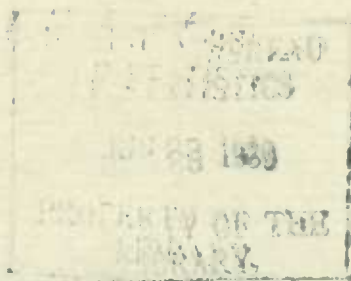


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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH

CANADIAN NATIONAL RAILWAYS

1923 - 1929



Published by Authority of the Hon. James Malcolm, M.P.,
Minister of Trade and Commerce



OTTAWA

1930

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NAVY DEPARTMENT

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Issued by Authority of Hon. James Malcolm, M.P.,
Minister of Trade and Commerce

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
TRANSPORTATION AND PUBLIC UTILITIES BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., (Hon.), F.R.S.C.
Chief, Transportation & Public Utilities Branch, G.S. Wrong, B.Sc.

CANADIAN NATIONAL RAILWAYS

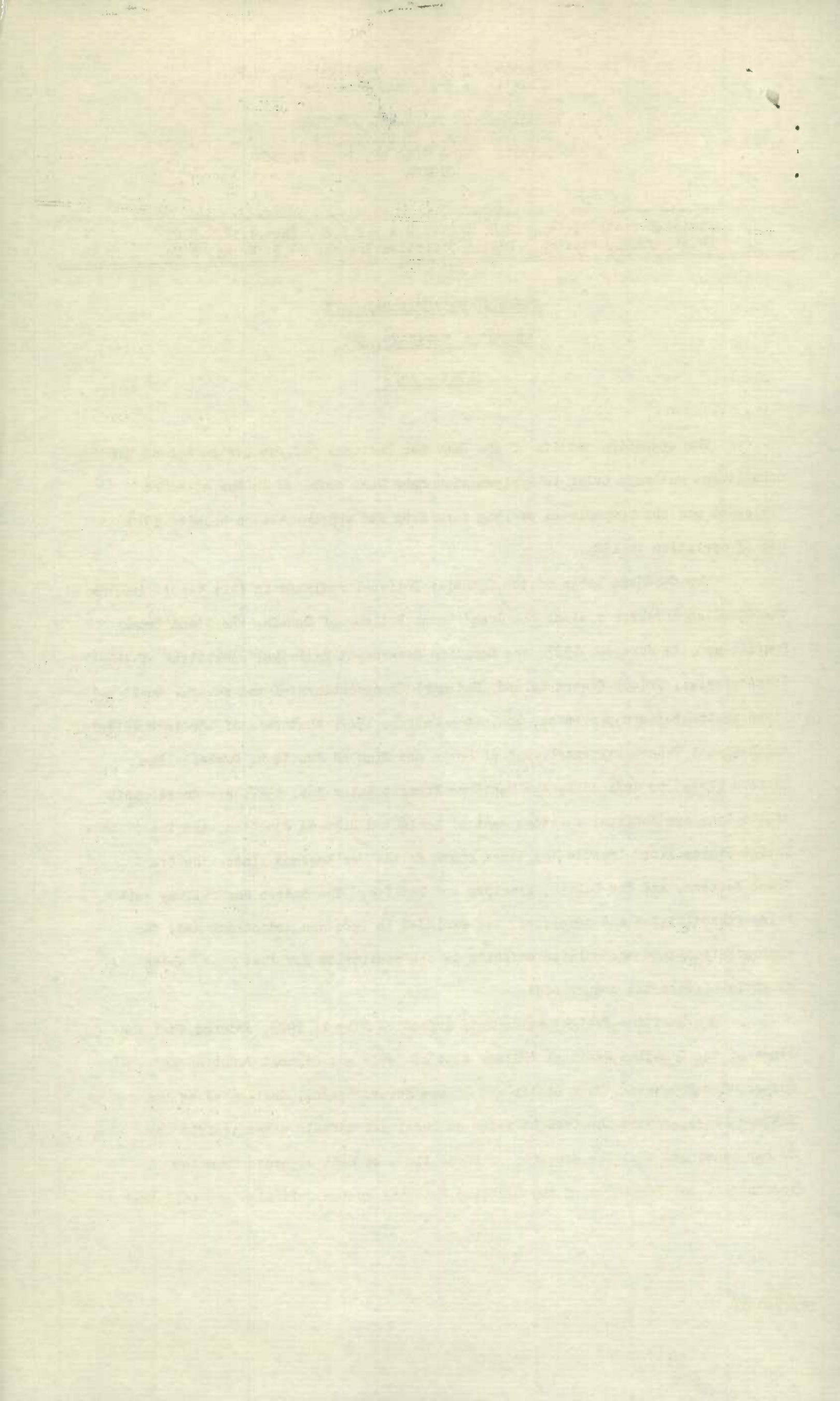
REVENUES, EXPENSES, ETC.

1923 - 1929

The operating results of the Canadian National railway system and of the constituent railways prior to amalgamation have been combined in the attached tables to present comparisons of long term debt and appropriations back to 1919 and of operation to 1923.

The Canadian lines of the Canadian National railways in this report include the Canadian Northern system, the Grand Trunk Railway of Canada, the Grand Trunk Pacific and, to June 30, 1927, the Canadian Government railways, consisting of the Intercolonial, Prince Edward Island, National Transcontinental and several small lines in the eastern provinces, and, from July 1, 1927, that part of the Intercolonial and National Transcontinental west of Levis and Diamond Junction, Quebec. The Eastern Lines, as defined by the Maritime Freight Rates Act, 1927, are those parts of the Canadian National railways east of Levis and Diamond Junction, and the United States lines include the lines known as the New England lines, the Grand Trunk Western, and the Duluth, Winnipeg and Pacific. The Hudson Bay railway, now being rehabilitated and completed, was excluded in 1926 and deductions made for appropriations and accumulated deficits in the statistics for that year, which slightly affects the comparisons.

The Maritime Freight Rates Act, effective July 1, 1927, ordered that the lines of the Canadian National railway east of Levis and Diamond Junction in Quebec, New Brunswick, Nova Scotia and Prince Edward Island, designated as the Eastern Lines, reduce the freight rates on local and certain other traffic by 20 per cent, and that the accounts of these lines be kept separate from the accounts of the remainder of the Canadian National system. It also provided that



the deficit, if any, should be included in a separate item in the estimates submitted to Parliament. The management of the entire system, however, was not to be affected by the Act, other than the segregation of the accounts. Other railways operating in this eastern territory were allowed to reduce their rates by the same percentage as ordered on the Eastern Lines and authorized to bill the Board of Railway Commissioners for the differences between the normal and the reduced tolls. The railways have treated such bills against the Board of Railway Commissioners as revenues earned and in these tables the contributions made by the Government, to meet the differences in revenues due to the reductions in freight rates ordered by the Act, have also been included with revenues earned. Consequently these losses are not included in the deficits in tables 1 and 2 and, as stated in the footnote to table 3, neither these losses nor the deficit of the Eastern Lines are included in the long term debt.

Table 1. No interest had been charged on the appropriations for construction and purchase, nor for advances to meet deficits of the Canadian Government railways. With the consolidation of the system, the railways have included in their liability the operating deficits of the Canadian Government railways from 1921. The accounts for the Eastern Lines, which, under the Maritime Freight Rates Act, were ordered segregated from those of the remainder of the system, are shown separately.

Table 2. The operating results of the railways, since they were all put under one management, are shown in this table. The data have been adjusted to show the results of the Eastern Lines' operation for the twelve months of 1927 comparable with 1928 and 1929, and totals are shown, both including and excluding them. The deficits include all interest charges accruing on debentures, etc. held by the public and on advances made by the Dominion Government. The revenues and expenses of the commercial telegraph department were included with railway revenues and expenses in 1928 and 1929 and the 1927 data were adjusted to make them comparable with the 1928 and 1929 data. The cash appropriations for the Eastern Lines' deficits do not include some interest adjustments and other payments made by the Department of Railways and Canals and carried into the income accounts of the Eastern Lines.

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Table 3. This table shows for each year, 1919 - 1929, the long term debt liabilities as set up by the railway system and does not include the operating deficits of the Canadian Government railways for 1919 and 1920, nor the deficits of the Eastern Lines for the last six months of 1927 and twelve months of 1928 and 1929 which were assumed by the Dominion Government.

It includes the cost of construction and purchase of the Canadian Government lines, composed of the Intercolonial, National Transcontinental, etc. but does not include any interest on the capital expenditures nor the deficits of these lines prior to 1921. It also includes all loans and advances to the Canadian National, to the Canadian Northern, Grand Trunk and Grand Trunk Pacific with accrued and unpaid simple interest at rates from $3\frac{1}{2}$ per cent to 6 per cent, which were made to meet (a) interest due to the public, (b) operating deficits, (c) costs of additions and betterments, and (d) additional working capital, etc. It also includes the perpetual debenture stock and bonds held by the public, but does not include Canadian Northern or Grand Trunk capital stock, as explained by the footnote to the table, nor the cost to the Government of obtaining stock held by it. The stock of the Grand Trunk Pacific is all held by the Canadian National system.

Table 4. No consolidated balance sheet was made for 1922 and, consequently, it is not possible to show the changes during the seven years the system has been under the unified management. Table 4, however, shows the asset side of the balance sheets for 1923 and 1929 and the increases and decreases during this six-year period.

The gross increase in investment in road and equipment of \$255,912,681 is included in the total of \$298,689,936 for additions and betterments, discounts, etc. for 1924-1929, shown in table 1, and during this period the increase in miles of road owned was 1,891.87, (Hudson Bay railway excluded in both capital and mileage). In the investment accounts some of the increases are due to transfers from one account to another. Some of the leased properties now controlled by the system were transferred to account 701 and hotels were transferred from account 701 to account 705. Much of the increase in account 706, "Investments in affiliated companies" was due to advances to the Central Vermont railway. Also, against the special deposit with the Minister of Finance of \$39,847,698.86, were temporary loans of \$32,601,600 not included as long term debt shown in table 3.

Table 1.

(1) ANALYSIS OF INCREASE IN LONG TERM DEBT

Calendar Year	Interest on funded debt	Total	Increase in Book Long Term Debt		
			Distribution		
			Income deficits	Profit and loss adjustments	Additions and betterments; discount on debt; increased working capital, etc.
	\$	\$	\$	\$	\$
1923	65,199,324	116,033,186	51,697,675	Dr. 2,936,648	61,398,863
1924	69,632,747	118,899,186	54,860,419	Cr. 385,872	64,424,639
1925	71,888,617	63,630,126	41,444,764	Dr. 206,505	21,978,857
1926	71,287,687	46,578,245	29,701,445	Cr. 6,214,688	23,091,488
1927	72,636,923	88,334,478	34,373,027	Dr. 628,150	53,333,301
1928	73,537,537	42,104,541	24,730,410	Dr. 3,601,070	13,773,061
1929	77,323,052	163,138,640	40,933,994	Dr. 116,056	122,088,590
Total	501,505,887	638,718,402	277,741,734	Dr. 887,869	360,088,799
Less ledger value of Canadian Government Railway property)			1926		15,245,889
transferred from Canadian National Railway System.			) 1928		13,477,505
Net increases		609,995,008			331,365,405
Total— (1924-1929)	436,306,563	522,685,216	226,054,059	Cr. 2,148,779	298,689,936
<u>Eastern Lines</u>					
1927 (6 months)	(2) 392,407	(2) 2,525,723	(3) 2,332,885	Dr. 192,838	
1928	(2) 780,680	(2) 4,983,349	(3) 5,138,027	Cr. 154,678	
1929	(2) 871,473	(2) 5,560,268	(3) 5,165,256	Dr. 395,012	
Total	2,044,560	13,069,340	12,636,168	Dr. 433,172	

(1) In computing the public debt of Canada, the Finance Department considers 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 them from the gross debt in computing the net debt; similarly, no interest is charged by the Finance Department. The railways, however, debit their accounts with the accrued interest on Government advances although none of this interest has been paid.

(2) Not assumed by Canadian National system. (See page 2)

(3) Deficits of Eastern Lines are met by appropriations by Dominion Government. These deficits do not include loss in revenues due to the 20 per cent reductions in freight rates, viz., \$931,810 for six months 1927, \$2,151,528 for 1928, and \$2,451,818 for 1929 plus \$13,743 for Gaspé railways, also paid by the Dominion Government.

Table 2.

CANADIAN NATIONAL RAILWAYS

	: 1 9 2 3	: 1 9 2 4	: 1 9 2 5	: 1 9 2 6	: 1 9 2 7 (1)	: 1 9 2 8	: 1 9 2 9
	\$	\$	\$	\$	\$	\$	\$
Railway Operating Revenues-							
Canadian Lines	214,787,207	201,224,493	208,218,921	225,547,852	207,573,007	232,459,577	217,604,469
United States Lines	38,348,281	34,363,689	36,752,282	40,639,974	41,143,367	44,172,344	42,274,504
Total	253,135,488	235,588,182	244,971,203	266,187,826	248,716,374	276,631,921	259,878,973
Eastern Lines .....	...	...	...	...	(2) 26,162,744	(2) 27,259,347	(2) 30,618,007
Total	253,135,488	235,588,182	244,971,203	266,187,826	274,879,118	304,591,268	290,496,980
Railway Operating Expenses-							
Canadian Lines	202,936,659	189,460,404	184,373,201	190,173,271	172,786,790	186,296,821	183,408,505
United States Lines	29,768,180	28,883,527	28,333,587	29,531,362	30,528,894	31,951,522	31,408,388
Total	232,704,839	218,343,931	212,706,788	219,704,633	203,315,684	218,248,343	214,816,893
Eastern Lines .....	...	...	...	...	29,989,583	31,483,352	33,815,382
Total	232,704,839	218,343,931	212,706,788	219,704,633	233,305,267	249,731,695	248,632,275
Net Operating Revenues-							
Canadian Lines	11,850,548	11,764,089	23,845,720	35,374,581	34,786,217	46,162,756	34,195,964
United States Lines	8,580,101	5,480,162	8,418,695	11,108,612	10,614,473	12,220,822	10,866,116
Total	20,430,649	17,244,251	32,264,415	46,483,193	45,400,690	58,383,578	45,062,080
Eastern Lines .....	...	...	...	...	Dr. 3,826,839	Dr. 3,524,005	Dr. 3,197,375
Total	20,430,649	17,244,251	32,264,415	46,483,193	41,573,851	54,859,573	41,864,705
Interest-							
Can. Nat. On Funded Debt & Govt. Adv.	65,199,324	69,632,747	71,888,617	71,287,687	72,262,418	73,537,537	77,323,052
Eastern Lines " " " "	...	...	...	...	768,912	780,680	871,473
Total	65,199,324	69,632,747	71,888,617	71,287,687	73,031,330	74,318,217	78,194,525
Deficit-							
Canadian National	51,697,675	54,860,419	41,444,764	29,701,445	31,576,194	24,730,410	40,933,994
Eastern Lines .....	...	...	...	...	(3) 5,129,718	(3) 5,138,027	(3) 5,165,256
Total	51,697,675	54,860,419	41,444,764	29,701,445	36,705,912	29,868,437	46,099,250

(1) Adjusted to show data of Eastern Lines for twelve months, also to include revenues and expenses of commercial telegraph.

(2) Includes contributions from Dominion Government to cover loss from 20 per cent reduction in certain rates ordered by the Maritime Freight Rates Act, July 1, 1927; \$931,810 for 6 months 1927, \$2,151,528 for 12 months 1928, and \$2,438,075 plus \$13,743 for Gaspe railways for 1929.

(3) Appropriations by Dominion Government to meet deficits of Eastern Lines including loss due to reduction in freight rates amounted to- \$3,049,746 in cash, \$214,949 in accounts, total \$3,264,695 for 6 months 1927; \$6,351,884 in cash, \$937,671 in accounts, total \$7,289,555 for 1928; and \$7,214,035 in cash, \$389,296 in accounts, total \$7,603,331 for 1929.

Table 3.

LONG TERM DEBT OF CANADIAN NATIONAL RAILWAYS

1/ PRINCIPAL AND UNPAID ACCRUED INTEREST

Calendar Year	Amount Outstanding December 31					Increase During Year				
	To Dominion Government					To Dominion Government				
	Appropriations for	Loans and Advances with	Accrued Interest	Total	To the Public	Grand Total	Appropriations for	Loans and Advances with	Accrued Interest	Total
	Can. Govt.	Railways					Can. Govt.	Railways		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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
1927 4/	436,416,387	821,680,355	1,258,096,742	981,381,736	2,239,478,478	- 995,645	33,428,631	32,432,986	55,901,492	88,334,478
1928 6/	417,279,954	5/ 872,936,528	1,290,216,482	977,889,033	2,268,105,515	6/ -19,136,433	51,256,173	32,119,740	- 3,492,704	28,627,036
1929	417,150,141	5/ 891,534,521	1,308,684,662	1,122,559,493	2,431,244,155	- 129,813	18,597,993	18,468,180	144,670,460	163,138,640

INTEREST

	Amount Accruing During Year			Increase During Year		
1919	9,596,581	28,599,687	38,196,268	3,517,851	669,715	4,187,566
1920	14,346,832	31,055,318	45,402,150	4,750,251	2,455,631	7,205,882
1921	No	20,966,782	34,476,014	6,619,950	3,420,696	10,040,646
1922	Interest	24,912,876	34,652,324	3,946,094	176,310	4,122,404
1923	Charged	30,157,944	35,041,380	5,245,068	389,056	5,634,124
1924		31,271,043	38,361,704	1,113,099	3,320,324	4,433,423
1925		31,450,382	40,438,235	179,339	2,076,531	2,255,870
1926		32,090,454	39,197,233	640,072	7/ -1,241,002	- 600,930
1927		32,505,234	40,526,096	8/ 73,031,330	414,780	1,743,643
1928		32,507,337	41,810,880	8/ 74,318,217	2,103	1,286,887
1929		32,690,545	45,503,980	8/ 78,194,525	183,208	3,876,308

1/ Includes Government loans, funded debt and debenture stock of Canadian Northern System, Grand Trunk and Grand Trunk Pacific and appropriations for Canadian Government railways, but excludes capital stock which on Dec. 31, 1929, amounted to \$270,223,249, of which \$265,628,339 was owned by the Dominion Government and \$4,594,910 was held by others. Does not include appropriations for deficits of Canadian Government railways for 1919 and 1920 and of the Eastern Lines for July-December 1927, January-December 1928 and 1929.

2/ Includes operating deficits 1921-22-23 and working capital of Canadian Government railways.

3/ Reduced account Hudson Bay railway returned to Canadian Government while under construction.

4/ Reduction due to revision of appropriations. 5/ Accrued interest included on Dec. 31, 1928, was \$258,024,307 and on Dec. 31, 1929, - \$290,088,439.

6/ Reduction due to Canadian Government railways property transferred to Harbour Commissions of Halifax (\$12,830,122) and Saint John (\$647,383) having a ledger value of \$13,477,505 and adjustments of Canadian National cash loans of \$5,947,732 and additions amounting to \$288,804.

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

8/ Includes interest on debt of Eastern Lines, \$392,407 for 1927, \$780,680 for 1928 and \$871,473 for 1929.

Table 4.

CANADIAN NATIONAL RAILWAY SYSTEM

		A S S E T S			
Investments		1 9 2 3	1 9 2 9	Increase	Decrease
701	Investment in Road and Equipment	\$ 1,810,908,126.08	\$ 2,038,398,432.73	\$ 227,490,306.65 x	
702	Improvements on Leased Railway Property	4,625,329.16	2,707,483.38		1,917,845.78
703	Sinking Funds	11,637,251.67	17,061,995.10	5,424,743.43	
704	Deposits in lieu of Mortgaged Property sold	391,730.04	5,073,405.32	4,681,675.28	
705	Miscellaneous physical property	38,692,890.00	53,816,942.25	15,124,052.25	
706	Investments in Affiliated Companies	28,397,921.96	46,241,159.63	17,843,237.67	
707	Other investments	4,754,337.83	5,348,072.63	593,734.80	
Total		1,899,407,586.74	2,168,647,491.04	269,239,904.30	
<u>Current Assets</u>					
708	Cash	20,498,997.03	18,233,300.16		2,265,696.87
711	Special deposits	7,860,845.34	7,833,251.39		27,593.95
	" " Minister of Finance		39,847,698.86	39,847,698.86	
712	Loans and Bills Receivable	44,867.99			44,867.99
713	Traffic and Car Service Balances Receivable	2,974,795.74	1,574,980.41		1,399,816.33
714	Net Balances Receivable from Agents and Conductors	5,575,838.79	6,211,399.69	635,560.90	
715	Miscellaneous Accounts Receivable	11,339,706.24	10,051,758.45		1,287,947.79
	Dominion Government Operating Deficit on Eastern Lines		883,643.09	883,643.09	
716	Materials and Supplies	53,772,173.90	42,222,882.11		11,549,291.79
717	Interest and Dividends Receivable	409,184.94	1,230,073.67	820,888.73	
718	Rents Receivable	288,448.13	130,669.47		157,778.66
719	Other Current Assets	87,101.81	771,692.80	684,590.99	
Total		102,851,960.91	129,351,350.10	26,499,389.19	
<u>Deferred Assets</u>					
720	Working Fund Advances	478,346.03	336,966.91		141,379.12
721	Insurance and Other Funds	5,708,442.23	10,480,454.99	4,772,012.76	
722	Other Deferred Assets	6,497,044.67	9,725,567.05	3,228,522.38	
Total		12,683,832.93	20,542,988.95	7,859,156.02	
<u>Unadjusted Debits</u>					
723	Rents and Insurance Premiums Paid in Advance	50,851.23	287,059.04	236,207.81	
724	Discount on Capital Stock	193,500.00	189,710.00		3,790.00
725	Discount on Funded Debt	2,272,092.80	11,087,024.88	8,814,932.08	
727	Other Unadjusted Debits	6,399,225.68	3,773,295.48		2,625,930.20
Total		8,915,669.71	15,337,089.40	6,421,419.69	
GRAND TOTAL.		2,023,859,050.29	2,333,878,919.49	310,019,869.20	

x - In 1926 the Hudson Bay railway, with a ledger value of \$14,944,870, was transferred to the Department of Railways and Canals and in 1928 Canadian Government railway property, with a ledger value of \$13,477,505, was transferred to the Halifax and Saint John Harbour Commissions; consequently the gross increase was \$28,422,375 greater, or \$255,912,681.

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