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**CANADIAN NATIONAL RAILWAYS**

**1923 - 1931**

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DEPARTMENT OF TRADE AND COMMERCE  
DOMINION BUREAU OF STATISTICS  
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O T T A W A

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CANADIAN NATIONAL RAILWAYS

REVENUES, EXPENSES, ETC.

1923 - 1931

Statistics of the Canadian National Railways for the nine years, (1923-1931), the lines have been amalgamated and operated as one system are presented in this report.

The Canadian lines of the Canadian National Railways include the railways formerly operated as 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, National Transcontinental and other smaller railways 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. The United States lines include the lines known as the Grand Trunk New England lines, the Grand Trunk Western, and the Duluth, Winnipeg and Pacific. The Central Vermont Railway, which had been operated by a receiver from 1927 to January 1930, was purchased by the Canadian National Railways and, from February 1, 1930, has been included as one of the United States lines. The Hudson Bay Railway, now being rehabilitated and completed, was excluded in 1926 and deductions were made for appropriations and accumulated deficits in the statistics for that year, which slightly affects the comparisons. The investments in the Central Vermont were transferred from account 706, "Investment in affiliated companies," to account 701, "Investment in road and equipment," in 1926 and transferred back again in 1927 when the Central Vermont went into receivership, but for these tables the general balance sheet was adjusted as if these transfers had not been made.

The Maritime Freight Rates Act, effective July 1, 1927, ordered that the lines of the Canadian National Railways 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 revenue earned and in these tables the contributions made by the Government, to meet the differences in revenue 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 these tables and NEITHER THESE LOSSES NOR THE DEFICIT OF THE EASTERN LINES ARE INCLUDED IN THE LONG TERM DEBT OF THE CANADIAN NATIONAL RAILWAYS.

Table 1.- shows the operating revenues, expenses and net operating revenue of the Canadian lines, United States lines and Eastern Lines separately and the totals excluding and including the Eastern Lines. It shows also the interest accruing on the long term debt held by the public and on the long term loans made by the Dominion Government for the Canadian and United States lines combined and for the Eastern Lines, also the deficits including profit and loss adjustments for these two divisions of the system, both including and excluding the interest on Dominion Government long term loans. Interest on short term notes is not included in the interest items but is included in the deficit as are all other income and profit and loss accounts.

Table 2.- The long term debt of the Canadian National Railways and of the Eastern Lines are combined and shown in this table as at December 31 of each year, 1922 - 1931. 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 1923, nor deficits of the Eastern Lines from July 1, 1927. 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  $3\frac{1}{2}$  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 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. The lower portion of the table shows the new funds available each year. The differences between these amounts and the increases and decreases in the long term debt shown above are due to transfer of railway property and adjustment of accounts, as explained in the foot notes.

Table 3.- An analysis of the debt including long term debt, as shown in table 2, and short term loans by the Dominion Government is made in this table. Only the principal items of investment are shown, the investment of \$24,169,759 during the nine years in sinking and insurance funds being included in the totals in column 5. The long term debt and the deficit do not include the interest due on Dominion Government long term loans, the analysis being only of new funds available each year.



Table 1.

CANADIAN NATIONAL RAILWAYS<sup>1/</sup>

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total Nine Years
<b>Railway Operating Revenues 2/</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Canadian Lines .....	218,613,309	205,232,981	212,659,602	230,342,249	220,675,371	232,459,577	217,604,469	184,848,028	148,444,022	
United States Lines .....	38,348,281	34,363,689	36,752,282	40,639,974	41,143,367	44,172,344	42,274,504	36,922,417	28,829,716	
<b>Total .....</b>	<b>256,961,590</b>	<b>239,596,670</b>	<b>249,411,884</b>	<b>270,982,223</b>	<b>261,818,738</b>	<b>276,631,921</b>	<b>259,878,973</b>	<b>221,770,445</b>	<b>177,273,738</b>	
<b>Eastern Lines 3/</b>					13,060,380	27,959,347	30,618,007	28,598,553	23,231,424	
<b>Total .....</b>	<b>256,961,590</b>	<b>239,596,670</b>	<b>249,411,884</b>	<b>270,982,223</b>	<b>274,879,118</b>	<b>304,591,268</b>	<b>290,496,980</b>	<b>250,368,998</b>	<b>200,505,162</b>	
<b>Railway Operating Expenses 2/</b>										
Canadian Lines .....	206,069,866	192,738,522	187,956,847	194,029,900	188,062,521	186,296,821	183,408,505	163,473,542	142,048,146	
United States Lines .....	29,768,180	28,883,527	28,333,587	29,531,362	30,528,894	31,951,522	31,408,388	31,785,965	27,639,862	
<b>Total .....</b>	<b>235,838,046</b>	<b>221,622,049</b>	<b>216,290,434</b>	<b>223,561,262</b>	<b>218,591,415</b>	<b>218,248,343</b>	<b>214,816,893</b>	<b>195,259,507</b>	<b>169,688,008</b>	
<b>Eastern Lines .....</b>					14,713,852	31,483,353	33,815,382	33,028,516	29,624,987	
<b>Total .....</b>	<b>235,838,046</b>	<b>221,622,049</b>	<b>216,290,434</b>	<b>223,561,262</b>	<b>233,305,267</b>	<b>249,731,696</b>	<b>248,632,275</b>	<b>228,288,023</b>	<b>199,312,995</b>	
<b>Net Operating Revenues 2/</b>										
Canadian Lines .....	12,543,443	12,494,459	24,702,755	36,312,349	32,612,850	46,162,756	34,195,964	21,374,486	6,395,876	
United States Lines .....	8,580,101	5,480,162	8,418,695	11,108,612	10,614,473	12,220,822	10,866,116	5,136,452	1,189,854	
<b>Total .....</b>	<b>21,123,544</b>	<b>17,974,621</b>	<b>33,121,450</b>	<b>47,420,961</b>	<b>43,227,323</b>	<b>58,383,578</b>	<b>45,062,080</b>	<b>26,510,938</b>	<b>7,585,730</b>	
<b>Eastern Lines .....</b>					Dr. 1,653,472	Dr. 3,524,006	Dr. 3,197,375	Dr. 4,429,963	Dr. 6,393,563	
<b>Total .....</b>	<b>21,123,544</b>	<b>17,974,621</b>	<b>33,121,450</b>	<b>47,420,961</b>	<b>41,573,851</b>	<b>54,859,572</b>	<b>41,864,705</b>	<b>22,080,975</b>	<b>1,192,167</b>	
<b>Interest on Funded Debt</b>										
Canadian National Railways-										
On Public Debt .....	35,041,380	38,361,704	40,438,235	4/39,197,233	40,133,690	41,030,200	44,632,507	50,295,008	54,588,564	383,718,521
On Dominion Govt. Loans ....	30,157,943	31,271,043	31,450,382	32,090,454	32,190,649	31,882,302	32,064,132	32,067,463	32,017,211	285,191,579
<b>Eastern Lines-</b>										
On Public Debt .....					6/ 77,822	155,645	245,060	394,700	372,168	1,245,395
On Dominion Govt. Loans ....					6/ 314,585	625,035	626,413	626,413	626,413	2,818,859
<b>Deficit (including Profit and Loss Adjustments)</b>										
Including Government Loan Interest-										
Canadian National Railways..	54,634,322	54,474,547	41,651,269	23,199,441	35,001,177	28,331,480	41,050,050	66,461,635	89,936,505	434,740,426
<b>Eastern Lines 5/ .....</b>					6/2,525,723	4,983,348	5,560,268	7,272,057	9,339,176	29,680,572
<b>Total .....</b>	<b>54,634,322</b>	<b>54,474,547</b>	<b>41,651,269</b>	<b>23,199,441</b>	<b>37,526,900</b>	<b>33,314,828</b>	<b>46,610,318</b>	<b>73,733,692</b>	<b>99,275,681</b>	<b>464,420,998</b>
Excluding Government Loan Interest-										
Canadian National Railways..	24,476,379	23,203,504	10,200,887	Cr. 8,891,013	2,810,528	Cr. 3,550,822	8,985,918	34,394,172	57,919,294	7/149,548,847
<b>Eastern Lines 5/ .....</b>					6/2,211,138	4,358,313	4,933,855	6,645,644	8,712,763	26,861,733
<b>Total .....</b>	<b>24,476,379</b>	<b>23,203,504</b>	<b>10,200,887</b>	<b>Cr. 8,891,013</b>	<b>5,021,666</b>	<b>807,491</b>	<b>13,919,773</b>	<b>41,039,816</b>	<b>66,632,057</b>	<b>176,410,560</b>

1/ Includes Central Vermont from February, 1930.

2/ Revenues and expenses, 1923-1927, adjusted to include commercial telegraph lines and to be comparable with data for 1928-1931.

3/ Includes payments by 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; \$2,438,075 for 1929; \$2,362,205 for 1930, and \$1,885,000 for 1931.

4/ Interest at 4 per cent on \$34,927,098 Grand Trunk Pacific debenture stock reduced under agreement to 2 per cent.

5/ Deficits of Eastern Lines are met by separate appropriations by the Dominion Government and are not included with the debt of the Canadian National Railways.

6/ For 6 months, July - December.

7/ The Canadian National deficit of \$149,548,847 includes accounting adjustments of \$8,357,804 and appropriation for Insurance Fund of \$9,091,217 the actual cash deficit of Canadian National for the period being \$132,099,826 as shown in table 3 and for the total system \$158,961,539.

Table 2.

CANADIAN NATIONAL LONG TERM DEBT<sup>(1)</sup>

PRINCIPAL  
AMOUNT OUTSTANDING DECEMBER 31ST

Year	Due to Dominion Government				Grand	
	Appropriations for :	Loans	Unpaid accrued	Total	Due	Total
	Canadian Government:	and	Interest on		to the	Total
	Railways	Advances	Government Loans		Public	
	\$	\$	\$	\$	\$	\$
1922	442,062,571	506,945,969	69,328,803	1,018,337,343	804,503,144	1,822,840,488
1923	447,643,526	567,870,480	98,669,270	1,114,183,276	823,099,056	1,937,282,332
1924	451,712,485	(2) 560,397,958	130,157,992	1,142,268,435	913,913,083	2,056,181,518
1925	453,935,303	572,685,535	161,861,503	1,188,482,341	931,329,303	2,119,811,644
1926	437,412,033	594,300,367	193,951,356	1,225,663,756	(3) 925,480,244	2,151,144,000
1927	436,416,387	595,538,349	226,142,006	1,258,096,742	981,381,737	2,239,478,479
1928	417,279,953	614,912,221	258,024,308	1,290,216,482	977,889,033	2,268,105,515
1929	417,150,141	(4) 601,446,082	290,088,439	1,308,684,662	1,122,559,493	2,431,244,155
1930	403,443,935	604,406,239	322,155,902	1,330,006,076	1,168,565,863	2,498,571,939
1931	405,209,240	604,406,239	354,173,113	1,363,788,592	1,276,457,207	2,640,245,799

(1) See Table 3 for short term loans.

NEW FUNDS AVAILABLE DURING YEAR

1923	1,573,970	60,924,512	62,498,481	18,595,912	81,094,393
1924	452,176	(2) - 7,472,522	- 7,020,346	90,814,027	83,793,681
1925	- 85,545	12,287,577	12,202,032	17,416,220	29,618,252
1926	7,227	21,614,832	21,622,059	(3) - 5,849,058	15,773,001
1927	63,718	1,237,982	1,301,700	55,901,492	57,203,192
1928	165,243	19,373,872	19,539,115	- 3,492,704	16,046,411
1929	113,000	(4) - 13,466,139	- 13,353,139	144,670,460	131,317,321
1930	1,674,204	2,960,157	4,634,361	46,006,370	50,640,731
1931	1,765,305	- - -	1,765,305	107,891,344	109,656,649
Total Increase	(5) 5,729,298	97,460,270	(6) 103,189,568	471,954,063	575,143,631

(2) Repayment of temporary loan of \$14,259,436 covered by bond issue.

(3) Central Vermont Railway bonds were included in annual report but excluded here.

(4) Temporary loan of \$4,884,639 repaid and loan of \$8,561,500 for redemption of Central Vermont bonds repaid and included in guaranteed bond issue of \$50,000,000, June 15, 1930.

(5) The appropriations for Canadian Government Railways include a credit of \$42,582,629.82 for properties transferred to other Government departments, etc. not representing new funds available., viz., Hudson Bay Railway, 1926, \$15,245,889; Halifax Harbour Commission, 1928, \$12,830,122; St. John Harbour Commission, 1928, \$645,183; 1921-1922 deficits, 1930, \$12,499,126; Quebec Bridge adjustment \$933,564, other adjustments, \$428,746.

(6) Unpaid accrued interest on Government loans does not represent new funds available.

Table 3.

ANALYSIS OF CAPITAL RAISED AND EXPENDED BY CANADIAN NATIONAL<sup>1/</sup>

Year					Net					
					Additions &		Investments		Total	
					Betterments		in Investments		Investments	
					Improvements		Miscellaneous in		including	
	Long	Short			on Leased	Physical	Affiliated	Sinking	Discount	All
	Term	Term		Cash	Property	Property	Companies	& Insurance	Funded	Accounts
Year	Debt	Loans	Total	Deficits	Accts. 701-702	Acct. 705	Acct. 706	Funds	Debt	X
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1923	\$81,094,393	\$10,008,500	\$91,102,893	\$22,344,217	\$51,039,697	\$3,924,976	\$4,144,599	\$67,748,829	\$352,457	\$157,390
1924	83,793,681	Cr. 10,000,000	73,793,681	21,395,656	25,962,188	15,852,279	2,473,155	42,733,834	3,020,620	6,643,571
1925	29,618,252	- - -	29,618,252	8,513,530	19,580,428	Cr. 630,904	6,271,577	27,706,584	225,620	Cr. 7,127,782
1926	15,773,001	Cr. 6,600	15,766,401	Cr. 10,710,443	23,054,673	1,407,866	1,658,228	30,982,693	Cr. 574,099	Cr. 3,931,750
1927	57,203,192	Cr. 1,400	57,201,792	3,658,079	45,882,882	214,053	1,827,421	48,266,152	2,060,319	3,217,242
1928	16,046,411	43,507,250	59,553,661	Cr. 11,634,304	40,733,163	3,300,991	13,026,572	61,584,190	994,404	8,609,371
1929	131,317,321	1,321,850	132,639,171	17,040,256	86,718,700	1,781,208	Cr. 6,162,879	83,926,265	3,088,068	2/ 28,584,582
1930	50,640,731	10,823,942	61,464,673	26,317,197	61,352,880	5,207,474	12,066,022	80,791,972	1,856,574	Cr. 3/47,501,070
1931	109,656,649	Cr. 20,645,291	89,011,358	54,375,338	28,985,360	5,301,707	1,371,140	36,774,896	3,365,813	Cr. 5,504,689
Total										
1923-1931	4/ 575,143,631	35,008,251	4/610,151,882	4/132,099,826	5/383,309,971	36,359,650	6/ 36,675,835	5/480,515,415	14,389,776	Cr. 16,853,135

1/ Deficits including interest of the Eastern Lines are not included in the debt of the Canadian National Railways, but are met by special appropriations of the Dominion Government.

2/ Increase in special deposits \$25,415,179.

3/ Decrease in special deposits \$41,175,428.

4/ Interest on Government loans is not included.

5/ Includes deduction of \$31,583,630 investment in Central Vermont lines transferred from "Investment in Affiliated Companies" to "Investment in Road and Equipment" in 1930; also additions of \$29,780,426 for Canadian Government Railway property transferred per note (5) of table 2, \$17,230,683 for retirement of abandoned lines, principally duplicate lines of Grand Trunk Pacific and Canadian Northern west of Edmonton held in suspense until 1930, \$3,021,486 for Toronto Suburban Railway for which a receiver was appointed in 1931, and other miscellaneous additions and deductions.

6/ See note 5/ for transfer to account 701.

X Column 3 less columns 4, 8 and 9.

Note: The figures given above differ somewhat from the figures given in the Annual Reports of the Railway by reason of certain accounting adjustments (not representing new funds or expenditures) entered into the accounts during the period but excluded herefrom. It should be noted however that the cash deficit of \$132,099,826 does not include \$8,357,804 of accounting adjustments and \$9,091,217 appropriated for investment in Insurance Fund making the total deficit \$149,543,847 for the 9 year period.



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