

\$39,000,000. For 1945-46 the operating deficit was \$1,036,000, as compared with a wartime peak operating surplus of \$1,447,000 in 1941-42. During the War, however, the capital outlay more than offset the operating surplus.

Railway Operating Revenues and Expenditures, Fiscal Years 1930-49

SOURCE: Newfoundland Services, Canadian National Railways.

Year Ended— ¹	Revenues	Expenditures	Surplus (+) Deficit (-)
	\$	\$	\$
1930.....	3,714,606	4,095,100	- 380,494
1931.....	3,187,158	3,896,766	- 709,608
1932.....	2,309,087	2,648,119	- 339,033
1933.....	2,208,566	2,422,898	- 214,332
1934.....	2,573,899	2,711,515	- 137,616
1935.....	2,694,961	2,737,725	- 42,764
1936.....	2,847,863	2,892,381	- 44,518
1937.....	3,024,248	2,993,312	+ 30,936
1938.....	3,503,560	3,577,385	- 73,824
1939.....	3,110,577	3,415,045	- 304,468
1940.....	3,512,186	3,602,168	- 89,982
1941.....	5,015,117	4,516,488	+ 498,630
1942.....	8,167,264	6,719,834	+ 1,447,430
1943.....	7,713,814	7,502,126	+ 211,688
1944.....	11,730,065	11,620,584	+ 109,481
1945.....	12,668,130	13,193,846	- 525,716
1946.....	11,140,417	12,176,037	- 1,035,624
1947.....	9,140,532	11,217,500	- 2,076,968
1948.....	9,680,604	11,651,018	- 1,970,414
1949 ²	8,727,000	9,915,000	- 1,188,000

¹For 1930-42 fiscal year ended June 30; for 1943 nine months ended Mar. 31; for 1944-49 fiscal year ended Mar. 31. ²Estimated in Newfoundland Government Estimates for 1948-49.

The annual railway payroll was about \$7,000,000. The estimated capital expenditure for 1948-49 was \$1,500,000. The estimated revenue for the same year was made up as follows: railway operations, \$5,725,000; steamer operations, \$1,832,000; dockyard operations, \$1,070,000; and Government general subsidy, \$100,000.

There are some inherent difficulties in the way of profitable operation. More than 700 miles of railway are needed to serve a scattered population and freight revenues have been low in proportion to mileage and required equipment. The winter climate of Newfoundland, as in much of Canada, creates operational difficulties. In recent years higher wage costs, improvement of rights of way, costs of maintenance and replacement of equipment have contributed to the financial burden.

Of the steamships operated by the Railway, seven are used to carry freight, mail and passengers on a scheduled coastal service which includes Labrador. In the summer ships call at every important coastal settlement. In winter virtually the whole coast, except the south and the Avalon Peninsula, is blocked by ice. This coastwise service is essential for coastal settlements remote from the Railway. The Railway also operates a steamship service between North Sydney and Port aux Basques, thus linking the Island's railway system with that of the mainland.