

Subsection 4.—The Canadian National Railway System

A description of the origin and growth of Government-owned railways in Canada is given in the 1926 Year Book, pp. 601-603, in an article recording 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, 1950, the total capital expenditure on this account was \$33,439,357, exclusive of the expenditure of \$6,240,096 on the terminal at Port Nelson, Man., and a loss of \$4,980,185 on operation. The operating deficit for the fiscal year 1949-50 was \$197,193.

On Apr. 1, 1949, the Canadian National Railways took over the operation of the Newfoundland Railway embracing its 705 miles of line, 14 coastal steamers and a dry dock at St. John's; communications services of the Newfoundland Government Posts and Telegraphs were also transferred for operation to the Canadian National Railways. (The Newfoundland Hotel was consigned towards the end of the year.)

Effective Jan. 1, 1950, the Canadian National Railways took over the operation of the Témiscouata Railway which was purchased by the Government in 1949, thus adding about 69 miles of line.

The Quebec Railway, Light and Power Company (Montmorency Division), having 25.7 miles of single track was purchased and incorporated as part of the System, Nov. 1, 1951.

The major portion of Federal Government investment 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.

In view of the interest in the publicly owned railway System, the following salient statistics are presented showing the assets, debt, operating accounts, mileage and traffic for the Canadian National Railway System. More detail is available from the D.B.S. report *Canadian National Railways, 1923-51*.

13.—Assets of the Canadian National Railway System, as at Dec. 31, 1922 and 1951

Account	Dec. 31, 1922	Dec. 31, 1951	Increase or Decrease
	\$	\$	\$
Investments—			
Road and equipment.....	1,765,323,644	2,245,260,580	+479,936,936
Improvements on leased railway property.....	1,492,123	1,097,308	-394,815
Sinking funds.....	4,629,855	—	-4,629,855
Deposits in lieu of mortgaged property sold.....	6,171,808	8,338,027	+2,166,219
Miscellaneous physical property.....	34,767,914	65,523,665	+30,755,751
Affiliated companies.....	24,253,323	53,119,620	+28,866,297
Other investments.....	5,789,464	1,020,618	-4,768,846
Totals, Investments.....	1,842,428,131	2,374,359,818	+531,931,687
Current Assets—			
Cash.....	14,651,422	23,179,918 ¹	+8,528,496
Special deposits.....	6,139,435	5,293,620	-845,815
Loans and bills receivable.....	11,600	—	-11,600
Traffic and car service, balances receivable.....	2,528,622	—	-2,528,622

For footnote, see end of table.