

The debt due to the public includes debenture stock maturing and perpetual, and 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 the 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 and is therefore not included either.

The figures in Tables 21 and 22 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.

The total debt at the end of 1926 was \$925,480,244 to the public and \$1,225,663,756 to the Government. In addition to the actual loans and advances by the Government amounting to \$594,300,367, this sum of \$1,225,663,756 includes not only the unpaid interest of \$193,951,357 already referred to, but \$437,412,032 spent on the construction and purchase of lines forming the original Canadian Government railways. As the book value of these properties is included on the asset side of the balance sheet, the cost of these roads to the Dominion is included in the liabilities of the system as an offset. The construction or purchase of these roads was financed by the Dominion from the Consolidated Revenue Fund, and while for book-keeping purposes their cost is set up as a system liability, they are not a debt and carry no interest obligation.

The aggregate increase in the principal of the debt during the eight years as shown in Table 21 was \$769,937,755, of which \$152,516,278 was an increase in debt due to the public and \$617,421,477 in that due to the Government. In Table 22 is presented an analysis of this total increase in capital liability. For the purposes of this table the deficits of the Canadian Government railways in 1919 and 1920, amounting to \$16,911,366, are included, making the total increase \$786,849,121 in eight years. Of this total increase in debt, interest accounts for \$374,705,614, operating deficits for \$66,662,278, while \$345,481,229 was new capital expenditure on construction, equipment, etc.

21.—Debt and Interest Charges of Canadian National Railways (including appropriations for Canadian Government Railways), 1919-1926.

PRINCIPAL.¹

Calendar Years.	Amount Outstanding December 31.					
	Due to Dominion Government.			Due to Public.	Total.	Total Increase during year.
	Appropriations for Can. Govt. Railways.	Loans and Advances with Accrued Interest.	Total.			
\$	\$	\$	\$	\$	\$	
1919.....	407,254,669	274,969,851	682,224,530	801,131,444	1,483,356,024	102,149,779
1920.....	411,704,909	396,744,482	808,449,391	829,530,681	1,629,000,072	145,644,048
1921.....	416,295,596	514,796,282	931,091,878	830,829,449	1,761,921,327	132,921,255
1922.....	415,118,319	601,827,683	1,016,746,002	804,503,144	1,821,249,146	59,327,819
1923.....	447,643,526 ²	666,539,750	1,114,183,276	823,099,056	1,937,282,332	116,033,186
1924.....	451,712,485	690,555,950	1,142,268,435	913,913,083	2,056,181,518	118,899,186
1925.....	453,935,303	724,547,038	1,188,482,341	931,329,308	2,119,811,644	63,630,126
1926.....	437,412,032 ³	788,251,724	1,225,663,756	925,480,244	2,151,144,000	31,332,356

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 and working capital of Canadian Government railways.

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