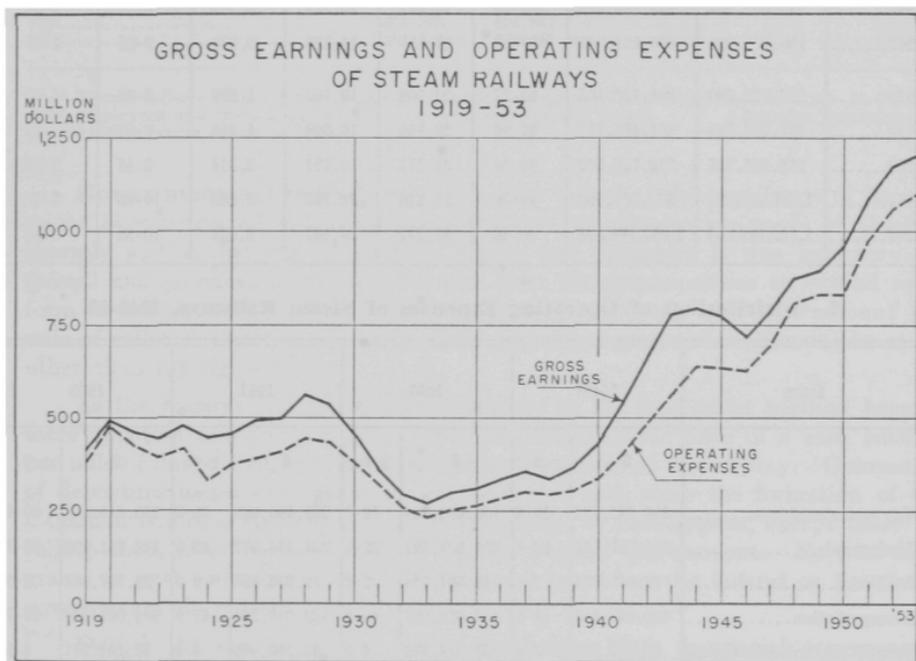


4.—Capital Invested in Road and Equipment of Steam Railways, 1948-52—concluded

Investment	1948	1949	1950	1951	1952
	\$	\$	\$	\$	\$
Additions and Betterments—					
Road.....	21,725,599	25,643,350	25,523,673	42,260,214	42,243,299
Equipment.....	85,736,595	75,393,226	52,666,164	107,478,591	128,696,815
General.....	Cr. 59,483	Cr. 7,175	54,058	Cr. 70,318	70,585
Undistributed.....	Cr. 2,984	Cr. 3,494	3,399	Cr. 2,381	Cr. 2,539
Totals.....	107,399,727	101,025,907	78,247,294	149,666,106	171,008,160
Undistributed ¹	79,157,303	261,234	Cr. 2,645,822	Cr.1,318,920	Cr. 37,797
Totals, Investment as at Dec. 31.....	3,600,018,153	3,702,767,675	3,784,704,946	3,940,959,867	4,123,433,559

¹ Details of this item are given in DBS annual report, *Statistics of Steam Railways of Canada*.



Earnings and Expenses.—The operating ratio, or ratio of expenditure to revenue, of Canadian railways increased from about 70 p.c. to over 95 p.c. between 1917 and 1920 and remained high thereafter, owing largely to declining revenue without corresponding reductions in expenses during the depression period. The period from 1938 to 1943 showed a sharp decline in this ratio, caused primarily by increased freight traffic occasioned by World War II and a subsequent acceleration in gross earnings. A steadily rising trend since 1943 has been attributed to higher costs for materials and labour, although a decided reversal was shown for 1950 despite the nine-day strike in late August. Expenses for 1952, accounted for mainly by wage increases, show a considerable increase over the previous year.