

## CAPITAL INVESTMENTS IN CANADA

—IX.—

### BRITISH CAPITAL AND CANADIAN RAILROADS

By Fred. W. Field.

Canada owes much to the British investor, if only because he has almost entirely financed its extensive railroad system. Before analyzing loans raised for this purpose, a few statistics respecting the growth of Canadian railroads will be of interest. In 1836, there were only 16 miles in operation. In 1867, the year of confederation, 2,278 miles were being operated. In 1884, for the first time the mileage exceeded 10,000; to be exact, 10,273. In 1910, the mileage had increased to 24,731, and during the present year railroad construction is very active. The following table shows the distribution of railroad mileage by provinces:—

	Miles.
Ontario .....	8,230.25
Quebec .....	3,794.94
Manitoba .....	3,220.62
Saskatchewan .....	2,931.90
Alberta .....	1,488.42
British Columbia .....	1,832.28
New Brunswick .....	1,521.65
Nova Scotia .....	1,350.56
Prince Edward Island .....	269.33
Yukon .....	90.91
Total .....	24,730.86

The mileage during the next few years will probably show large increases in Northern Ontario, Saskatchewan, Alberta and British Columbia particularly. The total of outstanding railroad obligations in 1910 was \$1,410,297,687. Mr. A. W. Campbell, the Deputy Minister of the Department of Railways and Canals, Ottawa, has made an earnest effort to ascertain what deduction should be made from the total capital liability of Canadian railways. He has allowed for many special conditions, such as government subsidies, extinct stock and bond obligations, absorption of small railroads, railroads in stages of construction, etc. He has fixed the amount at \$226,298,988. When this is subtracted from the \$1,410,297,687 given above, the aggregate capital liability is reduced to \$1,183,998,699.

#### Capital Liability Per Mile.

There are in the Dominion 2,043.84 miles of government owned and operated railway, against which neither stocks nor bonds are outstanding. There are also 75.36 additional miles of line to which no capital liability is attached. These two items make a total of 2,119.20 miles, which should be deducted, for the purpose of the present calculation, from the 24,731 given as the total railway mileage. Dividing 22,612 miles of railway into a total capitalization of \$1,183,998,699 we have \$52,361 as the quotient. That is the actual outstanding capital liability per mile against railways in Canada.

Only 7 per cent. of Canadian railroads are owned by the Government. Canada has the largest railway mileage in the world in proportion to its population, and its railroad mileage has increased in forty years from 2,617 to 24,731 miles, or 845 per cent.

Compared with European countries, Canada is third in the list in the matter of railway mileage increase during the past fifty years, with a percentage gain of 1,132.

#### Six Years' Heavy Borrowing.

The following is a summarized statement of Canadian railroad borrowing for the past six years and four months, ended April, 1911:—

Railway.	Amount.
Grand Trunk Pacific .....	£17,900,000
Grand Trunk Pacific Branch Lines Co. ....	1,270,500

Canadian Northern .....	12,742,784
Canadian Northern Ontario .....	1,593,569
Canadian Pacific .....	10,857,200
British Columbia Electric .....	3,615,000
Grand Trunk .....	3,348,400
Alberta and Great Waterways .....	1,520,550
Canada Atlantic .....	1,025,000
Duluth, Winnipeg and Pacific .....	950,000
Nova Scotia Eastern .....	940,000
Atlantic, Quebec and Western .....	925,000
Algoma Central and Hudson Bay .....	770,000
Wisconsin .....	514,403
Winnipeg Electric .....	300,000
Montreal Street .....	460,000
Central Ontario .....	200,000
Dawson, Grand Forks and Stewart .....	125,000
Central Counties .....	97,500
Temiscouata .....	50,000
	£59,204,906

#### Grand Trunk Pacific and Canadian Northern.

In railroad borrowing, one of Canada's new Transcontinentals, the Grand Trunk Pacific, is the heaviest debtor with £17,900,000. Adding to this the £1,270,500 obtained for its branch lines, there is a total for that road of £19,170,500, or almost one-third of the aggregate railroad borrowing of Canada in the past six years.

The Canadian Northern, which will also have a transcontinental road in a few years, is not far behind its rival, for it has obtained in London £12,742,784. To this should be added its Ontario lines, which have borrowed £1,593,569, giving the Canadian Northern a total of £14,336,353, about one-quarter of the aggregate railroad loans. These two roads together have obtained overseas £33,506,853 of a total of £59,204,906. Three electric railways, the Winnipeg, the Montreal and the British Columbia, borrowed in the six years £4,375,000, the British Columbia electric having had £3,615,000 of that amount, The Canadian Pacific's loans are chiefly represented by new stock issues.

The following are the details of the railroad flotations in London, by years:—

1905.	
Canadian Northern Ry. ....	£ 600,000
Grand Trunk Pacific Ry. ....	3,004,000
Canadian Northern Ry. ....	1,923,287
Grand Trunk Pacific Ry. ....	3,200,000
Canada Atlantic Railway Co. ....	1,025,000
Nova Scotia Eastern Ry. ....	940,000
Canadian Northern Ry. ....	1,240,000
British Columbia Electric Ry. ....	185,000
	£12,117,287
1906.	
Dawson, Grand Forks and Stewart Ry. ....	£ 125,000
Grand Trunk Ry. ....	1,000,000
Atlantic, Quebec and Western Ry. ....	750,000
Temiscouata Ry. ....	50,000
Canadian Northern Ry. ....	1,000,000
	£2,925,000
1907.	
Grand Trunk Pacific Ry. ....	£1,000,000
British Columbia Electric Ry. ....	300,000
Canadian Northern Ontario Ry. ....	793,569
British Columbia Electric Ry. ....	100,000
Canadian Pacific Ry. ....	4,857,200
	£7,050,769
1908.	
Grand Trunk Pacific Ry. ....	£1,000,000
Grand Trunk Ry. ....	1,000,000
Montreal Street Ry. ....	460,000
Grand Trunk Pacific Ry. ....	2,000,000
Canadian Northern Ry. ....	2,000,000
British Columbia Electric Ry. ....	200,000
Canadian Northern Ry. ....	1,027,400
Grand Trunk Ry. ....	598,400
British Columbia Electric Ry. ....	500,000
Central Ontario Ry. ....	200,000
	£8,985,800
1909.	
Grand Trunk Pacific Ry. ....	£1,000,000
Winnipeg Electric Ry. ....	300,000
Grand Trunk Pacific .....	1,000,000