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REVENUES, EXPENSES, ETC., CANADIAN NATIONAL RAILWAYS

1922 - 1926

In Table 1 "Canadian Lines" include those of the Canadian Northern System, the Grand Trunk Railway of Canada, the Grand Trunk Pacific and the Canadian Government Railways, the last being composed of the Intercolonial, Prince Edward Island, National Transcontinental, the several small railways in the eastern provinces acquired by the Canadian Government and the Hudson Bay for 1920 to 1925, but not for 1926. The "United States Lines" include those lines known as the New England Lines, the Grand Trunk Western, and the Duluth, Winnipeg and Pacific. The Hudson Bay railway was returned to the Government while under construction and appropriations, etc. for it were not included with the 1926 data.

Gross revenues, operating expenses and net revenues shown in this table include those only from the steam railway operations, but the deficits are for the entire system including the operating results of the Niagara, St. Catharines and Toronto railway (electric) and other railways operated separately, hotels, commercial telegraph, coastal steamship and all other outside operations.

The operating revenues, expenses and other data of the Central Vermont system, which includes both the railway and the steamship lines operated by the Central Vermont Transportation Company, have been shown separately and also the total for the Canadian National system, including the Central Vermont. The annual report of the Canadian National system for 1926 included the Central Vermont data but in table 1, the data have been shown separately. The interest on Central Vermont debt includes interest payable to the Canadian National Railways. Consequently the three items of interest added do not give the net interest of the combined system.

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To avoid confusion as to what is included under debt due to Dominion Government in Table 3, the appropriations for the Canadian Government railways have been separated from the loans and advances to the remainder of the system. The capital liability to the Dominion Government includes the investments in road and equipment of the Canadian Government railways constructed and purchased by the Government (Port Nelson Terminals not included and Hudson Bay railway appropriations deducted for 1926), and the operating deficits of these railways for 1921-1925 inclusive, but not for previous years, and working capital. The deficits of the Canadian Government railways for 1919 and 1920 amounting to \$16,911,366 are included in the deficits shown in Table 1; but are not included in Table 3 as they were paid out of the consolidated revenue of Canada. No interest has been charged on appropriations for the Canadian Government railways for any year. Table 3 also includes all loans and advances by the government to the Canadian National System on notes, bonds and receiver certificates with accrued simple interest ranging from $3\frac{1}{2}$ per cent to 6 per cent. These advances have been used to pay operating deficits, interest due to the public, for construction of new lines, equipment, etc.

The capital liability includes debenture stock maturing and perpetual, bonds and mortgages of the constituent railways but does not include the capital stock of the Grand Trunk Railway held by the government, nor the cost of acquiring same. Likewise it does not include the capital stock of the Canadian Northern System. The stock of the Grand Trunk Pacific is all held by the Canadian National System.

The increase of \$796,751,988 during the eight years 1919 - 1926 in the capital liability including deficits of Canadian Government railways. 1919, 1920 and subsequent years is made up as shown in Table 1.

The data in Tables 1 and 3 do not include any Central Vermont data. Loans and advances received by the Canadian National Railways from the Dominion Government and advanced by the Canadian National to the Central Vermont are shown as charges against the Canadian National Railways.

TABLE 1

Calendar Year	Interest	Deficits	Increase in Capital Liability	Capital Applied to		
				Interest	Operating Deficits less int.	Construction etc. X
				Col. 1 or 2	Col. 2-4	Col. 3 - 2
	1	2	3	4	5	6
	\$	\$	\$	\$	\$	\$
1919	38,196,268	55,358,075	102,149,779	38,196,268	17,161,807	
Deficit of C.G.R.			7,133,296			
			109,283,075			53,925,000
1920	45,402,150	80,478,828	145,644,048	45,402,150	35,076,678	
Deficit of C.G.R.			9,778,070			
			155,422,118			74,943,290
1921	55,442,796	69,866,589	132,921,255	55,442,796	14,423,793	63,054,666
1922	59,565,200	57,960,097	59,327,819	57,960,097		1,367,722
1923	65,199,324	51,697,675	116,033,186	51,697,675		64,335,511
1924	69,632,747	54,860,419	118,899,186	54,860,419		64,038,767
1925	71,888,617	41,444,764	63,630,126	41,444,764		22,185,362
1926	71,287,687	29,701,445	57,758,493	29,701,445		11,533,778
# Less			16,523,270			
TOTALS	476,614,789	441,367,892	796,751,988	374,705,614	66,662,278	355,384,096

X Includes cost of new lines and equipment (other than renewals), additions and betterments, discounts on bonds issued, investments in miscellaneous properties, working capital, etc.

Decrease in appropriations for Canadian Government railways due to deductions for Hudson Bay railway and operating profit of Canadian Government railways.

These data are subject to some slight adjustments on account of the appropriations for the Canadian Government railways for 1919 and 1920 being for the fiscal years ended March 31, 1920 and 1921 respectively.

In computing the public debt of Canada the Finance Department considers these railway appropriations and advances in the same way as investments in canals, public works, etc., i.e. as "non-active assets" and does not subtract such from the gross debt in computing the net debt; similarly, no interest is charged by the Finance Department on the railway advances, although the railways debit their accounts with the accrued interest.

TABLE 2.

CANADIAN NATIONAL RAILWAYS

	1922	1923	1924	1925	1926
Railway Operating Revenues					
Canadian Lines	203,062,345	214,787,207	201,224,493	208,218,921	225,547,852
United States Lines	30,996,680	38,348,281	34,363,689	36,752,282	40,639,974
Adjustment re Hotels	Dr. 1,926,644				
Total	232,132,381	253,135,488	235,588,182	244,971,203	266,187,826
Central Vermont	7,860,851	8,860,583	8,658,523	8,737,572	9,382,484
Total	239,993,232	261,996,071	244,246,705	253,708,775	275,570,310
Railway Operating Expenses					
Canadian Lines	205,572,978	202,936,659	189,460,404	184,373,201	190,173,271
United States Lines	25,599,335	29,768,180	28,883,527	28,333,587	29,531,362
Adjustment re Hotels	Cr. 2,048,558				
Total	229,123,755	232,704,839	218,343,931	212,706,788	219,704,633
Central Vermont	6,713,691	7,878,191	7,511,795	7,558,688	7,640,648
Total	235,837,446	240,583,030	225,855,726	220,265,476	227,345,281
Net Operating Revenues					
Canadian Lines	Dr. 2,510,633	11,850,548	11,764,089	23,845,720	35,374,581
United States Lines	5,397,345	8,580,101	5,480,162	8,418,695	11,108,612
Adjustment re Hotels	121,914				
Total	3,008,626	20,430,649	17,244,251	32,264,415	46,483,193
Central Vermont	1,147,160	982,392	1,146,728	1,178,884	1,741,836
Total	4,155,786	21,413,041	18,390,979	33,443,299	48,225,029
Interest					
Canadian National - On Funded Debt	59,565,200	65,199,324	69,632,747	71,888,617	x 71,287,687
Central Vermont xx On Funded Debt	682,377	944,902	1,126,269	1,234,289	1,249,375
On Unfunded Debt	167,420	6,834	8,412	7,942	1,824
Deficit					
Canadian National	57,960,097	51,697,675	54,860,419	41,444,764	29,701,445
Central Vermont	699,369	1,053,089	836,306	752,900	192,628
Total	58,659,466	52,750,764	55,696,725	42,197,664	29,894,073

x 1926 report shows \$71,792,350 including \$504,663 interest on C.V. bonds.

xx Includes interest payable to Canadian National Railways

Central Vermont includes Central Vermont Transportation Company.

(1) CAPITAL LIABILITY OF CANADIAN NATIONAL RAILWAYS

TABLE 3

PRINCIPAL

Calendar Year	Amount Outstanding December 31					Increase During Year				
	To Dominion Government			To the Public		To Dominion Government			To the Public	
	Appropriations for Can. Govt. Railways	Loans and Advances with Accrued Interest	Total	Grand Total		Appropriations for Can. Govt. Railways	Loans and Advances with Accrued Interest	Total	Grand Total	
1919	407,254,699	274,969,881	682,224,580	801,131,444	1,483,356,024	-	-	73,982,301	28,167,478	102,149,779
1920	411,704,909	396,744,482	808,449,391	820,550,681	1,629,000,072	4,450,210	121,774,601	126,224,811	19,419,237	145,644,048
1921	416,295,596	514,796,282	931,091,878	830,829,449	1,761,921,327	4,590,687	118,051,800	122,642,487	10,278,768	132,921,255
1922	415,118,319	601,627,683	1,016,746,002	804,503,144	1,821,249,146	-1,177,277	86,831,401	85,654,124	-26,326,305	59,327,819
1923 2/	447,643,526	666,539,750	1,114,183,276	823,099,056	1,937,282,332	2/32,525,207	64,912,067	97,437,274	18,595,912	116,033,186
1924	451,712,485	690,555,950	1,142,268,435	913,913,083	2,056,181,518	4,068,959	24,016,200	28,085,159	90,814,027	118,899,186
1925	453,935,303	734,547,038	1,188,482,341	931,329,303	2,119,811,644	2,222,818	43,991,088	46,213,906	17,416,220	63,630,126
1926 3/	437,412,032	788,251,724	1,225,663,756	925,480,244	2,151,144,000	-16,523,271	53,704,686	37,181,415	- 5,849,059	31,332,356

INTEREST

	Amount Accruing During Year			Increase During Year		
1919		9,596,581	28,599,687	38,196,268	3,517,851	4,187,566
1920	No	14,346,832	31,055,318	45,402,150	4,750,251	7,205,882
1921	Interest	20,966,782	34,476,014	55,442,796	6,619,950	10,040,646
1922	Charged	24,912,876	34,652,324	59,565,200	3,946,094	4,122,404
1923		30,157,944	35,041,380	65,199,324	5,245,068	5,634,124
1924		31,271,043	38,361,704	69,632,747	1,113,099	4,433,423
1925		31,450,382	40,438,235	71,888,617	179,339	2,255,870
1926		32,090,454	39,197,233	71,287,687	640,072	4/ -1,241,002

(1) Includes debenture stock of Canadian Northern System, Grand Trunk and Grand Trunk Pacific and cost of constructing Canadian Government railways, but excludes capital stock which on Dec. 31, 1926 amounted to \$271,032,349 of which \$265,628,339 was owned by the Dominion Government and \$5,404,010 was held by others.

2/ Includes operating deficits 1921-1922-1923-working capital of Canadian Government railways.

3/ Reduced account Hudson Bay Railway returned to Canadian Government while under construction and by operating profits of Canadian Government railways for 1926 of \$4,196,554.

4/ Interest on 4 per cent Grand Trunk Pacific debentures reduced under agreement with bond holders by \$1,046,378.

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