

Capital Liability.—The great increase after 1922 in the capital liability of the steam railways of Canada is due to the inclusion of all Government loans to railways and investment in road and equipment of Government railways as part of the capital liability of the railways. The reduction after 1937, brought about by the Canadian National Capital Revision Act (c. 22, 1937), is explained at p. 644 of the 1939 Year Book.

3.—Capital Liability¹ of Steam Railways, 1927-46

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
	\$	\$	\$		\$	\$	\$
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...	1,438,834,552	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...	1,631,973,055	1,701,786,899	3,333,759,954
1936...	1,425,193,791	3,062,411,720	4,487,605,511	1946...	1,624,753,709	1,665,844,138	3,290,597,847

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

Capital Investment.—The reduction in capital liability during 1946 as shown in Table 3 compared with an increase in investments in road and equipment in Table 4 reflects the improved net income earned during the war years. The two major railways showed a net reduction of over \$41,000,000 and the Canadian National purchased the Manitoba Railway, thus retiring stocks and bonds carried by it at \$7,000,000. The investment account in recent years has also 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, 1941-46

Investment	1941	1942	1943	1944	1945	1946
	\$	\$	\$	\$	\$	\$
New Lines—						
Road.....	Cr. 422,363	74,972	71,838	Cr. 4,452	2,793,751	3,376,385
Equipment....	—	—	7,935	Cr. 35,570	85,985	136,196
General.....	3,776	—	1,688	252	—	—
Totals.....	Cr. 418,587	74,972	81,461	Cr. 39,770	2,879,736	3,512,581
Additions and Betterments—						
Road.....	8,786,600	46,537,589 ¹	Cr. 8,895,492	11,147,929	3,224,843	20,639,010
Equipment....	9,566,002	19,603,725	28,214,476	44,239,856	20,581,957	14,582,489
General.....	Cr. 17,112	Cr. 89	418,705	2,081	Cr. 24,644	123,029
Undistributed.	Cr. 265,260	Cr. 11,917	—	—	450	Cr. 2,072
Totals.....	18,070,230	66,129,308	19,737,689	55,389,866	23,782,606	35,342,456
Undistributed ² ..	Cr. 10,004,302	Cr. 5,878,078	Cr. 4,776,307	1,332,965	Cr. 3,194,164	Cr. 5,883,298
Totals, Investments as at Dec. 31.....	3,167,220,888	3,227,547,090	3,242,589,933	3,299,272,994	3,322,741,172	3,355,712,911

¹ Includes \$74,728,521 transferred to depreciation reserve and a credit of \$34,534,220 transferred to premium on capital and debenture stocks. ² 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.