

23.—Analysis of the Increase in the Debt of the Canadian National Railways, calendar years, 1923-1929.¹

For the years 1919-1922 see Canada Year Book 1930, p. 642.

| 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..... | 71,858,617 | 63,630,126 | 41,444,764 | Dr. 206,505 | 21,978,857 |
| 1926..... | 71,237,687 | 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 | 53,333,361 |
| 1928..... | 73,537,537 | 42,104,541 | 24,730,419 | Dr. 3,601,070 | 13,773,061 |
| 1929..... | 77,323,052 | 163,138,640 | 40,933,994 | Dr. 116,056 | 122,088,590 |
| Totals..... | 501,505,887 | 638,718,402 | 277,741,734 | Dr. 887,869 | 360,088,799 |
| Less ledger value of Canadian Government Railways property transferred from Canadian National Railways system..... | - | 15,245,889 | - | - | 15,245,889 |
| | - | 13,477,505 | - | - | 13,477,505 |
| Net Increases..... | - | 609,995,008 | 277,741,734 | Dr. 887,869 | 331,365,405 |
| Totals (1924-1929)..... | 436,306,563 | 522,685,216 | 226,044,059 | Cr. 2,048,779 | 298,689,936 |
| Net increases (1924-1929)..... | - | 494,262,841 | 226,044,059 | Cr. 2,048,779 | 370,267,561 |
| Eastern Lines— | | | | | |
| 1927 (6 months)..... | 392,407 ² | 2,525,723 ² | 2,382,885 ² | Dr. 192,338 | |
| 1928..... | 780,680 ² | 4,983,349 ² | 5,138,027 ² | Cr. 154,678 | |
| 1929..... | 871,473 ² | 5,560,268 ² | 5,165,256 ² | Dr. 395,012 | |
| Totals, Eastern Lines.... | 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 Railways system.

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

Assets of Canadian National Railways.—No consolidated balance sheet was issued for 1922 and, consequently, it is not possible to show the changes during the 7 years the system has been under the unified management. Table 24, 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 23, 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 were 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 Ver-