

12.—Cash Subsidies Granted to Railways to Dec. 31, 1939, by Railways

Railway	Granted by—			Total
	Dominion	Provinces	Municipalities	
	\$	\$	\$	\$
Canadian National Railways.....	64,403,853 ¹	16,677,208	7,393,866	88,474,927
Canadian Pacific Railway.....	25,000,000	937,657	464,761	26,402,418
Branch lines.....	5,089,509	Nil	Nil	5,089,509
Lines turned over to C.P.—cost to Government.....	35,234,310	"	"	36,234,310
North Shore Railway (Dominion subsidy).....	1,500,000	"	"	1,500,000
Paid to Quebec Province for North Shore.....	2,394,000	"	"	2,394,000
Loan repaid by return of land grants (6,793,014 acres).....	10,189,521	"	"	10,189,521
Acquired lines.....	11,091,608	9,054,945	2,527,150	22,673,703
Leased lines—lease based on—				
Interest on bonds or dividends on stock.....	7,488,367	4,224,388	1,545,246	13,258,001
Fixed rental.....	20,224	24,102	Nil	44,326
Gross earnings.....	853,445	346,500	73,000	1,272,945
Totals, Canadian Pacific Railway System.....	99,860,984	14,587,592	4,610,157	119,058,733
Other railways.....	7,935,386	2,126,869	1,297,668	11,359,923
Totals, All Railways.....	172,200,223	33,391,669	13,301,691	218,893,583

¹ Includes \$15,143,633 loan to Grand Trunk.

During the era of railway expansion before the War of 1914-18, Provincial Governments guaranteed the bonds of some railway lines that afterwards were incorporated in the Canadian National Railways. As these bonds mature they are paid off by the Canadian National Railways in large measure through funds raised by the issue of new bonds with Dominion Government guarantee. In this manner bonds guaranteed by the Governments of Ontario, Manitoba and Saskatchewan have been eliminated in recent years.

13.—Railway Bonds Guaranteed by Dominion and Provincial Governments, as at Dec. 31, 1939

Government	Canadian National	Canadian Pacific	Other Railways	Total
	\$	\$	\$	\$
Provincial Governments—				
New Brunswick.....	2,727,977	620,000	Nil	3,347,977
Alberta.....	10,377,762	Nil	"	10,377,762
British Columbia.....	25,026,001	"	20,160,000	45,186,001
Totals, Provincial Governments.....	38,131,740	620,000	20,160,000	58,911,740
Dominion Government.....	837,708,753 ¹	Nil	Nil	837,708,753 ¹
Grand Totals.....	875,840,493¹	620,000	20,160,000	896,620,493¹

¹ Does not include \$216,207,142 perpetual debenture stock and guaranteed stock of the former Grand Trunk Railway, now part of the Canadian National System, on which interest and dividends are guaranteed by the Dominion Government.

FINANCIAL STATISTICS OF GOVERNMENT-OWNED RAILWAYS

A description of the origin and growth of government-owned railways in Canada is given at pp. 601-603 of the 1926 Year Book. This article describes their consolidation under the Canadian National Railways in 1923. The Hudson Bay Railway is a direct liability of the Dominion Government and has been operated by the Canadian National for the Government since Apr. 1, 1935, but is not included in the data for Canadian National Railways. To Mar. 31, 1940, the total cost of