I. RAILWAYS. Chap. I.—Aid Granted by Dominion

CASH & GUARANTEES
BY DOMINION
TO ALL CANADIAN RAILWAYS
BY PERIODS
in relation to mileage and population
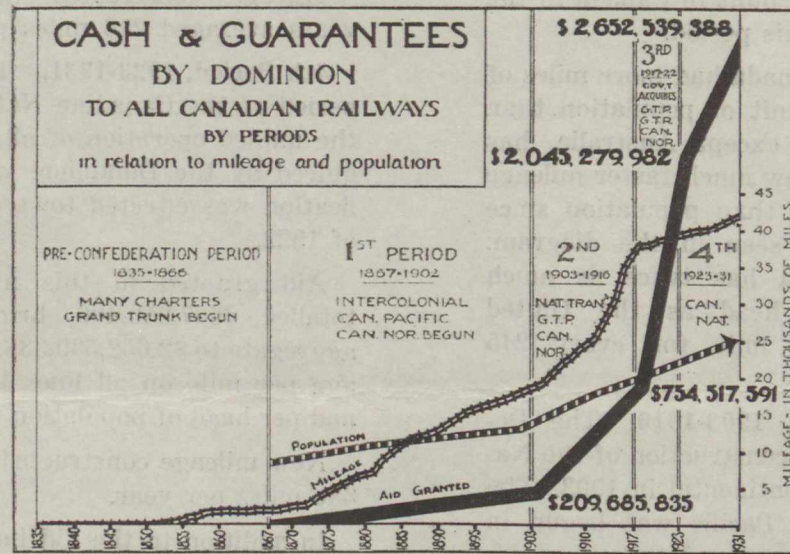
The financing of public utilities, either by grants in aid of private corporations, or by direct government undertaking, with direct or indirect government management, has been a very important factor in the increase of government expenditures and liabilities.

Altogether the largest public investment in utilities has been that in Railways by the Dominion Government.

In subsidies, grants, loans and guarantees the aggregate to December, 1931, had reached the huge total of $2,652,539,388. In addition there had been Dominion grants of land of 31,781,842 acres.

By comparison, the total direct cost to Canada of the World War and demobilization was only $1,695,729,891, or only 64 per cent of the total railway aid. Since 1914, and in good part simultaneously with war expenditures, Canada has financed Railways to the extent of over 2 billion dollars. This has been like financing two world wars at the same time.

The total aid and the periods in which money and credit were granted,

as set forth in the very valuable historical and statistical material in the report of the Duff Commission, are indicated in the above diagram.

Prior to Confederation railway construction had begun in Canada, with 16 miles completed in 1836. Work was started on the Grand Trunk in 1852. By 1867 Canada had 2,278 miles of railway. Aid was granted by provinces and municipalities during this period.

1st Period after Confederation, 1867-1902. To fulfil Confederation contracts, the Dominion took over and connected up certain lines begun in Nova Scotia and New Brunswick, assuming a cost of some $13,881,461, and extended the Intercolonial to Levis by 1876, built the Prince Edward Railway by 1875 and secured construction of the Canadian Pacific by 1885. The beginning of the Canadian Northern System was in 1895.

During this period, aid to all railways, exclusive of land, totalled $209,685,835, representing an average on all mileage in Canada of