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## OPERATING REVENUES, EXPENSES &amp; STATISTICS

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## RAILWAYS IN CANADA

## WITH ANNUAL OPERATING REVENUES OF

## \$500,000 OR OVER

For the Twelve Months ended December 31, 1951

A high level of traffic and substantial increases in rates, fares and charges produced a new all time high in operating revenues of the principal Canadian railways for 1951. The total for lines reporting monthly crossed the billion dollar mark for the first time at \$1,078,916,911, an advance of 13.7 p.c. or \$130,382,423 over the 1950 receipts of \$948,534,488. The current aggregate compares with \$885,353,827 in 1949, and \$533,332,774 in 1941; - thus, rail operating revenues more than doubled within the decade. Class 1 roads in the United States reported a 94.4 p.c. increase in 1951 revenues over 1941 while the Canadian comparison shows a gain of 102.3 p.c. A 12 p.c. interim increase in freight rates was granted effective July 26th. However, operating expenses rose over 1950 in even greater ratio than revenues, due to higher payrolls, a shorter work week and consistently higher material costs. As measured by most of the accepted factors, the operating efficiency of Canadian roads continued to improve through dieselization and other betterments to yards, way and equipment. Total operating expenses for the year were a record \$969,513,701 compared with \$824,239,730 one year earlier, up 17.6 p.c. or \$145,273,971. The 1941 total was \$399,513,540. Thus, while 1951 earnings increased 102.3 p.c. over 1941, expenses jumped 142.8 p.c. in the period, indicating that transportation charges have not kept pace with the increased costs of providing this all-essential service to the economy. Freight rates have risen 42.3 p.c. since 1939, while wages rates increased 102.3 p.c., and material prices 96.4 p.c. Despite a reduction of nearly \$14,900,000 in net operating revenues, railway tax accruals advanced \$3,667,317 over 1950 to total \$34,358,508. The debit on hire of equipment was \$1,429,301 greater at \$11,500,584 while joint facilities rents showed a minor increase of \$27,359 to \$2,062,594. The resulting operating income for 1951 was \$61,481,524, down \$20,015,525 or 24.6 p.c. from 1950, and compares with \$31,278,579 in 1949 and \$102,747,787 for 1941. The \$61.5 million remaining on 1951 rail operations was not sufficient to meet interest and other charges of the industry, and dependence on non-operating income was accentuated. While the two major roads registered considerable reductions in operating income from their 1950 results, a few of the specialty or junior lines, such as the Algoma Central, Ontario Northland and Northern Alberta reported worthwhile improvement in income based to some extent on the boom experienced in the movement of primary products, such as iron ore and pulpwood and the development of northern resources which continues apace. Revenue freight earnings rose 13.9 p.c. over 1950, advancing from \$761,839,502 to \$867,874,824 with tonnage carried up 12.4 p.c. at 176,725,520 revenue tons and ton miles increased by 16 p.c. Average length of haul was 565 miles versus 351 in the previous year. Passenger fares produced \$88,392,630 for a gain of 15.3 p.c. or \$10,589,121. A minor advance was shown in numbers carried at 28,999,888 against 28,819,527, while revenue passenger miles rose 10.6 p.c., with average journey at 106 miles against 97 for 1950. The 9-day strike in August of that year had depreciated passenger volume, and increased military and immigrant travel during 1951 helped towards the improvement. Mail pay was 8.4 p.c. or \$1,187,618 lighter for the year at \$12,901,261 as 1950 totals had been swollen by back pay credits. Express earnings were up an encouraging 16.6 p.c. to \$41,832,281. Other passenger train receipts gained 10.5 p.c. at \$11,088,386 and water line rose 21.5 p.c., while all other items as a group showed a betterment of \$7,419,675 or 16.4 p.c. to \$52,765,224.

Heavy increases were indicated in expenditures on maintenance during the year. Way and structures advanced 24.4 p.c. or \$39,285,600 to \$200,497,541 and equipment \$34,299,918 or 18.2 p.c. to \$222,324,335. Traffic required 7.4 p.c. more than in 1950 to total \$19,902,081. Transportation charges were a huge \$465,144,650, some \$65,123,423 or 16.3 p.c. above 1950 and nearly 2.5 times 1941. Miscellaneous operations needed \$1,869,544 more at \$15,691,029 and general expenses were up 7.8 p.c. from \$42.6 million to nearly \$46 million. Loaded freight car miles gained 8.3 p.c. to 2,274.5 million, and empty mileage increased 12.2 p.c. to 1,018.6 million miles, the advances being 174.2 million and 110.6 million miles respectively. Total payroll, including retroactive payments, was up nearly \$100 millions over 1950 at \$597,420,811 compared with \$498,755,327 in the preceding year - a gain of 19.8 p.c. Employment improved 7.4 p.c. with an average 192,440 employees against 179,189 one year earlier. Average annual earnings were \$5,104 compared with \$2,785 in 1950 and \$1,725 in 1941. The ratio of operating revenues to operating expenses was 51.6 p.c. versus 49.3 p.c. in 1950 and 41.9 p.c. in 1941. Average freight receipt per revenue ton mile was 1.355 cents against 1.379 cents for 1950 but passenger receipt per mile improved from 2.796 to 2.865 cents. Average tons per loaded freight car mile during 1951 was 30.5 tons versus 28.8 tons in 1950.

**CANADIAN NATIONAL RAILWAYS:** Traffic volume, gross revenues and operating expenses all rose to new peaks, but despite heavy traffic and increased freight rates a less successful financial year was reported. Operating revenues for Canadian lines reached a record \$547,435,721, a gain of 14.3 p.c. or \$68,563,874 with all accounts except mail posting good gains. Freight earnings improved 15.5 p.c. to nearly \$430,800,000 while passenger fares rose 20.4 p.c. to \$44,199,195. Freight tonnage carried was up 13.3 p.c., and passengers gained 1.6 p.c. in numbers and 14.9 p.c. in revenue passenger miles. All expense accounts were much heavier, the total rising \$80,600,412 or by 18.5 p.c. to \$516,622,758. Maintenance of way and structures was up nearly 25 p.c. to \$99,227,917, while equipment maintenance took some \$122 millions for an increase of 19.4 p.c. over 1950. Transportation expenses at \$257.4 millions rose \$37.8 millions or 17.2 p.c. Tax accruals eased \$553,753 to \$7,325,528 and the debit on equipment hire was reduced \$1,371,988 to \$1,774,969. Operating income for the year, including the \$5 million loss on Newfoundland operations, was \$21,761,601 against \$32,138,904 in 1950 but well above the slim \$5,521,047 reported for 1949. In 1941 the Canadian National showed an operating income of \$48,501,004 on Canadian lines. Operating income for the entire System was \$25,597,449 in 1951 versus \$40,444,330 in the preceding year, the U.S. lines income dropping from \$8.3 to \$3.8 millions. Canadian lines had a total payroll of some \$336,104,000 for 109,900 employees in 1951 compared with \$278,170,000 to 101,956 workers in 1950. The percentage increases were 20.8 and 7.8 respectively.

**CANADIAN PACIFIC RAILWAY COMPANY:** A record year was reported with tonnage carried, gross earnings and working expenses at all-time highs. Higher prices, wages and tax rates absorbed a greater percentage of earnings and operating income was reduced from \$58,020,557 in 1950 to \$26,812,852. This compares with \$20,651,969 in 1949 and \$45,957,556 in 1941. Return on rail investment was 2.4 p.c. for 1951 versus 3.5 p.c. one year earlier. Freight revenues at \$351.4 millions improved \$14.8 p.c. over 1950 with tonnage carried up 12.5 p.c. at 60,650,472 tons and revenue ton miles 16.9 p.c., but due to the heavy grain movement average revenue per ton mile eased from 1.534 to 1.31 cents. Passenger fares rose 8.3 p.c. to \$37,810,166 with numbers carried down slightly at 10,460,552, but passenger mileage up 7.8 p.c., due to longer average journeys. Maintenance of way and structures required \$18,085,048 or 25.6 p.c. more than in 1950 to total \$86,058,030, and equipment maintenance cost \$85,762,071 for a rise of 18 p.c. Transportation charges at a record \$173,067,051 advanced 16 p.c. from \$149,165,759 in the previous year. Railway tax accruals despite a lower net increased to \$19,455,909 from \$17,226,607. Income tax was some \$12 millions. Hire of equipment showed a debit of \$58,573 compared with a \$1,641,051 credit for 1950. Rentals dropped \$64,982 to \$1,195,820. Loaded freight car miles on the Canadian Pacific Railway rose 9.1 p.c., but empty mileage advanced 19.8 p.c., due mainly to heavier grain movements involving much one-way traffic. Total payroll increased 19.2 p.c. from \$190,057,456 in 1950 to \$226,642,377 and includes some \$2.1 million retroactive pay. Employment averaged 72,398 against 67,252 for the previous year, a gain of 7.7 p.c. Average length of freight haul was up 17 miles over 1950 to 442 miles, while average passenger journey rose 10 miles to 128. Average loading per freight car mile was 31.8 tons against 29.6 tons one year earlier.



**OPERATING, REVENUES EXPENSES AND STATISTICS OF CANADIAN RAILWAYS**

Subject to Revision

For the twelve months ended Dec. 31, 1951

	ALL RAILWAYS		CANADIAN NATIONAL RAILWAYS		CANADIAN PACIFIC RAILWAY CO.	
	1951	1950	1951	1950	1951	1950
<b>OPERATING REVENUES</b>						
Freight	\$ 867,874,824	\$ 761,839,302	\$ 430,799,291	\$ 379,599,415	\$ 351,435,788	\$ 306,055,749
Passenger	88,392,630	78,003,509	44,199,195	36,718,754	37,910,166	34,927,310
Mail	12,901,251	14,088,869	5,535,213	6,266,495	5,561,387	6,537,065
Express	41,832,281	35,871,761	X 30,776,411	X 25,902,664	9,325,925	8,400,223
Other passenger train	11,088,386	10,037,011	4,735,867	4,193,800	6,092,405	5,588,391
Water line	4,062,315	3,348,487	-	-	1,437,891	1,364,043
All other	52,765,224	45,345,549	31,389,744	26,190,919	17,188,077	15,703,907
Total Railway Operating Revenues	1,078,916,911	948,534,488	X 547,435,721	X 478,872,047	428,911,639	378,576,688
<b>OPERATING EXPENSES</b>						
Maintenance of way and structures	200,497,541	161,211,941	99,227,917	79,426,416	86,038,030	67,954,982
Maintenance of equipment	222,324,335	188,024,417	121,990,202	102,211,357	85,762,071	72,667,069
Traffic	19,902,081	18,528,052	9,304,483	8,395,710	9,124,478	8,788,477
Transportation	465,144,650	400,021,227	257,421,469	219,620,584	173,067,051	149,163,759
Miscellaneous operations	15,691,029	13,821,485	5,840,267	5,074,622	8,015,963	7,136,207
General	45,954,065	42,632,608	22,838,421	21,293,658	19,404,912	18,001,459
Total Railway Operating Expenses	969,513,701	824,239,730	516,622,759	436,022,347	381,412,505	323,711,953
<b>OPERATING INCOME</b>						
Net operating revenue	109,403,210	124,294,758	30,812,962	42,849,700	47,499,134	54,864,735
Railway tax accruals	34,358,508	30,691,191	7,325,528	7,659,261	13,453,909	17,226,607
Hire of equipment	Dr. 11,500,584	Dr. 10,071,283	Dr. 1,774,969	Dr. 3,146,957	Dr. 38,573	Cr. 1,641,031
Joint facilities rents	Dr. 2,062,594	Dr. 2,035,235	Cr. 49,136	Cr. 95,422	Dr. 1,193,820	Dr. 1,258,802
Operating income	61,481,524	81,497,049	21,761,601	32,138,904	26,812,832	38,020,357
<b>OPERATING STATISTICS</b>						
Average miles of road operated	43,309.96	43,319.17	22,516.65	22,516.06	17,008.9	17,019.6
¢ No. of tons carried (Rev. Fr.)	176,723,520	157,212,280	75,446,237	66,560,958	60,650,472	53,915,746
No. of tons carried one mile " " Thous.	64,071,050	55,255,339	32,126,240	27,744,278	26,826,756	22,940,604
No. of tons carried one mile (All Fr.) "	69,413,982	60,529,042	34,953,370	30,844,193	29,225,616	24,932,541
Gross ton miles, excl. of locomotive & tender "	148,082,654	132,741,122	74,016,585	67,120,966	61,804,153	53,995,103
No. of revenue passengers carried	28,999,888	28,819,527	15,896,640	15,652,118	10,460,532	10,541,492
No. of revenue passengers carried one mile "	3,085,281	2,789,672	1,501,475	1,307,014	1,339,362	1,242,279
Freight train miles	86,469,386	80,747,051	43,550,495	40,751,841	36,364,285	33,426,482
Passenger train miles	45,750,429	43,230,896	22,573,729	20,646,422	20,059,905	19,601,491
Total train miles (rev. and non rev.)	135,754,179	126,551,508	68,374,638	62,969,737	57,455,013	53,842,683
Freight car miles - loaded	2,274,533,231	2,100,303,028	1,164,409,435	1,075,280,891	919,489,853	842,523,726
Freight car miles - empty	1,018,615,895	907,989,934	485,175,381	448,818,922	444,144,154	370,636,322
Passenger train car miles	413,424,107	390,963,514	208,506,246	191,293,881	174,530,717	170,624,054
Total amount of pay roll	1/\$597,420,811	\$498,753,327	\$336,103,918	\$278,169,550	1/\$226,642,377	\$190,057,456
Number of employees	192,440	179,189	109,900	101,936	72,398	67,232
Pay roll chargeable to rly., operating expenses	2/\$556,291,942	\$467,167,732	\$307,708,651	\$257,979,633	2/\$215,291,732	\$179,878,655
<b>DAILY AVERAGES PER MILE OF ROAD OPERATED</b>						
Operating revenue	\$68.25	\$59.99	\$66.61	\$58.27	\$69.09	\$60.94
Operating expenses	\$61.33	\$52.13	\$62.86	\$53.05	\$61.44	\$52.11
No. of tons moved one mile (Rev. Fr.)	4,053	3,495	3,909	3,376	4,321	3,693
No. of tons moved one mile (All Fr.)	4,391	3,828	4,253	3,753	4,708	4,014
No. of rev. passengers carried one mile	195	176	183	159	216	200
<b>AVERAGES PER FREIGHT TRAIN MILE</b>						
Freight revenue	\$10.04	\$9.43	\$9.89	\$9.31	\$9.66	\$9.16
No. of tons of freight (Rev. Fr.)	741	684	738	681	738	686
No. of tons of freight (All Fr.)	803	750	803	757	804	746
Gross ton miles	1,713	1,644	1,700	1,647	1,700	1,615
Loaded freight cars	26.3	26.0	26.7	26.4	25.3	25.2
Empty freight cars	11.8	11.2	11.1	11.0	12.2	11.1
<b>AVERAGES PER PASSENGER TRAIN MILE</b>						
Passenger train revenues	\$3.37	\$3.19	X \$3.78	X \$3.54	\$2.86	\$2.83
Passengers carried	67	65	67	63	67	63
Passenger cars	9.0	9.0	9.2	9.3	8.7	8.7
Average operating expenses per train mile	\$7.14	\$6.51	\$7.56	\$6.92	\$6.64	\$6.01
Average length of haul (Rev. Fr.) Miles	363	351	426	417	442	425
Average passenger journey Miles	106	97	94	84	128	118
Average tons per loaded freight car mile	30.5	28.8	30.0	28.7	31.8	29.6
Average freight receipt per revenue ton mile	1.355¢	1.379¢	1.341¢	1.368¢	1.310¢	1.334¢
Average passenger receipt per passenger per mile	2.865¢	2.796¢	2.944¢	2.809¢	2.823¢	2.812¢
Ratio of operating pay roll to operating revenues	51.6%	49.3%	56.2%	53.9%	50.2%	47.5%
Ratio of operating expenses to revenues	89.86%	86.90%	94.37%	91.05%	88.93%	85.51%

(1) Includes \$2,088,122 retroactive pay not shown in 1951 monthly reports (\$573,213 of which was earned in 1950).

(2) Includes \$2,086,272 retroactive pay not shown in 1951 monthly reports (\$572,999 of which was earned in 1950).

¢ Includes duplications.

X Includes gross express revenue.

12 months ended Dec. 31, 1951.

## CANADIAN NATIONAL SYSTEM

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(Steam Lines in Canada and United States)

For 12 months ended December 31, 1951

	1951	1950
<u>OPERATING REVENUES</u>		
Canadian Lines	\$ 547,435,721	\$ 478,872,047
United States Lines	77,398,399	74,959,534
Total	624,834,120	553,831,581
<u>OPERATING EXPENSES</u>		
Canadian Lines	516,622,759	436,022,347
United States Lines	63,527,462	57,974,732
Total	580,150,221	493,997,079
<u>NET OPERATING REVENUE</u>		
Canadian Lines	30,812,962	42,849,700
United States Lines	13,870,937	16,984,802
Total	44,683,899	59,834,502
<u>OPERATING INCOME</u>		
Canadian Lines	21,761,601	32,138,904
United States Lines	3,835,848	8,305,426
Total	25,597,449	40,444,330