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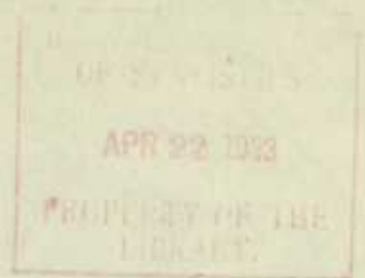
**CANADA**

**DEPARTMENT OF TRADE AND COMMERCE**

**DOMINION BUREAU OF STATISTICS**

**TRANSPORTATION BRANCH**

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**CANADIAN NATIONAL RAILWAYS**

**1923 - 1932**

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DOMINION BUREAU OF STATISTICS  
TRANSPORTATION AND PUBLIC UTILITIES BRANCH  
O T T A W A

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CANADIAN NATIONAL RAILWAYS

REVENUES, EXPENSES, ETC.

1923 - 1932

Statistics of the Canadian National Railways for the ten years, (1923-1932) the lines having 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 the Canadian Government railways, consisting of the Intercolonial, Prince Edward Island, National Transcontinental and several small lines in the eastern provinces. 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 Maritime Freight Rates Act, effective July 1, 1927, provided that the accounts for the lines of the Canadian National Railways east of Levis and Diamond Junction (designated as Eastern Lines) should be kept separately from the accounts of the remainder of the Canadian National System, and also provided that the deficit of the Eastern Lines should be included as a separate item in the estimate submitted to Parliament. The management of the entire System, however, was not to be affected by the Act other than the segregation of accounts. The published accounts of the System were accordingly separated as from July 1, 1927 until December 31, 1931. Some confusion and misunderstanding resulted from the presentation of two separate sets of accounts and both the Select Standing Committee of the House of Commons on Railways and Shipping, and the Royal Commission on Transportation recommended that the Canadian National publish an all-inclusive Income Statement. This has been done for 1932 and tables given herein are, therefore, submitted on the all-inclusive basis.

The Maritime Freight Rates Act also provided that the Canadian National Railways should reduce the freight rates on local and certain other traffic by 20 per cent. Other railways operating in this Eastern territory were allowed to reduce their rates by the same percentage and all railways were authorized to bill the Board of Railway Commissioners for the difference between the normal and the reduced tolls. The railways have treated such bills against the Board of Railway Commissioners as revenue earned.

The amount of the Government contribution to meet the deficits of the Eastern Lines is not included in the long term debt as given in Table No. 2, but the amounts so contributed are shown separately in Table No. 3.

Table 1 shows the operating revenues, expenses and net operating revenues of the Canadian lines and United States lines separately. 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, also the deficits including profit and loss adjustments, 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 gives long term debt of the Canadian National Railways as at December 31st of each year, 1922-1932. 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 which are absorbed in Public Accounts. It does not include Government contributions under the Maritime Freight Rates Act 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, -- 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 during the ten years of \$15,221,636 in sinking fund and \$2,353,962 in insurance fund being combined. 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>

Year	RAILWAY OPERATING REVENUES <sup>(2)</sup>			RAILWAY OPERATING EXPENSES <sup>(2)</sup>			NET OPERATING REVENUES <sup>(2)</sup>		
	Canadian Lines	United States Lines	Total	Canadian Lines	United States Lines	Total	Canadian Lines	United States Lines	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1923	218,613,309	38,348,281	256,961,590	206,069,866	29,768,180	235,838,046	12,543,443	8,580,101	21,123,544
1924	205,232,981	34,363,689	239,596,670	192,738,522	28,883,527	221,622,049	12,494,459	5,480,162	17,974,621
1925	212,659,602	36,752,282	249,411,884	187,956,847	28,333,587	216,290,434	24,702,755	8,418,695	33,121,450
1926	230,342,249	40,639,974	270,982,223	194,029,900	29,531,362	223,561,262	36,312,349	11,108,612	47,420,961
1927	233,735,751	41,143,367	274,879,118	202,776,373	30,528,894	233,305,267	30,959,378	10,614,473	41,573,851
1928	260,418,924	44,172,344	304,591,268	217,780,174	31,951,522	249,731,696	42,638,750	12,220,822	54,859,572
1929	248,222,476	42,274,504	290,496,980	217,223,887	31,408,388	248,632,275	30,998,589	10,866,116	41,864,705
1930	213,446,581	36,922,417	250,368,998	196,502,058	31,785,965	228,288,023	16,944,523	5,136,452	22,080,975
1931	171,675,446	28,829,716	200,505,162	171,673,133	27,639,862	199,312,995	2,313	1,189,854	1,192,167
1932	139,948,317	21,155,277	161,103,594	134,300,983	20,907,178	155,208,161	5,647,334	248,099	5,895,433

Year	INTEREST ON FUNDED DEBT			DEFICIT <sup>(4)</sup>		CUMULATIVE DEFICITS	
	On Public Debt	On Dominion Government Loans	Total	Including Govt. Loan Interest	Excluding Govt. Loan Interest	Including Govt. Loan Interest	Excluding Govt. Loan Interest
	\$	\$	\$	\$	\$	\$	\$
1923	35,041,380	30,157,944	65,199,324	54,634,323	24,476,379	54,634,323	24,476,379
1924	38,361,704	31,271,043	69,632,747	54,474,547	23,203,504	109,108,870	47,679,883
1925	40,438,235	31,450,382	71,888,617	41,651,270	10,200,388	150,760,140	57,880,771
1926	(3) 39,197,233	32,090,454	71,287,687	23,199,441	cr. 8,891,013	173,959,581	48,989,758
1927	40,526,097	32,505,234	73,031,331	37,526,900	5,021,667	211,486,481	54,011,425
1928	41,810,880	32,507,337	74,318,217	33,314,828	807,491	244,801,309	54,818,916
1929	45,503,980	32,690,545	78,194,525	46,610,317	13,919,772	291,411,626	68,738,688
1930	51,316,121	32,693,875	84,009,996	73,733,692	41,039,816	365,145,318	109,778,504
1931	55,587,145	32,643,624	88,230,769	99,275,680	66,632,056	464,420,998	176,410,560
1932	56,965,279	35,525,540	92,490,819	101,335,074	65,809,534	565,756,072	242,220,094

(1) Includes Central Vermont Railway from February 1, 1930.

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

(3) Interest at 4% on \$34,927,098 G.T.P. debenture stock reduced under agreement to 2%.

(4) The deficit shown is as per the accounts and includes Government interest accounting adjustments of \$11,505,416 and appropriation for insurance fund of \$9,388,962, the actual cash deficit for the period being \$221,325,716, as shown in Table No. 3.

TABLE 2.

CANADIAN NATIONAL LONG TERM DEBT (1)  
PRINCIPAL AMOUNT OUTSTANDING AT DECEMBER 31ST

Year	DUE TO DOMINION GOVERNMENT				DUE TO PUBLIC				GRAND TOTAL
	Appropri- ations for Canadian Govt Railways	Loans and Advances	Unpaid Accrued Interest on Govt. Loans	Total	Guaranteed by		Un- guaranteed	Total	
					Dominion Government (xx)	Provincial Government			
	\$	\$	\$	\$	\$	\$	\$	\$	\$
xxx (*)	375,047,706	115,607,457	6,947,168	497,602,331	331,309,904	93,423,985	384,762,530	809,496,419	1,307,098,750
1922	442,062,571	506,945,969	69,328,803	1,018,337,343	447,872,904	93,574,380	263,055,860	804,503,144	1,822,840,488
1923	447,643,526	567,870,480	98,669,270	1,114,183,276	470,372,904	93,574,380	259,151,772	823,099,056	1,937,282,332
1924	451,712,485	(3)560,397,958	130,157,992	1,142,268,435	558,872,904	93,574,380	261,465,799	913,913,083	2,056,181,518
1925	453,935,303	572,685,535	161,861,503	1,188,482,341	581,372,904	93,574,380	256,382,019	931,329,303	2,119,811,644
1926	437,412,033	594,300,367	193,951,356	1,225,663,756	579,872,891	93,574,380	(4)252,032,973	(4)925,480,244	2,151,144,000
1927	436,416,387	595,538,349	226,142,006	1,258,096,742	657,181,330	93,574,380	230,626,027	981,381,737	2,239,478,479
1928	417,279,953	614,912,221	258,024,308	1,290,216,482	681,000,655	93,574,380	203,313,998	977,889,033	2,268,105,515
1929	417,150,141	(5)601,446,082	290,088,439	1,308,684,662	807,048,434	91,926,527	223,584,532	1,122,559,493	2,431,244,155
1930	403,443,935	604,406,239	322,155,902	1,330,006,076	854,431,995	72,184,488	241,949,380	1,168,565,863	2,498,571,939
1931	405,209,240	604,406,239	354,173,113	1,363,788,592	970,562,289	72,184,488	233,710,430	1,276,457,207	2,640,245,799
1932	405,170,073	(6)695,723,207	388,938,381	1,489,832,661	965,831,382	72,184,488	226,501,297	1,264,517,167	2,754,349,828

NEW FUNDS AVAILABLE DURING YEAR  
1923 - 1932

	\$	\$		\$	\$	\$	\$	\$	\$
1923	1,573,970	60,924,511		62,498,481	22,500,000	.....	Cr. 3,904,088	18,595,912	81,094,393
1924	452,176	Cr. (3) 7,472,522		Cr. 7,020,346	88,500,000	.....	2,314,027	90,814,027	83,793,681
1925	Cr. 85,545	12,287,577		12,202,032	22,500,000	.....	Cr. 5,083,780	17,416,220	29,618,252
1926	7,227	21,614,832		21,622,059	Cr. 1,500,013	.....	Cr. 4,349,046	Cr. 5,849,059	15,773,001
1927	63,718	1,237,982		1,301,700	77,308,439	.....	Cr. 21,406,946	55,901,493	57,203,192
1928	165,243	19,373,872		19,539,115	23,819,325	.....	Cr. 27,312,029	Cr. 3,492,704	16,046,411
1929	113,000	Cr. (5) 13,466,139		Cr. 13,353,139	126,047,779	Cr. 1,647,853	20,270,534	144,670,460	131,517,321
1930	1,674,204	2,960,157		4,634,361	47,383,561	Cr. 19,742,039	18,364,848	46,006,370	50,640,731
1931	1,765,305	.....		1,765,305	116,130,294	.....	Cr. 8,238,950	107,891,344	109,646,649
1932	Cr. 39,166	91,316,968		91,277,802	Cr. 4,730,907	.....	Cr. 7,209,133	Cr. 11,940,040	79,337,762
Total (7) Increase	5,690,132	188,777,238	(8)	194,467,370	517,958,478	Cr. 21,389,892	Cr. 36,554,563	460,014,023	654,481,393

(1) See Table 3 for Short Term Loans. (2) Deficits of Eastern Lines are met by separate appropriations by the Dominion Government and are not included herein. (3) Repayment of temporary loan of \$14,259,436. (4) Central Vermont Railway bonds of \$9,902,556 were included in annual report but excluded here. (5) Temporary loan of \$4,884,639 repaid and temporary loan of \$8,561,500 for redemption of Central Vermont Railway bonds repaid and included in guaranteed bond issue of \$50,000,000, June 15, 1930.

(6) This total will be reduced in 1933 by applying thereto the cash deficit in 1932 of \$53,422,662.

(7) The appropriations for Canadian Government Railways include a credit of \$42,582,630 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 - Saint John Harbour Commission, 1928, \$645,183 - 1921-22 deficits, 1930, \$12,499,126 - Quebec Bridge adjustment \$933,564 and other adjustments \$428,746. (8) Unpaid accrued interest on Government loans does not represent new funds available.

(x) Including Hudson Bay Railway \$14,531,706.

(xx) Includes \$216,207,142 perpetual debenture stock guaranteed as to interest only.

(xxx) Amounts outstanding as at dates constituent lines were taken over by Canadian National, viz: Canadian Northern, Sept. 30, 1917; Grand Trunk Pacific, March 9, 1919; Grand Trunk, May 21, 1920; Canadian Government, March 31, 1919 (actual date of transfer Nov. 20, 1918).



TABLE 3.

## ANALYSIS OF CAPITAL RAISED AND EXPENDED BY CANADIAN NATIONAL RAILWAYS

CAPITAL RAISED				
Year	Long Term Debt	Short Term Loans	Government Contribution for Eastern Lines Deficit	Total Capital Receipts
	\$	\$	\$	\$
1923	81,094,393	10,006,500	.....	91,102,893
1924	83,793,681	Cr. 10,000,000	.....	73,793,681
1925	29,618,252	.....	.....	29,618,252
1926	15,773,001	Cr. Dr. 6,600	.....	15,766,401
1927	57,203,192	Cr. Dr. 1,400	2,211,139	59,412,931
1928	16,046,411	43,507,250	4,358,314	63,911,975
1929	131,317,321	1,321,850	4,933,854	137,573,025
1930	50,640,731	10,823,942	6,645,644	68,110,317
1931	109,656,649	Cr. 20,645,291	8,712,762	97,724,120
1932	79,337,762	Cr. 35,008,251	6,635,845	50,965,356
Total	(1)654,481,393	.....	33,497,558	(1)687,978,951

## CAPITAL EXPENDED

Year	Cash Deficits	Net Additions & Betterments & Improvements on Leased Rly. Property	Investments in Misc. Physical Property	Investments in Affiliated Companies	Investments in Sinking and Insurance Funds	Discount on Funded Debt	All Other Accounts	Total Expenditures
	\$	\$	\$	\$	\$	\$	\$	\$
1923	22,844,217	51,039,697	3,924,976	4,144,599	8,639,557	352,457	157,390	91,102,893
1924	21,395,656	25,962,188	15,852,279	2,473,155	Cr. 1,553,788	3,020,620	6,643,571	73,793,681
1925	8,813,830	19,580,428	Cr. 630,904	6,271,577	2,485,483	225,620	Cr. 7,127,782	29,618,252
1926	Cr. 10,710,443	23,054,673	1,407,866	1,658,228	4,861,926	Cr. 574,099	Cr. 3,931,750	15,766,401
1927	5,869,218	45,882,882	214,053	1,827,421	341,796	2,060,319	3,217,242	59,412,931
1928	Cr. 7,275,990	40,733,163	3,300,991	13,026,572	4,523,464	994,404	8,609,371	63,911,975
1929	21,974,110	86,718,700	1,781,208	Cr. 6,162,879	1,589,236	3,088,068	(2)28,584,582	137,573,025
1930	32,962,841	61,352,880	5,207,474	12,066,022	2,165,596	1,856,574	(3)Cr. 47,501,070	68,110,317
1931	63,088,100	28,985,360	5,301,707	1,371,140	1,116,689	3,365,813	Cr. 5,504,689	97,724,120
1932	62,364,176	Cr. 588,319	1,387,477	950,736	440,639	Cr. 913,404	Cr. 12,675,949	50,965,356
Total	(1)221,325,715	(4)382,721,652	37,747,127	(5)37,626,571	24,610,598	13,476,372	Cr. 29,529,084	687,978,951

(1) Interest on Government loans not included. (2) Increase in special deposits \$25,415,179.

(3) Decrease in special deposits \$41,175,428. (4) Excludes transfer of \$31,583,630 investment in Central Vermont lines transferred from "Investments in Affiliated Companies" to "Investment in Road and Equipment" in 1930 accounts, also transfer of \$29,780,426 for Canadian Government Railways 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. (5) See Note (4) for transfer to "Investment in Road and Equipment."

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 \$221,325,715 does not include \$11,505,416 of accounting adjustments and \$9,388,962 appropriated for investment in Insurance Fund making the total deficit \$242,220,094 for the ten year period as reflected in Table 1.



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