

3.—Capital Liability<sup>1</sup> of Steam Railways, 1929-48

NOTE.—Figures for the years 1876 to 1925, inclusive, are given at p. 649 of the 1927-28 Year Book and those for 1926-28 at p. 662 of the 1947 edition.

Year	Stocks	Funded Debt	Total	Year	Stocks	Funded Debt	Total
	\$	\$	\$		\$	\$	\$
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
1937...	1,839,619,361	1,534,450,789	3,374,070,150	1947...	1,623,607,219	1,685,010,672	3,308,617,891
1938...	1,836,882,650	1,568,269,672	3,405,152,322	1948...	1,578,057,474	1,672,282,030	3,250,339,504

<sup>1</sup> Does not include Canadian railway capital owned by Canadian railways.

**Capital Investment.**—The decrease in capital liability during 1948 of \$58,278,387 from 1947 as shown in Table 3 compares with an increase in investments in road and equipment of \$188,038,856 as shown in Table 4 and reflects improvements made during the year. The investment account in recent years has been affected by write-offs for lines abandoned, transfers of property to other Government Departments, etc., as well as by higher gains in earnings during the war years.

## 4.—Capital Invested in Road and Equipment of Steam Railways, 1943-48

Investment	1943	1944	1945	1946	1947	1948
	\$	\$	\$	\$	\$	\$
New Lines—						
Road.....	71,838	Cr. 4,452	2,793,751	3,376,385	1,071,411	1,415,132
Equipment.....	7,935	Cr. 35,570	85,985	136,196	465,476	66,694
General.....	1,688	252	—	—	—	—
Totals.....	81,461	Cr. 39,770	2,879,736	3,512,581	1,536,887	1,481,826
Additions and Betterments—						
Road.....	Cr. 8,895,492	11,147,929	3,224,843	20,639,010	14,774,509	21,725,599
Equipment.....	28,214,476	44,239,856	20,581,957	14,582,489	39,848,412	85,736,595
General.....	418,705	2,081	Cr. 24,644	123,029	48,404	Cr. 59,433
Undistributed.	—	—	450	Cr. 2,072	Cr. 450	Cr. 2,984
Totals.....	19,737,689	55,389,866	23,782,606	35,342,456	54,670,875	107,399,727
Undistributed <sup>1</sup> .	Cr. 4,776,307	1,332,965	Cr. 3,194,164	Cr. 5,883,298	Cr. 871,376	79,157,303
<b>Totals, Investments as at Dec. 31.....</b>	<b>3,242,589,933</b>	<b>3,299,272,994</b>	<b>3,322,741,172</b>	<b>3,355,712,911</b>	<b>3,411,979,297</b>	<b>3,600,018,153</b>

<sup>1</sup> Details of this item are given in the annual report "Statistics of Steam Railways of Canada" issued by the Transportation Division of the Dominion 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 over 90 p.c. between 1917 and 1920, and remained high thereafter. The United States Government took over the operation of the United States railways and increased the rates of pay of the railway employees when that country entered the First World War. The Canadian railways were also obliged to make corresponding increases and these have been the chief factor in increased operating ratio. Declining revenues without corresponding