

14. Despite the freight rate increases described in this section, unit revenues for 1951 were 1.8% lower, on the average, than in 1950, the revenue per net ton-mile having fallen to 1.369 cents. The explanation is to be found in the changed composition of the traffic, the effect of rate increases having been swamped by relatively large increases in the volume of low-rated traffic.

15. The General Freight Rates Investigation, ordered under Order-in-Council P.C. 1487 of April 7, 1948, was continued during the year. This Investigation is in part concerned with the equalization of freight rates, a subject which has been reported upon by the Royal Commission on Transportation. A number of informal discussions were held throughout the year between the Board of Transport Commissioners, Railway representatives, and other interested parties, in addition to formal hearings in Ottawa on May 15th, September 10th, and January 10th, 1952. Further hearings have been scheduled by the Board for March 17th, 1952.

#### *Passenger Traffic*

16. Passenger revenues showed a 19% improvement over the previous year as a consequence of increased patronage, chiefly attributable to the large movement of immigrants and displaced persons into Canada. Increased tourist and party travel, together with military movements, also contributed to the total of 17.3 million passengers carried during the year. Total passenger miles rose by 14.5% partly because of an increase in the average passenger journey from 84 to 93 miles.

17. A modest amount of additional revenues resulted from various small increases in passenger fares. Certain increases in the minimum charges for sleeping and parlour car accommodations were also brought into effect during the year.

#### *Express Traffic*

18. Increased charges and a record number of express shipments contributed in roughly the same proportions to an increase in express revenues of almost 19%.

19. Increases were applied to special long distance and package rates on April 2, co-incident with a rise in parcel post rates, and on June 4 commodity rates on fish were increased upon authorization by the Board of Transport Commissioners.

20. The number of express shipments amounted to 23,154,755, representing an increase of more than 5% over the previous year.

#### *Communications Traffic*

21. Substantially increased patronage in both commercial message and private wire business was the principal cause of a 14% increase in gross revenues of the Communications Department. A contributing factor was the higher average revenue per message, in part reflecting an increase of approximately 18% on Canadian traffic authorized by the Board of Transport Commissioners and made effective on November 1.

#### OPERATING EXPENSES

22. The increased revenues described above were more than offset by higher operating expenses, which rose by 17.4% to a new peak. Higher wage rates were the most significant element in increased costs. Greater expenditures for maintenance and transportation incidental to the higher volume of business, together with increased prices of materials were important contributing factors.