

Table 17 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, 1940, with the debt to the Dominion Government shown in the Railways' balance sheet at Dec. 31, 1939, which is covered by "Dominion Government—Proprietor's Equity", and the columns "Active Assets in Public Accounts" and "Appropriations for Canadian Government Railways" in Table 16.

**17.—Reconciliation between Public Accounts, Mar. 31, 1940, and the Balance Sheet of the Canadian National Railways, Dec. 31, 1939**

Item	Public Accounts Mar. 31, 1940	Canadian National Balance Sheet Dec. 31, 1939
	\$	\$
Canadian Government Railways—		
Capital expenditures.....	388,077,250	Nil
Working capital.....	16,771,981	16,771,981
Canadian National Railways—		
Capital stock.....	282,012,426	Nil
Dominion Government equity.....	Nil	670,088,149
Temporary loans.....	51,915,570	45,382,081
Miscellaneous investments and other accounts.....	121,740	Nil
<b>Totals.....</b>	<b>738,898,967</b>	<b>732,242,211</b>
Additional advances between Dec. 31, 1939 and Mar. 31, 1940.....	Nil	344,655
Expenditures by Dominion not in C.N.R. balance sheet.....	"	6,312,101
<b>Totals.....</b>	<b>738,898,967</b>	<b>738,898,967</b>

**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 average haul for freight, as shown in Table 18, 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.