

Other Revenues

Mail revenues increased by 12.8% to 10.5 million as the result of the payment of higher rates by the Post Office Department. In March 1957, the railways were granted an interim increase in Canadian mail rates of 7% retroactive to July 3, 1956, with a further advance of 4% retroactive to January 1, 1957.

OPERATING EXPENSES

Total railway operating expenses during 1957 amounted to \$734.6 million, an increase of \$31.3 million. The major factors were wage and material cost increases of \$31.8 million and higher depreciation charges.

Road maintenance expenses rose by \$13.4 million or 9.5% during 1957. About one-third of the increase was attributable to a bigger road maintenance program occasioned by main-line improvements in the Western Region.

Although the amount of work performed in equipment maintenance was somewhat less than in the previous year, expenses rose by \$19.7 million or 13.9%. The increase resulted from higher wage and material costs and additional depreciation charges, including a supplementary charge of \$7.5 million for steam locomotive depreciation.

Transportation expenses, after absorbing wage and material price increases of \$16.2 million, declined by \$3.8 million during 1957. This was the result of the lower traffic volume.