

Under the Canadian National Railways Capital Revision Act (c. 22, 1937), interest on Federal Government loans, amounting to \$530,832,598, and Government claims for interest, amounting to \$43,949,039, were cancelled as liabilities of the Railway and these have been eliminated from Table 15 as fixed charges. Loans of \$270,037,438 for capital and \$373,823,120 for deficits were cancelled.

**15.—Gross Revenues, Operating Expenses, Net Revenues, Fixed Charges and Deficits of the Canadian National Railway System,<sup>1</sup> 1939-48**

NOTE.—Appropriations, etc., for the Hudson Bay Railway are not included with these data; although the Railway was returned to the Government while under construction, it is not now a part of the Canadian National Railways. Figures for 1911-25 are given at p. 660 of the 1936 Year Book and for 1926-38, at p. 590 of the 1942 edition.

Year	Gross Operating Revenues	Operating Expenses	Income Available for Fixed Charges	Total Fixed Charges	Net Income Deficit <sup>2</sup>	Cash Deficit
	\$	\$	\$	\$	\$	\$
1939.....	203,820,186	182,965,768	15,248,900	53,488,164	38,239,264	40,095,520 <sup>3</sup>
1940.....	247,527,225	202,519,813	37,920,718	53,305,288	15,384,570	16,965,044 <sup>3</sup>
1941.....	304,376,778	237,768,437	58,601,315	53,162,354	Cr. 5,438,961	Cr. 4,016,327
1942.....	375,654,544	288,998,675	78,952,433	51,669,935	Cr. 27,282,498	Cr. 25,063,268
1943.....	440,615,954	324,475,669	87,859,084	52,189,536	Cr. 35,669,548	Cr. 35,639,412
1944.....	441,147,510	362,547,044	73,473,733	50,474,480	Cr. 22,999,253	Cr. 23,026,924
1945.....	433,773,394	355,294,048	73,521,185	49,009,507	Cr. 24,511,678	Cr. 24,756,130
1946.....	400,586,026	357,236,718	37,239,784	46,685,316	9,445,532	8,961,570 <sup>3</sup>
1947.....	438,197,980	397,122,607	29,330,757	45,925,891	16,595,134	15,885,194 <sup>3</sup>
1948.....	491,269,950	464,739,970	12,502,931	46,341,727	33,838,796	33,532,741 <sup>3</sup>

<sup>1</sup> Includes the Central Vermont Railway, Inc. <sup>2</sup> Includes appropriations for insurance fund and excludes interest on Government loans eliminated by the Capital Revision Act, 1937. <sup>3</sup> Contributed by the Federal Government.

Table 16 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 year ended Mar. 31, 1948, with the debt to the Federal Government shown in the Railways' balance sheet at Dec. 31, 1947, which is covered by Federal Government proprietor's equity, and the columns "Active Assets in Public Accounts" and "Appropriations for Canadian Government Railways" in Table 14.

**16.—Reconciliation between the Public Accounts, Mar. 31, 1948, and the Balance Sheet of the Canadian National Railway System,<sup>1</sup> Dec. 31, 1947**

Item	Public Accounts Mar. 31, 1948	Canadian National Balance Sheet Dec. 31, 1947
	\$	\$
Canadian Government Railways—		
Capital expenditures.....	377,724,514	377,677,766
Working capital.....	16,771,981	16,771,981
Canadian National Railways—		
Federal Government equity:		
Canadian National Railways capital stock.....	18,000,000	18,000,000
Canadian National Railways securities trust stock.....	378,518,135	378,518,135
Temporary Loans.....	743,953,125	672,698,368
Miscellaneous investments—Grand Trunk Railway stock purchased prior to Confederation—not in Canadian National Railways' balance sheet.....	121,740	—
Transactions between Dec. 31, 1947 and Mar. 31, 1948:		
Advanced by Federal Government.....	—	72,816,424
Repayments by Canadian National Railways.....	—	Cr. 1,561,667
Expenditure by Federal Government not in Canadian National Railways' balance sheet—		
Grand Trunk Railways stock purchased prior to Confederation	—	121,740
Canadian Government Railways—Capital expenditure—Fair view Subway.....	—	46,747
<b>Totals.....</b>	<b>1,535,669,495</b>	<b>1,535,669,495</b>

<sup>1</sup> Includes Canadian Government Railways.