

gross earnings, the remainder being required to meet interest on capital invested, whether represented by stocks or bonds, as well as to provide for necessary improvements. The ratio of operating expenses to gross earnings is called the operating ratio, and in 1913 the Canadian operating ratio was 70.90 p.c. The new conditions of the war period, especially the higher cost of labour and of fuel, increased the operating ratio, in spite of advances in freight and passenger rates, until in 1920 it reached 97.18 p.c. By 1928 the operating ratio had declined to 78.53 p.c. but it rose to 89.53 in 1931 and decreased to 87.48 in 1932 and to 86.26 p.c. in 1933. Although operating revenues for 1933 were lower than in 1932 on account of the decreases in both freight and passenger traffic, the net operating revenues increased by \$423,128.

In Table 7 will be found an analysis of the distribution of the operating expenses of steam railways for the latest four years. The earnings and operating expenses per mile of line and per train-mile are analysed in Table 8.

6.—Summary of Steam Railway Statistics of Freight and Passenger Traffic, and Ratio of Expenses to Earnings, years ended June 30, 1911-19, and calendar years 1919-33.

NOTE.—These statistics were published for the years 1875-1910 on p. 434 of the 1916-17 Year Book, and for 1901-25 on p. 591 of the 1926 Year Book.

Year.	Miles in Operation.	Total Train-Miles.	Passengers Carried. ¹	Freight Carried. ¹	Gross Earnings.	Operating Expenses.	Ratio of Expenses to Receipts.
	No.	No.	No.	tons.	\$	\$	p.c.
1911 (June 30).....	25,400	89,716,533	37,097,718	79,884,282	188,733,494	131,034,785	69.43
1912 (").....	26,727	100,930,271	41,124,181	89,444,331	219,403,753	150,726,540	68.70
1913 (").....	29,304	113,437,208	46,185,968	106,992,710	256,702,703	182,011,690	70.90
1914 (").....	30,795	107,895,272	46,702,280	101,393,989	243,083,539	178,975,259	73.63
1915 (").....	35,582	93,218,479	46,322,035	87,204,838	199,843,072	147,731,099	73.92
1916 (").....	37,434	111,075,890	43,503,459	100,659,088	261,888,654	180,542,259	68.94
1917 (").....	38,604	115,797,100	48,106,530	121,916,272	310,771,479	222,890,637	71.72
1918 (").....	38,484	109,857,560	44,948,638	127,543,687	330,220,150	273,955,436	82.96
1919 (").....	38,501	103,832,835	43,754,194	116,699,572	382,976,901	341,866,509	89.27
1919 (Dec. 31).....	38,663	107,053,735	47,940,456	111,487,780	408,598,361	376,789,093	92.26
1920 (").....	38,976	117,384,819	51,318,422	127,429,154	492,101,104	478,248,154	97.18
1921 (").....	39,363	104,652,167	46,793,251	103,131,132	458,008,891	422,581,205	92.25
1922 (").....	39,360	107,625,144	44,383,620	108,536,518	440,687,128	393,927,406	89.39
1923 (").....	39,656	113,907,613	44,834,337	118,289,604	478,338,047	413,862,818	86.52
1924 (").....	40,061	110,032,845	42,921,809	106,429,355	445,923,877	328,483,908	85.77
1925 (").....	40,352	109,289,865	41,458,084	109,850,925	455,297,288	372,149,656	81.70
1926 (").....	40,352	113,538,876	42,686,166	122,476,822	493,599,754	389,503,452	78.91
1927 (").....	40,572	116,895,751	41,840,550	125,967,439	499,064,207	407,646,280	81.68
1928 (").....	41,024	125,034,253	40,592,792	141,230,026	563,732,260	442,701,270	78.53
1929 (").....	41,382 ²	117,645,670	39,070,843	137,855,151	534,106,045	433,077,113	81.08
1930 (").....	42,049 ²	107,620,076	34,698,767	115,229,511	454,231,650	380,723,411	83.86
1931 (").....	42,282 ²	93,443,731	26,396,812	85,993,206	358,549,382	321,025,588	89.53
1932 (").....	42,411	81,291,028	21,099,582	67,722,105	293,390,415	256,668,375	87.48
1933 (").....	42,338	73,938,707	19,172,193	63,634,893	270,278,276	233,133,108	86.26

¹Duplications included. See also Table 9. ²Revised since publication of the 1933 Year Book.

7.—Distribution of Operating Expenses of Steam Railways, calendar years 1930-33

Item of Expenditure.	1930.		1931.		1932.		1933.	
	\$	p.c.	\$	p.c.	\$	p.c.	\$	p.c.
Way and structures.....	78,035,587	20.50	66,109,521	20.59	50,527,939	19.69	48,226,441	20.69
Equipment.....	82,123,281	21.57	65,132,979	20.29	49,583,336	19.32	47,962,504	20.57
Traffic expenses.....	18,942,728	4.97	17,559,744	5.47	13,233,968	5.15	11,814,750	5.07
Transportation.....	183,813,325	48.28	156,468,783	48.74	129,148,955	50.32	112,329,273	48.18
General and misc. expenses	17,808,490	4.68	15,754,561	4.91	14,174,177	5.52	12,800,140	5.49
Totals.....	380,723,411	100.00	321,025,588	100.00	256,668,375	100.00	233,133,108	100.00