

15.—Gross Revenues, Operating Expenses, Net Revenues, Fixed Charges, and Deficits of the Canadian National Railways,<sup>1</sup> 1923-38—concluded.

Year.	Fixed Charges.			Net Income Deficit. <sup>4</sup>	Profit and Loss Net Debt.	Capital Losses, etc. Not Required in Cash.	Cash Deficit.
	Rent for Leased Road and Equipment.	Discount on Funded Debt, Interest, etc.	Total Fixed Charges.				
	\$	\$	\$	\$	\$	\$	\$
1923...	1,387,906	35,400,088	36,787,994	21,539,730	2,936,648	1,476,185	23,000,193
1924...	1,452,709	39,056,491	40,509,200	23,589,376	Cr. 385,872	3,029,278	20,174,226
1925...	1,276,120	41,061,285	42,337,405	9,994,382	206,505	395,711	9,805,176
1926...	1,284,639	39,831,853	41,116,492	Cr. 2,389,008	Cr. 6,502,004	Cr. 7,318,391	Cr. 1,572,621
1927...	1,274,017	41,315,881	42,589,898	4,200,678	820,988	602,365	4,419,301
1928...	1,299,813	44,350,608	45,650,421	Cr. 2,638,900	3,446,392	4,271,244	Cr. 3,463,752
1929...	1,213,641	48,799,433	50,013,074	13,408,706	511,067	1,658,142	12,261,631
1930...	1,292,014	54,264,987	55,557,001	35,585,895	5,453,922	5,362,720	35,677,097
1931...	1,328,622	57,803,084	59,131,706	60,869,795	5,762,261	5,663,618	60,968,438
1932...	1,350,197	58,339,983	59,690,180	61,006,919	4,802,615	4,967,807	60,841,727
1933...	1,351,788	57,554,897	58,906,685	60,017,713	1,600,102	2,662,427	58,955,388
1934...	1,372,037	56,850,443	58,222,480	49,506,695	4,161,080	5,259,874	48,407,901
1935...	1,372,713	55,520,104	56,892,817	48,878,182	30,453,831	31,910,548	47,421,465
1936...	1,372,229	50,800,208	52,172,437	43,197,346	12,684,818	12,578,770	43,303,394
1937...	1,505,689	51,764,728	53,270,417	42,028,654	1,028,946	711,732 <sup>5</sup>	42,345,868 <sup>6</sup>
1938...	1,474,676	51,977,066	53,451,742	54,470,997	2,556,036	2,712,837 <sup>5</sup>	54,314,196 <sup>6</sup>

<sup>1</sup> Includes the Central Vermont Railway, Inc., from Feb. 1, 1930. <sup>2</sup> Include Canadian Northern system, the Grand Trunk Railway of Canada, the Grand Trunk Pacific, and the Canadian Government Railways. <sup>3</sup> Include the New England Line, the Grand Trunk Western, the Duluth, Winnipeg and Pacific, and, from Feb. 1, 1930, the Central Vermont. <sup>4</sup> Net income deficit includes appropriations for insurance fund of \$9,840,672 and excludes interest on Government loans eliminated by Capital Revision Act, 1937. <sup>5</sup> Charged to "Proprietor's Equity". <sup>6</sup> Contributed by Dominion Government.

**Capital Revision of the Canadian National Railways.**—The Canadian National Railways Capital Revision Act, c. 22 of the Statutes of 1937, is dealt with at p. 644 of the 1939 Year Book. In the same edition, a table at pp. 644-645 shows a condensed consolidated balance sheet as at Dec. 31, 1936, adjustments authorized by the Capital Revision Act, and the revised balance sheet as at Jan. 1, 1937.

**Capital Structure and Debt of Canadian National Railways.**—The Capital Revision Act eliminated the profit and loss balance as at Jan. 1, 1937, and profit and loss balances for 1937 and future years will also be eliminated by charging to "Dominion Government—Proprietor's Equity" the losses due to abandonment of lines and other such items that do not involve the payment of cash at the time the items are written down, and by the Government contributing cash for the cash deficits. These cash deficits, shown in the last column of Table 15, have been met by loans by the Government, by direct payment from July 1, 1927, and by reduction of working capital.

The share capital on Dec. 31, 1922, consisted of \$165,627,739 stock of the Grand Trunk Railway held by the Dominion Government and \$100,000,600 of the Canadian Northern Railway stock also held by the Dominion Government. There was also outstanding \$4,591,975 stock of constituent lines held by the public, of which \$8,175 has been retired. Table 16 shows the adjustments of the capital liabilities of the system made effective Jan. 1, 1937, under the Capital Revision Act.