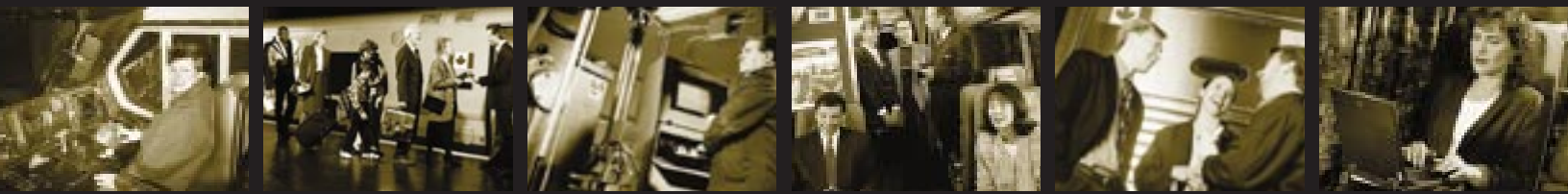




1 9 9 8 A N N U A L R E P O R T



Canada 

# VIA Rail Canada

- ▶ Canada's national passenger rail service – serving all regions of Canada from the Atlantic to the Pacific coasts, and from the Great Lakes to Hudson Bay.
- ▶ One of the safest, most efficient, most reliable and most environmentally responsible modes of transportation available.
- ▶ 451 trains weekly travelling to 450 Canadian communities.
- ▶ 3,000 employees and over 3.6 million passengers.
- ▶ Close to 900 million passenger miles on 14,000 kilometres of track.
- ▶ Important to Canada's economy, contributing about \$1.8 billion annually to Canada's gross domestic product.

## In Western Canada

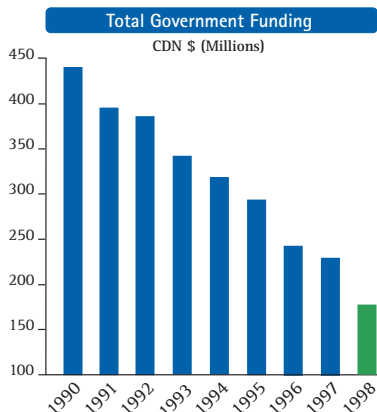
VIA's legendary Western transcontinental service caters mainly to domestic and foreign tourism markets. The *Canadian*, a long-distance train running thrice-weekly between Toronto and Vancouver, has been chosen as one of the top five "Great Journeys of the World" by *National Geographic*.

## In the Quebec City–Windsor Corridor

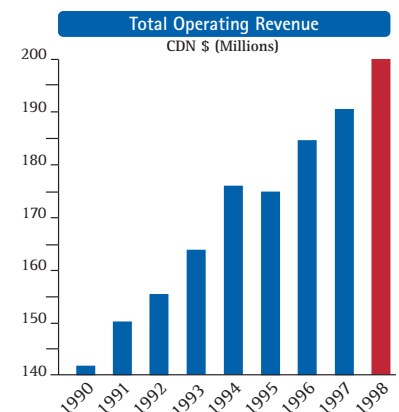
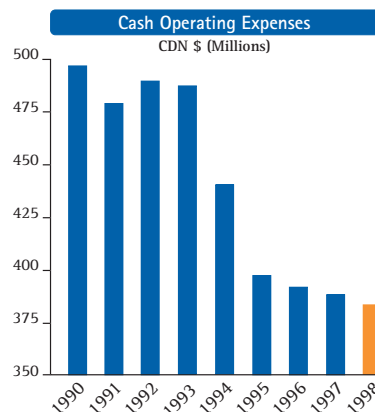
Our sleek, modern trains travel throughout the Quebec City–Windsor Corridor at speeds of over 160 km/h, providing intercity passengers with fast, convenient, comfortable and affordable service, downtown-to-downtown between Canada's largest business centres. *VIA 1* service offers first-class amenities, as well as a roomy, hassle-free environment allowing business travellers to work or relax.

## In Atlantic Canada

The *Ocean* runs six times a week between Montreal and Halifax, offering travellers first-class amenities with VIA's award-winning *Easterly* service. The *Chaleur* makes three trips each week through the scenic Gaspé Peninsula from Montreal to Gaspé.



Includes restructuring and capital expenditures



is:

## MANAGING THE BUSINESS OF PASSENGER RAIL

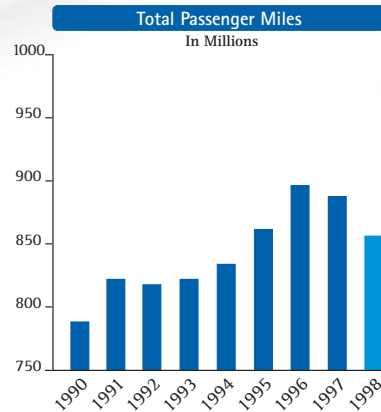
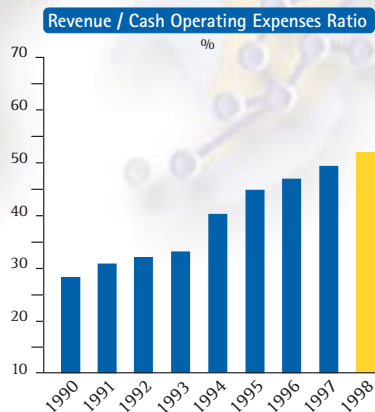
No passenger rail service in the world – indeed, no public, mass transportation service of any kind – operates without some form of government subsidy. However, VIA Rail Canada is determined to minimize the need for operating funding by reducing costs, and maximizing revenues.

### Since 1990, we have:

- ▶ Reduced administration costs by 66 percent.
- ▶ Cut operating costs by 22 percent.
- ▶ Increased revenues by 40 percent.
- ▶ Increased passenger-miles from 785 million to 856 million.
- ▶ Closed the gap between revenues and costs, achieving a 52 percent revenue to cost ratio – up from 29 percent in 1990.
- ▶ Reduced our annual government funding by \$263 million, a total reduction of 60 percent in eight years.

VIA achieved these results without sacrificing a single part of the passenger rail network, and without compromising quality of service.

In fact, VIA is operating more trains, at a higher level of quality, than at the beginning of the 1990s.



The Honourable  
David Collenette, P.C., M.P.  
Minister of Transport  
Ottawa

Dear Minister,

In accordance with the provisions of the *Financial Administration Act*, I am pleased to submit VIA Rail Canada Inc.'s annual report for the year ending December 31, 1998.

MARC LEFRANÇOIS  
Chairman of the Board

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