

23.—Analysis of the Increase in the Long Term Debt of the Canadian National Railways, calendar years 1923-30.<sup>1</sup>

For the years 1919-22 see Canada Year Book 1930, p. 642.

Calendar Year.	Interest on Funded Debt.	Total Increase in Book Long Term Debt.	Distribution of Increase in Book Long Term Debt.		
			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. 2,936,646	61,398,863
1924.....	69,632,747	118,899,186	54,860,419	Cr. 385,872	64,424,639
1925.....	71,888,617	63,630,126	41,444,764	Dr. 206,505	21,973,857
1926.....	71,287,687	46,578,245	29,701,445	Cr. 6,214,682	23,091,488
1927.....	72,636,923	88,334,478	34,373,027	Dr. 628,150	53,333,301
1928.....	73,537,837	42,104,542	24,730,410	Dr. 3,601,070	13,773,062
1929.....	77,323,052	163,138,640	40,933,994	Dr. 116,056	122,088,590
1930.....	82,988,884	67,327,784	61,287,201	Dr. 5,174,433	866,150
Totals.....	584,494,771	706,046,187	339,028,935	Dr. 6,062,302	360,954,950
Less ledger value of Canadian Government Railways property transferred from Canadian National Railways system.....					
1926.....	-	15,245,889	-	-	15,245,889
1928.....	-	13,477,505	-	-	13,477,505
Net Increases.....	-	677,322,793	339,028,935	Dr. 6,062,302	332,231,556
Totals (1924-1930).....	519,295,447	590,013,001	287,331,260	Dr. 3,125,654	299,556,087
Net increases (1924-1930).....	-	561,289,607	287,331,260	Dr. 3,125,654	279,832,693
Eastern Lines—					
1927 (6 months).....	392,407 <sup>2</sup>	3,525,723 <sup>2</sup>	2,332,885 <sup>2</sup>	Dr. 192,838	-
1928.....	780,680 <sup>2</sup>	4,983,349 <sup>2</sup>	5,138,027 <sup>2</sup>	Cr. 154,678	-
1929.....	871,473 <sup>2</sup>	5,560,268 <sup>2</sup>	5,165,256 <sup>2</sup>	Dr. 395,012	-
1930.....	1,021,113 <sup>2</sup>	7,272,057 <sup>2</sup>	6,992,569 <sup>2</sup>	Dr. 279,483	-
Totals, Eastern Lines..	3,065,673	20,341,397	19,628,737	Dr. 712,660	-

<sup>1</sup>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.

<sup>2</sup>Not assumed by Canadian National Railways system.

<sup>3</sup>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, \$2,451,818 for 1929, including \$13,743 for Gaspé railways, and \$2,382,205 for 1930, 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 8 years the system has been under the unified management. Table 24, however, shows the asset side of the balance sheets for 1923 and 1930 and the increases and decreases during this seven-year period.

The gross increase in investment in road and equipment of \$329,034,062 is made up of \$270,832,693 for additions and betterments, discounts, etc., for 1924-30, shown in Table 23, plus \$55,653,542 of temporary loans and certain adjustments amounting to \$2,547,827. During this period the increase in miles of road owned was 2,537.05 (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.