

3.—Capital Liability¹ of Steam Railways, 1926-45

NOTE.—Figures for the years 1876 to 1925, inclusive, are given at p. 649 of the 1927-28 Year Book.

Year	Stocks	Funded Debt	Total	Year	Stocks	Funded Debt	Total
	\$	\$	\$		\$	\$	\$
1926....	1,361,758,426	2,144,999,621	3,506,758,047	1936..	1,425,193,791	3,062,411,720	4,487,605,511
1927....	1,330,215,248	2,252,256,367	3,582,471,615	1937..	1,839,619,361	1,534,450,789	3,374,070,150
1928....	1,357,017,703	2,306,554,996	3,663,572,699	1938..	1,836,882,650	1,568,269,672	3,405,152,322
1929....	1,405,622,070	2,497,054,907	3,902,676,977	1939..	1,834,329,209	1,533,373,521	3,367,702,730
1930....	1,431,324,003	2,595,145,308	4,026,469,311	1940..	1,762,473,489	1,617,561,683	3,380,035,172
1931....	1,438,050,759	2,793,971,329	4,232,022,088	1941..	1,697,545,699	1,699,942,865	3,397,488,564
1932....	1,437,489,430	2,934,182,332	4,371,671,762	1942..	1,578,254,765	1,793,579,270	3,371,834,035
1933....	1,438,534,552	2,951,690,468	4,390,525,020	1943..	1,614,936,131	1,741,664,036	3,356,600,167
1934....	1,437,334,152	2,966,505,594	4,403,839,746	1944..	1,636,064,822	1,707,801,676	3,343,866,498
1935....	1,433,849,530	3,026,414,779	4,460,264,309	1945..	1,672,959,689	1,817,720,939	3,490,680,628

¹ Does not include Canadian railway capital owned by Canadian railways.

Capital Investment.—The capital structure of the Canadian National Railways, changed by the Capital Revision Act, 1937, was reduced by \$262,770,972 (see p. 644 of the 1939 Year Book). The excess of capital liability as shown in Table 3 over the investments in road and equipment shown in Table 4 is accounted for by loans and advances from the Government to cover deficits of the Canadian National Railways and by the fact that some railway stock issues represented little actual investment in physical property. The investment account in recent years has been affected by write-offs for lines abandoned, transfers of property to other Government Departments, etc.

4.—Capital Invested in Road and Equipment of Steam Railways, 1940-45

Investment	1940	1941	1942	1943 ¹	1944 ¹	1945
	\$	\$	\$	\$	\$	\$
New Lines—						
Road.....	1,182	Cr. 422,363	74,972	71,838	Cr. 4,452	2,793,751
Equipment.....	Cr. 3,500	—	—	7,935	Cr. 35,570	85,985
General.....	7	3,776	—	1,688	252	—
Totals.....	Cr. 2,311	Cr. 412,587	74,972	81,461	Cr. 39,770	2,879,736
Additions and Betterments—						
Road.....	6,659,074	8,786,600	46,537,589 ²	Cr. 8,895,492	11,147,925	3,224,843
Equipment.....	66,340,262	9,566,002	19,603,725	28,214,476	44,239,856	20,581,957
General.....	92,195	Cr. 17,112	Cr. 89	418,705	2,081	Cr. 24,644
Undistributed.	Cr. 17,056	Cr. 265,260	Cr. 11,917	—	—	450
Totals.....	73,074,478	18,070,230	66,129,308	19,737,689	55,389,866	23,782,606
Undistributed ³ .	Cr. 9,437,903	Cr. 10,004,302	Cr. 5,878,078	Cr. 4,776,307	1,332,965	Cr. 3,194,164
Totals, Investments as at Dec. 31.....	3,159,573,547	3,167,220,888	3,227,547,090	3,242,589,933	3,299,272,994	3,322,741,172

¹ Most of the figures for 1943 and 1944 have been revised since the publication of the 1946 Year Book.² Includes \$74,728,521 transferred to depreciation reserve and a credit of \$34,534,220 transferred to premium on capital and debenture stocks.³ Details of this item are given in the annual report "Statistics of Steam Railways of Canada" issued by Transportation and Public Utilities Division of the Bureau of Statistics.

Earnings and Expenses.—The operating ratio, or ratio of expenses to revenues, of Canadian railways increased from around 70 p.c. to above 90 p.c. between 1917-20, and remained high thereafter. The United States Government