

8.—Railway Bonds Guaranteed by Dominion and Provincial Governments, as at Dec. 31, 1941 and 1942—concluded

Government	Canadian National	Canadian Pacific	Other Railways	Total
	\$	\$	\$	\$
1942				
Provincial Governments—				
New Brunswick.....	658,919	Nil	465,000	1,123,919
Alberta.....	1,732,296	"	2,420,000	4,152,296
British Columbia.....	2,326,607	"	Nil	2,326,607
Totals, Provincial Governments.....	4,717,822	-	2,885,000	7,602,822
Dominion Government.....	731,198,500 ¹	Nil	Nil	731,198,500 ¹
Grand Totals.....	735,916,322¹		2,885,000	738,801,322¹

¹ Does not include \$104,761,010 in 1941 and \$10,697,936 in 1942 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, 1943, the total cost of this railway was \$33,536,177, exclusive of the expenditure of \$6,274,150 on the terminal at Nelson and a loss of \$2,237,685 on operation. The operating surplus for the fiscal year 1942-43 was \$112,121.

The major portion of Dominion Government investments in railways consists of construction costs of the Intercolonial system, the National Transcontinental Railway and the Hudson Bay Railway, and the purchase price of small railways in the eastern provinces. The terminals at Churchill consisting of a grain elevator, a warehouse and docks have been transferred to the National Harbours Board and the investment removed from the railway account. Loans and advances to the Canadian National Railways for payment of operating deficits were charged to the Consolidated Revenue Account of the Dominion and also cleared from the railway account and other adjustments were made under the Canadian National Railways Capital Revision Act, 1937.

In addition to these expenditures the Dominion Government has made loans to the Canadian National and Canadian Pacific Railway companies for capital purposes, for special works programs and for equipment leased to the railways; the amounts outstanding on Dec. 31, 1942, were: Canadian National Railways, \$26,346,206; Canadian Pacific Railway, \$12,238,154; total \$38,584,360.