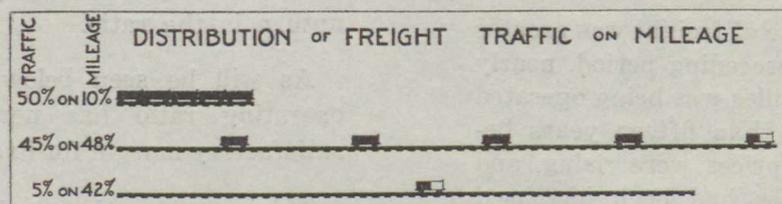


GOVERNMENTS AND PUBLIC UTILITIES

I. RAILWAYS. Chap. 2—Basic Facts.



What proportion of railway mileage in Canada has been carrying traffic enough to make it a reasonably economic proposition?

How have operating costs compared with operating revenues?

What has been the relation between net revenues and fixed charges?

These and other basic facts should be understood and kept clearly in mind in considering solutions.

The above diagram of traffic distribution is based on an analysis made for the Duff Commission.

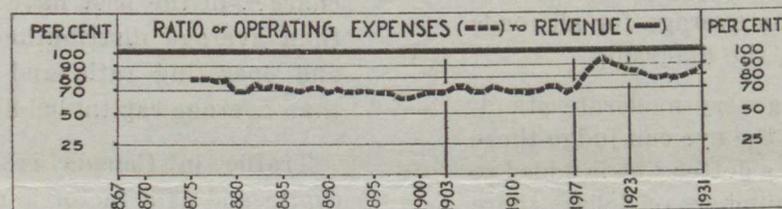
For 17,658 miles, or 41.97 per cent of the total mileage of all roads, there has been available only 4.76 per cent of the traffic, an absolutely uneconomic load.

A little over one-half, or 50.17 per cent of the whole traffic, was carried on 4,031 miles, or only 9.58 per cent of the mileage.

The remaining 48.45 per cent of the mileage, or 20,386 miles, handled 45.07 per cent of the traffic.

Putting relative densities of traffic in another way, for every 100 ton miles per mile of line on the heavy section, there were less than 18 ton miles on the medium and only a little over 2 ton miles on the light section.

That long mileage has been constructed in Canada out of proportion to the demands and development of traffic, is obviously one of the basic elements of the problem.



The operating ratio, a commonly applied index of efficiency, is the percentage of gross operating revenues absorbed by operating costs.

From 1875 to 1931 the yearly operating ratios of Canadian railways, looked at as a single system, are shown in the diagram.

In the first period, at least up to 1899, there was a steady tendency toward lower ratios, or more favorable operating results.

In the second period, 1903 to 1917, the average was a little less favorable and the period as a whole without definite trend.

It may be noted that the Railway Commission was established by Act of 1903, but to what extent its administrative regulation of rates and service has been a factor in subsequent developments cannot be examined here.

The third period, 1917 to 1923, was marked by a sharp rise in relative