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JAS. J. SALMOND
Managing Director

FRED, W. FIELD
Managing Editor

A. E. JENNINGS
Advertising Manager

Canada's Railroad Debt of Billion Dollars

CAPITAL liability per mile varies as much as climate does—How the roads have financed operations from period when sixteen miles was total in the Dominion to period of transcontinentals.

FOR all kinds of railroad facilities, publicly or privately operated, and ranging from the track somewhat carelessly slapped down upon the prairie to the carefully constructed National Transcontinental, Canada has piled up a railroad debt of \$1,369,000,000. During the year ended June 30th, 1913, it added \$100,000,000 of that amount, about half in stocks and half in funded debt. Mr. J. L. Payne, the comptroller of railway statistics at Ottawa, gives these figures in his report to Mr. A. W. Campbell, the deputy minister of railways and canals. That large sum of money is spread over a period going back as far as 1836, when the Dominion had sixteen miles of railroad track. After weeding out a number of early lines, perhaps it would be fairer to spread the railroad debt back to 1852, when there were two hundred and five

INTERCOLONIAL	\$66,397
PEI	\$3,508
T&NO	\$57,392
NBCOAL & P.V.	\$33,217

Capital Liability Per Mile of Canadian Government Railroads.

miles of track. Canada's railway capital is divided into two sections, funded debt and stocks. The division of the funded debt at the end of the statistical year under review was as follows:—

Bonds	\$557,905,562
Miscellaneous obligations	5,691,957
Income bonds	26,919,933
Equipment trust obligations	22,739,500
Total	\$613,256,952

The figures with respect to funded debt in the foregoing statement do not agree with those in the analysis about to be made. The reason for this is the inclusion of the capital of the Grand Trunk Pacific System in one case, while elsewhere the stocks and bonds of that system are incorporated with lines regarded as being under construction. This course is necessary if misleading conclusions are to be avoided.

There was an increase of \$6,521,617 in equipment trust obligations during 1913, which reveals a growing disposition on the part of the larger railways to adopt this somewhat modern and popular form of purchasing additions to rolling stock.

The additions during the year brought the capital account of operating railways on June 30, 1913, up to the following position:—

Stocks	\$ 729,374,516
Funded debt	477,290,834
Consolidated debenture stock	163,257,224
Total	\$1,369,992,574

There were also on June 30 stocks and bonds outstanding on account of lines under construction as follows:—

Stocks	\$ 30,270,500
Funded debt	148,063,722
Total	\$178,334,222

Combining the facts with regard to the capitalization of operating lines and lines under construction, the following is the result:—

Stocks	\$ 759,645,016
Debenture stock (C.P.R.)	163,257,224
Funded debt	625,354,556
Total	\$1,548,256,796

It is probable there was a small amount of additional funded debt outstanding on June 30, 1913, in connection with lines under construction; but the foregoing was definitely ascertained.

The statistical branch of the department of railways has devoted much time during the past two or three years in reconstructing their capital statement of railways which had become somewhat cobwebbed with dead issues of stocks and bonds and with duplication. What this elimination and duplication meant we are not told, except that "of the latter there was a considerable volume." This work on the part of Comptroller Payne is commendable.