

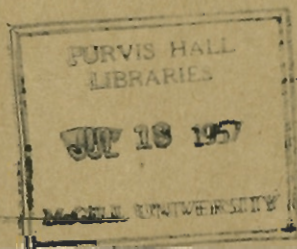
ANNUAL REPORT

— OF THE —

**CANADIAN NATIONAL RAILWAY
SYSTEM**

FOR THE YEAR ENDED DECEMBER 31, 1928

**McGill University
School of Commerce
Library**



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— OF THE —

CANADIAN NATIONAL RAILWAY SYSTEM

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Library

CANADIAN NATIONAL RAILWAYS

DIRECTORS

*SIR HENRY W. THORNTON, K.B.E., CHAIRMAN.....	MONTREAL, QUE.
*MR. GERARD RUEL, K.C.....	MONTREAL, QUE.
†*MAJOR G. A. BELL, C.M.G.....	OTTAWA, ONT.
*MR. ERNEST R. DECARY.....	MONTREAL, QUE.
MR. FREDERICK G. DAWSON.....	PRINCE RUPERT, B.C.
MR. TOM MOORE.....	OTTAWA, ONT.
COLONEL O. E. TALBOT.....	QUEBEC, QUE.
MR. D. J. McDOUGALD.....	TORONTO, ONT.
*MR. JAMES GILL GARDNER.....	BROCKVILLE, ONT.
*MR. J. STUART RAYSIDE.....	MONTREAL, QUE.
*MR. MATHEW LODGE.....	MONCTON, N.B.
HON. EDWARD BROWN.....	WINNIPEG, MAN.
MR. NELSON RATTENBURY.....	CHARLOTTETOWN, P.E.I.
HON. E. A. SMITH, (appointed December 11th, 1928.).....	SHEDIAC, N.B.
MR. R. P. ORMSBY, Secretary, MONTREAL, QUE.	

†Deceased Jan. 13, 1929. Succeeded by *Mr. R. A. C. Henry.

*Deceased July 23, 1928, and succeeded by Hance J. Logan, K.C., who resigned in January, 1929, on appointment to the Senate.

*The Executive Committee is composed of the six Directors against whose names an asterisk is shown.

CANADIAN NATIONAL RAILWAYS

SIR HENRY W. THORNTON, PRESIDENT

L. V. HUMMEL.....	Assistant to the President.....	MONTREAL
D. E. GALLOWAY.....	Assistant Vice-President.....	MONTREAL
R. A. C. HENRY.....	Director, Bureau of Economics.....	MONTREAL
W. S. THOMPSON.....	Director of Publicity.....	MONTREAL
E. P. MALLORY.....	Director, Bureau of Statistics.....	MONTREAL
H. J. PAGE.....	Director of Investigation.....	MONTREAL
WM. PHILLIPS.....	Manager, Industrial Department.....	MONTREAL

LEGAL DEPARTMENT

GERARD RUEL, K.C., VICE-PRESIDENT

R. H. M. TEMPLE, General Counsel

D. B. SMITH.....	Assistant to Vice-President and to the General Counsel.....	MONTREAL
ALISTAIR FRASER, K.C.....	Assistant General Counsel.....	MONTREAL
E. E. FAIRWEATHER, K.C.....	Counsel.....	MONTREAL
T. WATERSTON.....	General Solicitor.....	MONTREAL
I. C. RAND, K.C.....	Regional Counsel.....	MONCTON
J. P. PRATT.....	Regional Counsel.....	TORONTO
R. E. LAIDLAW.....	Assistant Regional Counsel.....	TORONTO
G. M. HAIR, K.C.....	Regional Counsel.....	WINNIPEG
R. W. HANNINGTON.....	Assistant Regional Counsel.....	VANCOUVER
H. R. MARTIN.....	General Attorney.....	DETROIT
T. G. WATSON.....	Tax Commissioner.....	MONTREAL

OPERATION AND CONSTRUCTION DEPARTMENT

S. J. HUNGERFORD, VICE-PRESIDENT

A. J. HILLS.....	Assistant to Vice-President.....	MONTREAL
D. CROMBIE.....	Chief of Transportation.....	MONTREAL
C. B. BROWN.....	Chief Engineer, Operation Department.....	MONTREAL
C. S. GZOWSKI.....	Chief Engineer, Construction Department.....	MONTREAL
C. E. BROOKS.....	Chief of Motive Power.....	MONTREAL
G. E. SMART.....	Chief of Car Equipment.....	MONTREAL
WALTER PRATT.....	General Manager, Hotels & Sleeping & Dining Cars.....	MONTREAL
A. E. CRILLY.....	Chief of Wage Bureau.....	MONTREAL
W. H. KILBY.....	Chief of Forest Protection.....	MONTREAL
W. S. MURPHY.....	General Time Supervisor.....	MONTREAL
W. U. APPLETON.....	General Manager.....	MONCTON
A. E. WARREN.....	General Manager.....	TORONTO
W. A. KINGSLAND.....	General Manager.....	WINNIPEG
C. G. BOWKER.....	General Manager.....	DETROIT
R. W. SIMPSON.....	Assistant General Manager.....	MONCTON
J. R. CAMERON.....	Assistant General Manager.....	VANCOUVER
W. R. DAVIDSON.....	Assistant General Manager.....	DETROIT

PURCHASING AND STORES DEPARTMENT

R. C. VAUGHAN, VICE-PRESIDENT

D. MCK. FORD.....	Assistant to Vice-President.....	MONTREAL
L. LAVOIE.....	General Purchasing Agent.....	MONTREAL
L. C. THOMSON.....	Manager of Stores.....	MONTREAL
G. H. JENKINS.....	General Fuel Agent.....	MONTREAL
A. L. GRABURN.....	Assistant General Fuel Agent.....	MONTREAL
G. P. MACLAREN.....	General Tie & Timber Agent.....	MONTREAL
J. W. CORBETT.....	Purchasing Agent.....	TORONTO
F. H. KINNEAR.....	Purchasing Agent.....	MONCTON
F. W. TISDALE.....	Purchasing Agent.....	WINNIPEG
C. C. LABRIE.....	Purchasing Agent.....	VANCOUVER
W. E. EVANS.....	Purchasing Agent.....	DETROIT

CANADIAN NATIONAL RAILWAYS

TRAFFIC AND EXPRESS DEPARTMENT

A. T. WELDON, VICE-PRESIDENT

JOHN PULLEN.....	Assistant to Vice-President.....	MONTREAL
D. O. WOOD.....	General Freight Traffic Manager.....	MONTREAL
R. L. BURNAP.....	Assistant General Freight Traffic Manager.....	MONTREAL
FRANK J. WATSON.....	Commission Traffic Representative.....	MONTREAL
L. MACDONALD.....	Freight Traffic Manager.....	MONTREAL
W. G. MANDERS.....	Freight Traffic Manager.....	WINNIPEG
E. F. FLINN.....	Freight Traffic Manager.....	CHICAGO
M. F. TOMPKINS.....	Traffic Manager.....	MONCTON
R. J. FOREMAN.....	General Foreign Freight Agent.....	MONTREAL
H. H. MELANSON.....	General Passenger Traffic Manager.....	MONTREAL
C. W. JOHNSTON.....	Assistant General Passenger Traffic Manager.....	MONTREAL
R. L. FAIRBAIRN.....	Manager Passenger Service Bureau.....	MONTREAL
R. CREELMAN.....	Passenger Traffic Manager.....	WINNIPEG
W. C. MUIR.....	General Manager, Express Department.....	MONTREAL

FINANCE DEPARTMENT

D. C. GRANT, VICE-PRESIDENT

C. D. COWIE.....	Assistant to Vice-President.....	MONTREAL
J. M. ROSEVEAR.....	General Comptroller.....	MONTREAL
J. A. YATES.....	General Treasurer.....	MONTREAL
C. E. FRIEND.....	Assistant General Comptroller.....	MONTREAL
H. G. FOREMAN.....	Assistant General Treasurer.....	MONTREAL
T. H. COOPER.....	General Auditor.....	MONTREAL
G. F. ANCRUM.....	Treasurer.....	MONTREAL
W. S. HARRISON.....	General Auditor of Revenues.....	MONTREAL
J. B. MCLAREN.....	Comptroller.....	TORONTO
A. C. EGAN.....	Comptroller.....	WINNIPEG
A. E. PLANT.....	Comptroller.....	MONCTON
F. HORTON.....	Comptroller.....	DETROIT
F. J. BULLER.....	Treasurer.....	TORONTO
W. LEB. ROSS.....	Treasurer.....	WINNIPEG
B. A. BOURGEOIS.....	Treasurer.....	MONCTON
L. C. GROOM.....	Auditor, Land Department.....	MONTREAL
E. ARNOLD.....	Auditor of Freight Claims.....	MONTREAL
J. G. SWALWELL.....	Auditor, Express Accounts.....	MONTREAL

DEPARTMENT OF TELEGRAPHS, COLONIZATION, RADIO, INSURANCE, LANDS, DEVELOPMENT AND GENERAL MATTERS

W. D. ROBB, VICE-PRESIDENT

C. MANNING.....	Assistant to Vice-President.....	MONTREAL
W. G. BARBER.....	General Manager, Telegraph & Telephone Department.....	TORONTO
W. J. BLACK.....	Director of Colonization, Agriculture and Natural Resources Departments.....	MONTREAL
C. PRICE-GREEN.....	Commissioner, Natural Resources.....	MONTREAL
C. T. YOUNG.....	Superintendent of Development.....	TORONTO
E. A. FIELD.....	Land Commissioner.....	WINNIPEG
A. R. MCEWAN.....	Director of Radio.....	MONTREAL
W. D. KEESON.....	Director of Insurance.....	MONTREAL
F. A. BOURNE.....	Superintendent of Pensions and Relief.....	MONTREAL
W. A. BOOTH.....	Director, Safety and First Aid.....	MONTREAL

SECRETARY'S DEPARTMENT

R. P. ORMSBY, SECRETARY

HENRY PHILIPS.....	Assistant Secretary.....	MONTREAL
D. R. GUNN.....	Assistant Secretary.....	MONTREAL
F. B. HAYDEN.....	Registrar.....	MONTREAL
M. H. STEVENS.....	Assistant Registrar.....	MONTREAL
W. C. TOMKINS.....	Secretary and Treasurer, Grand Trunk Western.....	DETROIT
H. W. HARDING.....	European Secretary and Comptroller.....	LONDON
A. H. CONEYBEARE.....	Assistant European Secretary.....	LONDON
W. H. HAMMERTON.....	European Registrar.....	LONDON

EUROPEAN OFFICE: ORIENT HOUSE, 42-45 NEW BROAD STREET, LONDON, E.C.2, ENGLAND

EUROPEAN TRAFFIC AND COLONIZATION DEPARTMENT

C. J. SMITH, VICE-PRESIDENT

P. A. CLEWS.....	European Traffic Manager.....	
DAN M. JOHNSON.....	European Colonization Manager.....	

OFFICE: 17-19 COCKSPUR STREET, LONDON, S.W.1, ENGLAND

CANADIAN NATIONAL RAILWAYS

Montreal, Que., March 30, 1929.

To the Honourable Charles A. Dunning, M.P.,
Minister of Railways and Canals,
Ottawa.

Sir:—

On behalf of the Board of Directors I have the honour to submit the report of the operations and affairs of the Canadian National Railway System for the year ended December 31, 1928.

As mentioned on Page 5 of the Annual Report for 1927 the System figures for that year included those relating to the Eastern Lines for the first six months of that year; but as in this report the Eastern Lines figures are not included for any part of 1928, the System figures for 1927 shown in this report have for comparative purposes been restated by eliminating the figures for the Eastern Lines for the first six months of 1927.

The System Report is followed by that of the Eastern Lines; also by a consolidated income statement which includes Eastern Lines but excludes the Central Vermont System.

MILEAGES

	Miles Owned by Constituent Companies	Miles Under Lease or Contract	Miles Under Trackage Rights	Total
Central Region (Lines west of Levis & Diamond Jct.)	7,005.29	438.43	15.99	7,459.71
Grand Trunk Western Lines.....	903.69	60.06	27.78	991.53
Western Region.....	10,474.80	383.68	54.41	10,912.89
Total.....	18,383.78	882.17	98.18	19,364.13

Revenue

	1928	1927	Increase
Freight.....	\$209,439,962.99	\$184,865,149.73	\$24,574,813.26
Passenger.....	34,187,023.87	33,617,009.49	570,014.38
Express.....	13,307,373.54	12,611,426.50	695,947.04
Mail.....	3,099,212.13	2,755,258.60	343,953.53
Miscellaneous.....	16,598,348.69	14,867,530.08	1,730,818.61
Total.....	\$276,631,921.22	\$248,716,374.40	\$27,915,546.82

Expenses

	1928	1927	Increase
Maintenance of Way and Structures..	\$48,010,559.17	\$43,174,956.45	\$4,835,602.72
Maintenance of Equipment.....	47,918,236.40	44,560,390.31	3,357,846.09
Traffic.....	7,047,167.70	6,734,641.64	312,526.06
Transportation.....	107,963,695.15	100,967,491.59	6,996,203.56
Miscellaneous Operations.....	2,329,281.21	2,237,549.94	91,731.27
General.....	6,785,668.17	6,617,160.92	168,507.25
Transportation for Investment <i>Credit</i>	<i>1,806,264.12</i>	<i>976,506.56</i>	829,757.56
	\$218,248,343.68	\$203,315,684.29	\$14,932,659.39
Net Earnings.....	\$58,383,577.54	\$45,400,690.11	\$12,982,887.43
Operating Ratio.....	78.89	81.75	

GROSS EARNINGS

The gross earnings exceeded those of the previous year by \$27,915,546 (11.2%).

As far as railway operations are concerned the year 1928 was a banner year. The great volume of traffic was to a large extent due to the heavy Western crops of the last two years; and to bad weather conditions and a late harvest in 1927 which left a large carry over of that year's crop for 1928; also to the good weather conditions of last fall and an early harvest which enabled an unusually large proportion of the 1928 crop to be carried to terminal elevators in that year.

CANADIAN NATIONAL RAILWAYS

OPERATING EXPENSES

Owing to the greater volume of business this item is increased by \$14,932,659 (7.3%) over the 1927 figure. This increase would have been substantially larger but for efficiency in various directions. Consumption of fuel per 1,000 gross ton miles was reduced by 5 lbs. (4%); and cost of fuel per ton on locomotive tenders by 18 cents (3.91%).

MAINTENANCE OF WAY AND STRUCTURES

This item increased by \$4,835,602 (11.2%) over the corresponding figure for last year. The additional expenditures were required to take care of traffic, to improve properties and to add new facilities required for economy of maintenance and operation.

New 100 lb. rails were laid on over 800 miles, and new 85 lb. rails were laid on 275 miles; thus enabling the use elsewhere of the replaced rails.

Substantial expenditures were made in replacement of track ties, 20% of the renewals consisting of treated ties. Other work included rock ballasting on double track main line sections and the strengthening and renewal of bridges, turntables and other structures.

MAINTENANCE OF EQUIPMENT

The increase of \$3,357,846 (7.5%) is due to traffic increase; also to improvements in locomotives and rolling stock. \$786,000 of the above amount represents retirements of obsolete equipment. Substantial purchases were made during the year of ballast cars, working equipment, locomotives, colonist cars and other passenger equipment.

TRANSPORTATION

With an increase in gross revenue of \$27,915,546 it was to be expected that there would be a substantial increase in transportation expenses. The actual increase, however, was only \$6,996,203 (6.93%). The transportation expense per dollar earned was reduced from 40.59 cents to 39.02 cents.

The more efficient use of freight equipment is indicated by the improvement in the average number of miles made per car per day, which have been increased by 23.8% since 1923, representing hypothetically a saving in capital expenditure for freight cars of \$75,000,000.

BETTERMENTS

Under this heading the chief items were as follows:—

Substantial work on the new locomotive shops at Point St. Charles, as part of the modernization of the entire plant at that place; continued work in connection with the Toronto Viaduct Scheme, as well as on grade separations in the northern part of the City; improvements to station and terminal facilities, more particularly at Vancouver; initial work on the new station layout at Hamilton; construction of new yards at Niagara Falls, Port Arthur and Port Huron, and of a storage warehouse at Winnipeg; installation of automatic signals on certain double track main line sections; important grade separation work, more particularly in Chicago, South Bend, Pontiac and Detroit; heavy bridge renewals, mostly in Western Canada; part construction of main line revision between Kamloops and Ashcroft.

During the year a Diesel electric locomotive of greater power than ever hitherto developed was put into service. The main features of this locomotive were worked out by our own officers after experiments extending over three years. The locomotive is a development of the engine used in the Diesel electric car referred to in the 1925 report. Preliminary operation has shown satisfactory results and it is expected that fuel economy and other important operating advantages will follow, particularly through the employment of this type of power in yard and switching work.

Of the lines included in the 1927-1930 Branch Line Programme there were placed in operation during the year 177.85 miles of which 111.59 are in Saskatchewan and 66.26 in Alberta.

Considerable additional work was done on about 190 miles of other lines.

FLIN FLON LINE

The construction of the line from the Hudson Bay Railway to the Flin Flon Mines was carried out in almost record time, thus enabling hauling of heavy freight under operation by the contractors prior to final ballasting and completion. Another contract has recently been placed by the owner of that railway, the Manitoba Northern Railway Company, for a branch of about forty-one miles to the Sherritt Gordon properties. It is expected that this line will be ready for similar operation before the end of the present year.

CANADIAN NATIONAL RAILWAYS

HUDSON BAY RAILWAY

A great deal of rehabilitation work was done during the year on the Hudson Bay line from The Pas to mile 356 where the Fort Churchill extension leaves the Port Nelson line. On this 154 mile extension grading and track laying have been completed for more than 100 miles and the final route has been located to Fort Churchill.

HOTELS

A start has been made on the construction of the hotel at Vancouver, the name of which will be "The British Columbia." Substantial progress has been made on the construction of the hotel at Halifax, the name of which will be "The Nova Scotian." The extension of the "Chateau Laurier" is already sufficiently completed to enable the use of 140 new bedrooms. A site for a hotel in Saskatoon has been acquired. Additional facilities were constructed at Jasper Park Lodge and Pictou Lodge.

WAGES AND LABOUR

During the year there were a number of wage agreement adjustments affecting working conditions. In connection with the co-operative plan referred to in previous reports a week's holiday per year with pay has been granted to employees working under relative wage agreements and having two or more years of continuous service. Requests for extensions of the plan to other employees are under consideration. Throughout the year the relations between employees and the management have been harmonious.

MONTREAL TERMINALS

The publication of Mr. Frederick Palmer's report in regard to the terminal situation at Montreal has confirmed in a general way the suitability of the plans which in 1927 were submitted by the management. It is the intention to proceed with consummation of the Canadian National plans as rapidly as circumstances will permit.

During the year purchases were arranged of almost all the outstanding shares of the Montreal Stock Yards Company. This arrangement was followed by substantial improvements to the Stock Yards, the good effect of which has been generally recognized. The expectation is that after additional proposed improvements have been made the Stock Yards will be of ample capacity and modern in all respects.

ALBERTA RAILWAYS

After considerable deliberation the management recommended that the National Railways should join on an equal basis with the Canadian Pacific Railway Company in acquiring and operating the 794 miles of railways in and extending beyond the boundary of Alberta owned by that Province. The formal agreements with the Provincial Government and the Canadian Pacific Railway Company have been executed. Subject to authority from the Dominion Parliament, the purchased lines will be taken in the name of a new company (Northern Alberta Railways Company) which will be controlled equally by the two interested Systems.

FINANCE

In the 1928 Appropriation Acts \$39,000,000 was voted for Canadian National purposes covering the calendar year 1928.

As of December 1st, 1928, an issue of \$35,000,000 of 4½% Forty Year Guaranteed Gold Bonds was made for various purposes, approximately as follows:—

Expenditures for Branch Line construction and the Toronto Viaduct Scheme.....	\$13,500,000
Various expenditures under the 1928 budget.....	21,500,000
	<hr/>
	\$35,000,000

The original guarantee by the Dominion Government of payment of principal of and interest on the bonds is held by the Secretary of State of Canada. The conditions of issue and a copy of the guarantee are endorsed on each bond. No trust agreement was entered into regarding the issue.

By an arrangement with the underwriters of the issue, \$8,666,000 of the bonds were not taken up till January 3, 1929, so that of the total issue only \$26,334,000 is reflected in the details of Funded Debt, as shown later in this report.

CANADIAN NATIONAL RAILWAYS

In October 1928 arrangements were made with Canadian chartered banks for the temporary provision of \$40,000,000 in connection with the following items:—

Retirement of Canadian Northern Railway Company 5% Income Charge Convertible Debenture Stock.....	\$22,748,109.60
Expenditures incurred under the nine months budget to December 31, 1927.....	5,900,000.00
Expenditures made under the 1928 budget.....	11,351,890.40
	\$40,000,000.00

It is intended that, during the present year, long term financing will be arranged under which the moneys provided by the banks, as above, will be repaid.

Temporary financing, to the extent of \$3,500,000 was arranged in 1928 with one of our bankers in connection with the construction by the Manitoba Northern Railway Company of its line to the Flin Flon Mine. During the present year additional advances have similarly been arranged for the same purpose and in connection with the branch to the Sherritt Gordon Mine.

The Funded Debt Retirements during the year were:—

Canadian Northern Railway Company 5% Income Charge Convertible Debenture Stock.....	\$24,137,846.08
Equipment Trust Certificates of various issues.....	6,041,400.00
Payments under various Sinking Funds and otherwise.....	2,088,714.10

TRAFFIC

\$32,267,960.18

A change in the direction of the flow of grain from the Prairie Provinces is noticeable. The increases and the percentage increases in the number of cars handled on our lines in 1928, delivered at Port Arthur-Fort William, Vancouver and Prince Rupert, as compared with the 1927 figures, were respectively 34,055 (31.7%), 17,134 (116.2%) and 1,577 (37.8%). The large increase in grain carried to Vancouver is very marked. The first elevator was constructed at Victoria and shipments of grain (112 cars) to that port were commenced.

The total Dominion grain crop harvested in 1928 has been estimated at nearly 1,200,000,000 bushels, an increase of nearly 10% over the figure for 1927. For the calendar year grain deliveries on the Western Region were nearly 37% over the former record made in 1923.

Export traffic revenue increased 38.4% (\$4,609,900); import traffic revenue increased 5.6% (\$350,300). Owing to market conditions in Great Britain the exports of livestock from Canada have practically ceased.

Under an Order-in-Council dated March 30, 1928, all-rail test shipments of Nova Scotia and New Brunswick coal were made to certain points in the Province of Quebec at reduced rates. The same order covered the rail movement on similar coal carried by boat to St. Lawrence ports and thence by rail to points in Quebec and Ontario, the test movements to be in effect for three years; the intention being that the Crown will provide an amount reasonably considered equivalent to the difference between the regular and the reduced rates. Under this order there were handled 5,575 all rail tons also 86,025 tons ex-water at Montreal. The \$6.75 per ton rate for test coal shipments from Alberta to Ontario points resulted in a movement of 26,536 tons. Shipments at said rate can, under order of the Board of Railway Commissioners, be continued to July 15th this year.

An appreciable saving in operating expense has been effected by continuing the policy of eliminating unprofitable and unnecessary steam passenger trains and by substituting motor car service for steam service. During the year 75,735 steam passenger miles were eliminated; and in lieu of approximately 78,260 other miles of steam service motor car service has been substituted.

Passenger revenues increased 1.7% over the figure for 1927, notwithstanding that 4.5% fewer passengers were carried. The average distance per trip was 79.9 miles, as compared with 74.6 miles in 1927.

Gross express revenues were increased by \$695,947 (5%), this increase being mainly due to larger shipments of general merchandise and perishable foods, as well as to an increase in movement of small packages.

TELEGRAPHS

The increase in commercial telegraph business during the year was phenomenal, partly due to the Western grain crop and direct and indirect resultant business and partly to various improved facilities established for special services.

The Carrier Current System has been extended to Saskatoon and Edmonton and will before long be operated to Vancouver. The carrier facilities between Montreal and Toronto have been doubled. A great deal of work has been done on reconstruction of pole lines and renewal of wires. The net income from commercial services increased substantially.

During the year the telegraph properties of the Western Union Telegraph Company in the Maritime Provinces were purchased, except special facilities in connection with that Company's cable service. The result of such purchase, subsequent to the previous purchase of Western Union properties in British Columbia, has given the National Railways their own through telegraph service across Canada. Special arrangements were made with the Canadian Marconi Company for the acceptance at our telegraph offices of trans-Atlantic Marconi messages.

CANADIAN NATIONAL RAILWAYS

INSURANCE

Transfers during 1928 of properties to Harbour Commissioners at Halifax, Saint John and elsewhere reduced the liabilities under the Self Insurance Fund by about \$3,000,000.

At the end of 1928 the reserve (exclusive of amounts relating to Merchant Marine properties) was \$9,046,615. The interest on the securities representing this amount slightly exceeded the total losses. These losses were less by \$100,900 than those in 1927. The decrease is to a large extent due to elimination of hazards, improved fire fighting facilities and general educational work. A new fire risk in the Western Provinces has arisen as a result of harvesting machinery which removes but little more than the grain heads leaving the stalks which are easily set on fire by sparks from locomotives. Special consideration is being given to the best method for combatting this risk.

COLONIZATION

During the year 40,120 European immigrants, excluding British harvesters, came to Canada under our auspices via allied steamship companies, as compared with 38,685 in 1927. Of these 5,615 were Britishers as compared with 8,815 last year. The decrease in British immigrants is partly accounted for by delays resulting from the regulations under which they were recruited. The establishment of British training farms has improved the outlook and our Correspondence Course has been justified. The total placements of immigrants has steadily increased from 3,526 in 1925, to 33,292 last year, which latter number includes 2,763 families settled adjacent to our lines. This involved a very great deal of work, more particularly by our Western Colonization Staff. During the year the general work of the Department was maintained in connection with the development of natural resources and the various educational and other activities for the help of settlers after arrival.

LAND SALES

There was an increase in the amount of farm land sold during the year, also in the price received per acre: 85,230 acres were sold at an average of \$14.46 per acre, compared with 74,267 acres sold in 1927 at \$13.39. Cancellations of purchase contracts covered 19,433 acres, averaging \$15.92 per acre, as compared with 20,797 acres in 1927 averaging \$14.82.

PURCHASING AND STORES

Notwithstanding the increased business done the value of materials on hand was substantially reduced during the year. There was little change in the price of general materials.

Mine prices for coal imported from the United States were lower, but it is unlikely that any further appreciable reductions can be expected during 1929. On June 25th last year operations were resumed by one of our subsidiary companies, the Rail and River Coal Company, from whose mines in Ohio it is expected there will be available about 125,000 tons of coal per month for locomotive purposes, partly in the United States and partly in Canada. The percentage of Canadian coal used on the System is increasing.

A substantial carry over of ties is on hand from last year, available for use when labour is plentiful and weather conditions are favourable in the spring and summer.

There is an indication that some materials may cost more in 1929 than in 1928. There has been a material increase in the price of copper, also some minor increases in other articles.

INDUSTRIAL DEPARTMENT

During the year just passed industrial development along the lines of the Canadian National shows an improvement as compared with former years, while the list of new industries is becoming more diversified.

With the intention of encouraging increased production of farm products, as well as of providing facilities for the proper protection of perishable goods, private parties have been interested in the construction of cold storage warehouses at Moncton, Montreal and Walkerville, in addition to which cold storage plants at Halifax, New Westminster and Victoria are now nearing completion.

The investment in new concerns located adjacent to Canadian National lines again totalled millions of dollars, apart from increased investments in plants already established. There is every indication that the year 1929 will show a still further improvement.

The work of the Department has necessitated the appointment of Industrial Agents at Winnipeg, Saskatoon and Edmonton.

CANADIAN NATIONAL RAILWAYS

PENSIONS

The following employees, with fifty or more years of service, were placed on pension during the year, and their records furnish a fine testimonial to the fidelity and loyalty with which they have served the Company for more than half a century. The best wishes of the management are extended to them for a long and well-merited period of retirement:

Name	Years of Service	Name	Years of Service
Dennison, A. E.....	53	McMillan, J. D.....	53
Filgiano, G. V. B.....	53	McWood, J. W.....	52
Hewitt, C. J.....	52	Slemin, A.....	51
Heels, P. C.....	56	Snyder, Geo. A.....	54
Lavery, P.....	50	Sutherland, A.....	51
Morrison, J.....	55		

The following employees deserve honourable mention for life-saving acts and efforts:—

Arbing, James S.	Jackson, David
Blanchard, Victor R.	McDougall, John A.
Butt, Thomas	McGrath, John
Capper, Alfred T.	Morrison, William G.
Drolet, Alexandre	Mullen, Orville S.
Gardiner, Wilfred A.	Polley, Francis P.

EUROPEAN TRAFFIC

The European gross earnings showed an increase of \$600,000 over those for 1927. An office was opened in Birmingham on February 1st, with good results. Bookings from Canadian National Offices over allied Atlantic Steamship Lines show an increase for the year, especially in regard to third class business. There were increases in the number and aggregate weight of westbound express packages. Money Order sales were higher by \$335,400 over the \$751,600 for 1927.

GRAND TRUNK WESTERN CONSOLIDATION

A consolidation has been effected of the Grand Trunk Western Railway Company and nine subsidiary companies under the name "Grand Trunk Western Railroad Company." Application has been made to the Interstate Commerce Commission for approval to the issue by the Consolidated Company of the shares and securities contemplated under a general plan for the reorganization of the finances of the various companies involved. The purpose of the consolidation was to eliminate corporate technicalities and to simplify accounting arrangements, as well as to provide a financial scheme for the future.

CENTRAL VERMONT

Unanimous approval has recently been given by the State of Vermont to arrangements as a result of which the Receivership of the Central Vermont Railway Company will be terminated and under which it is expected that a financial reorganization will be possible. It is gratifying to be able to record that ever since the serious damage by flood in November, 1927, to the Central Vermont properties our efforts towards rehabilitation have been assisted in every possible way by the local and the State authorities. The approval above referred to may be taken as evidence that the State of Vermont is satisfied with such efforts; and as a result much good will and confidence has been established with the people of that State.

WEST INDIES TRADE AGREEMENT

The first of the five vessels referred to in the annual report for 1927 was put into service during last December. A bi-monthly service has been in effect since then.

The inauguration of this service was enthusiastically welcomed by the various West Indies authorities and communities in the belief that it will be of great commercial benefit to the Islands and will strengthen the ties between the Islands themselves and between them and the Dominion. The present and advanced bookings indicate the popularity of the passenger service. The amount of freight already carried has been satisfactory. Arrangements in contemplation in regard to fruit and other shipments should ensure substantial cargoes for the future.

CANADIAN NATIONAL RAILWAYS

OBITUARY NOTICES

Record with great regret is made of the following deaths during 1928 and shortly thereafter:--

MR. HOWARD G. KELLEY, who for many years held executive positions with and for five years was President of the Grand Trunk Railway Company;

MR. MATHEW LODGE, who for four years was one of our Directors;

MR. W. C. CHISHOLM, K.C., who had been connected with the Legal Department for many years as Solicitor, Assistant General Counsel and General Counsel;

MAJOR GRAHAM A. BELL, C.M.G., who in addition to having been a Director since 1918 was Deputy Minister of Railways and Canals. In his dual capacity he was very closely associated with the National Railways;

MR. J. E. DALRYMPLE, who had been connected with the Grand Trunk Traffic Department for many years and who was Vice-President in Charge of Traffic when he resigned in 1926;

MR. R. M. HORNE-PAYNE, who for many years prior to consolidation had been largely responsible for very economical Canadian Northern financing in London. He was Director of that Company from 1906 to 1918;

MR. H. R. CHARLTON, who served many years in connection with advertising work and was Manager of the Advertising Department at the time of his death.

The Directors desire that in this report there be included a copy of a resolution passed by them on December 17, 1928:

"IT WAS UNANIMOUSLY RESOLVED

THAT the Directors' desire to place themselves on record as appreciating the fine spirit shown and the excellent work done by the officers and employees all over the Canadian National Railway System, without which the present satisfactory position in regard to the general standing of the System, as well as the gross and net earnings, could not have been reached."



Chairman and President.

CANADIAN NATIONAL RAILWAYS

SYSTEM

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CANADIAN NATIONAL RAILWAYS

EASTERN LINES

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CANADIAN NATIONAL

CONSOLIDATED BALANCE SHEET

ASSETS			
INVESTMENTS:			
701 Investment in Road and Equipment.....		\$1,942,146,252.94	
702 Improvements on Leased Railway Property.....		3,497,933.07	
703 Sinking Funds:			
System Securities at par.....	\$12,869,482.29		
Other Assets at Cost.....	3,894,524.94	16,764,007.23	
704 Deposits in lieu of Mortgaged Property Sold.....		4,998,617.00	
705 Miscellaneous Physical Property.....		52,071,316.26	
706 Investments in Affiliated Companies:			
"A" Stocks.....	\$5,235,984.91		
"B" Bonds.....	26,014,391.80		
"C" Notes.....	8,041,905.52		
"D" Advances.....	13,847,875.36	53,140,157.59	
707 Other Investments.....		5,646,257.62	\$2,078,264,541.71
CURRENT ASSETS:			
708 Cash.....		\$18,923,375.85	
711 Special Deposits.....		22,265,771.10	
712 Loans and Bills Receivable.....		2,127.78	
713 Traffic and Car-Service Balances Receivable.....		1,545,017.41	
714 Net Balances Receivable from Agents and Conductors.....		6,951,994.53	
715 Miscellaneous Accounts Receivable.....		9,900,769.41	
Dominion Government—Operating Deficit on Eastern Lines.....		1,821,471.92	
716 Material and Supplies.....		40,166,304.45	
717 Interest and Dividends Receivable.....		368,535.35	
718 Rents Receivable.....		166,663.53	
719 Other Current Assets.....		30,279.26	102,142,310.59
DEFERRED ASSETS:			
720 Working Fund Advances.....		\$314,571.11	
721 Insurance and Other Funds.....		9,288,283.74	
722 Other Deferred Assets.....		9,786,520.71	19,389,375.56
UNADJUSTED DEBITS:			
723 Rents and Insurance Premiums paid in Advance.....		48,919.03	
724 Discount on Capital Stock.....		196,520.00	
725 Discount on Funded Debt.....		7,998,957.22	
727 Other Unadjusted Debits.....		5,251,801.55	13,496,197.80
			<u>\$2,213,292,425.66</u>

The investments in the Central Vermont Railway Company, now in receivership, are carried in Investments in Affiliated Companies at cost including interest unpaid to date of receivership.

RAILWAY SYSTEM

AT DECEMBER 31, 1928.

LIABILITIES			
STOCKS:			
751 Capital Stock.....		\$270,245,948.70	
752 Stock Liability for Conversion.....		10,600.00	\$270,256,548.70
GOVERNMENTAL GRANTS:			
754 Grants in Aid of Construction.....			16,730,086.07
LONG TERM DEBT:			
755 Funded Debt Unmatured.....		\$977,889,032.94	
DOMINION OF CANADA ACCOUNT:			
Funded Debt Unmatured.....	\$33,048,000.00		
Loans from Dominion of Canada.....	581,864,221.02		
	\$614,912,221.02		
Interest on above accrued but unpaid.....	258,024,307.41		
Appropriations account Can. Govt. Rlys.....	417,279,953.48	1,290,216,481.91	2,268,105,514.85
CURRENT LIABILITIES:			
758 Loans and Bills Payable.....		\$43,507,750.00	
759 Traffic and Car-Service Balances Payable.....		6,100,687.95	
760 Audited Accounts and Wages Payable.....		24,407,219.49	
761 Miscellaneous Accounts Payable.....		2,820,586.20	
762 Interest Matured Unpaid.....		7,301,152.01	
764 Funded Debt Matured Unpaid.....		573,997.04	
766 Unmatured Interest Accrued.....		8,213,999.42	
767 Unmatured Rents Accrued.....		430,366.64	
768 Other Current Liabilities.....		85,294.06	93,441,052.81
DEFERRED LIABILITIES:			
769 Liability for Provident Funds.....		\$7,658.68	
770 Other Deferred Liabilities.....		4,483,424.20	4,491,082.88
UNADJUSTED CREDITS:			
771 Tax Liability.....		\$1,772,106.44	
773 Insurance and Casualty Reserves.....		9,112,094.25	
775 Accrued Depreciation—Road.....		2,361,362.87	
776 Accrued Depreciation—Equipment.....		7,377,883.08	
777 Accrued Depreciation—Miscellaneous Physical Property.....		950,391.15	
778 Other Unadjusted Credits.....		6,108,977.13	27,682,814.92
CORPORATE SURPLUS or Deficit			
779 Additions to Property through Income and Surplus.....		\$1,334,191.92	
780 Funded Debt Retired through Income and Surplus.....		515,000.00	
781 Sinking Fund Reserves.....		717,583.76	
783 Appropriated Surplus.....		2,262,687.59	
784 Profit and Loss Balance— <i>Deficit</i>		472,244,137.84	467,414,674.57
			\$2,213,292,425.66

J. M. ROSEVEAR,
General Comptroller.

We have examined the books and records of the Companies comprising the Canadian National Railway System for the twelve months ended the 31st December, 1928. The investments in Road and Equipment appearing in the books of the Companies as at the 1st January, 1923, were accepted by us.

We certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the System as at the 31st December, 1928, and we further certify that, in our opinion, the attached Income and Profit and Loss Accounts for the year ended the 31st December, 1928, are correctly stated.

GEORGE A. TOUCHE & CO.,
Chartered Accountants,
Auditors.

16th March, 1929.

CANADIAN NATIONAL RAILWAYS

PROFIT AND LOSS ACCOUNT, 1928

DEBITS:	
611 Debit Balance at January 1, 1928.....	\$443,912,657.83
612 Debit Balance transferred from Income.....	24,730,410.08
613 Surplus applied to Sinking and Other Reserve Funds.....	561.60
615 Surplus appropriated for Investment in Physical Property.....	19,876.34
618 Miscellaneous Appropriations of Surplus.....	116,082.50
619 Loss on Retired Road and Equipment.....	1,986,200.15
620 Delayed Income Debits.....	86,991.32
622 Adjustment of Land Surplus Account.....	6,522,462.70
	\$477,374,119.32
CREDITS:	
603 Profit on Road and Equipment Sold.....	\$789,744.12
605 Unrefundable Overcharges.....	20,216.04
606 Donations.....	159,600.20
607 Miscellaneous Credits and Debits Net.....	4,160,421.12
Debit Balance forward to Balance Sheet.....	472,244,137.84
	\$477,374,119.32

NOTE: The above figures do not include those of the Central Vermont Railway nor of the Eastern Lines for twelve months ended the 31st December, 1928.

CANADIAN NATIONAL RAILWAYS

INCOME STATEMENT

	Year ending December 31, 1928	Year ending December 31, 1927
501 Railway Operating Revenues.....	\$276,631,921.22	\$248,716,374.40
531 Railway Operating Expenses.....	218,248,343.68	203,315,684.29
Net Revenue from Railway Operations.....	\$58,383,577.54	\$45,400,690.11
532 Railway Tax Accruals.....	\$4,998,950.43	\$4,553,238.44
533 Uncollectible Railway Revenues.....	37,285.35	44,796.24
Railway Operating Income.....	\$53,347,341.76	\$40,802,655.43
502 Revenues from Miscellaneous Operations.....	\$2,565,268.43	\$2,572,409.42
534 Expenses of Miscellaneous Operations.....	2,628,605.01	2,517,322.55
535 Taxes on Miscellaneous Operating Property.....	70,209.31	68,017.58
Miscellaneous Operating <i>Deficit</i>	\$133,545.89	\$12,930.71
Total Operating Income.....	\$53,213,795.87	\$40,789,724.72
504 Rent from Locomotives.....	\$381,652.07	\$333,363.51
505 Rent from Passenger Train Cars.....	564,539.22	544,076.62
506 Rent from Floating Equipment.....	1,776.95	385.00
507 Rent from Work Equipment.....	448,853.20	461,619.68
508 Joint Facility Rent Income.....	1,200,282.22	1,092,549.30
509 Income from Lease of Road.....	17,568.79	20,561.97
510 Miscellaneous Rent Income.....	928,419.98	976,773.41
511 Miscellaneous Non-operating Physical Property.....	368,044.99	297,098.97
512 Separately Operated Properties—Profit.....	811,484.75	787,334.00
513 Dividend Income.....	483,835.30	470,527.49
514 Income from Funded Securities.....	725,771.10	865,903.09
515 Income from Unfunded Securities and Accounts.....	1,291,235.32	1,571,939.45
516 Income from Sinking and Other Reserve Funds.....	926,852.31	741,553.36
519 Miscellaneous Income.....	90,038.75	57,930.16
Total Non-Operating Income.....	\$8,240,954.95	\$8,221,616.61
Gross Income.....	\$61,454,750.82	\$49,011,341.33
536 Hire of Freight Cars—Debit Balance.....	\$5,808,949.49	\$3,624,420.05
537 Rent for Locomotives.....	141,727.39	120,782.58
538 Rent for Passenger Train Cars.....	314,476.58	291,485.13
539 Rent for Floating Equipment.....	10,699.70	13,354.65
540 Rent for Work Equipment.....	70,577.46	75,479.98
541 Joint Facility Rents.....	1,175,816.94	1,045,985.78
542 Rent for Leased Roads.....	1,148,876.91	1,138,754.32
543 Miscellaneous Rents.....	310,434.15	292,573.10
544 Miscellaneous Tax Accruals.....	173,949.25	170,692.19
545 Separately Operated Properties—Loss.....	581,944.02	676,689.53
546 Interest on Funded Debt.....	41,655,234.89	40,370,451.94
546A Interest on Dominion Government Advances.....	31,882,302.00	31,891,966.06
547 Interest on Unfunded Debt.....	1,996,944.00	301,429.34
548 Amortization of Discount on Funded Debt.....	541,589.82	488,331.56
551 Miscellaneous Income Charges.....	304,796.56	21,490.87
Miscellaneous Appropriations of Income.....	66,841.74	63,639.14
Total Deductions from Gross Income.....	\$86,185,160.90	\$80,587,535.22
Net Income <i>Deficit</i>	\$24,730,410.08	\$31,576,193.89

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING REVENUES AND EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
RAILWAY OPERATING REVENUES:		
101 Freight.....	\$209,439,962.99	\$184,865,149.73
102 Passenger.....	34,187,023.87	33,617,009.49
103 Excess Baggage.....	181,936.20	189,671.56
104 Sleeping Car.....	2,075,178.24	1,931,166.76
105 Parlor and Chair Car.....	291,636.45	277,270.79
106 Mail.....	3,099,212.13	2,755,258.60
107 Express.....	13,307,373.54	12,611,426.50
108 Other Passenger—Train.....	80,948.47	87,718.27
109 Milk.....	386,256.08	402,275.77
110 Switching.....	2,825,615.83	2,372,765.19
111 Special Service Train.....	107,993.28	123,820.96
113 Water Transfers—Freight.....	9,254.39	8,040.88
114 Water Transfers—Passenger.....	18,468.03	25,431.27
115 Water Transfers—Vehicles and Live Stock.....	178.40	22,634.50
116 Water Transfers—Other.....	3,482.39	6,586.72
131 Dining and Buffet.....	1,518,285.78	1,393,670.48
132 Restaurant.....	13,511.73	54,574.88
133 Station, Train and Boat Privileges.....	170,005.61	163,681.90
134 Parcel Room.....	81,524.29	102,135.92
135 Storage—Freight.....	170,118.08	174,382.28
136 Storage—Baggage.....	42,229.14	48,980.11
137 Demurrage.....	706,998.78	714,288.23
138 Telegraph and Telephone.....	5,428,911.50	4,814,249.74
139 Grain Elevator.....	286,411.53	307,811.70
141 Power.....	852.17	21,235.08
142 Rents of Buildings, etc.....	264,251.74	282,743.50
143 Miscellaneous.....	1,573,952.72	1,314,560.27
151 Joint Facility—Credit.....	418,856.03	113,452.02
152 Joint Facility—Debit.....	58,508.17	85,619.60
Total Operating Revenues.....	\$276,631,921.22	\$248,716,374.40
RAILWAY OPERATING EXPENSES:		
Maintenance of Way and Structures.....	\$48,010,559.17	\$43,174,956.45
Maintenance of Equipment.....	47,918,236.40	44,560,390.31
Traffic.....	7,047,167.70	6,734,641.64
Transportation.....	107,963,695.15	100,987,491.59
Miscellaneous Operations.....	2,329,281.21	2,237,549.94
General.....	6,785,668.17	6,617,160.92
Transportation for Investment—Credit.....	1,806,264.12	976,506.56
Total Operating Expenses.....	\$218,248,343.68	\$203,315,684.29

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
MAINTENANCE OF EQUIPMENT:		
301 Superintendence.....	\$1,796,935.85	\$1,708,825.67
302 Shop Machinery.....	1,153,753.23	1,200,748.58
304 Power Plant Machinery.....	72,687.99	71,571.65
306 Power Substation Apparatus.....	1,909.81	1,470.16
308 Steam Locomotives—Repairs.....	15,415,482.36	14,514,230.41
310 Steam Locomotives—Retirements.....	440,470.36	880,918.11
311 Other Locomotives—Repairs.....	46,904.89	38,833.77
314 Freight Train Cars—Repairs.....	16,333,123.57	15,382,034.88
316 Freight Train Cars—Retirements.....	2,442,144.37	1,268,895.36
317 Passenger Train Cars—Repairs.....	5,807,974.60	5,568,350.02
319 Passenger Train Cars—Retirements.....	17,302.80	64,606.69
320 Motor Equipment of Cars—Repairs.....	150,116.26	120,088.87
323 Floating Equipment—Repairs.....	95,485.39	106,093.33
325 Floating Equipment—Retirements.....		20,068.56
326 Work Equipment—Repairs.....	1,676,118.41	1,412,150.49
328 Work Equipment—Retirements.....	223,244.92	100,868.44
329 Miscellaneous Equipment—Repairs.....	215,315.11	210,188.24
331 Miscellaneous Equipment—Retirements.....	1,248.54	3,040.59
332 Injuries to Persons.....	295,256.86	269,480.06
333 Insurance.....	427,524.47	412,227.48
334 Stationery and Printing.....	61,600.72	62,974.87
335 Other Expenses.....	23,404.61	27,192.63
336 Maintaining Joint Equipment at Terminals, Dr.....	66,338.08	72,005.50
337 Maintaining Joint Equipment at Terminals, Cr.....	195,576.37	186,801.79
Depreciation—U.S. Lines Only.....	1,349,469.51	1,230,327.74
Total.....	\$47,918,236.40	\$44,560,390.31
TRAFFIC EXPENSES:		
351 Superintendence.....	\$1,915,300.78	\$1,931,743.29
352 Outside Agencies.....	2,509,091.25	2,370,188.87
353 Advertising.....	1,194,633.17	1,109,357.42
353 Radio.....	277,174.83	248,237.14
354 Traffic Associations.....	95,095.47	84,552.93
356 Industrial and Immigration Bureaus.....	115,536.84	98,033.89
356 Colonization, Agriculture and Natural Resources.....	578,399.03	538,198.64
357 Insurance.....	647.52	642.00
358 Stationery and Printing.....	317,890.74	347,722.52
359 Other Expenses.....	43,398.07	5,964.94
Total.....	\$7,047,167.70	\$6,734,641.64

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
TRANSPORTATION RAIL LINE:		
371 Superintendence.....	\$3,381,243.79	\$3,357,215.59
372 Dispatching Trains.....	1,385,000.38	1,282,781.06
373 Station Employees.....	14,985,405.84	14,402,081.34
374 Weighing, Inspection and Demurrage Bureaus.....	83,791.78	77,542.06
376 Station Supplies and Expenses.....	1,195,177.95	1,158,361.10
377 Yardmasters and Yard Clerks.....	2,808,423.31	2,636,396.64
378 Yard Conductors and Brakemen.....	5,436,191.87	5,053,912.90
379 Yard Switch and Signal Tenders.....	629,245.72	630,542.46
380 Yard Enginemmen.....	4,003,199.58	3,665,026.51
381 Yard Motormen.....	35,442.72	33,125.93
382 Fuel for Yard Locomotives.....	4,676,668.15	4,347,147.22
383 Yard Switching Power Produced.....	17,939.02	17,323.06
384 Yard Switching Power Purchased.....	57,663.39	55,941.28
385 Water for Yard Locomotives.....	217,224.31	196,008.82
386 Lubricants for Yard Locomotives.....	44,528.06	44,893.61
387 Other Supplies for Yard Locomotives.....	43,661.80	42,907.02
388 Enginehouse Expenses—Yard.....	1,430,869.24	1,353,736.06
389 Yard Supplies and Expenses.....	112,906.69	109,047.07
390 Operating Joint Yards and Terminals, Dr.....	1,239,516.66	978,936.70
391 Operating Joint Yards and Terminals, Cr.....	1,300,304.71	1,325,407.97
392 Train Enginemmen.....	10,808,933.52	9,896,977.09
393 Train Motormen.....	82,479.97	80,663.01
394 Fuel for Train Locomotives.....	18,185,378.98	17,559,080.94
395 Train Power Produced.....	10,467.38	9,403.51
396 Train Power Purchased.....	34,028.30	37,728.91
397 Water for Train Locomotives.....	992,440.39	943,723.55
398 Lubricants for Train Locomotives.....	247,266.74	224,517.96
399 Other Supplies for Train Locomotives.....	182,966.75	168,473.47
400 Enginehouse Expenses—Train.....	3,327,807.72	3,119,234.43
401 Trainmen.....	11,757,412.38	10,995,276.31
402 Train Supplies and Expenses.....	5,480,754.94	4,743,514.77
403 Operating Sleeping Cars.....	1,076,627.32	944,890.85
404 Signal and Interlocker Operation.....	578,178.38	563,380.31
405 Crossing Protection.....	634,834.42	654,240.67
406 Drawbridge Operation.....	102,530.51	103,235.49
407 Telegraph and Telephone Operation.....	3,933,541.30	3,410,735.53
408 Operating Floating Equipment.....	928,980.13	857,764.87
409 Express Service.....	5,705,751.41	5,340,878.34
410 Stationery and Printing.....	589,372.99	616,790.25
411 Other Expenses.....	223,288.71	255,844.22
412 Operating Joint Tracks and Facilities, Dr.....	241,573.05	212,233.56
413 Operating Joint Tracks and Facilities, Cr.....	521,657.25	513,475.83
414 Insurance.....	345,634.20	345,544.16
415 Clearing Wrecks.....	508,544.55	454,825.54
416 Damage to Property.....	58,651.72	61,953.81
417 Damage to Live Stock on Right of Way.....	56,259.53	57,070.42
418 Loss and Damage—Freight.....	1,136,843.52	1,027,362.91
419 Loss and Damage—Baggage.....	3,673.31	2,455.43
420 Injuries to Persons.....	866,424.73	675,708.65
Total.....	\$107,963,695.15	\$100,967,491.59

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
MISCELLANEOUS OPERATIONS:		
441 Dining and Buffet Service.....	\$2,150,603.36	\$1,977,064.89
442 Restaurants.....	18,223.74	50,290.21
443 Grain Elevators.....	118,494.84	138,683.42
445 Producing Power Sold.....	5,650.75	33,439.82
446 Other Miscellaneous Operations.....	36,308.52	38,071.60
Total.....	\$2,329,281.21	\$2,237,549.94
GENERAL EXPENSES:		
451 Salaries and Expenses of General Officers.....	\$829,399.21	\$807,305.01
452 Salaries and Expenses of Clerks and Attendants.....	3,386,227.40	3,343,624.52
453 General Office Supplies and Expenses.....	374,009.32	384,251.98
454 Law Expenses.....	453,384.97	429,388.75
455 Insurance.....	2,635.20	2,603.88
456 Relief Department Expenses.....	15,500.00	15,500.00
457 Pensions.....	1,021,709.59	895,475.89
458 Stationery and Printing.....	143,735.31	156,538.82
459 Valuation Expenses.....	51,766.78	34,613.69
460 Other Expenses.....	487,260.23	545,354.38
461 General Joint Facilities, Dr.....	30,032.35	14,645.41
462 General Joint Facilities, Cr.....	9,992.19	12,141.41
Total.....	\$6,785,668.17	\$6,617,160.92

CANADIAN NATIONAL RAILWAYS

EXPENDITURES, LESS RETIREMENTS, DURING YEAR 1928 APPLICABLE TO INVESTMENT IN ROAD AND EQUIPMENT

ROAD:	
1 Engineering.....	\$869,781.76
2 Land for Transportation Purposes.....	4,765,117.98
3 Grading.....	8,032,856.28
5 Tunnels and Subways.....	27,850.18
6 Bridges, Trestles and Culverts.....	2,682,873.66
8 Ties.....	1,913,278.00
9 Rails.....	3,531,997.39
10 Other Track Material.....	3,403,358.19
11 Ballast.....	1,483,449.79
12 Track Laying and Surfacing.....	1,816,332.78
13 Right of Way Fences.....	96,614.88
14 Snow and Sand Fences and Snow Sheds.....	35,584.14
15 Crossings and Signs.....	806,974.64
16 Station and Office Buildings.....	891,419.25
17 Roadway Buildings.....	256,554.03
18 Water Stations.....	485,001.90
19 Fuel Stations.....	75,813.16
20 Shops and Enginehouses.....	782,750.86
21 Grain Elevators.....	112,016.94
23 Wharves and Docks.....	200,320.15
24 Coal and Ore Wharves.....	262,680.00
26 Telegraph and Telephone Lines.....	2,221,627.31
27 Signals and Interlockers.....	408,484.25
29 Power Plant Buildings.....	166,011.92
31 Power Transmission Systems.....	5,975.52
32 Power Distribution Systems.....	112,923.75
33 Power Lines, Poles and Fixtures.....	10,806.15
34 Underground Conduits.....	28.23
35 Miscellaneous Structures.....	14,269.31
36 Paving.....	1,369.27
37 Roadway Machines.....	60,231.97
38 Roadway Small Tools.....	2,079.45
39 Assessments for Public Improvements.....	137,530.42
40 Revenues and Operating Expenses during Construction.....	15,683.64
43 Other Expenses—Road.....	13,371.97
44 Shop Machinery.....	770,223.63
45 Power Plant Machinery.....	483,574.84
46 Power Substation Apparatus.....	792.53
47 Unapplied Construction Material and Supplies.....	53,824.69
	\$36,318,458.41
EQUIPMENT:	
51 Steam Locomotives.....	\$730,956.54
52 Other Locomotives.....	142,388.38
53 Freight Train Cars.....	2,373,662.05
54 Passenger Train Cars.....	2,581,317.20
55 Motor Equipment of Cars.....	23,951.07
56 Floating Equipment.....	261,845.23
57 Work Equipment.....	868,257.88
58 Miscellaneous Equipment.....	7,294.15
	\$2,197,446.26
GENERAL:	
71 Organization Expenses.....	\$11,351.87
72 General Officers and Clerks.....	2,245.00
73 Law.....	12,006.68
74 Stationery and Printing.....	5,870.41
76 Interest during Construction.....	418,022.18
77 Other Expenses—General.....	5,929.00
	\$443,567.14
Total.....	\$38,959,471.81
Investment Expenditures under Suspense Appropriations.....	\$54,964.03
Investment Expenditures by Separately Operated Properties.....	795,700.67
Total expended during year.....	\$39,810,136.51
Transfers between Balance Sheet Accounts not applicable to Year's Expenditures.....	874,439.23
Expenditures on C.G. Rlys. transferred to Halifax and Saint John Harbour Commissions.....	13,477,505.43
Balance at January 1, 1928.....	1,914,939,182.63
Balance at December 31, 1928, as per Balance Sheet.....	\$1,942,146,252.94

CANADIAN NATIONAL RAILWAYS

A/C 702—IMPROVEMENTS ON LEASED RAILWAY PROPERTY DURING YEAR 1928

ROAD:		
1	Engineering	\$407.39
2	Land for Transportation Purposes	761.37
3	Grading	23,401.26
6	Bridges, Trestles and Culverts	68,054.31
8	Ties	2,018.01
9	Rail	57,523.17
10	Other Track Material	62,185.55
11	Ballast	56,413.78
12	Track Laying and Surfacing	8,517.42
13	Right of Way Fences	1,306.00
15	Crossings and Signs	1,776.99
16	Station and Office Buildings	13,797.49
17	Roadway Buildings	1,810.61
18	Water Stations	2,368.65
20	Shops and Engine Houses	11,499.76
24	Coal and Ore Wharves	537.60
26	Telegraph and Telephone Lines	1,106.28
27	Signals and Interlockers	304.61
32	Power Distribution Systems	24.23
33	Power Lines, Poles and Fixtures	5.00
35	Miscellaneous Structures	3,533.39
37	Roadway Machines	100.00
39	Assessments for Public Improvements	3,690.14
44	Shop Machinery	7,936.87
	Investment Expenditures under Suspense Appropriations	\$318,254.79
	Investment Expenditures by Separately Operated Properties	74,200.45
		55,623.83
	Total Expenditures during year	\$299,669.17
	Balance at January 1, 1928	3,198,263.90
	Balance at December 31, 1928, as per Balance Sheet	\$3,497,933.07

CANADIAN NATIONAL RAILWAYS

STATEMENT SHOWING DETAILS OF EQUIPMENT OWNED DECEMBER 31, 1927 ADDITIONS, RETIREMENTS AND POSITION AT DECEMBER 31, 1928

	December 31, 1927	Additions During Year	Retirements During Year	December 31, 1928
LOCOMOTIVES:				
Passenger—Freight	2,526	11	43	2,494
Switching	519	9	6	522
Electric Locomotives	15			15
Oil Electric		1		1
Total Locomotives	3,060	21	49	3,032
FREIGHT EQUIPMENT:				
Box Cars	85,424	4	2,477	82,951
Flat Cars	9,617	12	633	8,996
Stock Cars	5,604	2	370	5,236
Coal Cars	16,624	386	581	16,429
Tank Cars	180	11	1	190
Refrigerator Cars	3,253		60	3,193
Caboose Cars	1,800	10	39	1,771
Other Cars in Freight Service	1,494	1	277	1,218
Total Freight Equipment	123,996	426	4,438	119,984
PASSENGER EQUIPMENT:				
First Class Cars	974	4	14	964
Second Class Cars	247	1	7	241
Combination Cars	417	14	11	420
Immigrant Cars	327	50	2	375
Dining Cars	96			96
Parlor Cars	137	6	2	141
Sleeping Cars	302	2	2	302
Postal Cars	77		13	64
Baggage and Express Cars	952	18	12	958
Unit Cars	47	1	2	46
Other Cars in Passenger Service	113	2	1	114
Total Passenger Equipment	3,689	98	66	3,721
IN COMPANY'S SERVICE:				
Business and Pay Cars	67	5	1	71
All Other Cars in Company's Service	7,733	381	299	7,815
Total in Company's Service	7,800	386	300	7,886
Total Cars	135,485	910	4,804	131,591
FLOATING EQUIPMENT:				
Motor Ship	1			1
Car Ferries	10			10
Barges	6			6
Tugs	3	2		5
Work	4			4

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF OPERATING REVENUE PAID IN LABOUR AND THE AVERAGE NUMBER OF EMPLOYEES

	1928	1927	Increase or Decrease	% Increase or Decrease
Gross Earnings.....	\$276,631,921.22	\$248,716,374.40	I.	\$27,915,546.82
Operating Labour.....	131,227,960.66	122,780,654.01	I.	8,447,306.65
Ratio of Labour to Gross Earnings.....	47.44	49.37	D.	1.93
*Comparison of Payroll (including Betterments).....	168,728,004.00	159,249,627.00	I.	9,478,377.00
*Average Number of Employees.....	107,602	103,540	I.	4,062
<i>*Includes Eastern Lines.</i>				

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES

	1928	1927		
Labour.....	47.44	49.37	D.	1.93
Fuel.....	8.26	8.81	D.	.55
Other Expenses.....	23.19	23.57	D.	.38
Total.....	78.89	81.75	D.	2.86

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO OVER GENERAL ACCOUNTS

	1928	1927
Maintenance of Way and Structures.....	17.36	17.36
Maintenance of Equipment.....	17.32	17.92
Traffic.....	2.55	2.71
Transportation—Rail.....	39.02	40.59
Miscellaneous Operations.....	.84	.90
General.....	2.45	2.66
Transportation for Investment—Credit.....	.65	.39
Total.....	78.89	81.75

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES

	1928—Cents	1927—Cents
Labour.....	60	60
Fuel.....	10	11
Other Expenses.....	30	29
Total.....	\$1.00	\$1.00

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT OVER GENERAL ACCOUNTS

	1928—Cents	1927—Cents
Maintenance of Way and Structures.....	22	21
Maintenance of Equipment.....	22	22
Traffic.....	3	3
Transportation—Rail.....	50	50
Miscellaneous.....	1	1
General.....	3	3
Transportation for Investment—Cr.....	1	1
Total.....	\$1.00	\$1.00

CANADIAN NATIONAL RAILWAYS

LOANS FROM DOMINION OF CANADA

	Principal outstanding at Dec. 31, 1928	Accrued Interest 1928	Accrued Interest 1927
CANADIAN NATIONAL RAILWAY:			
6% Loan—Vote 478, Appropriation 4, 1920	\$25,000,000.00	\$1,500,000.00	\$1,500,000.00
6% Loan—Vote 126, Appropriation 2, 1921	55,293,435.18	3,317,606.10	3,317,606.10
6% Loan—Vote 137, Appropriation 2, 1922	23,288,747.15	1,397,324.82	1,397,324.82
5% Loan—Vote 377, Appropriation Act, 1925	2,149,381.75	107,469.09	107,469.09
4% Loan to G.T.P. Rly, Chap. 23, Acts of 1913	15,000,000.00	600,000.00	600,000.00
5½% Loan to redeem Central Vermont Bonds	8,561,500.00	*	*
4½% Loan against 1928 Budget (Repaid Jan. 3, 1929)	4,884,638.89	*	*
Sundry Items	60,000.00	47,841.82	33,706.99
CANADIAN GOVERNMENT RAILWAYS:			
Loans to C.N.R. utilised for C.G.R. purposes (1923-27)	5,947,732.83		
GRAND TRUNK PACIFIC:			
6% Loan—Chapter 4, Acts of 1915	6,000,000.00	360,000.00	360,000.00
6% Loan—Appropriation Act No. 2, Acts of 1916	4,555,843.45	273,350.60	273,350.60
6% Loan—Appropriation Act No. 4, Acts of 1917	4,196,073.72	251,764.42	251,764.42
6% Loan—Appropriation, Acts of 1919	5,787,439.93	347,246.40	347,246.40
Advances to pay Guaranteed Interest (1916 to 1927)	24,357,907.47		
Advances during Receivership 5% and 6% (1919 to 1927)	51,981,541.99	3,089,854.02	3,059,527.58
3% G.T.P. Rly. Bonds held by Dominion Government	33,048,000.00	991,440.00	991,440.00
CANADIAN NORTHERN RAILWAY: (NOTE)			
3½% Loan—Chap. 6, Acts of 1911	2,396,099.68	83,863.48	83,863.48
4% Loan—Chap. 20, Acts of 1914	5,294,000.02	211,760.00	211,760.00
5% Loan—Chap. 4, Acts of 1915	10,000,000.00	500,000.00	500,000.00
6% Loan—Chap. 29, Acts of 1916	15,000,000.00	900,000.00	900,000.00
6% Loan—Chap. 24, Acts of 1917	25,000,000.00	1,500,000.00	1,500,000.00
6% Loan—Act No. 1, Acts of 1918	25,000,000.00	1,500,000.00	1,500,000.00
6% Loan—War Measure Act of 1918	1,887,821.16	113,269.26	113,269.26
6% Equipment Loans—Chap. 38, Acts of 1918	13,951,328.28	837,079.70	837,079.70
6% Loan—Vote 108, Appropriation 4, Acts of 1919	35,000,000.00	2,100,000.00	2,100,000.00
6% Equipment Loan—Vote 96, Acts of 1919	23,362,212.73	1,401,732.76	1,401,732.76
6% Loan—Vote 127, Appropriation 4, 1920	48,611,077.00	2,916,664.62	2,916,664.62
6% Equipment Loan—Vote 115, Acts of 1920	15,503,426.34	930,205.58	930,205.58
6% Equipment Loans—Vote 113, Acts of 1921	1,725,723.30	103,543.40	103,543.40
6% Loan—Vote 126, Appropriation 2, 1921	44,419,806.42	2,665,188.38	2,665,188.38
6% Loan—Vote 136, Appropriation 1, 1922	42,800,000.00	2,568,000.00	2,568,000.00
6% Equipment Loans—Vote 115, 1922-1923	2,315,805.79	138,948.34	138,948.34
6% Loan—Vote 139, Appropriation Act, 1923	12,655,019.57	759,301.17	759,301.17
5% Loan—Vote 137, Appropriation Act, 1924	1,318,315.86	65,915.79	65,915.79
5% Loan—Vote 377, Appropriation Act, 1925	9,496,718.21	474,835.91	474,835.91
5% Loan—Vote 372, Appropriation Act, 1926	9,062,624.30	453,131.22	495,489.31
Less Interest chargeable to Eastern Lines		625,034.88	613,267.64
	\$614,912,221.02	\$31,882,302.00	\$31,891,966.06

*Interest on these items paid in cash and charged to A/C 547.

NOTE: In respect of the advances under this heading the Government has security by guarantee, mortgage or otherwise, in accordance with the conditions under which said advances were made.

CANADIAN NATIONAL RAILWAYS

“UNMATURED FUNDED DEBT”—A/C 755

“INTEREST ON FUNDED DEBT”—A/C 546

NAME OF SECURITY	Issuing Company	Date of Maturity	Principal outstanding at Dec. 31, 1928	Interest Accrued 1928	Interest Accrued 1927
GUARANTEED BY DOMINION GOVERNMENT:					
5% Perpetual Debenture Stock.....	G.T.R.....	Perpetual.....	\$20,782,491.67	\$1,039,124.58	\$1,039,124.58
5% G.W. Perpetual Deb. Stock & Bonds..	G.T.R.....	Perpetual.....	13,252,322.67	662,616.12	662,616.12
4% Perpetual Debenture Stock.....	G.T.R.....	Perpetual.....	119,839,014.33	4,793,560.56	4,793,560.56
4% Nor. Rly. Perpetual Deb. Stock.....	G.T.R.....	Perpetual.....	1,499,979.67	59,999.18	59,999.18
4% Perpetual Guaranteed Stock.....	G.T.R.....	Perpetual.....	60,833,333.33	2,433,333.33	2,433,333.33
7% Sinking Fund Gold Deb. Bonds.....	G.T.R.....	Oct. 1, 1940.....	24,743,000.00	1,732,010.00	1,732,010.00
6% Sinking Fund Gold Deb. Bonds.....	G.T.R.....	Sept. 1, 1936.....	25,000,000.00	1,500,000.00	1,500,000.00
3% 1st Mtge. Bonds (ex. Govt. holdings)..	G.T.P.....	Jan. 1, 1962.....	34,992,000.00	1,049,760.00	1,049,760.00
4% Sterling Bonds.....	G.T.P.....	Jan. 1, 1962.....	8,440,848.00	337,633.92	337,633.92
3% 1st Mortgage Debenture Stock.....	Can. Nor.....	July 10, 1953.....	9,359,996.72	280,799.86	280,799.86
3½% 1st Mortgage Debenture Stock.....	Can. Nor.....	July 20, 1958.....	7,896,568.67	276,379.96	276,380.08
4% Debenture Stock and Bonds.....	Can. Nor.....	Sept. 1, 1934.....	17,060,333.33	682,413.34	682,413.34
7% Sinking Fund Debenture Bonds.....	Can. Nor.....	Dec. 1, 1940.....	24,793,000.00	1,735,510.00	1,735,510.00
6½% Sinking Fund Debenture Bonds.....	Can. Nor.....	July 1, 1946.....	25,000,000.00	1,625,000.00	1,625,000.00
4½% 10 Year Gold Bonds.....	Can. Nor.....	Feb. 15, 1935.....	17,000,000.00	765,000.00	765,000.00
3½% 1st Mortgage Debenture Stock.....	C.N.A.....	May 4, 1960.....	3,149,998.66	110,249.94	110,249.94
3½% 1st Mortgage Debenture Stock.....	C.N.O.....	May 19, 1961.....	34,229,996.87	1,198,049.84	1,198,049.84
5% Equipment Trust—Series “G”.....	Can. Nat.....	Serially 1/8/1938	15,000,000.00	775,000.00	850,000.00
5% 30 year Bonds.....	Can. Nat.....	Feb. 1, 1954.....	50,000,000.00	2,500,000.00	2,500,000.00
4½% 30 Year Guaranteed Gold Bonds...	Can. Nat.....	Sept. 15, 1954...	26,000,000.00	1,170,000.00	1,170,000.00
4½% 5 Year Gold Bonds.....	Can. Nat.....	Feb. 15, 1930.....	18,000,000.00	810,000.00	810,000.00
4½% 30 Year Guaranteed Gold Bonds...	Can. Nat.....	July 1, 1957.....	65,000,000.00	2,925,000.00	1,309,406.89
2% 1927 Guaranteed Debenture Stock...	Can. Nat.....	By Tenders or Drawings.....	32,793,770.53	655,325.61	684,346.62
*4½% 40 Year Guaranteed Gold Bonds..	Can. Nat.....	Dec. 1, 1968.....	26,334,000.00	35,866.66	
GUARANTEED BY PROVINCE OF ONTARIO:					
3½% 1st Mortgage Debenture Stock.....	C.N.O.....	1936 and 1938..	7,859,997.59	275,099.90	275,099.90
GUARANTEED BY PROVINCE OF MANITOBA:					
4% Consolidated Debenture Bonds.....	Can. Nor.....	June 30, 1930...	10,785,993.31	431,439.73	431,439.73
4% Sifton Branch Bonds.....	Can. Nor.....	Feb. 1, 1929.....	1,137,340.00	45,493.60	45,493.60
4% Gilbert Plains Branch Bonds.....	Can. Nor.....	Nov. 1, 1930.....	2,433.33	97.32	97.32
4% Man. & South Eastern Bonds.....	Can. Nor.....	Feb. 1, 1929.....	510,513.34	20,420.53	20,420.53
4% Ontario Division Bonds.....	Can. Nor.....	June 30, 1930...	5,683,293.33	227,351.20	227,292.80
*4½% Ontario Division Bonds.....	Can. Nor.....	June 30, 1930...	61,320.00	2,737.50	2,803.20
4% Winnipeg Terminal Bonds.....	Can. Nor.....	July 1, 1939.....	3,000,000.00	120,000.00	120,000.00
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	June 30, 1930...	2,859,998.87	114,399.92	114,399.92
4% Province of Manitoba Bonds.....	Can. Nor.....	Oct. 1, 1930.....	349,000.00	13,960.00	13,960.00
GUARANTEED BY PROVINCE OF SASKATCHEWAN:					
4% 1st Mortgage Bonds.....	G.T.P.B.L.....	Jan. 22, 1939....	9,874,062.00	394,962.48	394,962.48
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	Jan. 23, 1939....	8,029,999.99	321,200.00	321,200.00
GUARANTEED BY PROVINCE OF ALBERTA:					
4% 1st Mortgage Bonds.....	G.T.P.B.L.....	Feb. 15, 1942...	1,153,764.00	46,150.56	46,150.56
4% 1st Mortgage Bonds.....	G.T.P.B.L.....	Feb. 25, 1939...	2,430,000.00	97,200.00	97,200.00
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	Feb. 25, 1939...	5,586,665.64	223,466.62	223,466.62
4½% 1st Mtge. Deb. Stock & Bonds.....	C.N.W.....	Oct. 22, 1943....	2,799,997.73	125,999.90	125,999.90
4½% 1st Mtge. Deb. Stock & Bonds.....	C.N.W.....	Feb. 16, 1942....	6,424,000.00	289,080.00	289,080.00
GUARANTEED BY PROVINCE OF BRITISH COLUMBIA:					
4% 1st Mortgage Debenture Stock.....	C.N.P.....	April 2, 1950....	16,412,001.13	656,480.07	656,480.07
4½% Terminal Debenture Stock.....	C.N.P.....	April 2, 1950....	8,614,000.00	387,630.00	387,630.00
Carried forward.....			\$774,575,034.71	32,945,802.23	31,398,370.89

*These securities are not guaranteed but may be exchanged for 4% Ontario Division Bonds.

*Part of \$35,000,000 Issue. Balance sold January 3, 1929.

CANADIAN NATIONAL RAILWAYS

"UNMATURED FUNDED DEBT"—A/C 755—Continued

"INTEREST ON FUNDED DEBT"—A/C 546—Continued

NAME OF SECURITY	Issuing Company	Date of Maturity	Principal outstanding at Dec. 31, 1928	Interest Accrued 1928	Interest Accrued 1927
Brought forward.....			\$774,575,034.71	\$32,945,802.23	\$31,398,370.89
UNGUARANTEED (BY PROVINCES OR DOMINION):					
4% Canada Atlantic 1st Mtge. Bonds.....	G.T.R.....	Jan. 1, 1955.....	16,000,092.00	640,003.68	640,003.68
7% Wellington, Grey & Bruce Bonds.....	G.T.R.....	By Drawings.....	192,233.34	27,744.88	27,918.27
6% Northern Railway 3rd Pref. Bonds.....	G.T.R.....	Indeterminable.....	70,566.66	4,234.00	4,234.00
6% Equipment Trust Notes "U.S.R.A.".....	G.T.R.....	Ser. 15/1/1935.....	419,300.00	25,158.00	28,752.00
6½% Equipment Trust Certificates "F".....	G.T.R.....	Feb. 1, 1936.....	11,230,000.00	729,950.00	729,950.00
3¾% 1st Mortgage Bonds.....	N.E. Elev.....	Serially 1/7/1941.....	130,000.00	5,062.50	5,437.50
4% 1st Mortgage Bonds.....	Port. Elev.....	Serially 1/1/1937.....	45,000.00	1,800.00	2,000.00
4% 1st Mortgage Bonds.....	Pem. Southern.....	Sept. 1, 1956.....	150,000.00	6,000.00	6,000.00
4% 2nd Mortgage Prairie "A".....	G.T.P.....	April 1, 1955.....	10,206,000.00	408,240.00	408,240.00
4% 2nd Mortgage Mountain "B".....	G.T.P.....	April 1, 1955.....	9,963,000.00	398,520.00	398,520.00
4% 1st Mortgage Lake Superior.....	G.T.P.....	April 1, 1955.....	7,533,000.00	301,320.00	301,320.00
4% Perpetual Con. Debenture Stock.....	Can. Nor.....	Perpetual.....	44,943,019.40	1,797,720.74	1,797,720.74
4½% Prince Albert Branch Bonds.....	Can. Nor.....	June 30, 1930.....	300,000.00	13,500.00	13,500.00
6% Equipment Trust—Series "A".....	Can. Nor.....	Mat. 1/7/1928.....		12,000.00	36,000.00
6% Equipment Trust—Series "B".....	Can. Nor.....	Serially 1/1/1929.....	375,000.00	33,750.00	78,750.00
6% Equipment Trust—Series "C".....	Can. Nor.....	" 1/5/1929.....	375,000.00	48,750.00	93,750.00
6% Equipment Trust—Series "D".....	Can. Nor.....	" 1/12/1929.....	750,000.00	75,000.00	120,000.00
7% Equipment Trust—Series "E".....	Can. Nor.....	May 1, 1935.....	14,000,000.00	980,000.00	980,000.00
4% Perpetual Con. Debenture Stock.....	C.N.O.....	Perpetual.....	8,724,113.20	348,964.50	348,964.50
5% 1st Mortgage Bonds.....	C.O.R.....	Jan. 1, 1934.....	763,093.33	38,252.00	38,495.33
4% Perpetual Con. Debenture Stock.....	C.N.Q.....	Perpetual.....	5,250,369.26	210,014.76	210,014.76
4% 1st Mortgage Gold Bonds.....	G.N. of C.....	Oct. 1, 1934.....	3,510,250.00	140,410.00	140,410.00
4% 1st Mortgage Perp. Deb. Stock.....	O. & L. St. J.....	Perpetual.....	4,252,503.06	170,100.14	170,100.14
4% 1st Mortgage Debenture Stock.....	Q.L.L. & S.R.R.....	July 1, 1936.....	5,020,546.77	200,821.05	200,819.30
5% 1st Mortgage Rent Charge Bonds.....	M.R. Tnl. & Tml.....	April 15, 1970.....	1,501,853.34	76,904.87	81,340.88
5% 1st Mortgage Bonds.....	C.N.C. & O.Dock.....	Jan. 1, 1936.....	1,375,000.00	68,750.00	68,750.00
4% 1st Mortgage Debenture Bonds.....	D.W. & P.....	June 1, 1939.....	7,004,997.27	280,199.89	280,199.89
4% 1st Mortgage Bonds.....	G.T.W.....	July 1, 1950.....	10,964,416.00	438,576.64	438,576.64
6% Equipment Trust Notes "U.S.R.A.".....	G.T.W.....	Ser. 15/1/35.....	1,445,500.00	87,246.25	99,636.25
5% 1st Mortgage Bonds.....	G.T. Jct.....	Jan. 1, 1934.....	419,628.00	21,902.75	46,948.00
4½% Equipment Trust—Series "H".....	Can. Nat.....	Serially 1/7/1939.....	6,875,000.00	323,437.50	351,562.50
4½% Equipment Trust—Series "J".....	Can. Nat.....	" 1/5/1942.....	14,000,000.00	645,000.00	420,000.00
4½% 1st Mtge. 30 year Sinking Fund Gold Bonds.....	NTR Bch. Lines	Oct. 1, 1955.....	3,272,000.00	150,098.51	404,166.67
Interest on Securities matured in 1927.....					
Fixed Charges due Public per Income A/C 546.....				\$41,655,234.89	\$40,370,451.94
3½% 1st Mortgage Gold Bonds, H. & S.W.....		Sept. 30, 1942.....	4,447,000.00	Charged to East. Lines A/C 546	
4% Montreal Warehousing Company Firsts.....		April 1, 1936.....	6,000.00	Charged to A/C 512 or 545	
5% Rail & River Coal Company Firsts.....		April 1, 1938.....	1,442,000.00	do.	do.
5% Niagara, St. Catharines & Toronto Rly. Co. Firsts.....		Nov. 1, 1929.....	1,098,000.00	do.	do.
4½% Toronto Suburban Debenture Stock.....		July 15, 1961.....	2,628,000.00	do.	do.
Canadian National Realities Ltd. Outstanding Mtges.....		Various.....	190,260.00	do.	do.
Indebtedness to State of Michigan, D.G.H. & M.....		Annual instalments to 1944.....	2,441,256.60	Non-interest-bearing	
Total Debt held by Public (including therein \$14,880,636.82 par value held in Sinking and Insurance Funds) as per Balance Sheet A/C 755.....			\$977,889,032.94		

CANADIAN NATIONAL RAILWAYS

STATISTICS OF RAIL-LINE OPERATION TRAIN AND LOCOMOTIVE MILEAGE

Class of Service	TRAIN MILEAGE				LOCOMOTIVE MILEAGE				Total Locomotive Mileage
	1928		1927		1928		1927		
	1928	1927	1928	1927	1928	1927	1928	1927	
Freight.....	32,201,199	29,861,308	32,218,291	29,874,183	655,421	644,720	595,135	518,425	33,468,847
Passenger.....	21,689,697	20,755,056	21,689,701	20,755,068	109,483	107,545	361,672	356,608	22,160,856
Mixed.....	2,697,291	2,747,091	2,697,335	2,748,093	15,353	11,560	28,287	28,910	2,740,975
Special.....	30,722	36,527	30,722	36,533	2,363	2,218	1,638	1,089	34,723
Unit Cars.....	837,542	887,517							3,739,969
Train Switching.....									13,105,317
Yard Switching—Freight.....									914,143
“ “ Passenger.....									76,164,830
Total Transportation.....	57,456,451	54,288,099	57,456,451	54,288,099					3,234,138
Work.....	2,754,182	2,316,701							79,398,968
Grand Total.....	60,210,633	56,604,800							74,689,714

FREIGHT TRAIN CAR MILEAGE

Class of Service	Loaded		Empty		Total Loaded and Empty		Caboose		Total Freight Train Car Mileage
	1928		1927		1928		1927		
	1928	1927	1928	1927	1928	1927	1928	1927	
Freight Train.....	874,058,291	767,265,785	448,708,436	407,247,815	1,322,766,727	1,174,513,600	32,584,729	30,154,629	1,355,351,456
Mixed Train.....	16,847,076	17,617,186	7,173,294	7,004,456	24,020,340	24,621,642	1,160,859	1,352,761	25,181,199
Special Train.....	234,333	361,453	9,118	2,164	243,451	363,617	26,866	36,549	270,317
Other Transportation.....	12,645,697	13,151,665	8,150,826	8,376,270	20,796,523	21,527,935	968,741	894,098	21,765,264
Total Transportation.....	903,785,397	798,396,089	464,041,644	422,630,705	1,367,827,041	1,221,026,794	34,741,195	32,438,037	1,402,568,236
Work.....	8,128,158	8,826,344	6,933,994	7,603,074	15,062,152	16,429,418	1,778,598	1,495,412	16,840,750
Grand Total.....	911,913,555	807,222,433	470,975,638	430,233,779	1,382,889,193	1,237,456,212	36,519,793	33,933,449	1,419,408,986

PASSENGER TRAIN CAR MILEAGE

Class of Service	Passenger		Sleeping, Parlor and Observation		Dining		Other		Total Passenger Train Car Mileage
	1928		1927		1928		1927		
	1928	1927	1928	1927	1928	1927	1928	1927	
Freight Train.....	3,085,195	2,847,499	141,561	109,829	15,244	24,944	3,040,348	3,546,903	6,282,348
Passenger Train.....	52,833,241	50,485,158	43,687,535	39,844,476	6,846,412	6,145,144	48,518,318	47,288,648	151,885,506
Mixed Train.....	3,848,364	3,878,719	15,943	22,908	1,729	1,632	1,526,093	1,495,141	5,392,129
Special Train.....	72,698	123,979	24,780	22,203	1,826	1,180	32,348	19,750	131,652
Unit Cars and Trailers.....	1,415,602	1,321,692							1,415,602
All Transportation Services.....	61,255,100	58,657,047	43,869,819	39,999,506	6,865,211	6,172,900	53,117,107	52,850,442	165,107,237
Work Service.....	48,090	58,443	8,316	19,417	856	2,332	69,738	71,976	127,000
Grand Total.....	61,303,190	58,715,490	43,878,135	40,018,923	6,866,067	6,175,232	53,186,845	52,422,418	165,234,237

CANADIAN NATIONAL RAILWAYS

STATISTICS OF RAIL-LINE OPERATION

Item No.	Year 1928	Year 1927	Item No.	Year 1928	Year 1927
I. AVERAGE MILEAGE OF ROAD OPERATED.....					
FREIGHT SERVICE:					
91 Tons—Revenue Freight.....	65,512,418	58,749,221	131 Loaded Freight Car Miles—Freight Trains.....	27.54	26.13
92 Tons—Non-Revenue Freight.....	10,854,184	10,347,899	132 Loaded Freight Car Miles—Mixed Trains.....	6.25	6.41
93 Tons—Total.....	76,366,602	69,097,120	133 Empty Freight Car Miles—Freight Trains.....	14.19	13.92
94 Ton Miles—Revenue Freight.....	20,653,705,792	17,704,301,670	134 Empty Freight Car Miles—Mixed Trains.....	2.66	2.55
95 Ton Miles—Non-Revenue Freight.....	2,411,084,720	2,187,997,342	135 Ton Miles—Revenue Freight.....	596.72	547.84
96 Ton Miles—Total.....	23,064,790,512	19,892,299,012	136 Ton Miles—All Freight.....	666.77	615.92
PASSENGER SERVICE:					
97 Passengers Carried—Revenue.....	16,197,108	16,967,535	137 Passenger Train Car Miles—Passenger Trains.....	7.08	7.01
98 Passenger Miles—Revenue.....	1,294,234,945	1,265,538,859	138 Passenger Train Car Miles—Mixed Trains.....	2.00	1.96
REVENUES AND EXPENSES:					
101 Freight Revenue.....	\$209,439,982.99	\$184,865,149.73	139 Revenue Passenger Miles.....	56.26	57.22
102 Passenger Revenue.....	34,187,023.87	33,617,009.49	140 Freight Revenue.....	86.08	85.75
103 Passenger Service Train Revenue.....	53,609,564.98	51,871,797.74	141 Passenger Service Train Revenue.....	\$2.33	\$2.35
104 Operating Revenues.....	276,631,921.22	248,716,374.40	142 Operating Revenues.....	\$4.58	\$4.58
105 Operating Expenses.....	218,248,343.68	203,315,684.29	143 Operating Expenses.....	\$3.80	\$3.75
106 Net Operating Revenues.....	58,383,577.54	45,400,690.11	144 Net Operating Revenues.....	\$1.02	\$.84
AVERAGES PER MILE OF ROAD:					
111 Freight Train Miles.....	1,680	1,565	AVERAGES PER LOCOMOTIVE MILE:		
112 Passenger Train Miles.....	1,175	1,134	151 Train Miles—Freight Trains.....	.96	.96
113 Mixed Train Miles.....	141	144	152 Car Miles—Freight Trains.....	41.15	39.54
114 Special Train Miles.....	2	2	153 Train Miles—Passenger Trains.....	.98	.98
115 Transportation Service Train Miles.....	2,997	2,845	154 Car Miles—Passenger Trains.....	7.14	7.08
116 Work Train Miles.....	144	121	155 Train Miles—Mixed Trains.....	.98	.99
117 Locomotive Miles—Transportation.....	3,973	3,767	156 Car Miles—Mixed Trains.....	11.15	11.25
118 Freight Service Car Miles.....	8,613	8,613	157 Train Miles—Special Trains.....	.88	.92
119 Passenger Service Car Miles.....	73,167	65,678	158 Car Miles—Special Trains.....	11.58	14.24
120 Freight Revenue.....	\$10,925.77	\$9,686.42	AVERAGES PER LOADED FREIGHT CAR MILE:		
121 Passenger Service Train Revenue.....	\$2,796.63	\$2,717.94	161 Ton Miles—Revenue Freight.....	22.73	22.06
122 Operating Revenues.....	\$14,430.95	\$13,032.04	162 Ton Miles—All Freight.....	25.40	24.80
123 Operating Expenses.....	\$11,385.28	\$10,653.17	163 Freight Revenue.....	\$0.23180	\$0.23165
124 Net Operating Revenues.....	\$3,045.67	\$2,378.87	AVERAGES PER CAR MILE—PASSENGER:		
125 Ton Miles—Revenue Freight.....	1,071,547	922,471	171 Passenger Miles—Revenue.....	12.32	12.85
126 Ton Miles—All Freight.....	1,197,325	1,037,115	172 Passenger Revenue.....	\$0.32551	\$0.34125
127 Passenger Miles—Revenue.....	67,316	60,311	MISCELLANEOUS AVERAGES:		
181 Miles Hauled—Revenue Freight.....					
182 Miles Hauled—Non-Revenue Freight.....					
183 Miles Hauled—All Freight.....					
184 Miles Carried—Revenue Passengers.....					
185 Revenue per Ton Mile of Freight.....					
186 Revenue per Ton Mile of Freight.....					
187 Revenue per Passenger.....					
188 Revenue per Passenger Mile.....					
189 Operating Ratio.....					

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF REVENUE TONNAGE BY COMMODITIES

	Year 1928	Year 1927	Increase Decrease
PRODUCTS OF AGRICULTURE:	Tons	Tons	Tons
Wheat.....	8,526,864	6,071,260	2,455,604
Corn.....	526,655	570,163	43,508
Oats.....	916,797	680,336	236,461
Barley.....	701,517	546,768	154,749
Rye.....	223,337	291,363	68,026
Flax (Seed).....	62,002	53,498	8,504
Other Grain.....	45,100	52,395	7,295
Flour.....	1,029,259	1,012,920	16,339
Other Mill Products.....	1,007,503	963,415	44,088
Hay and Straw.....	286,049	340,322	54,273
Cotton.....	43,993	55,296	11,303
Apples (Fresh).....	117,709	94,586	23,123
Other Fresh Fruits.....	310,994	326,466	15,472
Potatoes.....	202,958	214,374	11,416
Other Fresh Vegetables.....	181,237	170,492	10,745
Other Products of Agriculture.....	502,120	535,012	32,892
Total.....	14,684,094	11,978,666	2,705,428
PRODUCTS OF ANIMALS:			
Horses and Mules.....	53,405	47,369	6,036
Cattle and Calves.....	397,054	424,701	27,647
Sheep and Goats.....	38,048	45,435	7,387
Hogs.....	197,396	220,910	23,514
Dressed Meats (Fresh).....	210,376	207,811	2,565
Dressed Meats (Cured or Salted).....	75,065	66,669	8,396
Other Packing House Products.....	115,873	127,391	11,518
Poultry.....	26,245	19,920	6,325
Eggs.....	52,382	56,904	4,522
Butter and Cheese.....	133,219	136,472	3,253
Wool.....	19,440	21,347	1,907
Hides and Leather.....	81,606	88,866	7,260
Other Products of Animals.....	51,640	35,164	16,476
Total.....	1,451,749	1,498,959	47,210
PRODUCTS OF MINES:			
Anthracite Coal.....	2,701,292	2,547,519	153,773
Bituminous Coal.....	6,028,105	6,557,560	529,445
Lignite Coal.....	1,996,370	1,972,679	23,691
Coke.....	817,658	627,200	190,458
Iron Ores.....	587,172	494,558	92,614
Other Ores and Concentrates.....	391,982	364,288	27,694
Bullion and Matte.....	47,613	32,606	15,007
Clay, Gravel, Sand and Crushed Stone.....	7,130,798	6,192,352	938,446
Slate, Stone, Granite (Dimension or Block).....	256,864	152,374	104,490
Crude Petroleum.....	265,212	160,284	104,928
Asphaltum.....	172,539	166,334	6,205
Salt.....	410,517	419,927	9,410
Other Products of Mines.....	220,638	183,244	37,394
Total.....	21,026,760	19,870,915	1,155,845
PRODUCTS OF FORESTS:			
Logs, Posts, Poles and Cordwood.....	2,488,603	2,224,933	263,670
Ties.....	100,884	91,495	9,389
Pulpwood.....	3,255,486	2,844,428	411,058
Sawed Lumber, Timber, Box Shooks, Staves and Headings.....	3,964,175	3,924,406	39,769
Other Products of Forests.....	212,866	202,275	10,591
Total.....	10,022,014	9,287,537	734,477
Carried forward.....	47,184,617	42,636,077	4,548,540

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF REVENUE TONNAGE BY COMMODITIES—Continued

	Year 1928	Year 1927	Increase Decrease
	Tons	Tons	Tons
Brought forward.....	47,184,617	42,636,077	4,548,540
MANUFACTURES AND MISCELLANEOUS:			
Refined Petroleum and its Products.....	1,833,095	1,626,766	206,329
Sugar, Syrup, Glucose and Molasses.....	258,956	292,620	33,664
Iron, Pig and Bloom.....	339,546	301,241	38,305
Rails and Fastenings.....	91,352	66,781	24,571
Bar and Sheet Iron, Structural Iron and Iron Pipe.....	1,302,840	802,484	500,356
Castings, Machinery and Boilers.....	398,449	547,994	149,545
Cement.....	1,093,636	1,005,965	87,671
Brick and Artificial Stone.....	539,878	523,810	16,068
Lime and Plaster.....	345,070	339,022	6,048
Sewer Pipe and Drain Tile.....	103,799	65,331	38,468
Agriculture Implements and Vehicles other than Autos.....	266,516	238,885	27,631
Automobiles and Auto Trucks.....	2,088,581	1,423,450	665,131
Household Goods and Second-hand Furniture.....	42,445	44,822	2,377
Furniture (new).....	56,338	52,706	3,632
Liquor and Beverages.....	165,077	130,267	34,810
Fertilizer.....	307,334	205,984	101,350
Paper, Printed Matter and Books.....	1,355,884	1,146,529	209,355
Wood Pulp.....	1,071,349	983,468	87,881
Fish (fresh, frozen, cured, etc.).....	58,220	60,781	2,561
Canned Meats.....	4,159	2,463	1,696
Canned Goods (all canned food products other than Meat).....	222,598	200,968	21,630
Other Manufactures and Miscellaneous.....	4,051,154	3,739,122	312,032
Merchandise.....	2,331,525	2,311,685	19,840
Total.....	18,327,801	16,113,144	2,214,657
Grand Total.....	65,512,418	58,749,221	6,763,197

CANADIAN NATIONAL RAILWAYS

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Held by Government and others
CANADIAN NATIONAL RAILWAY COMPANY.....	\$180,424,327.70	†\$14,796,589.00	†\$165,627,738.70
Bay City Terminal Railway Company.....	15,000.00	15,000.00	
*Canada Atlantic Transit Company.....	219,000.00	219,000.00	
*Canada Atlantic Transit Company of U.S.....	250,000.00	250,000.00	
The Canadian Express Company.....	1,768,800.00	1,768,800.00	
Canadian National Land Settlement Association.....			
The Champlain and St. Lawrence Railroad Company.....	50,000.00	50,000.00	
The Chicago, Detroit and Canada Grand Trunk Junction Railroad Company.....	1,095,000.00	1,095,000.00	
*Chicago, New York and Boston Refrigerator Company.....	1,129,400.00	1,129,400.00	
Detroit, Grand Haven and Milwaukee Railway Company.....	1,500,000.00	1,500,000.00	
Grand Rapids Terminal Railroad Company.....	50,000.00	50,000.00	
The Grand Trunk Junction Railway Company.....	500,000.00	500,000.00	
Grand Trunk Western Railway Company.....	6,000,000.00	6,000,000.00	
International Bridge Company.....	1,500,000.00	1,500,000.00	
The Maganetawan River Railway Company.....	30,000.00	30,000.00	
Manitoba Northern Railway Company.....	500,000.00	500,000.00	
The Michigan Air Line Railway.....	300,000.00	300,000.00	
*Montreal and Southern Counties Railway Company.....	500,000.00	310,500.00	189,500.00
*The Montreal Stock Yards Company.....	350,000.00	326,600.00	23,400.00
*The Montreal Warehousing Company.....	236,000.00	221,100.00	14,900.00
National Transcontinental Railway Branch Lines Company.....	500.00	500.00	
New England Elevator Company.....	400,000.00	400,000.00	
*The Oshawa Railway Company.....	40,000.00	40,000.00	
The Ottawa Terminals Railway Company.....	250,000.00	250,000.00	
The Pembroke Southern Railway Company.....	107,800.00	90,600.00	17,200.00
Portland Elevator Company.....	50,000.00	50,000.00	
*Prince Charles, Limited.....	10,000.00	10,000.00	
*Rail and River Coal Company.....	2,000,000.00	2,000,000.00	
St. Clair Tunnel Company.....	700,000.00	700,000.00	
*The Terminal Warehousing Company, Limited.....	1,000,000.00	1,000,000.00	
*The Thousand Islands Railway Company.....	60,000.00	60,000.00	
Toledo, Saginaw and Muskegon Railway Company.....	1,600,000.00	1,600,000.00	
The Toronto Belt Line Railway Company.....	50,000.00	26,000.00	24,000.00
The United States and Canada Rail Road Company.....	219,400.00	218,925.00	475.00
Vermont and Province Line Railroad Company.....	200,000.00	200,000.00	
The Pontiac, Oxford and Northern Railroad Company.....	1,000,000.00	1,000,000.00	
The Detroit and Huron Railway Company.....	148,000.00	148,000.00	
The Chicago and Kalamazoo Terminal Railroad Company.....	100,000.00	100,000.00	
Grand Trunk-Milwaukee Car Ferry Company.....	200,000.00	200,000.00	
Total Canadian National Railway Group.....	\$204,553,227.70	\$38,656,014.00	\$165,897,213.70
THE CANADIAN NORTHERN RAILWAY COMPANY.....	\$101,000,600.00	\$1,000,000.00	\$100,000,600.00
The Bay of Quinté Railway Company.....	1,395,000.00	1,395,000.00	
The Bessemer and Barry's Bay Railway Company.....	125,000.00	125,000.00	
The Canadian Northern Alberta Railway Company.....	3,000,000.00	3,000,000.00	
The Canadian Northern Railway Express Company, Limited.....	1,000,000.00	1,000,000.00	
Canadian Northern Manitoba Railway Company.....	250,000.00	250,000.00	
The Canadian Northern Ontario Railway Company.....	10,000,000.00	10,000,000.00	
Canadian Northern Pacific Railway Company.....	25,000,000.00	25,000,000.00	
*The Canadian Northern Quebec Railway Company.....	9,550,000.00	5,700,800.00	3,849,200.00
*Canadian National Realities, Limited.....	40,000.00	40,000.00	
Canadian Northern Steamships, Limited.....	2,000,000.00	2,000,000.00	
The Canadian Northern Coal and Ore Dock Company, Limited.....	500,000.00	500,000.00	
Canadian Northern Rolling Stock, Limited.....	50,000.00	50,000.00	
Canadian National Rolling Stock Limited.....	50,000.00	50,000.00	
Canadian National Electric Railways.....	1,750,000.00	1,750,000.00	
Canadian National Express Company.....	1,000,000.00	1,000,000.00	
Canadian Northern System Terminals Limited.....	2,000,000.00	2,000,000.00	
Canadian National Telegraph Company.....	500,000.00	500,000.00	
Canadian Northern Western Railway Company.....	2,000,000.00	2,000,000.00	
The Central Ontario Railway.....	3,331,000.00	3,329,000.00	2,000.00
Continental Realty & Holding Company Limited.....	90,000.00	90,000.00	
The Dalhousie Navigation Company, Limited.....	50,000.00	50,000.00	
Carried forward.....	\$164,681,600.00	\$60,829,800.00	\$103,851,800.00

CANADIAN NATIONAL RAILWAYS

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM—Continued

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Held by Govern- ment and others
Brought forward.....	\$164,681,600.00	\$60,829,800.00	\$103,851,800.00
Duluth, Winnipeg and Pacific Railroad Company.....	100,000.00	100,000.00	
Duluth, Winnipeg and Pacific Railway Company.....	6,000,000.00	6,000,000.00	
*Duluth and Virginia Realty Company.....	45,000.00	45,000.00	
Duluth, Rainy Lake & Winnipeg Railway Company.....	2,000,000.00	2,000,000.00	
*The Great North Western Telegraph Company of Canada.....	373,625.00	34,950.00	7,175.00
The Great North Western Telegraph Company of Canada (held in escrow)		331,500.00	
The Halifax and South Western Railway Company.....	1,000,000.00	1,000,000.00	
The Irondale, Bancroft and Ottawa Railway Company.....	53,500.00	53,000.00	500.00
The James Bay and Eastern Railway Company.....	1,250,000.00	1,250,000.00	
The Lake Superior Terminals Company Limited.....	500,000.00	500,000.00	
*Market Gardens Limited.....	180,000.00	180,000.00	
The Marmora Railway and Mining Company.....	128,600.00	128,600.00	
The Minnesota and Manitoba Railroad Company.....	400,000.00	400,000.00	
The Minnesota and Ontario Bridge Company.....	100,000.00	100,000.00	
Mount Royal Tunnel and Terminal Company, Limited.....	5,000,000.00	5,000,000.00	
*The Niagara, St. Catharines and Toronto Railway Company.....	925,000.00	924,900.00	100.00
*The Niagara, St. Catharines and Toronto Navigation Company (Limited)	100,000.00	100,000.00	
The Quebec and Lake St. John Railway Company.....	4,508,300.00	4,019,140.00	489,160.00
The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company.....	201,000.00	201,000.00	
St. Boniface Western Land Company.....	250,000.00	250,000.00	
The St. Charles and Huron River Railway Company.....	10,000.00	10,000.00	
The Toronto, Niagara and Western Railway Company.....	125,000.00	125,000.00	
The Winnipeg Land Company Limited.....	100,000.00	100,000.00	
Total Canadian Northern Railway Group.....	\$188,031,625.00	\$83,682,890.00	\$104,348,735.00
THE GRAND TRUNK PACIFIC RAILWAY COMPANY.....	\$24,942,000.00	\$24,942,000.00	
The Grand Trunk Pacific Branch Lines Company.....	1,002,000.00	1,002,000.00	
The Grand Trunk Pacific Saskatchewan Railway Company.....	200,000.00	200,000.00	
*The Grand Trunk Pacific Development Company, Limited.....	3,000,000.00	3,000,000.00	
*Canadian National Steamship Company, Limited.....	15,000.00	15,000.00	
*Grand Trunk Pacific Alaska Steamship Company.....	50,000.00	50,000.00	
*Grand Trunk Pacific Terminal Elevator Company, (Limited).....	501,000.00	501,000.00	
*Grand Trunk Pacific Dock Company, of Seattle.....	150,000.00	150,000.00	
Total Grand Trunk Pacific Railway Group.....	\$29,860,000.00	\$29,860,000.00	
SUMMARY			
Canadian National Railway Group.....	\$204,553,227.70	\$38,656,014.00	\$165,897,213.70
Canadian Northern Railway Group.....	188,031,625.00	83,682,890.00	104,348,735.00
Grand Trunk Pacific Railway Group.....	29,860,000.00	29,860,000.00	
	\$422,444,852.70	\$152,198,904.00	*\$270,245,948.70
*Canadian National Railways (France).....	fr. 30,000,000.00	fr. 30,000,000.00	

The accounts of Companies indicated () are taken up in the System Income Account as "Separately Operated Properties."

**\$5,144,600 C.N.Q. Stock is held by the Northern Consolidated Holding Company. The Canadian Northern Railway owns 44,467 shares in that Company out of a total issue of 61,815. For the purpose of this statement the Holding Company is ignored and the proportion of the C.N.Q. Stock thus owned by the Canadian Northern Railway is shown as held by the latter Company.

†One certificate for \$180,424,327.70 of the Company's Capital Stock is issued in the name of His Majesty as representing \$105,627,738.70 of Grand Trunk Stock previously held by the public and \$14,796,589 previously held in that Company's treasury.

*\$265,628,338.70 of this amount is owned by the Dominion of Canada.

CANADIAN NATIONAL RAILWAYS

A/C 706—INVESTMENTS IN AFFILIATED COMPANIES

COMPANY	Amount Outstanding	Amount Owned by Can. Nat. System	Book Value
"A"—STOCKS:			
Atlantic and St. Lawrence Rail Road Company.....	\$5,484,000.00	\$224.33	
The Belt Railway Company of Chicago.....	3,120,000.00	240,000.00	
Central Vermont Railway Company.....	3,000,000.00	2,191,100.00	
Chicago & Western Indiana Railroad Company.....	5,000,000.00	1,000,000.00	
The Detroit and Toledo Shore Line Railroad Company.....	1,428,000.00	714,000.00	
The Ontario Car Ferry Company (Limited).....	500,000.00	250,000.00	
The Toronto Terminals Railway Company.....	50,000.00	25,000.00	
The Toledo Terminal Railroad Company.....	4,000,000.00	387,200.00	
Detroit Terminal Railroad Company.....	2,000,000.00	1,000,000.00	
Canadian Government Merchant Marine, Limited.....	460,900.00	900.00	
	\$25,042,900.00	\$5,808,424.33	\$5,235,984.91
"B"—BONDS:			
Atlantic and St. Lawrence Railroad Company.....	\$3,000,000.00	\$3,000,000.00	
Central Vermont Railway Company 5% Gold Bonds.....	12,838,300.00	12,790,800.00	
Chicago & Western Indiana Railroad Consolidated Bonds.....	49,474,666.67	2,187,000.00	
The Detroit & Toledo Shore Line R.R. Co. 1st Mtge. Bonds.....	3,000,000.00	587,000.00	
The Muskegon Rly. & Navgn. Co. First Mortgage Bonds.....	571,200.00	55,300.00	
The Toledo Terminal Railroad Company.....	5,500,000.00	137,000.00	
The Toronto Terminals Ry. Co. 5% First Mortgage Bonds.....	14,574,700.00	7,287,400.00	
	\$88,958,866.67	\$26,044,500.00	\$26,014,391.80
"C"—NOTES:			
Central Vermont Railway Company.....			\$8,041,905.52
"D"—ADVANCES:			
Canadian Government Merchant Marine, Limited.....			\$335,245.47
Central Vermont Railway Company.....			12,694,392.38
Chicago & Western Indiana Railroad Company.....			667,331.30
The Muskegon Railway and Navigation Company.....			150,906.21
			\$13,847,875.36
Total Balance Sheet A/C No. 706			\$53,140,157.59

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31, 1928

SYSTEM LINES—(Excluding "Eastern Lines" and Central Vermont Ry.)

Territory	Mileage owned by Constituent Companies			Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks			Inactive Mileage				
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	1st Main Track	2nd Main Track	Spurs, Sidings & Yard Tracks	Miles	Miles	Miles
CENTRAL REGION																			
QUEBEC DISTRICT:																			
Levis Divn. (Lines west of Levis & Diamond Junction).....	292.62	21.66			3.28				295.90	21.66			115.32	32.49		4.30			
Saguenay Division.....	474.94				0.19				480.20				138.15			0.49			
Cochrane Division.....	711.78				42.83				754.61				213.00			5.24			
Montreal Division.....	429.44				0.95				430.39				88.40						
MONTREAL DISTRICT:																			
Portland Divn.—Lines in Canada	123.63	28.61							123.63	28.61			51.88						
Portland Division—																			
Lines in United States.....	15.58	22.17			156.63	0.99			172.21	0.99			94.87						
Montreal Terminals.....	41.41								41.41				215.99						
St. Lawrence Division.....	409.88	142.75	0.28		78.03			2.86	490.77	142.83	0.28		143.62						
Ottawa Division.....	442.58	2.13							442.58	2.13			84.98						
NORTHERN ONT. DISTRICT:																			
Allandale Division.....	436.14	1.29						1.36	436.14	1.29			147.67						
Capreol Division.....	599.90	0.15							601.26	0.15			174.70						
Hornepayne Division.....	587.70								587.70				92.37						
SOUTHERN ONT. DISTRICT:																			
Bellefleur Division.....	1110.71	200.06							1110.71	200.06			278.77	18.60					
Toronto Terminals.....	33.04	20.04		7.42				3.70	36.74	23.74		7.42	218.15	2.85					
Stratford Division.....	675.94	1.25							750.39	1.25			173.28						
London Division.....	374.55	207.91	3.36					4.60	454.77	216.16	3.36		292.87						
St. Thomas Division.....	245.45	90.43			0.25	0.25		4.60	250.30	95.27			171.27						
Total Mileage Central Region (System Lines).....	7005.29	738.45	12.49	7.42	438.43	9.49	8.37	15.99	7459.71	756.31	12.49	7.42	2695.29	58.94	2.85	10.03			

CANADIAN NATIONAL RAILWAYS

SUMMARY OF FIRST MAIN TRACK MILEAGE BY REGIONS AND DISTRICTS

	Miles
(Excluding Eastern Lines & Central Vermont Ry.)	
CENTRAL REGION:	
Quebec District (Lines west of Levis and Diamond Junction).....	1,961.10
Montreal District.....	1,270.60
Northern Ontario District.....	1,625.10
Southern Ontario District.....	2,602.91
GRAND TRUNK WESTERN LINES.....	991.53
WESTERN REGION:	
Manitoba District.....	3,713.70
Saskatchewan District.....	3,364.32
Alberta District.....	2,375.61
British Columbia District.....	1,459.26
Total First Main Track Mileage, Steam operated Lines referred to as "System Mileage".....	19,364.13

MILEAGE OF LINES CONTROLLED BY CANADIAN NATIONAL RAILWAYS NOT INCLUDED IN OPERATING FIGURES

	Miles
STEAM OPERATED LINES:	4.60
Thousand Islands Railway.....	4.60
ELECTRIC LINES:	
Canadian National Electric Railway (Toronto Suburban District).....	49.36
Niagara, St. Catharines & Toronto Railway.....	69.02
Montreal & Southern Counties Railway.....	(a) 50.02
Oshawa Railway.....	11.92
Total.....	190.92

(a) Includes 0.88 miles Montreal & Southern Counties Railway running rights over Canadian National Railways. This is a duplication of mileage included in the Canadian National Railways "System Mileage."

EASTERN LINES

Montreal, March 30, 1929

To the Honourable Charles A. Dunning, M.P.,
Minister of Railways and Canals,
Ottawa.

Sir:

I beg to submit herewith report of the operations of the Eastern Lines for the year ended December 31, 1928.

Owned Mileage	Mileage under lease or contract	Mileage under trackage rights	Total
2,796.97	224.78	82.61	3,104.36

OPERATING RESULTS

The operating results for the twelve month ending December 31, 1928, are summarized as follows:—

	1928	1927	Increase or Decrease
Revenue.....	\$27,959,347.30	\$26,162,744.12	\$1,796,603.18
Expenses.....	31,483,351.52	29,989,582.86	1,493,768.66
Deficit.....	<u>\$3,524,004.22</u>	<u>\$3,826,838.74</u>	<u>\$302,834.52</u>

The corresponding figures for 1927 as here shown are in restated form after deducting the estimated amounts by which the actual earnings would probably have been decreased had the Maritime Freight Rates Act been in effect for the whole of the year 1927. After taking into account interest on advances from the Dominion Government and other items, the net income deficit was \$5,138,026 as compared with the restated deficit for 1927 of \$5,129,717.

MAINTENANCE OF WAY

The work during the year included a considerable amount of ballasting and the laying of a large number of hardwood creosoted ties, as well as of ninety-five miles of new one hundred pound rails. Generally speaking operating conditions were favourable and there was no serious interruption to movement of traffic.

TRAFFIC MOVEMENT

This increased by 509,338 tons of revenue traffic forwarded, as compared with the previous year. This increase was general and reflected an improvement in conditions over the region.

NEW CONSTRUCTION

This work included the completion of immigration sheds Nos. 21 and 22 and of the new immigration building at the Halifax Ocean Terminals; the foundations and steelwork of the new hotel at Halifax—"The Nova Scotian"; initial work on replacement of steel at Point Tupper and Mulgrave Ferry Landings; work in connection with the new terminal facilities at Charlottetown and with the construction of new baggage and express facilities at Saint John; also new stations at North Sydney, Piedmont, St. Charles and Shippegan.

GENERAL

As of November 1st the waterfront railway facilities at Halifax and Saint John were transferred to the Harbour Commission at those Ports.

Continued attention has been given towards reducing fire losses on owned properties and on lands adjoining right-of-way, with the gratifying result that the losses for the year aggregated \$30,500 as against \$42,000 in 1927. Similar attention has been given to First Aid and Safety First work. The interest taken by employees in these two matters is encouraging.



Chairman and President.

EASTERN LINES

INCOME STATEMENT

	Year ending December 31, 1928	Year ending December 31, 1927
501 Railway Operating Revenues (See Note)	\$27,959,347.30	\$26,162,744.12
531 Railway Operating Expenses	31,483,351.52	29,989,582.86
<i>Net Deficit from Railway Operations</i>	<i>\$3,524,004.22</i>	<i>\$3,826,838.74</i>
532 Railway Tax Accruals	\$258,971.59	\$260,840.18
533 Uncollectible Railway Revenues	6,388.02	2,632.25
<i>Railway Operating Deficit</i>	<i>\$3,789,363.83</i>	<i>\$4,090,311.17</i>
502 Revenues from Miscellaneous Operations	\$18,721.54	\$13,614.48
534 Expenses of Miscellaneous Operations	19,659.29	13,698.71
535 Taxes on Miscellaneous Operating Property	572.75	106.98
<i>Miscellaneous Operating Deficit</i>	<i>\$1,510.50</i>	<i>\$191.21</i>
<i>Total Operating Deficit</i>	<i>\$3,790,874.33</i>	<i>\$4,090,502.38</i>
503 Hire of Freight Cars—Credit Balance		\$20,771.99
504 Rent from Locomotives	\$35,932.40	77,571.54
507 Rent from Work Equipment	51,155.08	62,737.12
508 Joint Facility Rent Income	93,127.23	47,038.75
509 Income from Lease of Road	23,300.00	23,300.00
510 Miscellaneous Rent Income	79,014.08	82,231.54
511 Miscellaneous Non-Operating Physical Property	4,973.53	6,302.20
515 Income from Unfunded Securities and Accounts	20,650.11	24,178.90
519 Miscellaneous Income	307.48	142.88
<i>Total Non-Operating Income</i>	<i>\$308,459.91</i>	<i>\$344,274.92</i>
<i>Gross Income (Deficit)</i>	<i>\$3,482,414.42</i>	<i>\$3,746,227.46</i>
536 Hire of Freight Cars—Debit Balance	\$208,868.66	
538 Rent for Passenger Train Cars	311,635.10	\$286,912.77
541 Joint Facility Rents	74,443.32	73,430.74
542 Rent for Leased Roads	150,936.30	135,263.12
543 Miscellaneous Rents	1,308.85	2,695.75
544 Miscellaneous Tax Accruals	10,644.81	9,157.30
546 Interest on Funded Debt	155,645.00	155,645.00
546A Interest on Dominion Government Advances	625,034.88	613,267.64
547 Interest on Unfunded Debt	36,605.41	58,405.35
551 Miscellaneous Income Charges	80,490.02	48,712.81
Government Contribution Maritime Freight Rates Act, 1927 (See Note)	5,138,026.77	2,332,884.61
<i>Total Deductions from Gross Income</i>	<i>\$3,482,414.42</i>	<i>\$949,394.13</i>
<i>Net Income (Deficit)</i>	<i>— — —</i>	<i>\$2,796,833.33</i>

NOTE: The Government contribution \$2,151,527.75 to meet the 20% Rate Reduction under Maritime Freight Rates Act 1927 has been treated as an addition to Revenue A/C 501. The Government contribution to meet the income deficit of Eastern Lines has been treated as a credit to Income below A/C 551; of the amount shown in 1928 \$4,200,356.51 is payable in cash (Vote No. 412) and the remainder is applied in account. The 1927 figures as published have been adjusted to correspond, the Government contributions however being for the second half of the year only.

PROFIT AND LOSS ACCOUNT, 1928

CREDITS:		
603 Profit on Road and Equipment Sold		\$174.02
604 Delayed Income Credits and Debits, Net		207,901.89
605 Unrefundable Overcharges		1,155.35
606 Donations		17,629.29
607 Miscellaneous Credits		6,091.50
		\$233,252.05
DEBITS:		
619 Loss on Retired Road and Equipment		\$78,573.61
Applied in account against Government contribution		154,678.44
		\$233,252.05

We have examined the above Income and Profit and Loss Accounts of the Eastern Lines for the twelve months ended the 31st December, 1928, and we certify that in our opinion these accounts fairly state the results of the working of such Lines, as authorized by the Maritime Freight Rates Act, 1927.

GEORGE A. TOUCHE & CO.,
Chartered Accountants,
Auditors.

16th March, 1929.

EASTERN LINES

RAILWAY OPERATING REVENUES AND EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
RAILWAY OPERATING REVENUES:		
101 Freight.....	\$16,869,815.28	\$16,309,775.57
101a Government Contribution Maritime Freight Rates Act 1927.....	2,151,527.75	931,809.89
102 Passenger.....	4,959,716.92	4,958,950.85
103 Excess Baggage.....	38,434.30	40,413.54
104 Sleeping Car.....	437,413.85	407,137.09
105 Parlor and Chair Car.....	29,734.84	26,034.97
106 Mail.....	806,526.10	798,917.16
107 Express.....	1,759,691.16	1,749,991.46
108 Other Passenger Train.....	8,411.45	9,882.67
109 Milk.....	37,797.96	37,517.76
110 Switching.....	138,168.13	129,698.79
111 Special Service Train.....	8,551.36	7,510.08
114 Water Transfers—Passenger.....	9,440.20	7,398.39
115 Water Transfers—Vehicles and Live Stock.....	29,975.00	22,662.50
116 Water Transfers—Other.....		1.35
131 Dining and Buffet.....	261,311.84	239,274.06
132 Restaurant.....	1,488.27	5,410.12
133 Station, Train and Boat Privileges.....	29,325.38	27,553.11
135 Storage—Freight.....	14,015.73	17,169.64
136 Storage—Baggage.....	2,853.53	3,181.19
137 Demurrage.....	54,050.29	50,736.13
138 Telegraph and Telephone.....	88,712.41	109,288.02
139 Grain Elevator.....	26,205.11	41,633.28
142 Rents of Buildings, etc.....	61,008.27	68,917.71
143 Miscellaneous.....	137,323.16	161,878.79
152 Joint Facility—Debit.....	2,150.00	
Total Operating Revenues.....	\$27,959,347.30	\$26,162,744.12
RAILWAY OPERATING EXPENSES:		
Maintenance of Way and Structures.....	\$7,997,429.36	\$7,365,243.81
Maintenance of Equipment.....	5,664,650.29	5,556,937.77
Traffic.....	809,040.96	764,675.63
Transportation.....	15,340,874.73	14,661,570.10
Miscellaneous Operations.....	401,150.37	396,619.47
General.....	1,323,105.15	1,282,222.30
Transportation for Investment—Cr.....	52,899.34	37,686.22
Total Operating Expenses.....	\$31,483,351.52	\$29,989,582.86

EASTERN LINES

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
MAINTENANCE OF WAY AND STRUCTURES:		
201 Superintendence.....	\$547,256.80	\$515,478.61
202 Roadway Maintenance.....	686,959.87	638,953.94
206 Tunnels and Subways.....	1,352.66	1,757.20
208 Bridges, Trestles and Culverts.....	207,573.22	213,611.05
212 Ties.....	1,527,977.32	1,356,442.83
214 Rails.....	797,379.21	688,689.56
216 Other Track Material.....	412,481.38	316,264.12
218 Ballast.....	83,608.28	75,252.33
220 Track Laying and Surfacing.....	1,906,670.73	1,880,048.61
221 Right of Way Fences.....	85,407.64	85,438.84
223 Snow and Sand Fences and Snow Sheds.....	5,308.69	6,827.53
225 Crossings and Signs.....	86,518.53	62,420.86
227 Station and Office Buildings.....	345,742.47	331,883.13
229 Roadway Buildings.....	10,287.52	9,198.14
231 Water Stations.....	67,287.58	51,812.21
233 Fuel Stations.....	20,954.13	20,856.39
235 Shops and Enginehouses.....	221,994.81	190,682.43
237 Grain Elevators.....	3,937.81	3,707.42
241 Wharves and Docks.....	67,871.60	76,318.86
243 Coal and Ore Wharves.....	2,717.89	134.03
245 Gas Producing Plants.....	166.58	145.05
247 Telegraph and Telephone Lines.....	112,798.17	123,589.42
249 Signals and Interlockers.....	64,592.86	47,630.89
253 Power Plant Buildings.....	48.87	
255 Power Substation Buildings.....	3.26	
257 Power Transmission Systems.....	4,039.28	8,638.68
259 Power Distribution Systems.....	2,939.14	3,063.41
261 Power Line Poles and Fixtures.....	6,236.79	3,876.66
269 Roadway Machines.....	39,204.90	36,529.41
271 Small Tools and Supplies.....	76,610.71	77,881.23
272 Removing Snow, Ice and Sand.....	377,603.10	333,659.24
273 Assessments for Public Improvements.....	534.37	137.54
274 Injuries to Persons.....	59,712.72	71,840.34
275 Insurance.....	74,196.16	74,232.83
276 Stationery and Printing.....	12,827.87	14,633.70
277 Other Expenses.....	5,229.31	6,094.51
278 Maintaining Joint Tracks, Yards, etc., Dr.....	110,570.15	56,098.54
279 " " " " Cr.....	39,173.02	14,803.18
Total.....	\$7,997,429.36	\$7,365,243.81

EASTERN LINES

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
MAINTENANCE OF EQUIPMENT:		
301 Superintendence.....	\$171,673.58	\$176,612.67
302 Shop Machinery.....	116,330.29	133,214.43
304 Power Plant Machinery.....	7,039.40	7,726.68
308 Steam Locomotives—Repairs.....	2,086,044.76	2,002,355.03
310 Steam Locomotives—Retirements.....	68,169.36	132,305.06
314 Freight Train Cars—Repairs.....	1,432,694.01	1,489,456.18
316 Freight Train Cars—Retirements.....	219,470.86	131,850.91
317 Passenger Train Cars—Repairs.....	1,051,278.62	1,035,557.86
319 Passenger Train Cars—Retirements.....	2,508.79	14,101.07
320 Motor Equipment of Cars—Repairs.....	50,745.25	20,693.25
323 Floating Equipment—Repairs.....	69,278.79	69,925.78
326 Work Equipment—Repairs.....	197,858.77	191,804.49
328 Work Equipment—Retirements.....	28,108.25	15,122.78
329 Miscellaneous Equipment—Repairs.....	30,026.90	32,125.31
331 Miscellaneous Equipment—Retirements.....	142.13	170.95
332 Injuries to Persons.....	29,516.05	29,503.53
333 Insurance.....	73,677.24	73,677.24
334 Stationery and Printing.....	5,079.86	6,025.14
335 Other Expenses.....	2,298.04	2,788.94
336 Maintaining Joint Equipment at Terminals, Dr.....	4,211.64	4,213.15
337 Maintaining Joint Equipment at Terminals, Cr.....	11,502.30	12,292.68
Total.....	\$5,664,650.29	\$5,556,937.77
TRAFFIC EXPENSES:		
351 Superintendence.....	\$208,170.72	\$212,417.37
352 Outside Agencies.....	290,948.64	279,582.86
353 Advertising.....	172,849.85	160,108.46
353 Radio.....	40,104.05	37,367.16
354 Traffic Associations.....	9,061.07	8,070.03
356 Industrial Bureaus.....	10,416.33	8,540.83
356 Colonization, Agriculture and Natural Resources.....	21,224.62	21,837.03
357 Insurance.....	34.56	40.08
358 Stationery and Printing.....	33,098.49	35,603.49
359 Other Expenses.....	23,132.63	1,108.32
Total.....	\$809,040.96	\$764,675.63

EASTERN LINES

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
TRANSPORTATION RAIL LINE:		
371 Superintendence.....	\$569,670.48	\$563,601.76
372 Dispatching Trains.....	241,082.33	231,671.67
373 Station Employees.....	2,398,191.92	2,286,230.05
374 Weighing, Inspection and Demurrage Bureaus.....	5,374.78	5,025.61
376 Station Supplies and Expenses.....	272,905.21	262,865.23
377 Yardmasters and Yard Clerks.....	172,251.39	169,066.85
378 Yard Conductors and Brakemen.....	590,321.57	570,288.30
379 Yard, Switch and Signal Tenders.....	100,250.72	104,735.22
380 Yard Enginemen.....	392,755.10	376,158.75
382 Fuel for Yard Locomotives.....	470,224.79	459,347.83
385 Water for Yard Locomotives.....	13,086.23	13,298.11
386 Lubricants for Yard Locomotives.....	3,529.11	3,312.35
387 Other Supplies for Yard Locomotives.....	3,370.79	3,294.68
388 Enginehouse Expenses—Yard.....	195,107.67	178,835.63
389 Yard Supplies and Expenses.....	20,502.46	23,644.77
390 Operating Joint Yards and Terminals, Dr.....	12,718.35	16,803.79
391 Operating Joint Yards and Terminals, Cr.....	<i>122,338.97</i>	<i>111,686.01</i>
392 Train Enginemen.....	1,571,456.10	1,467,573.59
393 Train Motormen.....	21,537.24	20,432.06
394 Fuel for Train Locomotives.....	3,058,128.25	2,898,122.26
396 Train Power Purchased.....	8,620.32	12,533.72
397 Water for Train Locomotives.....	110,625.87	108,931.06
398 Lubricants for Train Locomotives.....	41,041.21	38,171.28
399 Other Supplies for Train Locomotives.....	31,095.30	27,993.62
400 Enginehouse Expenses—Train.....	665,469.51	616,049.14
401 Trainmen.....	1,844,237.62	1,753,224.85
402 Train Supplies and Expenses.....	599,078.98	575,272.08
403 Operating Sleeping Cars.....	230,641.67	212,752.09
404 Signal and Interlocker Operation.....	14,374.89	13,007.07
405 Crossing Protection.....	40,282.53	37,457.32
406 Drawbridge Operation.....	6,228.05	5,368.59
407 Telegraph and Telephone Operation.....	115,051.69	96,719.79
408 Operating Floating Equipment.....	387,686.61	376,618.76
409 Express Service.....	809,780.33	820,584.90
410 Stationery and Printing.....	71,444.70	78,100.37
411 Other Expenses.....	13,769.10	17,061.47
412 Operating Joint Tracks and Facilities, Dr.....	9,604.59	10,478.72
413 Operating Joint Tracks and Facilities, Cr.....		<i>3,000.00</i>
414 Insurance.....	38,652.00	38,652.00
415 Clearing Wrecks.....	86,343.08	69,698.52
416 Damage to Property.....	5,263.10	7,069.55
417 Damage to Live Stock on Right of Way.....	9,419.28	6,752.91
418 Loss and Damage—Freight.....	124,480.73	84,459.16
419 Loss and Damage—Baggage.....	470.44	838.66
420 Injuries to Persons.....	87,087.61	114,752.87
Total.....	\$15,340,874.73	\$14,661,570.10

EASTERN LINES

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1928	Year ending December 31, 1927
MISCELLANEOUS OPERATIONS:		
441 Dining and Buffet Service.....	\$380,822.07	\$365,585.14
442 Restaurants.....	912.42	4,456.88
443 Grain Elevators.....	19,089.04	24,878.08
446 Other Miscellaneous Operations.....	326.84	1,699.37
Total.....	\$401,150.37	\$396,619.47
GENERAL EXPENSES:		
451 Salaries and Expenses of General Officers.....	\$135,404.18	\$132,679.30
452 Salaries and Expenses of Clerks and Attendants.....	510,797.27	487,883.14
453 General Office Supplies and Expenses.....	61,447.17	48,948.58
454 Law Expenses.....	65,404.63	62,526.33
455 Insurance.....	103.68	135.00
456 Relief Department Expenses.....	12,000.00	12,000.00
457 Pensions.....	470,689.14	437,289.52
458 Stationery and Printing.....	19,382.15	21,854.01
460 Other Expenses.....	47,876.93	78,906.42
Total.....	\$1,323,105.15	\$1,282,222.30

EASTERN LINES

COMPARATIVE STATEMENT OF OPERATING REVENUE PAID IN LABOUR AND THE AVERAGE NUMBER OF EMPLOYEES

	1928	1927	Increase or Decrease	% Increase or Decrease
Gross Earnings.....	\$27,959,347.30	\$26,162,744.12	I. \$1,796,603.18	6.87
Operating Labour.....	18,562,397.16	17,676,352.95	I. 886,044.21	5.01
Ratio of Labour to Gross Earnings.....	66.39	67.56	D. 1.17	1.73

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES

	1928	1927	Increase or Decrease	% Increase or Decrease
Labour.....	66.39	67.56	D. 1.17	1.73
Fuel.....	12.62	12.83	D. .21	1.64
Other Expenses.....	33.59	34.24	D. .65	1.90
Total.....	112.60	114.63	D. 2.03	1.77

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO OVER GENERAL ACCOUNTS

	1928	1927
Maintenance of Way and Structures.....	28.60	28.15
Maintenance of Equipment.....	20.26	21.24
Traffic.....	2.89	2.92
Transportation—Rail.....	54.87	56.04
Miscellaneous Operations.....	1.44	1.52
General.....	4.73	4.90
Transportation for Investment—Credit.....	.19	.14
Total.....	112.60	114.63

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES

	1928—Cents	1927—Cents
Labour.....	59	59
Fuel.....	11	11
Other Expenses.....	30	30
Total.....	\$1.00	\$1.00

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT OVER GENERAL ACCOUNTS

	1928—Cents	1927—Cents
Maintenance of Way and Structures.....	25	25
Maintenance of Equipment.....	18	18
Traffic.....	3	3
Transportation—Rail.....	49	49
Miscellaneous.....	1	1
General.....	4	4
Transportation for Investment—Cr.....		
Total.....	\$1.00	\$1.00

EASTERN LINES

STATISTICS OF RAIL-LINE OPERATION TRAIN AND LOCOMOTIVE MILEAGE

Class of Service	LOCOMOTIVE MILEAGE						Total Locomotive Mileage			
	TRAIN MILEAGE		Principal		Helper			Light		
	1928	1927	1928	1927	1928	1927		1928	1927	
Freight.....	3,805,010	3,648,401	3,877,955	3,660,751	105,647	63,984	91,845	78,841	4,075,427	3,803,576
Passenger.....	3,448,595	3,371,882	3,448,595	3,371,882	12,147	13,287	73,644	76,662	3,534,386	3,461,831
Mixed.....	878,399	883,925	878,399	883,925	2,728	3,600	13,596	19,530	894,723	907,055
Special.....	3,887	2,660	3,887	2,660	906	1,061	290	152	5,083	3,873
Unit Cars.....	231,800	223,833							434,504	382,666
Train Switching.....									1,173,545	1,153,762
Yard Switching—Freight.....									170,889	156,428
“ “ —Passenger.....										
Total Transportation.....	8,427,691	8,130,701							10,288,557	9,869,191
Work.....	338,855	302,104							387,483	357,425
Grand Total.....	8,766,546	8,432,805							10,676,040	10,226,616

FREIGHT TRAIN CAR MILEAGE

Class of Service	FREIGHT TRAIN CAR MILEAGE						Total Freight Train Car Mileage			
	Loaded		Empty		Total Loaded and Empty			Caboose		
	1928	1927	1928	1927	1928	1927		1928	1927	
Freight Train.....	86,645,353	80,466,477	25,963,409	27,353,439	112,608,852	107,819,916	3,200,439	3,064,626	115,809,291	110,884,542
Mixed Train.....	3,752,046	3,796,017	1,371,196	1,365,538	5,123,242	5,161,555	30,567	30,979	5,153,809	5,192,534
Special Train.....	30,149	2,583	1,261	583	31,410	3,166	3,888	2,545	35,298	5,711
Other Transportation.....	175,036	202,178	132,912	148,125	307,948	350,303	163,691	178,416	471,639	528,719
Total Transportation.....	90,602,584	84,467,255	27,468,868	28,867,685	118,071,452	113,334,940	3,398,585	3,276,566	121,470,037	116,611,506
Work.....	842,992	831,254	820,700	782,907	1,663,692	1,614,161	222,334	209,601	1,886,026	1,823,762
Grand Total.....	91,445,576	85,298,509	28,289,568	29,650,592	119,735,144	114,949,101	3,620,919	3,486,167	123,356,063	118,435,268

PASSENGER TRAIN CAR MILEAGE

Class of Service	PASSENGER TRAIN CAR MILEAGE						Total Passenger Train Car Mileage			
	Passenger		Sleeping, Parlor and Observation		Dining			Other		
	1928	1927	1928	1927	1928	1927		1928	1927	
Freight Train.....	1,321,472	1,305,737	8,729	27,591	921	745	275,816	288,481	1,606,938	1,622,554
Passenger Train.....	8,730,536	8,576,468	5,332,864	4,943,564	1,212,806	1,222,396	7,850,600	7,702,495	23,126,806	22,444,923
Mixed Train.....	1,461,754	1,484,779	3,250	6,830	35	35	434,373	436,269	1,899,412	1,927,878
Special Train.....	9,405	2,707		3,697			3,164	17,448	12,569	23,852
Unit Cars and Trailers.....	252,375	258,745							252,375	258,745
All Transportation Services.....	11,775,542	11,628,436	5,344,843	4,981,682	1,213,762	1,223,141	8,563,953	8,444,693	26,898,100	26,277,952
Work Service.....	6,572	10,762	220	1,369		374	13,620	12,238	20,412	24,743
Grand Total.....	11,782,114	11,639,198	5,345,063	4,983,051	1,213,762	1,223,515	8,577,573	8,456,931	26,918,512	26,302,695

EASTERN LINES

STATISTICS OF RAIL-LINE OPERATION

Item No.	Year 1928	Year 1927	Item No.	Year 1928	Year 1927
I. AVERAGE MILEAGE OF ROAD OPERATED.					
FREIGHT SERVICE:					
91 Tons—Revenue Freight.....	3,107.73	3,107.99	131 Loaded Freight Car Miles—Freight Trains.....	22.46	22.11
92 Tons—Non-Revenue.....	6,813,493	6,804,155	132 Loaded Freight Car Miles—Mixed Trains.....	4.27	4.29
93 Tons—Total.....	1,260,188	1,319,566	133 Empty Freight Car Miles—Freight Trains.....	6.75	7.54
	8,073,681	7,623,721	134 Empty Freight Car Miles—Mixed Trains.....	1.56	1.54
94 Ton Miles—Revenue Freight.....	1,933,797,089	1,760,548,737	135 Ton Miles—Revenue Freight.....	427.90	409.01
95 Ton Miles—Non-Revenue Freight.....	176,456,968	229,278,336	136 Ton Miles—All Freight.....	467.05	462.42
96 Ton Miles—Total.....	2,110,254,057	1,989,827,073	137 Passenger Train Car Miles—Passenger Trains.....	6.79	6.77
	3,680,105	3,770,930	138 Passenger Train Car Miles—Mixed Trains.....	2.16	2.18
PASSENGER SERVICE:					
97 Passengers Carried—Revenue.....	220,025,029	217,544,918	139 Revenue Passenger Miles.....	56.17	56.72
98 Passenger Miles—Revenue.....	\$19,021,343.03	\$17,241,585.46	140 Freight Revenue.....	\$4.22	\$4.02
REVENUES AND EXPENSES:					
101 Freight Revenue.....	4,959,716.92	4,958,950.85	141 Passenger Service Train Revenue.....	\$2.06	\$2.09
102 Passenger Revenue.....	8,077,726.58	8,028,845.50	142 Operating Revenues.....	\$3.32	\$3.22
103 Passenger Service Train Revenue.....	27,959,347.30	26,162,744.12	143 Operating Expenses.....	\$3.74	\$3.69
104 Operating Revenues.....	31,483,351.52	29,989,582.86	144 Net Operating Revenues.....	\$.42	\$.47
105 Operating Expenses.....	3,524,004.22	3,826,833.74	AVERAGES PER LOCOMOTIVE MILE:		
106 Net Operating Revenues.....	1,244	1,174	151 Train Miles—Freight Trains.....	.95	.96
AVERAGES PER MILE OF ROAD:					
111 Freight Train Miles.....	1,184	1,157	152 Car Miles—Freight Trains.....	28.53	29.29
112 Passenger Train Miles.....	283	284	153 Train Miles—Passenger Trains.....	.98	.97
113 Mixed Train Miles.....	1	1	154 Car Miles—Passenger Trains.....	7.00	6.95
114 Special Train Miles.....	1	1	155 Train Miles—Mixed Trains.....	.98	.97
115 Transportation Service Train Miles.....	2,712	2,616	156 Car Miles—Mixed Trains.....	7.88	7.85
116 Work Train Miles.....	109	97	157 Train Miles—Special Trains.....	.76	.69
117 Locomotive Miles—Transportation.....	3,311	3,175	158 Car Miles—Special Trains.....	9.42	7.63
118 Freight Service Car Miles.....	39,086	37,520	AVERAGES PER LOADED FREIGHT CAR MILE:		
119 Passenger Service Car Miles.....	8,655	8,455	161 Ton Miles—Revenue Freight.....	21.29	20.79
120 Freight Revenue.....	\$6,120.65	\$5,547.50	162 Ton Miles—All Freight.....	23.24	23.50
121 Passenger Service Train Revenue.....	\$2,599.24	\$2,553.29	163 Freight Revenue.....	\$0.21001	\$0.20413
122 Operating Revenues.....	\$8,996.71	\$8,417.90	AVERAGES PER CAR MILE—PASSENGER:		
123 Operating Expenses.....	\$10,130.66	\$9,649.19	171 Passenger Miles—Revenue.....	12.86	13.10
124 Net Operating Revenues.....	\$1,133.05	\$1,231.29	172 Passenger Revenue.....	\$0.28986	\$0.29867
125 Ton Miles—Revenue Freight.....	620,541	564,948	MISCELLANEOUS AVERAGES:		
126 Ton Miles—All Freight.....	677,321	638,719	181 Miles Hauled—Revenue Freight.....	283.82	279.27
127 Passenger Miles—Revenue.....	70,799	69,995	182 Miles Hauled—Non-Revenue Freight.....	140.02	173.75
			183 Miles Hauled—All Freight.....	201.37	261.00
			184 Miles Carried—Revenue Passengers.....	59.79	57.69
			185 Revenue per Ton of Freight.....	\$2.79172	\$2.73496
			186 Revenue per Ton Mile of Freight.....	\$0.00984	\$0.00979
			187 Revenue per Passenger.....	\$1.34771	\$1.31505
			188 Revenue per Passenger Mile.....	\$0.02254	\$0.02280
			189 Operating Ratio.....	112.60%	114.63%

EASTERN LINES

COMPARATIVE STATEMENT OF REVENUE TONNAGE BY COMMODITIES

	Year 1928	Year 1927	Increase Decrease
	Tons	Tons	Tons
PRODUCTS OF AGRICULTURE:			
Wheat.....	222,437	182,217	40,220
Corn.....	26,235	22,630	3,605
Oats.....	63,194	67,095	3,901
Barley.....	23,995	34,903	10,908
Rye.....	48,559	53,015	4,456
Flax (Seed).....	25	231	206
Other Grain.....	6,719	4,894	1,825
Flour.....	259,002	253,193	5,809
Other Mill Products.....	116,404	107,493	8,911
Hay and Straw.....	53,513	57,181	3,668
Cotton.....	2,592	2,286	306
Apples (Fresh).....	24,302	16,347	7,955
Other Fresh Fruits.....	14,862	16,555	1,703
Potatoes.....	258,730	240,243	18,487
Other Fresh Vegetables.....	16,433	12,600	3,833
Other Products of Agriculture.....	36,659	37,789	1,130
Total.....	1,173,661	1,108,682	64,979
PRODUCTS OF ANIMALS:			
Horses and Mules.....	5,629	4,749	880
Cattle and Calves.....	15,076	11,173	3,903
Sheep and Goats.....	7,095	6,472	623
Hogs.....	4,603	4,610	7
Dressed Meats (Fresh).....	13,632	12,725	907
Dressed Meats (Cured or Salted).....	4,806	6,102	1,296
Other Packing House Products.....	9,549	9,109	440
Poultry.....	693	626	67
Eggs.....	1,635	1,604	31
Butter and Cheese.....	6,498	8,820	2,322
Wool.....	2,319	2,114	205
Hides and Leather.....	2,533	2,201	332
Other Products of Animals.....	1,493	1,410	83
Total.....	75,561	71,715	3,846
PRODUCTS OF MINES:			
Anthracite Coal.....	22,180	20,665	1,515
Bituminous Coal.....	1,014,022	991,876	22,146
Coke.....	36,014	30,940	5,074
Iron Ores.....	186		186
Other Ores and Concentrates.....	195	438	243
Bullion and Matte.....	5,104	4,828	276
Clay, Gravel, Sand and Crushed Stone.....	317,968	184,011	133,957
Slate, Stone, Granite (Dimension or Block).....	7,119	4,134	2,985
Crude Petroleum.....	24	1,732	1,708
Asphaltum.....	5,132	2,239	2,893
Salt.....	23,259	19,140	4,119
Other Products of Mines.....	16,291	9,775	6,516
Total.....	1,447,494	1,269,778	177,716
PRODUCTS OF FORESTS:			
Logs, Posts, Poles and Cordwood.....	286,768	250,877	35,891
Ties.....	19,566	17,808	1,758
Pulpwood.....	659,675	683,227	23,552
Sawed Lumber, Timber, Box Shooks, Staves and Headings.....	1,375,060	1,371,905	3,155
Other Products of Forests.....	30,804	55,394	24,590
Total.....	2,368,873	2,379,211	10,338
Carried forward.....	5,065,589	4,829,386	236,203

EASTERN LINES

COMPARATIVE STATEMENT OF REVENUE TONNAGE BY COMMODITIES—Continued

	Year 1928	Year 1927	Increase Decrease
	Tons	Tons	Tons
Brought forward.....	5,065,589	4,829,386	236,203
MANUFACTURES AND MISCELLANEOUS:			
Refined Petroleum and its Products.....	147,942	116,778	31,164
Sugar, Syrup, Glucose and Molasses.....	76,389	66,998	9,391
Iron, Pig and Bloom.....	100,748	63,561	37,187
Rails and Fastenings.....	52,827	10,993	41,829
Bar and Sheet Iron, Structural Iron and Iron Pipe.....	70,865	48,504	22,361
Castings, Machinery and Boilers.....	15,450	13,674	1,776
Cement.....	68,644	51,005	17,639
Brick and Artificial Stone.....	49,827	33,298	16,529
Lime and Plaster.....	63,093	59,184	3,909
Sewer Pipe and Drain Tile.....	12,590	9,952	2,638
Agriculture Implements and Vehicles other than Autos.....	15,292	8,687	6,605
Automobiles and Auto Trucks.....	35,000	25,751	9,249
Household Goods and Second-hand Furniture.....	3,429	3,172	257
Furniture (new).....	2,993	2,798	195
Liquor and Beverages.....	22,244	16,587	5,657
Fertilizer.....	83,364	69,556	13,808
Paper, Printed Matter and Books.....	54,295	38,571	15,724
Wood Pulp.....	135,870	152,516	16,646
Fish (fresh, frozen, cured, etc.).....	50,091	46,308	3,783
Canned Meats.....	612	121	491
Canned Goods (all canned food products other than Meat).....	21,685	17,834	3,851
Other Manufactures and Miscellaneous.....	310,867	275,287	35,580
Merchandise.....	353,787	343,629	10,158
Total.....	1,747,904	1,474,769	273,135
Grand Total.....	6,813,493	6,304,155	509,338

EASTERN LINES

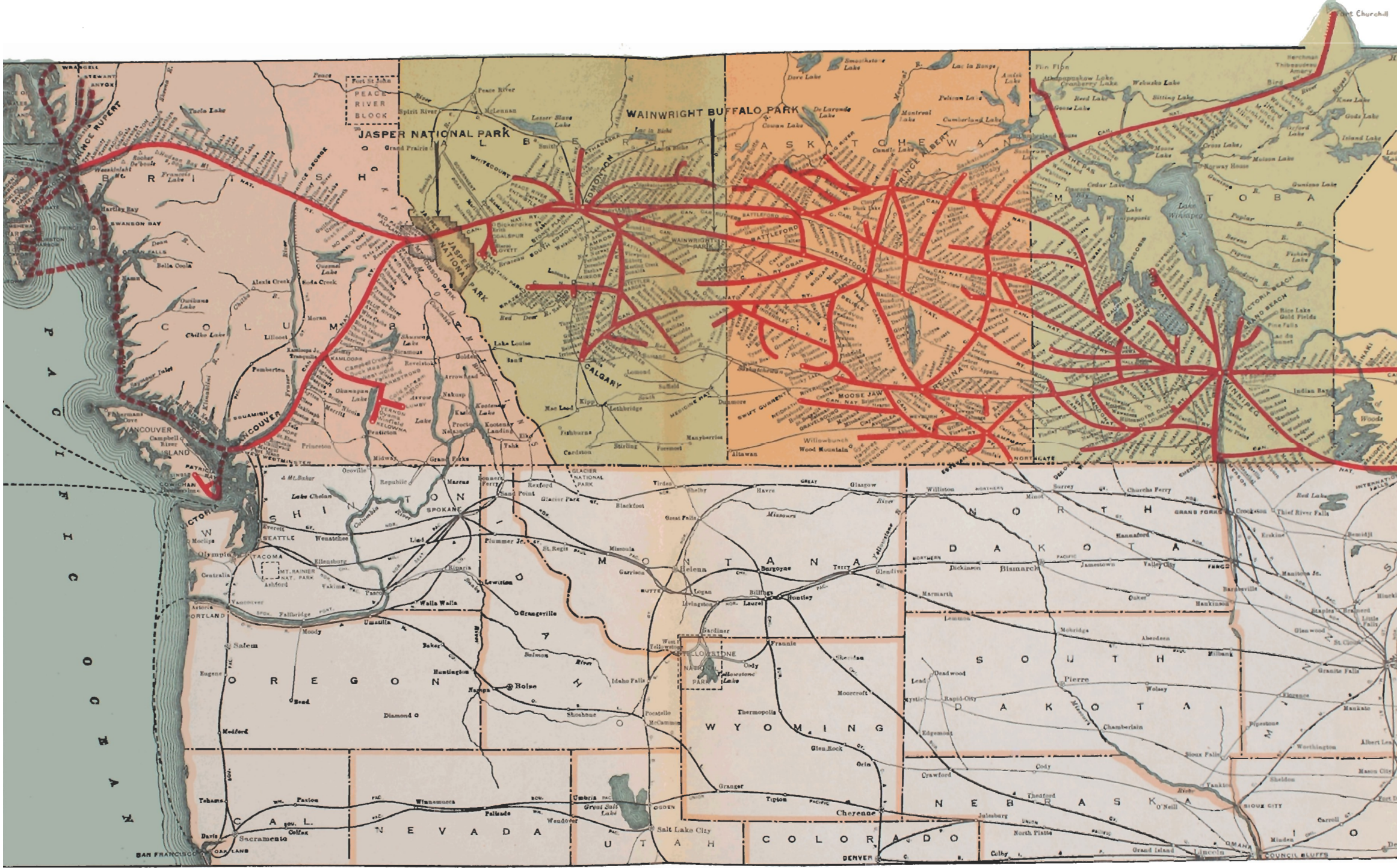
OPERATED MILEAGE DECEMBER 31, 1928

Territory	Owned Mileage				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks		Inactive Mileage			
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	Miles	1st Main Track	2nd Main Track	Spurs, Sidings & Yard Track	Miles
ATLANTIC REGION:																		
Halifax Division.....	508.32							1.02									158.16	
New Glasgow Division.....	354.56	18.10											18.10				124.77	
Island Division.....	276.32	1.93			66.32								1.93				48.38	
Moncton Division.....	390.08	25.82											25.82				192.53	
Campbellton Division.....	475.08																148.16	
Edmundston Division.....	563.77				158.46			81.59									115.56	
CENTRAL REGION:																		
Levis Division (Lines east of Levis and Diamond Junction).....	228.84																53.55	
Total Mileage.....	2796.97	45.85			224.78			82.61					3104.36				841.11	

CANADIAN NATIONAL RAILWAYS






COMBINED INCOME STATEMENT (Including Eastern Lines)



	Year ending December 31, 1928	Year ending December 31, 1927
501 Railway Operating Revenues.....	\$304,591,268.52	\$274,879,118.52
531 Railway Operating Expenses.....	249,731,695.20	233,305,267.15
Net Revenue from Railway Operations.....	\$54,859,573.32	\$41,573,851.37
532 Railway Tax Accruals.....	\$5,257,922.02	\$4,814,078.62
533 Uncollectible Railway Revenues.....	43,673.37	47,428.49
Railway Operating Income.....	\$49,557,977.93	\$36,712,344.26
502 Revenues from Miscellaneous Operations.....	\$2,583,989.97	\$2,586,023.90
534 Expenses of Miscellaneous Operations.....	2,648,264.30	2,531,021.26
535 Taxes on Miscellaneous Operating Property.....	70,782.06	68,124.56
Miscellaneous Operating <i>Deficit</i>	\$135,056.39	\$13,121.92
Total Operating Income.....	\$49,422,921.54	\$36,699,222.34
504 Rent from Locomotives.....	\$381,652.07	\$333,363.51
505 Rent from Passenger Train Cars.....	252,904.12	257,163.85
506 Rent from Floating Equipment.....	1,776.95	385.00
507 Rent from Work Equipment.....	448,853.20	461,619.68
508 Joint Facility Rent Income.....	1,293,409.45	1,139,588.05
509 Income from Lease of Road.....	40,868.79	43,861.97
510 Miscellaneous Rent Income.....	1,007,434.06	1,059,004.95
511 Miscellaneous Non-Operating Physical Property.....	373,618.52	303,401.17
512 Separately Operated Properties—Profit.....	811,484.75	787,334.00
513 Dividend Income.....	483,835.30	470,527.49
514 Income from Funded Securities.....	725,771.10	865,903.69
515 Income from Unfunded Securities and Accounts.....	1,276,474.34	1,537,736.05
516 Income from Sinking and Other Reserve Funds.....	926,852.31	741,553.36
519 Miscellaneous Income.....	90,346.23	58,073.04
Total Non-Operating Income.....	\$8,115,281.19	\$8,059,515.81
Gross Income.....	\$57,538,202.73	\$44,758,738.15
536 Hire of Freight Cars—Debit Balance.....	\$6,017,818.15	\$3,603,657.06
537 Rent for Locomotives.....	105,794.99	43,211.04
538 Rent for Passenger Train Cars.....	314,476.58	291,485.13
539 Rent for Floating Equipment.....	10,699.70	13,354.65
540 Rent for Work Equipment.....	19,422.38	12,742.86
541 Joint Facility Rents.....	1,250,260.26	1,119,416.52
542 Rent for Leased Roads.....	1,299,813.21	1,274,017.44
543 Miscellaneous Rents.....	311,743.00	295,268.85
544 Miscellaneous Tax Accruals.....	184,594.06	179,849.49
545 Separately Operated Properties—Loss.....	581,944.02	676,689.53
546 Interest on Funded Debt.....	41,810,879.89	40,526,096.94
546A Interest on Dominion Government Advances.....	32,507,336.88	32,505,233.70
547 Interest on Unfunded Debt.....	1,998,138.32	301,452.39
548 Amortization of Discount on Funded Debt.....	541,589.82	488,331.56
551 Miscellaneous Income Charges.....	385,286.58	70,203.68
Miscellaneous Appropriations of Income.....	66,841.74	63,639.14
Government Contribution Maritime Freight Rates Act, 1927.....	5,138,026.77	2,332,884.61
Total Deductions from Gross Income.....	\$82,268,612.81	\$79,131,765.37
Net Income <i>Deficit</i>	\$24,730,410.08	\$34,373,027.22



Canadian National Railways

LEGEND

LINES ON ATLANTIC REGION	COLORED	BROWN	
" " CENTRAL	"	GREEN	
" " WESTERN	"	RED	
GRAND TRUNK WESTERN LINES	"	BLUE	
CENTRAL VERMONT LINES	"	ORANGE	

Double Track  Lines In Operation  Lines Under Construction 