

A. INTRODUCTION

1. The Railway Association of Canada welcomes the opportunity to cooperate with the Special Committee of the Senate on Manpower and Employment, in relation to the question of railway employment in Canada.

2. This brief will deal primarily with the changing size and composition of the railway work force and related matters. It seems desirable, however, at the outset to recognize that railway employment is but a part of total employment in the transportation industry and that changes in the railway work force reflect in part a redistribution of the work force in the transportation industry.

3. The importance of transportation to the national economy need not be underlined. The tremendous economic growth and industrial development of Canada could not have been achieved without efficient transportation and in fact, during the post-war period at least, the transportation industry's share of the Gross Domestic Product has remained relatively constant at about seven percent.

4. The railways, however, have not succeeded in retaining their share of the total transportation market. For instance in the 10-year period 1948 to 1958 the railways' share of all inter-city freight traffic, measured in revenue ton miles, dropped from 71 percent to 52 percent. During the same period pipelines grew from zero to 13 percent and road transport showed a very significant gain, increasing its share from 5 percent to 11 percent. This increase in ton miles handled by trucks was largely high revenue producing traffic and represented a substantial loss of potential earnings to the railway industry.

5. Freight traffic is, of course, the bread and butter of the railway industry and accounts for some 80 percent of all rail revenues. The balance of the revenue comes from passenger traffic, communications, express and other rail operations. The railways' share of passenger traffic, as with freight, has declined drastically—from 18 percent in 1948 to 6 percent in 1958. It should be noted here that the railways' chief competitor for passenger business is the private motor car which accounts for 85 percent of all inter-city passenger miles.

6. The magnitude of the railway industry is evidenced by the fact that in 1959 Canadian National and Canadian Pacific, with assets of \$6.3 billion, operated over some 40,000 miles of main track, employed some 190,000 employees and their combined annual revenues were \$1.2 billion.

7. Since Canadian National and Canadian Pacific constitute over 90 percent of the railway industry in Canada it was decided that manpower statistics for these two railways could be used for the purpose of this submission. In order to present the data in a meaningful and accurate manner without labouring the Committee with unnecessary detail, it was decided to combine Canadian National and Canadian Pacific statistics. In certain instances information is available for one railway only; but this does not invalidate the data because employment patterns, traffic and other phases of railway operation parallel each other to a great extent.

8. The period 1952 to 1959 was selected because the year 1952 was the first full year of the forty-hour week, and 1959 is the latest year for which complete data are available. There is sufficient spread of time in this period to show trends in railway employment as a result of major changes which have been taking place.

9. The analysis of employment undertaken in this brief relates to "railway" operations excluding hotels, communications, express and steamships, except where otherwise noted.