

investments for construction, purchase and working capital of the Canadian Government Railways. As the book value of these properties is included on the assets 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 consequently no interest on such expenditures is allowed for in the railway accounts.

In a rather different class are the loans and advances made by the Government to the Canadian National Railways or constituent companies on notes, bonds and receiver certificates with accrued simple interest ranging from 3½ to 6 p.c. In computing the public debt of Canada the Finance Department considers these railway loans and advances as "non-active assets" similar to investments in canals, public works, etc., and as such does not subtract them from the gross debt in computing the net debt. The railways, however, debit their accounts with the accrued interest on these Government advances, all of which remains unpaid.

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.

Table 22 analyses the capital received and expended by the Canadian National Railways. In addition to the funds available under long-term debt, as shown in Table 21, the railways have frequently had short-term loans.

**21.—Long-Term Debt<sup>1</sup> of Canadian National Railways (Including Appropriations for Canadian Government Railways), Showing Principal Outstanding at ends of calendar years 1922-34.**

Year.	DUE TO DOMINION GOVERNMENT.			
	Appropriations for Canadian Government Railways. <sup>2</sup>	Loans and Advances, <sup>2,3</sup>	Unpaid Accrued Interest on Government Loans.	Total.
	\$	\$	\$	\$
1922.....	404,272,030 <sup>5</sup>	115,607,457	6,947,168	526,826,655
1922.....	442,062,571	506,945,969	69,328,803	1,018,337,343
1923.....	447,643,526	571,406,082	98,669,270	1,117,718,878
1924.....	451,712,485	581,406,082	130,157,992	1,163,276,559
1925.....	453,935,303	581,406,082	161,861,503	1,197,202,888
1926.....	437,412,033	601,406,082	193,951,356	1,232,769,471
1927.....	436,416,387	601,406,082 <sup>7</sup>	226,142,006 <sup>7</sup>	1,263,964,475
1928.....	417,279,953	601,406,082	258,024,308	1,276,710,343
1929.....	417,150,141	601,406,082	290,088,439	1,308,644,662
1930.....	403,443,935	604,406,239	322,155,902	1,330,006,076
1931.....	405,209,240	604,406,239	354,173,113	1,363,788,592
1932.....	405,170,073	653,604,794	388,930,381	1,447,705,248
1933.....	404,378,682	661,332,895	424,338,109	1,490,549,686
1934.....	404,279,909	672,580,943	459,486,187	1,536,347,039
Increases, 1922-34.....	Cr. 37,782,662	165,634,974	390,157,384	518,009,696
Plus C.G.R. credits.....				43,542,794 <sup>6</sup>
Less interest on Government loans (unpaid).....				390,157,384
<b>Net Increase in New Funds.....</b>				<b>171,395,106</b>

For footnotes see end of table, p. 677.