

Table 18 has been compiled to reconcile the investments in and loans to the Canadian National Railways (including Canadian Government Railways) as shown in the Public Accounts for the fiscal year ended Mar. 31, 1939, with the debt to the Dominion Government shown in the Railways' balance sheet at Dec. 31, 1938, which is covered by the columns "Dominion Government—Proprietor's Equity", "Active Assets in Public Accounts", and "Appropriations for Canadian Government Railways" in Table 16.

18.—Reconciliation between Public Accounts, Mar. 31, 1939, and Canadian National Railways' Balance Sheet, Dec. 31, 1938, with Respect to the Railways' Obligations to the Dominion Government.

| Item. | Public Accounts Mar. 31, 1939. | Canadian National Balance Sheet Dec. 31, 1938. |
|---|--------------------------------------|--|
| | \$ | \$ |
| Canadian Government Railways— | | |
| Capital expenditures..... | 388,077,250 | 388,075,722 |
| Working capital..... | 16,771,981 | 16,771,981 |
| Canadian National Railways— | | |
| Dominion Government equity..... | 284,612,868 | 284,612,868 |
| Temporary loans..... | 24,765,053 | 48,144,805 |
| Miscellaneous investments and other accounts..... | 121,740 | Nil |
| Totals..... | 714,348,892 | 737,605,376 |
| Loans repaid between Dec. 31, 1938 and Mar. 31, 1939..... | Nil | —40,656,113 |
| Additional advances between Dec. 31, 1938, and Mar. 31, 1939..... | " | 17,276,361 |
| Expenditures by Dominion not in C.N.R. balance sheet..... | " | 123,268 |
| Totals..... | 714,348,892 | 714,348,892 |

Subsection 3.—Steam Railway Traffic.

In addition to an analysis of passenger and freight traffic statistics for all steam railways, a separate analysis is given of the operations and traffic of the Canadian National Railways, since, being controlled by the Dominion Government, the information is considered of special interest.

Passenger and Freight Traffic.—The greatest volume of passenger traffic, indicated by the number of passengers carried one mile, was reached in 1919 and the greatest volume of freight traffic in 1928. In recent years both freight and passenger traffic, especially the latter, have been affected by the increase in the use of motor vehicles and this traffic decrease was much aggravated by the general decline in commercial activity after 1929, but improvements took place in 1934, 1935, 1936, and 1937. In 1938 there was a slight decrease from 1937 figures.

The average haul for freight, as shown in Table 19, is for all railways, which eliminates the effects of consolidations of railways and of interchanging freight between Canadian railways. The average revenue per passenger increased in 1918 and 1919 with increases in rates, but the increases between 1924 and 1930 were due largely to decreases in the short-haul traffic. The increases in freight-train loading and train revenues have been due to the use of larger and more powerful locomotives.