

5.—Capital Invested in Road and Equipment of Canadian Steam Railways, calendar years 1928-33.

Investment.	1928.	1929.	1930.	1931.	1932.	1933.
	\$	\$	\$	\$	\$	\$
New Lines—						
Road.....	30,003,540	37,210,328	24,397,606	20,761,545	3,175,095	195,729
Equipment.....	351,447	31,125	31,167	632	—	12,322
General.....	488,806	869,773	536,602	1,588,103	371,262	620
Totals.....	30,843,793	38,111,226	24,965,375	22,350,280	3,546,357	208,671
Additions and Betterments—						
Road.....	33,682,796	44,445,646	40,885,501	21,704,352	3,728,615	3,927,865
Equipment.....	11,432,446	59,240,026	32,839,021	19,113,108	Cr. 4,090,763	Cr. 3,930,692
General.....	2,659,759	3,210,802	3,380,533	1,916,857	117,254	17,921
Undistributed	Cr. 75,020	30,211	Cr. 48,662	69,754	Cr. 24,836	92,590
Totals.....	47,699,981	106,926,685	77,056,393	42,804,071	Cr. 269,730	107,684
Undistributed..	Cr. 12,454,178 ¹	Cr. 8,878,496 ²	Cr. 15,223,021 ³	Cr. 8,597,547 ⁴	977,301 ⁵	Cr. 103,494,638 ⁶
Totals, Investments, as at Dec. 31.....	3,184,873,644	3,321,033,059	3,407,831,806	3,464,388,610	3,468,642,538	3,365,464,255

¹Includes a credit of \$13,477,505 on account of Canadian National property transferred to Harbour Commissions of Halifax and Saint John.

²Includes difference between purchase price of Atlantic, Quebec and Western; Kent Northern; Quebec, Montreal and Southern; and Quebec Oriental Railways and investment reported in 1928—a credit of \$7,198,024; difference between valuation of Northern Alberta Railways and investment of Alberta and Great Waterways; Central Canada; Edmonton, Dunvegan and British Columbia; and Pembina Valley Railways as at June 30, 1929—a credit of \$5,639,429; a credit of \$1,869,859 for the Hereford Railway which ceased operation; and additions and betterments to separately operated properties and other undistributed items amounting to a debit of \$5,828,816.

³Credit of \$18,180,692 for Canadian Northern and Grand Trunk Pacific rails lifted during the War for use in France and other lines dismantled after consolidation of the Canadian National system.

⁴Includes a credit of \$6,928,410 due to balance sheet transfers, and a credit of \$1,359,261 for additions and betterments to separately operated properties of Canadian National Railways and miscellaneous credits amounting to \$309,876.

⁵Includes \$2,900,000 due to balance sheet transfers, a credit of \$179,805 for additions and betterments to separately operated properties of the Canadian National Railways and a credit of \$1,742,894 due to adjustments in investment in leased lines of the Canadian Pacific Railway.

⁶Includes a credit of \$1,792,204 due to balance sheet transfers of the Canadian National Railways; a credit of \$139,806 due to balance sheet transfers and a credit of \$40,295 for additions and betterments to its separately operated properties, also a debit of \$14,893,870 covering investments of its leased lines not shown in previous years; a credit of \$84,376,267 due to adjustments of expenditures of the Canadian Pacific Railway to Dec. 31, 1932, largely investments in hotels and office buildings previously carried as railway investment, and a debit of \$2,000 due to correction of expenditures for its leased and acquired lines; a credit of \$32,445,146 due to adjustments in investments of the Pacific Great Eastern Railway and a debit of \$413,210 for the Winnipeg River Railway not previously shown.

Summary of Traffic Statistics.—A summary of freight and passenger traffic statistics and of the ratio of operating expenses to gross earnings, continuing a series which has been compiled since 1875, will be found for recent years in Table 6. This table, however, has the defect that its figures of passengers and freight carried are not comparable throughout but have been reduced as a result of the consolidation of railways. Better tests of the real volume of passenger and freight traffic are supplied in Table 9 of this chapter under the headings "Passengers carried one mile" and "Freight carried one mile". These records, commencing in 1915, show that the maximum volume of passenger traffic was reached in the calendar year 1919 and the maximum volume of freight traffic in 1928. Both freight and passenger traffic, especially the latter, have in recent years been affected by the increase in the use of motor vehicles. This traffic decrease has been much aggravated since 1929 by the general decline in commercial activity.

The statistics of gross earnings and operating expenses illustrate the difficulties confronting our railways in recent years. Before the War it was generally held that, on account of the enormous initial investment required in roadbed and equipment, a railway's operating expenses should not exceed about two-thirds or 70 p.c. of its