

### Subsection 4.—The Canadian National Railway System

A description of the origin and growth of Government-owned railways in Canada is given at pp. 601-603 of the 1926 Year Book. That article describes their consolidation under the Canadian National Railways in 1923. The Hudson Bay Railway is a direct liability of the Federal Government and has been operated by the Canadian National Railways for the Government since Apr. 1, 1935, but is not included in the data for Canadian National Railways; to Mar. 31, 1948, the total capital expenditure on this account was \$33,263,260, exclusive of the expenditure of \$6,240,096 on the terminal at Port Nelson, Man., and a loss of \$4,383,427 on operation. The operating deficit for the fiscal year 1947-48 was \$266,364.

The major portion of Federal Government investments in railways consists of construction costs of the Intercolonial System, the National Transcontinental Railway and the Hudson Bay Railway, and the purchase price of small railways in the Eastern Provinces. The terminals at Churchill, Man., consisting of a grain elevator, a warehouse and docks have been transferred to the National Harbours Board and the investment removed from the railway account. Loans and advances to the Canadian National Railways for payment of operating deficits were charged to the Consolidated Revenue Account of Canada and also cleared from the railway account. Other adjustments were made under the Canadian National Railways Capital Revision Act, 1937.

In view of the interest in the publicly-owned railway system, certain salient statistics are presented showing the assets, debt, operating accounts, mileage and traffic for the system. More detail is available from the report "Canadian National Railways, 1923-48" published by the Dominion Bureau of Statistics.

#### 13. — Assets of the Canadian National Railway System, as at Dec. 31, 1922 and 1948

Account	Dec. 31, 1922	Dec. 31, 1948	Increase (+) or Decrease (-)
	\$	\$	\$
<b>Investments—</b>			
Road and equipment.....	1,765,323,644	2,071,916,913	+306,593,269
Improvements on leased railway property.....	1,492,123	2,465,307	+973,184
Sinking funds.....	4,629,855	—	-4,629,855
Deposits in lieu of mortgaged property sold.....	6,171,808	18,698,204	+12,526,396
Miscellaneous physical property.....	34,767,914	64,535,010	+29,767,096
Affiliated companies.....	24,253,323	64,547,637	+40,294,314
Other investments.....	5,789,464	920,142	-4,869,322
Deferred maintenance funds.....	—	17,000,000	+17,000,000
<b>Totals, Investments.....</b>	<b>1,842,428,131</b>	<b>2,240,083,213</b>	<b>+397,655,082</b>
<b>Current Assets—</b>			
Cash.....	14,651,422	25,417,676 <sup>1</sup>	+10,766,254
Special deposits.....	6,139,435	4,814,419	-1,325,016
Loans and bills receivable.....	11,600	—	-11,600
Traffic and car service, balances receivable.....	2,528,622	—	-2,528,622
Net balances receivable from agents and conductors.....	5,356,673	16,604,558	+11,247,885
Miscellaneous accounts receivable.....	16,557,420	11,581,850 <sup>2</sup>	-5,275,570
Materials and supplies.....	41,408,999	74,024,304	+32,615,305
Interest and dividends receivable.....	377,063	214,539	-162,464
Rents receivable.....	112,269	—	-112,269
Other current assets.....	106,775	4,617,367	+4,510,592
<b>Totals, Current Assets.....</b>	<b>87,580,218</b>	<b>137,274,713</b>	<b>+49,694,495<sup>3</sup></b>

For footnotes, see end of table, p. 742.