

## 14.—Railway Investment Account of the Dominion Government to Mar. 31, 1938—concluded.

Account.	Expenditures, 1937-38.	Total to Mar. 31, 1938.
<b>Other Items.</b>	<b>\$</b>	<b>\$</b>
Canadian National Railways Securities Trust stock .....	269,325,706 <sup>1</sup>	269,325,706
Canadian National Railways stock .....	13,000,000 <sup>2</sup>	18,000,000
Loans to Canadian National lines to meet deficits .....	Cr. .....	655,527,456 <sup>4</sup>
Loans to Canadian National system for purchase of equipment .....	9,432,997	9,432,997
Advances to Grand Trunk Railway .....	Cr. 25,807,394	121,740
Governor-General's cars .....	Nil	71,539
Canadian Pacific Railway grant and value of railway transferred .....	" "	62,791,435
Other railways .....	" "	1,369,007
<b>Totals, Other Items .....</b>	<b>Cr. 284,376,147</b>	<b>\$61,112,424</b>
<b>Grand Totals .....</b>	<b>Cr. 397,795,254</b>	<b>788,715,571</b>

<sup>1</sup> Transferred to National Harbours Board in 1938. <sup>2</sup> Advances used for capital purposes, out of total loans of \$655,527,456. <sup>3</sup> New stock held by Government controlling company, which in turn holds all subsidiary companies' stock. <sup>4</sup> Under the Capital Revision Act this liability of the C.N.R. was discharged and replaced by no-par value stocks, set up at \$269,325,706 and \$18,000,000.

**The Consolidation and Organization of the Canadian National System.\***—In pursuance of an Act of 1917 (7-8 Geo. V, c. 24), the Government acquired the capital stock of the Canadian Northern Railways with a mileage of 9,566.5. The insolvency of the Grand Trunk Pacific led to the appointment of the Minister of Railways as receiver on Mar. 9, 1919, and in October, 1920, the road was transferred to the Canadian National Railways. The Grand Trunk Railway was acquired under c. 13 of the Statutes of the second session of 1919, providing for arbitration of the consideration to be given to its shareholders. This arbitration finally disposed of, steps were taken to consolidate the various railways under government operation and control. In October, 1922, the Grand Trunk Board and the Canadian Northern Board gave place to a single Canadian National Board, to which the former Canadian Government Railways were turned over for management and operation. The unification of the Grand Trunk and Canadian National Railways was provided for by Order in Council of Jan. 30, 1923, which also brought into effect the Act to incorporate the Canadian National Railway Co. and respecting Canadian National Railways (c. 13, 1919).

**Operating Finances of the Canadian National Railways.†**—In Table 15 "Canadian Lines" include those of the Canadian Northern system, the Grand Trunk Railway of Canada, the Grand Trunk Pacific, and the Canadian Government Railways. The "United States Lines" include those lines known as the New England line, the Grand Trunk Western, the Duluth, Winnipeg and Pacific, and, from Feb. 1, 1930, the Central Vermont. The Hudson Bay Railway was returned to the Government while under construction, and appropriations, etc., for this were not included with the 1926 and later data.

Gross revenues, operating expenses, and net revenues shown in Table 15 include only those from steam railway and commercial telegraph operations, but the deficits are for the entire system, including the operating results of the Niagara, St. Catharines and Toronto Railway (electric) and other railways operated separately, hotels, commercial telegraphs, coastal steamships and all other outside operations.

\*For further details of the acquisition of the Canadian Northern, Grand Trunk Pacific, and Grand Trunk Railways by the Dominion Government, see pp. 602-603 of the 1926 Year Book.

†For detailed statistics of the operation and finances of the Canadian National Railways during 1937, see Steam Railway Statistics, 1937, and Canadian National Railways, 1923-37, published by the Dominion Bureau of Statistics, also the Annual Report of the Canadian National Railways.