenues .....	-	975,142	31,130	6,379	10,527	1,023,178
<b>Totals</b> .....	<b>1,501</b>	<b>1,913,052</b>	<b>402,102</b>	<b>6,379</b>	<b>15,744</b>	<b>2,338,778</b>
<b>Gross receipts from operations</b> .....	<b>1,501</b>	<b>72,495,794</b>	<b>32,768,215</b>	<b>318,104</b>	<b>3,005,837</b>	<b>108,589,451</b>
Express privileges, Dr. ....	-	16,765,315	5,778,765	58,762	1,752,187	24,355,029
<b>Total operating revenues</b> .....	<b>1,501</b>	<b>55,730,479</b>	<b>26,989,450</b>	<b>259,342</b>	<b>1,253,650</b>	<b>84,234,422</b>
<b>Operating expenses:</b>						
Maintenance .....	..	3,130,881	2,220,418	233	127,194	5,478,726
Traffic .....	..	653,931	564,940	9,853	49,181	1,277,905
Transportation .....	..	42,460,762	19,698,812	223,839	276,098	62,659,511
General .....	..	6,559,900	3,204,338	23,869	761,752	10,549,859
Provision for income taxes .....	..	-	210,000	-	10,602	220,602
Other taxes .....	..	1,532,837	900,942	1,548	-	2,435,327
<b>Total operating expenses</b> .....	<b>..</b>	<b>54,338,311</b>	<b>26,799,450</b>	<b>259,342</b>	<b>1,224,827</b>	<b>82,621,930<sup>1</sup></b>
<b>Income account:</b>						
Operating revenues .....	1,501	55,730,479	26,989,450	259,342	1,253,650	84,234,422
Operating expenses .....	..	54,338,311	26,799,450	259,342	1,224,827	82,621,930 <sup>1</sup>
Net operating income (or loss) .....	..	1,392,168	190,000	-	28,823	1,610,991
Other income .....	-	-	14,041	-	-	14,041
Other deductions .....	-	-	4,170	-	-	4,170
<b>Net income (or deficit)</b> .....	<b>..</b>	<b>1,392,168</b>	<b>199,871</b>	<b>-</b>	<b>28,823</b>	<b>1,620,862</b>
<b>Capital stock:</b>						
Common, issued at par value .....	-	-	4,250,000	-	100	...
Preferred, issued at par value .....	-	-	-	-	-	-
Amounts payable to affiliated companies .....	-	-	-	-	-	-
<b>Totals</b> .....	<b>-</b>	<b>-</b>	<b>4,250,000</b>	<b>-</b>	<b>100</b>	<b>...</b>
<b>Investments at December 31, 1969:</b>						
Real property .....	-	-	1,019,741	7,464	-	...
Equipment .....	-	-	11,079,382	1,923	121,033	...
Other .....	-	-	-	-	-	-
<b>Totals</b> .....	<b>-</b>	<b>-</b>	<b>12,099,123</b>	<b>9,387</b>	<b>121,033</b>	<b>...</b>

See footnote(s) at end of table.

Railway Express, 1969 - Continued

	Algoma Central Railway	Canadian National Railways	Canadian Pacific Express Company	Northern Alberta Railways Company	R.E.A. Express (Canada) Limited	Total
<b>Tax accruals:</b>						
Newfoundland .....	\$ -	4,595	-	-	-	4,595
Prince Edward Island .....	\$ -	635	-	-	-	635
Nova Scotia .....	\$ -	8,949	16,309	-	-	25,258
New Brunswick .....	\$ -	12,154	8,252	-	-	20,406
Quebec .....	\$ -	163,865	18,305	-	-	182,170
Ontario .....	\$ -	351,017	238,172	-	-	589,189
Manitoba .....	\$ -	67,023	8,411	-	-	75,434
Saskatchewan .....	\$ -	28,156	10	-	-	28,166
Alberta .....	\$ -	28,362	6	374	-	28,742
British Columbia .....	\$ -	30,607	5	70	-	30,682
Northwest Territories .....	\$ -	-	-	-	-	-
Yukon .....	\$ -	-	-	-	-	-
Federal Income Tax .....	\$ -	-	210,000	-	10,602	220,602
Other government of Canada .....	\$ -	837,474	611,472	1,104	-	1,450,050
<b>Totals .....</b>	<b>\$ -</b>	<b>1,532,837</b>	<b>1,110,942</b>	<b>1,548</b>	<b>10,602</b>	<b>2,653,929</b>
<b>Financial paper issued:</b>						
Money orders sold, domestic and foreign .....	\$ -	84,233,074	19,887,539	-	-	104,120,613
Travellers' cheques sold, domestic and foreign .....	\$ -	-	3,220,796	-	-	3,220,796
"C.O.D." cheques issued .....	\$ 27,865	2	9,695,769	-	484,846	10,208,480
Telegraphic transfers .....	\$ -	-	8,103	-	-	8,103
<b>Totals .....</b>	<b>\$ 27,865</b>	<b>84,233,074</b>	<b>32,812,207</b>	<b>-</b>	<b>484,846</b>	<b>117,557,992</b>
<b>Equipment inventory:</b>						
Road vehicles used in express service:						
Motor trucks .....	No. -	-	1,042	-	-	1,042
Trailers, road equipment: semi-trailers and full trailers .....	" -	-	467	-	-	467
Automobiles .....	" -	-	11	-	2	13
Road vehicles used in cartage service:						
Trucks .....	" -	-	-	-	32	32
Trailers .....	" -	-	-	-	-	-
Automobiles .....	" -	-	-	-	-	-
Platform vehicles:						
Trucks, hand .....	" -	-	-	19	-	19
Trucks, motor driven .....	" -	-	61	-	1	62
Other .....	" -	-	-	-	-	-
<b>Employees, salaries and wages:</b>						
Full time employees:						
Number .....	-	181	3,039	14	111	3,345
Salaries and wages .....	\$ -	1,196,558	18,350,007	86,267	606,504	20,239,336
Part time employees:						
Number .....	-	-	3	..	..	..
Salaries and wages .....	\$ -	-	3	2,158	8,319	10,477
Commissions paid .....	\$ -	46,801	292,262	6,973	-	346,036
<b>Express offices:</b>						
Number in Canada at Dec. 31, 1969 .....	-	1,943	648	30	9	2,630
Number of offices selling money orders .....	-	829	-	-	-	829
Number of branch offices selling money orders .....	-	772	-	-	-	772

See footnote(s) at end of table.



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Railway Express, 1969 - Concluded

	Algoma Central Railway	Canadian National Railways	Canadian Pacific Express Company	Northern Alberta Railways Company	R.E.A. Express (Canada) Limited	TOTAL
<b>Route mileage covered:<sup>5</sup></b>						
In Canada:						
By railway <sup>6</sup> .....	-	22,164.52	14,993.01	917.60	340.00	38,415.13
By steamship lines .....	-	4,304.00	696.00	-	-	5,000.00
By motor carriers lines .....	-	23,873.00	549.70	1,066.00	232.00	25,720.70
By airlines .....	-	18,879.00	-	-	-	18,879.00
By miscellaneous lines .....	-	-	-	-	-	-
<b>Totals .....</b>	-	<b>69,220.52</b>	<b>16,238.71</b>	<b>1,983.60</b>	<b>572.00<sup>7</sup></b>	<b>88,014.83</b>
Outside Canada:						
By railway, U.S.A. ....	-	43.79	199.10	-	-	242.89
By steamship .....	-	-	2,679.00	-	-	2,679.00
Other .....	-	-	-	-	-	-
<b>Totals .....</b>	-	<b>43.79</b>	<b>2,878.10</b>	-	-	<b>2,921.89</b>
<b>Grand totals .....</b>	-	<b>69,264.31</b>	<b>19,116.81</b>	<b>1,983.60</b>	<b>572.00</b>	<b>90,936.72</b>
<b>Route mileage covered, by area:<sup>5</sup></b>						
Newfoundland .....	-	7,846.92	-	-	-	7,846.92
Prince Edward Island .....	-	849.91	-	-	-	849.91
Nova Scotia .....	-	4,352.60	274.82	-	-	4,627.42
New Brunswick .....	-	3,725.13	509.83	-	-	4,234.96
Quebec .....	-	8,599.16	1,539.78	-	340.00	10,478.94
Ontario .....	-	15,164.03	3,471.88	-	112.00	18,747.91
Manitoba .....	-	6,130.09	1,554.70	-	80.00	7,764.79
Saskatchewan .....	-	10,304.86	3,797.10	-	-	14,101.96
Alberta .....	-	6,202.05	2,445.90	1,931.70	-	10,579.65
British Columbia .....	-	3,576.77	2,644.70	51.90	40.00	6,313.37
Northwest Territories .....	-	2,469.00	-	-	-	2,469.00
Yukon .....	-	-	-	-	-	-
United States .....	-	43.79	199.10	-	-	242.89
Ocean-going mileage .....	-	-	2,679.00	-	-	2,679.00
<b>Totals .....</b>	-	<b>69,264.31</b>	<b>19,116.81</b>	<b>1,983.60</b>	<b>572.00</b>	<b>90,936.72</b>
<b>Accidents:</b>						
Persons injured .....	-	..	289	-	-	289
Persons killed .....	-	..	-	-	-	-
	1965	1966	1967	1968 <sup>8</sup>	1969	
<b>Summary, 1965-69:</b>						
Gross receipts from operations .....	\$ 85,927,546	\$ 89,265,075	\$ 90,565,028	\$ 97,483,178	\$ 108,589,451	
Express privileges, Dr. ....	\$ 17,949,002	\$ 15,631,246	\$ 19,283,852	\$ 19,078,939	\$ 24,355,029	
Operating expenses (excluding taxes) ....	\$ 65,876,730	\$ 70,815,880	\$ 68,137,158	\$ 74,857,264	\$ 79,966,001	
Net operating revenues (before taxes) .....	\$ 2,101,814	\$ 2,817,949	\$ 3,144,018	\$ 3,546,975	\$ 4,268,421	
Tax accruals .....	\$ 1,452,683	\$ 2,235,311	\$ 2,345,844	\$ 2,303,998	\$ 2,655,929	
Financial paper issued .....	\$ 135,659,423	\$ 122,411,975	\$ 124,129,236	\$ 129,721,857	\$ 117,557,992	
<b>Employees:<sup>8</sup></b>						
Number .....	6,565	6,205	4,892	3,508	3,345	
Salaries and wages .....	\$ 30,957,769	\$ 31,226,983	\$ 25,699,120	\$ 19,803,824	\$ 20,249,813	
Commissions paid .....	\$ 1,684,263	\$ 1,014,540	\$ 971,037	\$ 457,388	\$ 346,036	
Mileage covered in Canada .....	80,264.61	82,840.23	86,873.67	87,662.59	88,014.83	

<sup>1</sup> Expenses do not include any amounts for Algoma Central Railway for which details are not available. However these charges would be very small, not likely in excess of \$1,500, and would not materially affect the total expense figure shown.

<sup>2</sup> Included with "Money orders sold".

<sup>3</sup> Included with "Full time employees".

<sup>4</sup> Conducts business as CP Express Co. agents.

<sup>5</sup> Includes duplications.

<sup>6</sup> Includes electric line mileages.

<sup>7</sup> Excludes airline route mileages in Canada.

<sup>8</sup> Includes full and part time employees.