

23.—Analysis of the Increase in the Debt of the Canadian National Railways, calendar years, 1919-1928.¹

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

Calendar Years.	Interest.	Deficits.	Increase in Book Long Term Debt.		
			Total.	Distribution.	
				Income Deficits.	Additions and betterments; Discount on debt; Increased working capital, etc.
	\$	\$	\$	\$	\$
1919.....	38,196,268	55,358,075	102,149,779	-	-
Deficit of C.G.R.....	-	-	7,133,298 ⁶	-	-
			109,283,075	55,358,075	53,925,000
1920.....	45,402,150	80,478,828	145,644,048	-	-
Deficit of C.G.R.....	-	-	9,778,070 ⁶	-	-
			155,422,118	80,478,828	74,943,290
1921.....	55,442,796	69,866,589	132,921,255	69,866,589	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	22,185,352
1926.....	71,287,687	29,701,445	46,578,245	29,701,445	16,876,800
Less ²	-	-	-15,245,889	-	-15,245,889
1927.....	72,638,923	34,373,027	88,334,478	34,373,027	53,961,451
1928.....	73,537,537	24,730,410	42,104,541	24,730,410	17,374,131
Less ³	-	-	-13,477,505	-	-13,477,505
Total Gross Increase.....	622,791,249	590,471,329	993,810,635	500,471,329	403,339,396
Unpaid accrued interest on Government Loans—Dec. 31, 1928.....			258,024,307	258,024,307	-
Net Increase in Debt.....	-	-	645,786,328	242,447,022	403,339,396
Eastern Lines—					
1927 (6 months).....	392,407	2,332,885 ⁴	2,525,723 ⁵	2,332,885 ⁵	192,838 ⁶
1928.....	780,680	5,138,027 ⁴	4,983,348 ⁵	5,138,027 ⁵	-154,678 ⁶
Total Increase Eastern Lines.	1,173,087	7,470,912	7,509,071⁵	7,470,912⁵	38,160

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 Deductions on account Hudson Bay Railway \$15,245,889 (Capital \$14,944,870 and Deficits \$301,019).

³ Deduction on account Canadian Government Railways property transferred to Harbour Commissions of Halifax and Saint John.

⁴ 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 last six months of 1927 and \$2,151,528 for 1928, also paid by the Dominion Government.

⁵ Not assumed by Canadian National System.

⁶ Profit and loss adjustments.

PART III.—ELECTRIC RAILWAYS.

The cheap and reasonably rapid conveyance of human beings is a necessity of modern urban life and is supplied throughout Canada by the electric street railway, generally operated by the development of the water powers which are so important a feature of Canadian economic life.