

**ANNUAL REPORT**

— OF THE —

**CANADIAN NATIONAL RAILWAY  
SYSTEM**

—  
**FOR THE YEAR ENDED 31st. DECEMBER, 1941**  
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\*Died March 2nd, 1942.

# CANADIAN NATIONAL RAILWAYS

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MONTREAL, 10TH. MARCH, 1942.

THE HONOURABLE P. J. A. CARDIN, K.C., M.P.,  
Minister of Transport,  
Ottawa.

Sir,

In conformity with *The Canadian National-Canadian Pacific Act, 1936*, the Board of Directors submit the following report of the operations of the Canadian National Railways for the calendar year 1941.

## RESULT OF OPERATIONS

	1941	1940	Increase or Decrease
Operating Revenues. . . . .	\$304,376,778.12	\$247,527,224.81	\$56,849,553.31
Operating Expenses. . . . .	237,768,437.13	202,519,812.88	35,248,624.25
Net Operating Revenue. . . . .	\$ 66,608,340.99	\$ 45,007,411.93	\$21,600,929.06
Other Income and Profit and Loss Requirements . . . . .	12,247,025.13	11,532,968.88	714,056.25
Net Available for Interest. . . . .	\$ 54,361,315.86	\$ 33,474,443.05	\$20,886,872.81
Interest on Funded Debt held by Public. . . . .	44,698,226.88	48,701,523.73	4,003,296.85
Interest on Government Loans. . . . .	5,646,762.24	1,737,963.50	3,908,798.74
Cash Surplus. . . . .	\$ 4,016,326.74	\$ 16,965,044.18	\$20,981,370.92

The financial result of the operations of the national railway system in 1941 was better than in any previous year. Net revenue, after the payment of all operating expenses, was \$66.6 millions, an increase of \$21.6 millions over the previous year. The cash surplus, after the payment of taxes, interest paid to the public and to the Government, was \$4,016,000, an improvement of \$21 millions over 1940.

### Operating Revenues

Operating revenues totalled \$304,376,000, an increase of \$56,849,000 or 23% over the preceding year. The gross amount was approximately equal to that of 1928 and was more than double that of 1933. Only two other railway systems on the continent had larger gross revenues. The increase on system lines in Canada was 23.3% and on system lines in the United States 21.3%.

Freight revenue increased \$45,030,000 or 23.1%. In 1941 the railway moved the largest tonnage of freight in its history. It moved the equivalent of 27,199 million tons one mile, an effort 20% greater than in the previous peak year of 1928. The increased freight revenue over 1928, however, was only 5%.

Passenger revenue increased \$10,191,000 or 47%. Measured by passenger-miles, passenger traffic increased 57%, but the increase in revenue was not proportionate to the increase in volume because of the low fares for members of the armed forces and special rates for workmen's trains serving munition plants. The average revenue per passenger mile was 1.8 cents, an all-time low.

The increased activity in rail transportation was reflected in the other revenue accounts, such as switching, demurrage, mail, sleeping car, chair car, dining car, and commercial telegraphs. Express revenue, however, was less than in 1940 due to the diminution of certain movements of gold bullion which were unusually heavy in that year.

## Operating Expenses

Operating expenses totalled \$237,768,000, an increase of \$35,249,000 or 17.4% over the preceding year. The wartime cost-of-living bonus granted to employees on lines in Canada from June 1st, 1941, cost the railway \$6,108,000, of which \$5,508,000 was charged to operating expenses—the remainder being charged to investment account, hotel operations and separately operated subsidiaries. Increased rates of pay granted to employees on the lines in the United States under the United States railway labour mediation agreement cost the railway \$769,000, of which \$701,000 was charged to operating expenses. Apart from these charges the increase in operating expenses brought about by the additional traffic was \$29,040,000, so that out of every additional dollar of revenue, operating expenses absorbed 51 cents, leaving 49 cents available for taxes and fixed charges. This is considered a satisfactory relationship between increased revenue and expense. The operating ratio was 78.12%, the lowest on record.

The railway and its equipment have been maintained in satisfactory operating condition. System freight car serviceability throughout the year was the highest on record, the year's index registering 96.4%. The ratio of locomotives in serviceable condition was 79.6%, the highest for several years. The expenditures for maintenance of way and structures was \$1,708 per equated track mile, against \$1,456 in 1940, and was the highest since 1930. Some difficulty in obtaining materials for repairs and renewals was beginning to make itself felt towards the close of the year.

In view of the more intensive utilization of system equipment it was thought advisable to increase the provision for depreciation. The provision made in the 1941 accounts was \$13,591,000 against \$11,262,000 in the preceding year.

Since the outbreak of war, and apart from the acquisition of additional rolling stock, approximately \$10,000,000 has been expended on capital account for so-called war projects, involving the construction, extension or improvement of tracks, yards, spurs, sidings, shops and other railway facilities. It is recognized that the end of the war will terminate the usefulness of some portion of these facilities and that in such cases the capital expenditure involved, less salvage, should be amortized by charges to operating expenses within a reasonably short period of time in order that the net revenue account shall carry the full cost of securing the traffic during the period of its existence. An amortization charge of \$500,000 has been included as a first instalment in the 1941 accounts.

Provision has also been made in the operating accounts for the retirement from service of the old passenger station facilities in the Montreal area which will be replaced by the new terminal.

The cost of protecting the company's property against possible sabotage was \$552,000 against \$476,000 in 1940. This expense is absorbed by the railway as an operating cost.

The number of employees increased by 6,705 to 89,536. It is significant that compared with 1928 the traffic volume in 1941 was greater but the number of employees was twenty thousand less.

## Other Income and Profit and Loss Requirements

The accounts in this group show an increased charge of \$714,000 over 1940.

Taxes (other than sales taxes added to the cost of material) amounted to \$7,836,000, an increase of \$797,000, of which \$478,000 is attributable to the Dominion unemployment insurance plan which became effective July 1st, 1941. The debit per diem balance, for the use of freight cars in interchange traffic, increased \$1,250,000. The financial results of separately operated subsidiary companies improved to the extent of \$1,169,000. Hotel operating income improved by \$89,000 to \$591,000.

## Interest Charges

The total requirements for interest on funded debt held by the public in 1941 were \$44,698,000, being \$4,003,000 less than in 1940.

Interest payments to the Government on loans for capital purposes were \$5,646,000, being \$3,909,000 more than in 1940.

The primary reason for the decrease in interest paid to the public and the increase in interest paid to the Government lies in the repatriation of the G.T.R. 4% debenture stock referred to elsewhere in this report.

### Cash Surplus

From the foregoing it will be noted that the gross revenue for the year was \$304,376,000. After the payment of all operating expenses the net revenue remaining was \$66,608,000. Out of this, taxes, fixed charges, etc., absorbed \$62,592,000, leaving a cash surplus of \$4,016,000, or \$21 millions better than the results reported last year. Payment will be made to the Government before the close of the fiscal year ending March 31st, 1942.

### CAPITAL EXPENDITURE ACCOUNT

The net expenditures on property investment account for the year 1941 amounted to \$13,762,485, made up as follows:

Equipment purchased or built .....	\$ 6,751,629
Equipment retired .....	3,135,087
General betterments to equipment .....	345,848
Equipment conversions and transfers .....	843,230
Express and miscellaneous equipment .....	69,611
Line diversion, Holly, Mich., subdivision .....	275,000
Centralized traffic control .....	1,381,453
Track extensions at Truro, N.S. ....	212,511
New engine terminal at Fairview, N.S. ....	247,346
Yard extensions between Fairview and Richmond, N.S. ....	189,279
Locomotive erecting shop at Moncton, N.B. ....	539,994
Yard extensions at Moncton, N.B. ....	313,123
Track extensions at Napadogan, N.B. ....	84,433
Track extensions at Estcourt, Que. ....	34,698
Yard extension at Joffre, Que. ....	124,486
Yard extension at Turcot, Que. ....	485,011
Yard extension at Point St. Charles, Que. ....	99,762
Locomotive shed at Point St. Charles, Que. ....	50,768
Track extension at Pickering, Ont. ....	133,131
Montreal Terminal Development .....	3,011,781
General additions and betterments, less retirements. ....	3,391,638
	<u>\$13,762,485</u>

The extension and rearrangement of yard, terminal and track facilities above referred to were necessary for the handling of increasing wartime traffic.

The expenditures on the Montreal Terminal bring the expenditures to date to a total of \$25,436,000, of which \$16,651,000 was expended prior to 1939 and \$8,785,000 since January 1st, 1939, when construction was resumed on the modified plan. The 1942 budget includes \$1,900,000 for the completion of the project.

The following equipment was acquired during the year: 9 electric locomotives, 4 diesel switching locomotives, 28 second-hand coaches, 19 colonist cars, 5 sleeping cars, 1 mail car, 300 box cars, 300 flat cars, 475 coal cars and 232 work units.

The following equipment was retired during the year: 73 locomotives, 525 freight train cars, 12 passenger train cars, 322 work units and 3 units of floating equipment. The loss has been charged to depreciation reserve.

### FINANCE

No security issues fell due for retirement during the year other than the normal annual payments of principal under equipment trust, sinking fund, and serial issues, which totalled \$9,666,000. This amount was financed through loans from the Government,

Arrangements were made to issue under the Grand Trunk Western Railroad Equipment Trust of 1941 \$5,692,000 2½% equipment trust certificates dated June 1st, 1941, maturing serially in 20 half-yearly instalments. The issue is being taken by The Reconstruction Finance Corporation at par plus accrued interest. To December 31st only \$2,000,000 of the certificates had actually been issued due to delay in the delivery of the equipment.

Reference was made in the 1940 report to the arrangement for the redemption of the 4% perpetual debenture stock issued by the former Grand Trunk Railway Company of Canada. The total par value of stock redeemed to December 31st, 1941, under the vesting order of His Majesty's Treasury of the United Kingdom, amounted to £22,760,000 or £260,000 in excess of the estimated amount provided for in the 1940 accounts. Stock redeemed in 1941 under the offer made by the company to residents of Canada amounted to £139,890. The cost of redeeming the £22,899,890, amounting to \$105,843,357, has been financed through loans from the Government. These arrangements have resulted in a reduction in the debt of the railway of \$5,602,774, of which \$5,503,500 was accounted for in 1940 and \$99,274 in 1941.

Since the close of the year further vesting orders have been made by His Majesty's Treasury transferring to the Treasury railway securities owned by residents in the United Kingdom to a very substantial amount, upon the condition that the railway company will purchase the vested securities from the Treasury at the vesting price.

### Line Abandonments

The Board of Transport Commissioners during the year granted permission to abandon the following lines of railway in co-operation with the Canadian Pacific Railway:

From	To	Province	Railway	Mileage
Oakland.....	Delta.....	Manitoba.....	Can. Nat.....	5.4
Langdon.....	Irricana.....	Alberta.....	Can. Pac.....	22.6
Irricana.....	Beiseker.....	Alberta.....	Can. Nat.....	10.0
				<u>38.0</u>

The Board refused permission to abandon the following lines in co-operation with the Canadian Pacific Railway:

From	To	Province	Railway	Mileage
Cataract.....	Fergus.....	Ontario.....	Can. Pac.....	24.7
West Tower.....	Oakland.....	Manitoba.....	Can. Nat.....	9.1
Oakland.....	Cawdor.....	Manitoba.....	Can. Nat.....	11.6
Muir.....	Gladstone.....	Manitoba.....	Can. Nat.....	10.3
Hamiota.....	Miniota.....	Manitoba.....	Can. Pac.....	19.8
MacGregor.....	Varcoe.....	Manitoba.....	Can. Pac.....	54.4
Hallboro.....	Beulah.....	Manitoba.....	Can. Nat.....	75.2
Reston.....	Wolseley.....	Man. & Sask.....	Can. Pac.....	122.4
				<u>327.5</u>

During the year application was made to the Board, jointly by the Canadian National and Canadian Pacific, for permission to abandon 6.5 miles of the Canadian National and 53.4 miles of the Canadian Pacific between Forth (near Red Deer) and Ullin, Alberta, and decision is pending. The Board rescinded the order approving the abandonment of 37.9 miles of the Canadian National line between Arnprior and Eganville, Ontario, and a rehearing is pending.

The joint application of the Canadian National and Northern Alberta Railways requesting permission to abandon 12.2 miles of the Canadian National between Trelle Junction and Morinville, and 29.8 miles of the Northern Alberta Railways between Carbondale and Egremont, in the Province of Alberta, was granted as regards the Canadian National line but refused as regards the Northern Alberta Railways line.



In addition to the above mentioned co-operative abandonment projects, the Board of Transport Commissioners during the year granted permission to the Canadian National to abandon the following unprofitable light traffic branch lines:

From	To	Province	Mileage
Parisville.....	Deschaillons.....	Quebec.....	3.5
Port Hope.....	Millbrook.....	Ontario.....	16.2
Whitby.....	Port Perry.....	Ontario.....	17.5
Tweed.....	Yarker.....	Ontario.....	33.9
Napanee.....	Descronto.....	Ontario.....	6.3
Clinton.....	Wingham.....	Ontario.....	22.9
			<u>100.3</u>

### General

On June 18th the car ferry "Charlottetown" was lost offshore from Port Mouton, N.S., while proceeding to Saint John for annual drydocking. The vessel was the property of the Dominion, built in 1931, the funds for its construction having been provided by Parliamentary appropriations. The vessel was abandoned to the underwriters and the proceeds of insurance have been collected and remitted to the Receiver General. The service between Cape Tormentine and Borden is now being performed by the car ferry "Prince Edward Island."

Last year's report referred to the keen desire of the company and its employees to serve the war effort in any direction. The report also indicated some of the special activities which had been undertaken. These activities have been enlarged and are being energetically prosecuted. The company has undertaken the construction of a number of freight vessels. National Railways Munitions Limited is already making deliveries from the new munitions shop at Point St. Charles.

The Canada Atlantic Transit Company, a system subsidiary operating freight vessels between Depot Harbour, Milwaukee and Chicago, transferred the steamers "Dalwarnic" and "Canatco" to the Canadian National West Indies service to replace vessels in the West Indies service transferred to service elsewhere.

The Chicago, New York & Boston Refrigerator Company, a system subsidiary operating a refrigerator car service for dairy products moving from the middle west, discontinued its separate operation at the end of the year. Its activities, cars and other property have been merged with those of the Grand Trunk Western Railroad.

Unemployment insurance came into effect in Canada on July 1st, 1941. Under its provisions approximately 60,000 Canadian National employees are insured. The cost to the railway in 1942 will be approximately \$955,000 on the basis of the present act.

During the year Orders-in-Council were issued by the Government for the stabilization of wages and salaries, with provision for a cost-of-living bonus adjusted to the cost-of-living index. The bonus has been paid to railway employees in Canada effective from June 1st commencing (on a monthly basis) at the rate of \$8.36 per month, increased September 1st to \$13.87 per month, and again increased November 15th to \$15.82 per month. The cost to the railway in 1942 will be approximately \$15,750,000 on the basis of the 1941 number of employees and the bonus rate in effect at the close of that year.

Increased rates of pay were granted to United States railway employees effective September 1st by virtue of the United States railway labour mediation agreement. The employees in general received an increase of 9 cents per hour or \$18.36 per month, which was increased to 10 cents per hour or \$20.40 per month effective December 1st. The cost to the railway in 1942 will be approximately \$2,570,000.

### Outlook for 1942

The outlook for 1942 is for a further substantial increase in traffic. The directors expect the railway will again earn a moderate surplus over and above its fixed charges. It is difficult to estimate how much that surplus will be. The outlook must be viewed in the light of war conditions and with the realization that abrupt and far-reaching disturbances occur with startling rapidity.

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Both management and employees realize fully the need for economy, and every effort will be made to secure the most favourable financial results consistent with the primary duty of furnishing prompt and efficient transportation service in the national war effort.

There is some shortage of labour, more particularly among the shop crafts. Shortages of material are bound to occur as the normal supplies are cut off or the available supplies are diverted to the fabrication of the munitions of war, but these difficulties should not be insurmountable. The relations between management and the employees are excellent and the railway and its equipment have been well maintained. When the need for efficient transportation reached new high levels during 1941 the national railway system was found capable and competent to meet all demands. The demands in 1942 will be still more challenging but with the co-operation of shippers, passengers and government agencies, they will be met.

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On July 23rd Mr. S. J. Hungerford resigned as President of the Canadian National Railways and as of July 24th Mr. R. C. Vaughan was appointed President and Chief Executive Officer. Mr. Hungerford remained a member of the Board of Directors and Chairman of the Board.

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The directors take pleasure in recording their appreciation of the outstanding services rendered by the officers and employees during the eventful year under review.

For the Board of Directors,



President



Chairman.

**CONSOLIDATED BALANCE SHEET**

	ASSETS	
<b>INVESTMENTS:</b>		
Road and Equipment Property .....	\$1,872,761,878.21	
Improvements on Leased Property .....	4,410,972.78	
Miscellaneous Physical Property .....	67,114,631.73	\$1,944,287,482.72
<b>Sinking Funds:</b>		
System Securities at par .....	\$ 428,378.60	
Other Assets at cost .....	283,117.79	711,496.39
<b>Deposits in lieu of Mortgaged Property Sold:</b>		
System Securities at par .....	\$ 1,966,500.00	
Other Assets at cost .....	2,488,581.72	4,455,081.72
<b>Investments in Affiliated Companies:</b>		37,652,262.62
<b>Other Investments:</b>		
System Securities at par .....	\$ 211,000.00	
Other Assets at cost .....	565,670.05	776,670.05
		\$1,987,882,993.50
<b>CURRENT ASSETS:</b>		
Cash .....	\$ 13,962,022.55	
Special Deposits .....	8,066,947.57	
Bills Receivable .....	100,000.00	
Net Balances Receivable from Agents and Conductors .....	11,336,107.83	
Miscellaneous Accounts Receivable .....	13,948,571.66	
Material and Supplies .....	42,588,116.25	
Interest and Dividends Receivable .....	263,389.78	
Rents Receivable .....	141,649.25	
Other Current Assets .....	2,529,497.70	92,936,302.59
<b>DEFERRED ASSETS:</b>		
Working Fund Advances .....	\$ 180,132.66	
<b>C.N.R. Insurance Fund:</b>		
System Securities at par .....	\$ 11,157,749.92	
Other Assets at cost .....	923,719.77	12,081,469.69
Other Funds .....	554,723.25	
Other Deferred Assets .....	4,348,031.70	17,164,357.30
<b>UNADJUSTED DEBITS:</b>		
Rents and Insurance Premiums paid in advance .....	\$ 176,935.24	
Discount on Capital Stock .....	189,500.00	
Discount on Funded Debt .....	10,095,536.28	
Other Unadjusted Debits .....	3,707,332.89	14,169,304.41
		\$2,112,152,957.80

**AT 31st. DECEMBER, 1941**

		LIABILITIES
<b>STOCKS:</b>		
Capital Stocks of Subsidiary Companies owned by Public .....		\$ 4,564,600.00
<b>LONG TERM DEBT:</b>		
Funded Debt Unmatured .....		1,134,394,303.29
<b>DOMINION OF CANADA (Accounts treated as assets in Public Accounts of Canada):</b>		
Loans .....	\$195,345,883.53	
Canadian Government Railways—Working Capital .....	16,771,980.54	212,117,864.07
<b>CURRENT LIABILITIES:</b>		
Traffic and Car-Service Balances—Credit .....	\$ 3,960,219.99	
Audited Accounts and Wages Payable .....	12,948,958.73	
Miscellaneous Accounts Payable .....	4,060,914.39	
Interest Matured Unpaid .....	8,479,529.77	
Unmatured Interest Accrued .....	9,219,053.87	
Unmatured Rents Accrued .....	380,440.56	
Accrued Tax Liability .....	1,924,863.32	
Other Current Liabilities .....	2,526,350.16	43,500,330.79
<b>DEFERRED LIABILITIES:</b>		8,678,572.28
<b>UNADJUSTED CREDITS AND RESERVES:</b>		
C.N.R. Insurance Reserve .....	\$ 12,081,469.69	
Accrued Depreciation .....	27,119,714.39	
Other Unadjusted Credits and Reserves .....	6,519,740.39	45,720,924.47
<b>DOMINION GOVERNMENT—PROPRIETOR'S EQUITY—(See Note)</b>		
Represented by:—		
1,000,000 shares of no par value capital stock of Canadian National Railway Company issued in exchange for the residual value of Canadian Northern capital stock .....	\$ 18,000,000.00	
5,000,000 shares of no par value capital stock issued by The Canadian National Railways Securities Trust to the Government in consideration for the transfer of securities, advances, claims for unpaid interest and collateral securities .....	267,283,019.32	
Dominion Government Capital Expenditures for Canadian Government Rys. ....	377,893,343.58	663,176,362.90
<b>CONTINGENT LIABILITIES:</b>		
For major contingent liabilities, including pension plans, see page 21.		
		\$2,112,152,957.80

NOTE:—The Proprietor's Equity is included in the net debt of Canada and is disclosed in the historical record of Government assistance to railways as shown in the Public Accounts of Canada in accordance with The Canadian National Railways Capital Revision Act, 1937.

T. H. COOPER,  
Comptroller.

**CERTIFICATE OF AUDITORS**

We have examined the books and records of the companies comprising the Canadian National Railway System for the year ended the 31st. December, 1941, and subject to our report to Parliament, 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, 1941, and that the relative Income and Profit and Loss Accounts for the year ended the 31st. December, 1941, are correctly stated.

10th. March, 1942.

GEORGE A. TOUCHE & CO.,  
Chartered Accountants.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st. DECEMBER, 1941.

Credit Balance transferred from Income.....		\$ 5,438,960.78
Loss from Retired Road and Equipment—Debit.....		1,712,057.73
Miscellaneous—Credit.....		289,423.69
CASH SURPLUS.....		<u>\$ 4,016,326.74</u>
Capital Loss on line abandonments (Details on page 18).....	\$2,539,187.21	
Capital Gain on redemption of G.T.R. 4% Perpetual Debenture Stock.....	99,274.17	<u>2,439,913.04</u>
Net Gain credited to Proprietor's Equity.....		<u>\$ 1,576,413.70</u>

### DOMINION GOVERNMENT—PROPRIETOR'S EQUITY

	Balance at 31st. Dec., 1940	Change during year	Balance at 31st. Dec., 1941
Canadian National Railway Company, Capital Stock.....	\$ 18,000,000.00	—	\$ 18,000,000.00
The Canadian National Railways Securities Trust, Capital Stock. . .	265,706,605.62	\$1,576,413.70	267,283,019.32
Dominion Government Capital Expenditures for Canadian Govern- ment Railways.....	385,752,583.69	<u>7,859,240.11</u>	<u>377,893,343.58</u>
	<u>\$669,459,189.31</u>	<u>\$6,282,826.41</u>	<u>\$663,176,362.90</u>

## CONSOLIDATED INCOME ACCOUNT

	Year 1941	Year 1940
Railway Operating Revenues.....	\$304,376,778.12	\$247,527,224.81
Railway Operating Expenses.....	237,768,437.13	202,519,812.88
Net Revenue from Railway Operations.....	<u>\$ 66,608,340.99</u>	<u>\$ 45,007,411.93</u>
Railway Tax Accruals.....	6,926,512.63	6,245,955.70
Railway Operating Income.....	<u>\$ 59,681,828.36</u>	<u>\$ 38,761,456.23</u>
Rent from Locomotives.....	114,457.21	99,470.71
Rent from Passenger-Train Cars.....	222,056.70	241,229.85
Rent from Floating Equipment.....	466.31	1,235.99
Rent from Work Equipment.....	168,327.51	152,469.06
Joint Facility Rent Income.....	1,677,688.15	1,634,640.82
Hire of Freight Cars—Debit Balance.....	3,460,502.17	2,210,844.87
Rent for Locomotives.....	32,450.19	32,819.76
Rent for Passenger-Train Cars.....	392,130.23	355,611.58
Rent for Floating Equipment.....	68,283.58	68,189.53
Rent for Work Equipment.....	21,623.27	26,864.86
Joint Facility Rents—Debit.....	2,263,257.44	2,231,764.12
Net Railway Operating Income.....	<u>\$ 55,626,577.36</u>	<u>\$ 35,964,407.94</u>
Revenues from Hotel Operations.....	4,467,078.53	3,936,313.26
Expenses of Hotel Operations.....	3,733,762.27	3,304,806.91
Taxes on Hotel Property.....	141,815.55	129,320.28
Net Hotel Operating Income.....	<u>\$ 591,500.71</u>	<u>\$ 502,186.07</u>
Income from Lease of Road and Equipment.....	70,903.32	74,144.94
Miscellaneous Rent Income.....	792,089.48	905,144.90
Miscellaneous Non-Transportation Property—Credit.....	292,654.63	108,837.91
Dividend Income.....	550,072.00	549,037.65
Income from Funded Securities.....	1,944,841.41	1,858,535.52
Income from Unfunded Securities and Accounts.....	232,495.73	429,756.89
Income from Sinking and Other Reserve Funds.....	156,311.39	155,753.63
Miscellaneous Income.....	1,293,854.96	1,588,663.71
Miscellaneous Rents—Debit.....	557,368.63	552,935.01
Miscellaneous Tax Accruals.....	90,068.01	86,299.16
Separately Operated Properties—Loss.....	360,935.35	1,529,406.12
Miscellaneous Income Charges and Appropriations.....	1,941,613.79	2,047,110.98
Income Available for Fixed Charges.....	<u>\$ 58,601,315.21</u>	<u>\$ 37,920,717.89</u>
Rent for Leased Roads and Equipment.....	1,499,376.48	1,467,326.76
Interest on Funded Debt—Public.....	44,098,226.88	48,701,523.73
Interest on Government Loans.....	5,646,762.24	1,737,963.50
Interest on Unfunded Debt.....	145,202.57	297,390.31
Amortization of Discount on Funded Debt.....	1,172,786.26	1,101,083.25
Total Fixed Charges.....	<u>\$ 53,162,354.43</u>	<u>\$ 53,305,287.55</u>
Income Balance transferred to Profit and Loss.....	<u>\$ 5,438,960.78</u>	<u>\$ 15,384,569.66</u>

## OPERATING REVENUES

	Year 1941	Year 1940
Freight . . . . .	\$236,519,309.12	\$191,433,308.13
Maritime Rates Reduction . . . . .	3,072,978.27	3,128,900.71
Passenger . . . . .	31,893,884.07	21,702,046.30
Baggage . . . . .	101,808.06	71,087.56
Sleeping Car . . . . .	1,952,632.39	1,315,664.53
Parlor and Chair Car . . . . .	189,417.11	148,618.43
Mail . . . . .	3,822,499.58	3,584,159.20
Railway Express Agency . . . . .	334,084.04	504,320.48
Express . . . . .	11,391,137.28	13,602,893.29
Other Passenger-Train . . . . .	15,749.17	40,574.61
Milk . . . . .	306,386.71	283,245.17
Switching . . . . .	2,901,404.95	2,468,369.60
Water Transfers . . . . .	156,087.81	193,154.03
Dining and Buffet . . . . .	2,146,514.73	1,141,737.39
Restaurants . . . . .	20,910.50	16,102.30
Station, Train and Boat Privileges . . . . .	180,287.26	110,281.66
Parcel Room . . . . .	56,810.44	38,232.49
Storage—Freight . . . . .	164,632.67	139,220.48
Storage—Baggage . . . . .	25,106.27	16,762.43
Demurrage . . . . .	965,294.04	427,462.85
Telegraph and Telephone . . . . .	11,449.17	10,345.23
Telegraph—Commercial . . . . .	5,147,064.97	4,427,843.91
Grain Elevator . . . . .	494,572.15	286,611.44
Rents of Buildings and Other Property . . . . .	496,128.28	449,968.29
Miscellaneous . . . . .	1,641,698.42	1,660,500.72
Joint Facility—Credit . . . . .	466,851.53	409,006.51
Joint Facility—Debit . . . . .	97,920.87	83,172.93
	<u>\$304,376,778.12</u>	<u>\$247,527,224.81</u>

## SUMMARY OF OPERATING EXPENSES

Maintenance of Way and Structures . . . . .	\$ 47,072,687.81	\$ 40,002,420.65
Maintenance of Equipment . . . . .	55,148,687.84	48,126,387.67
Traffic . . . . .	5,306,329.32	5,148,990.90
Transportation . . . . .	118,081,059.98	98,660,172.14
Miscellaneous Operations . . . . .	2,706,792.26	1,646,918.99
General . . . . .	9,859,802.21	9,317,273.07
Transportation for Investment—Credit . . . . .	406,922.20	382,350.54
	<u>\$237,768,437.13</u>	<u>\$202,519,812.88</u>

## MAINTENANCE OF WAY AND STRUCTURES EXPENSES

	Year 1941	Year 1940
Superintendence.....	\$ 3,133,583.29	\$ 2,934,493.91
Roadway Maintenance.....	5,689,751.33	4,899,508.56
Tunnels and Subways.....	169,863.42	200,345.60
Bridges, Trestles and Culverts.....	1,878,062.78	1,581,466.28
Ties.....	4,813,150.98	4,576,869.90
Rails.....	2,749,468.36	2,075,036.71
Other Track Material.....	2,321,715.90	2,031,066.18
Ballast.....	995,211.33	878,764.90
Track Laying and Surfacing.....	12,326,465.99	10,463,337.61
Fences, Snowsheds and Signs.....	524,558.77	511,858.48
Station and Office Buildings.....	2,472,627.47	1,625,982.53
Roadway Buildings.....	214,790.03	212,616.30
Water Stations.....	497,285.22	470,191.78
Fuel Stations.....	251,986.19	175,871.71
Shops and Enginehouses.....	1,683,645.30	1,347,936.33
Grain Elevators.....	39,368.80	34,103.47
Storage Warehouses.....	—	44.66
Wharves and Docks.....	169,264.50	210,925.06
Coal and Ore Wharves.....	3,265.42	25.03
Telegraph and Telephone Lines.....	874,563.28	836,058.51
Telegraph—Commercial.....	890,137.14	876,743.54
Signals and Interlockers.....	794,063.03	633,419.24
Power Plants.....	10,447.46	7,621.91
Power Transmission Systems.....	119,214.78	104,063.82
Miscellaneous Structures.....	2,242.06	1,424.22
Roadway Machines.....	410,168.02	369,342.76
Small Tools and Supplies.....	668,056.19	599,642.30
Removing Snow, Ice and Sand.....	1,884,642.87	1,784,900.12
Public Improvements—Maintenance.....	285,200.57	266,821.69
Injuries to Persons.....	388,428.58	321,720.48
Insurance.....	21,208.10	21,827.09
Stationery and Printing.....	65,002.72	58,968.11
Other Expenses.....	24,703.66	29,275.89
Maintaining Joint Tracks, Yards and Other Facilities—Debit.....	792,881.62	446,900.65
Maintaining Joint Tracks, Yards and Other Facilities—Credit.....	1,212,378.08	1,128,504.41
Right of Way Expenses.....	39,506.75	39,930.93
Depreciation—U.S. Lines only.....	27,537.24	30,128.74
Protective Services.....	552,996.74	471,690.06
Amortization of War Projects.....	500,000.00	—
	<u>\$47,072,687.81</u>	<u>\$40,002,420.65</u>

## MAINTENANCE OF EQUIPMENT EXPENSES

Superintendence.....	\$ 1,416,631.31	\$ 1,343,147.15
Shop Machinery.....	1,479,727.38	1,486,210.62
Power Plant Machinery.....	200,477.75	139,258.69
Steam Locomotives—Repairs.....	17,195,264.23	15,119,280.72
Other Locomotives—Repairs.....	83,508.30	77,025.33
Freight-Train Cars—Repairs.....	12,854,974.92	10,418,520.23
Passenger-Train Cars—Repairs.....	6,082,296.16	6,045,326.37
Floating Equipment—Repairs.....	126,725.88	199,541.50
Work Equipment—Repairs.....	1,377,955.76	1,274,483.30
Miscellaneous Equipment—Repairs and Retirements.....	277,277.14	293,065.18
Equipment Retirements (Demolition Cost).....	87,321.25	132,267.89
Equipment—Depreciation.....	13,591,187.71	11,262,523.64
Injuries to Persons.....	284,635.05	217,356.23
Insurance.....	17,846.77	12,194.42
Stationery and Printing.....	53,613.50	47,203.47
Other Expenses.....	2,029.68	3,290.25
Maintaining Joint Equipment—Debit.....	180,779.82	202,808.63
Maintaining Joint Equipment—Credit.....	163,564.77	147,115.95
	<u>\$55,148,687.84</u>	<u>\$48,126,387.67</u>

## TRAFFIC EXPENSES

	Year 1941	Year 1940
Superintendence.....	\$ 1,760,810.53	\$ 1,668,406.62
Outside Agencies.....	2,341,010.02	2,249,590.18
Advertising.....	555,327.47	629,367.02
Traffic Associations.....	101,419.10	90,598.20
Stationery and Printing.....	292,139.84	267,109.68
Other Expenses.....	964.40	1,110.53
Industrial Bureau.....	83,830.06	74,289.85
Colonization, Agriculture and Natural Resources.....	172,756.70	168,518.82
	<u>\$ 5,306,329.32</u>	<u>\$ 5,148,990.90</u>

## TRANSPORTATION EXPENSES

Superintendence.....	\$ 3,191,034.94	\$ 2,893,181.33
Dispatching Trains.....	1,511,893.05	1,306,324.85
Station Employees.....	16,846,813.50	14,671,603.66
Weighing, Inspection and Demurrage Bureaus.....	80,923.25	74,576.63
Station Supplies and Expenses.....	1,291,513.61	1,215,724.54
Yardmasters and Yard Clerks.....	2,915,588.97	2,438,661.37
Yard Conductors and Brakemen.....	6,180,904.23	4,898,263.28
Yard Switch and Signal Tenders.....	572,516.38	508,231.65
Yard Enginemen.....	4,312,579.58	3,446,456.84
Yard Motormen.....	90,644.53	82,218.87
Yard Switching Fuel.....	4,219,156.05	3,252,464.28
Yard Switching Power Produced.....	9,941.00	10,186.35
Yard Switching Power Purchased.....	70,109.73	61,058.87
Water for Yard Locomotives.....	190,280.12	168,080.18
Lubricants for Yard Locomotives.....	56,871.08	42,681.54
Other Supplies for Yard Locomotives.....	39,446.72	30,113.88
Enginehouse Expenses—Yard.....	1,269,319.52	1,108,105.37
Yard Supplies and Expenses.....	142,379.35	125,408.82
Operating Joint Yards and Terminals—Debit.....	1,098,949.95	1,028,211.30
Operating Joint Yards and Terminals—Credit.....	1,515,609.34	1,303,039.84
Train Enginemen.....	11,672,320.18	9,660,547.54
Train Motormen.....	107,367.27	109,278.78
Train Fuel.....	21,618,816.11	17,211,615.93
Train Power Produced.....	11,667.11	10,111.47
Train Power Purchased.....	36,374.39	33,599.00
Water for Train Locomotives.....	1,091,892.42	965,496.11
Lubricants for Train Locomotives.....	416,321.37	343,823.71
Other Supplies for Train Locomotives.....	209,736.58	162,474.10
Enginehouse Expenses—Train.....	3,705,103.92	3,176,712.10
Trainmen.....	12,922,247.57	10,740,417.17
Train Supplies and Expenses.....	6,738,507.21	5,554,315.65
Operating Sleeping Cars.....	1,123,946.48	851,127.50
Signal and Interlocker Operation.....	424,623.11	411,155.10
Crossing Protection.....	636,082.15	574,426.76
Drawbridge Operation.....	105,818.96	96,715.58
Telegraph and Telephone Operation.....	307,926.56	266,915.84
Telegraph—Commercial.....	3,983,495.16	3,480,061.54
Operating Floating Equipment.....	790,564.10	693,564.89
Express.....	5,818,426.24	5,262,063.93
Stationery and Printing.....	570,832.15	499,322.77
Other Expenses.....	911,016.42	592,503.68
Operating Joint Tracks and Facilities—Debit.....	683,697.36	638,069.13
Operating Joint Tracks and Facilities—Credit.....	423,642.77	373,893.54
Insurance.....	11,209.52	12,714.93
Clearing Wrecks.....	285,103.85	212,581.70
Damage to Property.....	35,204.05	35,502.24
Damage to Live Stock on Right-of-Way.....	41,474.68	36,709.46
Loss and Damage—Freight.....	745,929.02	587,417.23
Loss and Damage—Baggage.....	2,928.01	2,068.57
Injuries to Persons.....	920,814.58	755,139.50
	<u>\$118,081,059.98</u>	<u>\$98,660,172.14</u>



### MISCELLANEOUS OPERATING EXPENSES

	Year 1941	Year 1940
Dining and Buffet Service .....	\$2,499,013.24	\$1,490,013.44
Restaurants .....	20,045.54	13,934.21
Grain Elevators .....	148,252.84	105,844.65
Other Miscellaneous Operations .....	39,480.64	37,126.69
	<u>\$2,706,792.26</u>	<u>\$1,646,918.99</u>

### GENERAL EXPENSES

Salaries and Expenses of General Officers .....	\$ 432,387.95	\$ 414,767.33
Salaries and Expenses of Clerks and Attendants .....	3,651,359.32	3,420,456.76
General Office Supplies and Expenses .....	225,828.74	209,021.70
Law Expenses .....	345,948.67	368,738.54
Relief Department Expenses .....	27,500.00	27,500.00
Pensions .....	4,731,910.67	4,468,736.66
Stationery and Printing .....	164,584.22	152,323.10
Valuation Expenses .....	11,310.38	11,134.01
Other Expenses .....	288,168.13	254,718.21
General Joint Facilities—Debit .....	38,996.02	32,214.01
General Joint Facilities—Credit .....	58,197.89	42,337.25
	<u>\$9,859,802.21</u>	<u>\$9,317,273.07</u>

## PROPERTY INVESTMENT ACCOUNT

BALANCE AT 1ST. JANUARY, 1941 .....	\$1,940,923,424.91
EXPENDITURES, YEAR 1941:	
ROAD:	
Line Diversions .....	\$ 270,289.44
Montreal Terminal Development, Chapter 12, 1929 .....	3,011,780.94
Salvage from Line Abandonments, etc. ....	740,551.26
Rails and Fastenings .....	601,364.78
Tie Plates and Rail Anchors .....	1,101,565.03
Ties—Cost of Treating .....	1,177,305.56
Ballast .....	199,150.82
Widening Cuts and Fills and Scaling Rock Cuts .....	39,003.74
Ditching, Drainage and Sewers .....	111,042.90
Large Freight Terminals .....	502,005.48
Large Passenger Terminals .....	31,068.30
Yard Tracks and Sidings .....	1,750,106.35
Roadway Machines .....	134,218.12
Bridges, Trestles and Culverts .....	625,743.93
Crossing Protection, Including Subways .....	120,565.58
Stations and Station Facilities .....	37,558.20
Shops, Enginehouses and Machinery .....	1,154,378.89
Docks and Wharves .....	55,563.44
Signals and Interlockers .....	1,404,816.43
Telegraphs—Railway .....	88,758.01
Telegraphs—Commercial .....	344,895.96
Stores Department, Buildings and Equipment .....	39,104.60
Assessments for Public Improvements .....	70,003.63
Land .....	374,566.11
General Additions and Betterments .....	713,346.50
TOTAL .....	\$12,273,275.98
EQUIPMENT:	
Equipment Purchased or Built .....	\$ 6,751,629.21
Equipment Retired .....	3,135,087.17
General Betterments to Equipment .....	345,847.93
Equipment Conversions and Transfers .....	843,930.34
Express and Miscellaneous Equipment .....	69,611.05
TOTAL .....	\$ 3,188,070.68
HOTELS .....	\$ 110,097.10
SEPARATELY OPERATED PROPERTIES .....	\$ 1,808,958.63
NET ADDITIONS AND BETTERMENTS .....	13,762,485.13
TRANSFERS AFFECTING PROPRIETOR'S EQUITY .....	10,398,427.32
BALANCE AT 31ST. DECEMBER, 1941 .....	\$1,944,287,482.72

### TRANSFERS DURING YEAR 1941 AFFECTING PROPRIETOR'S EQUITY

Line abandonment between mileages 13.12 and 16.66 Deschailions Subdivision .....	\$ 61,234.71
Line abandonment between mileages 0.00 and 33.94 Tweed Subdivision .....	607,145.87
Line abandonment between mileages 3.33 and 9.52 Marmora Branch .....	76,534.35
Line abandonment between mileages 2.11 and 19.61 Port Perry Subdivision .....	191,563.27
Line abandonment City of Niagara Falls .....	329,214.79
Line abandonment between mileages 45.57 and 68.50 Exeter Subdivision .....	430,773.37
Line abandonment between mileages 0.67 and 5.76 Red Deer Subdivision .....	367,377.55
Line abandonment between mileages 0.23 and 27.48 Sorel Subdivision .....	38,083.64
Line abandonment Bay City Terminal, Mich. ....	379,984.00
Retirement of telegraph line on Quebec Central Railway .....	57,274.76
	\$ 2,539,187.21
Transfer of Canadian Government Railways property to Government Departments .....	\$ 451,869.07
Adjustment of investment account in respect of Prince Edward Island Car Ferries and Facilities .....	7,407,371.04
	\$ 7,859,240.11
	\$ 10,398,427.32

## FUNDED DEBT—PRINCIPAL AND INTEREST

NAME OF SECURITY	Issuing Company	Date of Issue	Date of Maturity	Principal Outstanding at Dec. 31, 1941	Interest Accrued 1941
<b>GUARANTEED BY DOMINION GOVERNMENT:</b>					
5% Perpetual Debenture Stock . . . . .	G.T.R.	1875 to 1883	Perpetual	\$ 20,782,491.67	\$ 1,039,124.58
5% G.W. Perp. Debtr. Stock and Bonds . . . . .	G.T.R.	1858 to 1876	Perpetual	13,252,322.67	662,616.12
4% Perpetual Debenture Stock . . . . .	G.T.R.	1883 to 1918	Perpetual	8,392,883.00	330,427.13
4% Nor. Rly. Perpetual Debtr. Stock . . . . .	G.T.R.	July 31, 1884	Perpetual	1,499,979.67	59,999.18
4% Perpetual Guaranteed Stock . . . . .	G.T.R.	1884 to 1909	Perpetual	60,833,333.33	2,433,333.33
3% 1st Mortgage Bonds . . . . .	G.T.P.	July 1, 1905	Jan. 1, 1962	34,992,000.00	1,049,760.00
4% Sterling Bonds . . . . .	G.T.P.	July 1, 1914	Jan. 1, 1962	8,440,848.00	337,633.92
3% 1st Mortgage Debenture Stock . . . . .	Can. Nor.	July 29, 1903	July 10, 1953	9,359,996.72	280,799.86
3½% 1st Mortgage Debenture Stock . . . . .	Can. Nor.	Mar. 1, 1910	July 20, 1958	7,896,541.81	276,378.96
6½% Sinking Fund Debenture Bonds . . . . .	Can. Nor.	July 1, 1921	July 1, 1946	23,897,000.00	1,553,305.00
3½% 1st Mortgage Debenture Stock . . . . .	C.N.A.	Mar. 22, 1911	May 4, 1960	3,149,998.66	110,249.94
3½% 1st Mortgage Debenture Stock . . . . .	C.N.O.	Dec. 8, 1911	May 19, 1961	34,229,996.87	1,198,049.84
5% 30 Year Guaranteed Bonds . . . . .	Can. Nat.	Feb. 1, 1924	Feb. 1, 1954	50,000,000.00	2,500,000.00
2% 1927 Guaranteed Debenture Stock . . . . .	Can. Nat.	July 1, 1926	By Drawings	19,443,676.53	398,757.93
4½% 30 Year Guaranteed Gold Bonds . . . . .	Can. Nat.	July 1, 1927	July 1, 1957	65,000,000.00	2,925,000.00
5% 40 Year Guaranteed Gold Bonds . . . . .	Can. Nat.	July 1, 1929	July 1, 1969	60,000,000.00	3,000,000.00
5% 40 Year Guaranteed Gold Bonds . . . . .	Can. Nat.	Oct. 1, 1929	Oct. 1, 1969	60,000,000.00	3,000,000.00
5% 40 Year Guaranteed Gold Bonds . . . . .	Can. Nat.	Feb. 1, 1930	Feb. 1, 1970	18,000,000.00	900,000.00
4¾% 25 Year Guaranteed Gold Bonds . . . . .	Can. Nat.	June 15, 1930	June 15, 1955	50,000,000.00	2,375,000.00
4½% 25 Year Guaranteed Gold Bonds . . . . .	Can. Nat.	Feb. 1, 1931	Feb. 1, 1956	70,000,000.00	3,150,000.00
4½% 20 Year Guaranteed Gold Bonds . . . . .	Can. Nat.	Sept. 1, 1931	Sept. 1, 1951	50,000,000.00	2,250,000.00
3% 16 Year Guaranteed Bonds . . . . .	Can. Nat.	Dec. 15, 1934	Dec. 15, 1950	20,500,000.00	615,000.00
3% 9 Year Guaranteed Bonds . . . . .	Can. Nat.	May 1, 1935	May 1, 1944	35,000,000.00	1,050,000.00
2% 7 Year Guaranteed Bonds . . . . .	Can. Nat.	Feb. 15, 1936	Feb. 15, 1943	55,000,000.00	1,100,000.00
3% 17 Year Guaranteed Bonds . . . . .	Can. Nat.	Feb. 15, 1936	Feb. 15, 1953	25,000,000.00	750,000.00
2¼% 7 Year Guaranteed Bonds . . . . .	Can. Nat.	Feb. 1, 1937	Feb. 1, 1944	15,500,000.00	348,750.00
3% 15 Year Guaranteed Bonds . . . . .	Can. Nat.	Feb. 1, 1937	Feb. 1, 1952	20,000,000.00	600,000.00
3% 13 Year Guaranteed Bonds . . . . .	Can. Nat.	Dec. 15, 1937	Dec. 15, 1950	30,000,000.00	900,000.00
2% 4 Year Guaranteed Bonds . . . . .	Can. Nat.	Jan. 15, 1938	Jan. 15, 1942	20,000,000.00	400,000.00
2¼% 7 Year Guaranteed Bonds . . . . .	Can. Nat.	Jan. 15, 1939	Jan. 15, 1946	15,000,000.00	337,500.00
3% 20 Year Guaranteed Bonds . . . . .	Can. Nat.	Jan. 15, 1939	Jan. 15, 1959	35,000,000.00	1,050,000.00
Total Issues Guaranteed by Dominion Government . . . . .				<u>\$940,171,068.93</u>	<u>\$36,981,685.79</u>
<b>GUARANTEED BY PROVINCE OF NEW BRUNSWICK:</b>					
4% 1st Mortgage Debenture Stock . . . . .	St. J. & Q.	May 14, 1912	June 1, 1962	\$ 2,727,977.40	\$ 109,119.10
<b>GUARANTEED BY PROVINCE OF ALBERTA:</b>					
4% 1st Mortgage Bonds . . . . .	G.T.P.B.L.	May 1, 1912	Feb. 15, 1942	1,153,764.00	46,150.56
4½% 1st Mtge. Debtr. Stock and Bonds . . . . .	C.N.W.	Mar. 1914	Oct. 22, 1943	2,799,997.73	125,999.90
4½% 1st Mtge. Debtr. Stock and Bonds . . . . .	C.N.W.	Feb. 1914	Feb. 16, 1942	6,424,000.00	289,080.00
<b>GUARANTEED BY PROVINCE OF BRITISH COLUMBIA:</b>					
4% 1st Mortgage Debenture Stock . . . . .	C.N.P.	Nov. 16, 1911	Apr. 2, 1950	16,412,001.13	656,480.07
4½% Terminal Debenture Stock . . . . .	C.N.P.	1913 and 1914	Apr. 2, 1950	8,614,000.00	387,630.00
Total Issues Guaranteed by Provincial Governments . . . . .				<u>\$ 38,131,740.26</u>	<u>\$ 1,614,459.63</u>
Carried Forward . . . . .				<u>\$978,302,809.19</u>	<u>\$38,596,145.42</u>

## FUNDED DEBT—PRINCIPAL AND INTEREST (Continued)

NAME OF SECURITY	Issuing Company	Date of Issue	Date of Maturity	Principal Outstanding at Dec. 31, 1941	Interest Accrued 1941
Brought Forward.....				\$978,302,809.19	\$38,596,145.42
<b>EQUIPMENT TRUST ISSUES:</b>					
4½% Series "J".....	Can. Nat.	May 1, 1927	Ser. 1, 5, '42	1,000,000.00	60,000.00
5% " " "K".....	Can. Nat.	May 1, 1929	Ser. 1, 5, '44	3,600,000.00	200,000.00
5% " " "G.T.W.".....	G.T.W.	Dec. 14, 1929	Ser. 14, 12, '44	842,000.00	55,581.80
5% " " "C.V.R.".....	G.T.W.	Dec. 14, 1929	Ser. 14, 12, '44	133,000.00	8,841.39
5% " " "C.V.R.".....	C.V.R.	Dec. 14, 1929	Ser. 14, 12, '44	228,000.00	15,126.67
4½% " " "L".....	Can. Nat.	June 1, 1930	Ser. 1, 6, '45	4,200,000.00	208,687.50
2½% " " "O".....	Can. Nat.	Aug. 1, 1937	Ser. 1, 8, '47	8,580,000.00	235,354.17
2¾% " " "P".....	Can. Nat.	Sept. 15, 1938	Ser. 15, 9, '53	6,100,000.00	177,489.58
2½% " " "Q".....	Can. Nat.	July 1, 1939	Ser. 1, 7, '49	5,200,000.00	138,125.00
2½% " " "G.T.W.".....	G.T.W.	June 1, 1941	Ser. 1, 6, '51	1,715,000.00	7,670.14
Total Equipment Trust Issues.....				\$ 31,598,000.00	\$ 1,106,876.25
<b>OTHER ISSUES:</b>					
4% Canada Atlantic 1st Mtge. Bonds.....	G.T.R.	Jan. 1, 1905	Jan. 1, 1955	\$ 16,000,092.00	\$ 640,003.68
7% Wellington Grey & Bruce Bonds.....	G.T.R.	July 1, 1869	By Drawings	35,526.67	17,171.96
6% Northern Railway 3rd Pref. Bonds.....	G.T.R.	1868	Perpetual	70,566.66	4,234.00
3¾% 1st Mortgage Bonds.....	N.E. Elev.	July 1, 1901	Ser. 1, 7, '41	—	187.50
4% 1st Mortgage Bonds.....	Pem. Sou.	Sept. 1, 1906	Sept. 1, 1956	150,000.00	6,000.00
4% 2nd Mtge. Bonds, Prairic "A".....	G.T.P.	Apr. 1, 1905	Apr. 1, 1955	10,200,000.00	408,240.00
4% 2nd Mtge. Bonds, Mountain "B".....	G.T.P.	Apr. 1, 1905	Apr. 1, 1955	9,963,000.00	398,520.00
4% 1st Mtge. Bonds, "Lake Superior".....	G.T.P.	Apr. 1, 1905	Apr. 1, 1955	7,533,000.00	301,320.00
4% Perpetual Cons. Debenture Stock.....	Can. Nor.	1903 to 1912	Perpetual	44,943,019.40	1,797,720.74
4% Perpetual Cons. Debenture Stock.....	C.N.O.	June 21, 1909	Perpetual	8,724,113.20	348,964.50
4% Perpetual Cons. Debenture Stock.....	C.N.Q.	Oct. 1906	Perpetual	5,250,369.28	210,014.76
4% 1st Mtge. Perp. Debenture Stock.....	Q. & L. St. J.	June 1, 1912	Perpetual	4,252,503.06	170,100.14
4% 1st Mortgage Bonds.....	G.T.W.	Nov. 30, 1900	July 1, 1950	10,964,416.00	439,413.86
4½% 1st Mortgage Series "A" Bonds.....	G.T.W.	Jan. 1, 1930	Jan. 1, 1980	400,000.00	18,000.00
4% Indebtedness of S.S. & C. Co.....	C.V.R.	Aug. 27, 1858	Optional	155,865.25	6,234.61
4% 1st Mortgage Gold Bonds.....	M. & P.L.	Oct. 1, 1900	Oct. 1, 1950	200,000.00	8,000.00
3½% 1st Mortgage Guar. Debtr. Bonds.....	H. & S.W.	Oct. 1, 1912	Sept. 30, 1942	4,447,000.00	155,645.00
5% Indebtedness to Province of N.B.....	Can. Nat.	Sept. 3, 1929	Various	1,198,022.60	65,434.46
Total Other Issues.....				\$ 124,493,494.10	\$ 4,995,205.21
Total Debt held by Public (including therein \$13,763,628.52 par value held in Special Funds and Accounts) as per Balance Sheet.....				\$1,134,394,303.29	\$44,698,226.88

NOTE:—These obligations are stated in Canadian Currency. Sterling and United States currencies are converted at the par of exchange.

## DOMINION OF CANADA—LOANS

(Treated as Assets in Public Accounts of Canada)

	Principal Outstanding at Dec. 31, 1941	Interest Accrued 1941
3½% Advances, Financing and Guarantee Act, 1938.....	\$ 1,717,008.90	\$ 60,095.32
3½% Advances, Financing and Guarantee Act, 1939.....	12,442,522.40	435,488.28
3½% Advances, Financing and Guarantee Act, 1940.....	7,572,579.77	264,236.04
3½% Advances, Financing and Guarantee Act, 1941.....	11,943,000.29	315,608.92
3½% Advances, Branch Line Construction Act, 1936.....	638,908.55	22,361.80
3½% Advances, Trans-Canada Air Lines Act, 1937.....	550,000.00	19,250.00
2% Advances, Refunding Act, 1938.....	24,689,392.53	493,787.86
3½% Advances, G.T.R. Deb. Stock.....	105,843,357.19	3,395,434.55
3½% Temporary Loan for Working Capital.....	11,406,999.71	—
3% Purchase of Railway Equipment, 1936 (Repayable 1938-1950).....	4,854,557.73	144,162.00
3½% Purchase of Railway Equipment, 1940 (Repayable 1941-1955).....	13,887,556.46	496,337.47
	\$ 195,345,883.53	\$ 5,646,762.24

## INVESTMENTS IN AFFILIATED COMPANIES

COMPANY	Amount Outstanding	Amount Owned by Can. Nat. System	Book Value
<b>STOCKS:</b>			
Atlantic and St. Lawrence Railroad Company.....	\$ 5,480,700.00	\$ 12,524.33	\$ 9,168.13
The Belt Railway Company of Chicago.....	3,120,000.00	240,000.00	240,000.00
Canadian Government Merchant Marine, Limited.....	800.00	800.00	800.00
Central Vermont Transportation Company.....	200,000.00	50,000.00	20,000.00
Chicago & Western Indiana Railroad Company.....	5,000,000.00	1,000,000.00	1,000,000.00
The Detroit & Toledo Shore Line Railroad Company.....	3,000,000.00	1,500,000.00	1,887,000.00
Detroit Terminal Railroad Company.....	2,000,000.00	1,000,000.00	1,000,000.00
Northern Alberta Railways Company.....	625,000.00	312,500.00	312,500.00
The Ontario Car Ferry Company (Limited).....	500,000.00	250,000.00	179,007.53
The Public Markets, Limited.....	1,150,000.00	575,000.00	575,000.00
Railway Express Agency, Incorporated (no par value).....	1,000 shares	6 shares	600.00
The Toronto Terminals Railway Company.....	500,000.00	250,000.00	250,000.00
The Toledo Terminal Railroad Company.....	4,000,000.00	387,200.00	387,200.00
Trans-Canada Air Lines.....	3,750,000.00	3,750,000.00	3,750,000.00
Vancouver Hotel Company Limited.....	150,000.00	75,000.00	75,000.00
			<u>\$ 9,686,275.66</u>
<b>BONDS:</b>			
Atlantic and St. Lawrence Railroad Company.....	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,012,040.00
Northern Alberta Railways Co. 1st. Mortgage Bonds.....	20,300,000.00	10,150,000.00	10,150,000.00
The Toronto Terminals Railway Co. 1st. Mortgage Bonds.....	25,610,000.00	12,805,000.00	12,805,000.00
			<u>\$25,967,040.00</u>
<b>ADVANCES:</b>			
Chicago & Western Indiana Railroad Company.....			\$ 1,734,340.18
The Railroad Credit Corporation.....			157,579.96
Railway Express Agency, Incorporated.....			107,026.82
			<u>\$ 1,998,946.96</u>
			<u>\$37,652,262.62</u>

## MAJOR CONTINGENT LIABILITIES

### TRANS-CANADA AIR LINES:

The Canadian National Railway Company owns \$5,000,000 of the Capital Stock of the Air Lines on which total call to 31st. December, 1941, has been \$3,750,000.

### NORTHERN ALBERTA RAILWAYS COMPANY:

The Canadian National Railway Company owns \$3,125,000 of the Capital Stock of the Railways Company on which total call to date has been 10%.

Under agreement of purchase dated 6th. February, 1929, Canadian National Railway Company became liable for one-half of the purchase consideration for the property. This obligation was later assumed by Northern Alberta Railways Company which took title to the property. As of 31st. December, 1941, the commitment of the Canadian National Railway Company was \$4,710,000 of which \$3,500,000 has since been discharged. The Canadian National Railway Company takes up currently in its income account one-half of the annual deficit of Northern Alberta Railways Company.

### THE DETROIT & TOLEDO SHORE LINE RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company as joint and several guarantor by indorsement of principal and interest of \$3,000,000 First Mortgage 4%—50 Year Gold Bonds due 1953.

### THE TOLEDO TERMINAL RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company in respect of \$5,800,000 First Mortgage 4½%—50 Year Gold Bonds due 1957. The guarantee is as to interest only and is several and not joint. Grand Trunk Western's proportion is 9.68%.

### CHICAGO & WESTERN INDIANA RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company, pursuant to joint supplemental lease dated 1st. July, 1902, between Grand Trunk Western Railway Company and four other proprietary companies. Obligation is for repayment of principal of bonds at their maturity, and of interest as it falls due by way of annual rentals. The Grand Trunk Western's obligation is for one-fifth of the bonds issued for "common" property and the entire amount of bonds issued for its "exclusive" property. The Bonds are Consolidated Mortgage 50 Year 4% bonds due 1952 and the amounts outstanding at 31st. December, 1941, are:—

Issued for "common" property.....	\$39,973,019.39
Issued for "exclusive" property.....	252,535.36

Assumed by Grand Trunk Western Railroad Company pursuant to joint supplemental lease dated 1st. March, 1936, between Grand Trunk Western Railroad Company and other proprietary companies. Obligation is to pay as rental sinking fund payments sufficient to retire bonds at maturity and interest as it falls due. The Grand Trunk Western's proportion is one-fifth in the absence of default of any of four other tenant companies. The bonds are First and Refunding Mortgage 4¼% Series "D" Sinking Fund Bonds due 1962 and the amount outstanding at 31st. December, 1941, is \$20,472,000.

### C.N.R. PENSION PLANS:

Reserves are not set up against pensions presently being paid or conditionally accruing under the 1935 contractual plan and prior non-contractual plans. Actual pension payments made at the expense of the Railway are charged currently to operating expenses.

Pension contracts in force under the 1935 contractual plan number 4,428, the average annual pension is \$481, the total annual pensions being \$2,130,600 representing a capital sum of approximately \$18,000,000. The portion of this sum contributed by retired employees is carried in the accounts as a deferred liability against which funds have been separately invested.

## SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM

Company Number	CAPITAL STOCKS OWNED BY DOMINION GOVERNMENT	
1	Canadian National Railway Company . . . . .	\$ 18,000,000.00
2	The Canadian National Railways Securities Trust . . . . .	267,283,019.32
		\$285,283,019.32

### CAPITAL STOCKS OWNED BY SYSTEM OR PUBLIC

NAME OF ISSUING COMPANY	Owned by Company Number	Capital Stock Issued	Owned by Public
3 The Bay of Quinté Railway Company . . . . .	23	\$ 1,395,000.00	\$
4 The Bessemer and Barry's Bay Railway Company . . . . .	23	125,000.00	
5 *Brooksby Realty Company . . . . .	28	2,000.00	
6 *Canada Atlantic Transit Company . . . . .	1	219,000.00	
7 *Canada Atlantic Transit Company of U.S. . . . .	1	250,000.00	
8 The Canadian Express Company . . . . .	1	1,768,800.00	
9 *Canadian National Electric Railways . . . . .	23	1,750,000.00	
10 Canadian National Express Company . . . . .	24	1,000,000.00	
11 Canadian National Land Settlement Association . . . . .	1	—	
12 *Canadian National Railways (France) . . . . .	1	2,007,400.00	
13 *Canadian National Realties, Limited . . . . .	23	40,000.00	
14 Canadian National Rolling Stock Limited . . . . .	1	50,000.00	
15 *Canadian National Steamship Company, Limited . . . . .	49	15,000.00	
16 Canadian National Telegraph Company . . . . .	23	500,000.00	
17 *Canadian National Transportation, Limited . . . . .	1	500.00	
18 The Canadian Northern Alberta Railway Company . . . . .	23	3,000,000.00	
19 Canadian Northern Manitoba Railway Company . . . . .	23	250,000.00	
20 The Canadian Northern Ontario Railway Company . . . . .	23	10,000,000.00	
21 Canadian Northern Pacific Railway Company . . . . .	23	25,000,000.00	
22 The Canadian Northern Quebec Railway Company . . . . .	23	9,550,000.00	3,840,200.00
23 The Canadian Northern Railway Company . . . . .	1	18,000,000.00	
24 The Canadian Northern Railway Express Company, Limited . . . . .	23	1,000,000.00	
25 Canadian Northern Steamships, Limited . . . . .	23	2,000,000.00	
26 Canadian Northern System Terminals (Limited) . . . . .	23	2,000,000.00	
27 Canadian Northern Western Railway Company . . . . .	23	2,000,000.00	
28 *The Centmont Corporation . . . . .	31	176,400.00	
29 The Central Ontario Railway . . . . .	23	3,331,000.00	
30 Central Vermont Airways, Inc. . . . .	28	5,000.00	
31 Central Vermont Railway, Inc. . . . .	1	10,000,000.00	
32 Central Vermont Terminal, Inc. . . . .	31	5,000.00	
33 *Central Vermont Transit Corporation . . . . .	28	5,000.00	
34 *Central Vermont Warehouse, Inc. . . . .	28	5,000.00	
35 The Champlain and St. Lawrence Railroad Company . . . . .	1	50,000.00	
36 *Chicago, New York and Boston Refrigerator Company . . . . .	52	1,129,400.00	
37 Cincinnati, Saginaw and Mackinaw Rail Road Company . . . . .	1	1,500,000.00	
38 *Consolidated Land Corporation . . . . .	52	64,000.00	
39 *Continental Realty & Holding Company . . . . .	13	90,000.00	
40 *The Dalhousie Navigation Company, Limited . . . . .	23	50,000.00	
41 *Duluth and Virginia Realty Company . . . . .	39	45,000.00	
42 Duluth, Rainy Lake & Winnipeg Railway Company . . . . .	44	2,000,000.00	
43 Duluth, Winnipeg and Pacific Railroad Company . . . . .	44	100,000.00	
44 Duluth, Winnipeg and Pacific Railway Company . . . . .	23	3,100,000.00	
45 *Grand Trunk-Milwaukee Car Ferry Company . . . . .	52	200,000.00	
46 The Grand Trunk Pacific Branch Lines Company . . . . .	49	200,000.00	
47 *The Grand Trunk Pacific Development Company, Limited . . . . .	49	3,000,000.00	
48 *Grand Trunk Pacific Dock Company, of Seattle . . . . .	49	150,000.00	
49 The Grand Trunk Pacific Railway Company . . . . .	1	24,940,200.00	
50 The Grand Trunk Pacific Saskatchewan Railway Company . . . . .	49	20,000.00	
51 *Grand Trunk Pacific Terminal Elevator Company, (Limited) . . . . .	49	501,000.00	
52 {Grand Trunk Western Railroad Company (Common) . . . . .}		20,000,000.00	
{Grand Trunk Western Railroad Company (Preferred) . . . . .}	1	25,000,000.00	
53 The Great North Western Telegraph Company of Canada (Including \$331,500.00 held in escrow) . . . . .	16	373,625.00	6,925.00
54 The Halifax and South Western Railway Company . . . . .	23	1,000,000.00	
55 *Industrial Land Company . . . . .	52	1,000.00	
56 International Bridge Company . . . . .	1	1,500,000.00	
57 The Irondale, Bancroft and Ottawa Railway Company . . . . .	23	53,500.00	500.00
58 The James Bay and Eastern Railway Company . . . . .	23	125,000.00	
Carried Forward . . . . .		\$180,642,825.00	\$ 3,856,625.00

**SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL  
RAILWAY SYSTEM—Continued**

CAPITAL STOCKS OWNED BY SYSTEM OR PUBLIC (CONT'D)

Company Number	NAME OF ISSUING COMPANY	Owned by Company Number	Capital Stock Issued	Owned by Public
	Brought Forward . . . . .		\$180,642,825.00	\$ 3,856,625.00
59	The Lake Superior Terminals Company Limited . . . . .	23	500,000.00	
60	The Maganetawan River Railway Company . . . . .	1	30,000.00	
61	Manitoba Northern Railway Company . . . . .	1	500,000.00	
62	The Marmora Railway and Mining Company . . . . .	23	128,600.00	
63	The Minnesota and Manitoba Railroad Company . . . . .	23	400,000.00	
64	The Minnesota and Ontario Bridge Company . . . . .	23	100,000.00	
65	Montreal and Province Line Railway Company . . . . .	28	1,000,000.00	
66	*Montreal and Southern Counties Railway Company . . . . .	1	500,000.00	189,500.00
67	The Montreal and Vermont Junction Railway Company . . . . .	31	197,300.00	
68	*Montreal Fruit & Produce Terminal Company, Limited . . . . .	1	500.00	
69	*The Montreal Stock Yards Company . . . . .	1	350,000.00	
70	*The Montreal Warehousing Company . . . . .	1	236,000.00	12,240.00
71	Mount Royal Tunnel and Terminal Company, Limited . . . . .	23	5,000,000.00	
72	Muskegon Railway and Navigation Company . . . . .	52	161,293.00	
73	*National Terminals of Canada, Limited . . . . .	1	2,500.00	
74	National Transcontinental Railway Branch Lines Company . . . . .	1	500.00	
75	New England Elevator Company . . . . .	1	400,000.00	
76	*The Niagara, St. Catharines and Toronto Railway Company . . . . .	23	925,000.00	
77	*The Niagara, St. Catharines and Toronto Navigation Company (Limited) . . . . .	76	100,000.00	
78	*The Oshawa Railway Company . . . . .	1	40,000.00	
79	The Ottawa Terminals Railway Company . . . . .	1	250,000.00	
80	The Pembroke Southern Railway Company . . . . .	1	107,800.00	
81	Portland Elevator Company . . . . .	1	50,000.00	
82	*Prince George, Limited . . . . .	1	10,000.00	
83	*Prince Rupert, Limited . . . . .	1	10,000.00	
84	The Quebec and Lake St. John Railway Company . . . . .	23	4,508,300.00	489,160.00
85	The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steam- boat Company . . . . .	23	201,000.00	
86	*Rail & River Coal Company . . . . .	1	2,000,000.00	
87	St. Boniface Western Land Company . . . . .	23	250,000.00	
88	The St. Charles and Huron River Railway Company . . . . .	23	1,000.00	
89	St. Clair Tunnel Company . . . . .	1	700,000.00	
90	The Stanstead, Shefford and Chambly Railroad Company . . . . .	28	608,333.33	
91	*The Thousand Islands Railway Company . . . . .	1	60,000.00	
92	The Toronto Belt Line Railway Company . . . . .	1	50,000.00	16,600.00
93	†Trans-Canada Air Lines . . . . .	1	3,750,000.00	
94	The United States and Canada Rail Road Company . . . . .	1	219,400.00	475.00
95	Vermont and Province Line Railroad Company . . . . .	1	200,000.00	
96	The Winnipeg Land Company Limited . . . . .	23	100,000.00	
			<u>\$204,290,351.33</u>	<u>\$ 4,564,600.00</u>

\*The Income Accounts of Companies indicated (\*) are included in the System Income Account as "Separately Operated Properties."

†Treated as an Affiliated Company.

## STATEMENT OF REVENUE TONNAGE BY COMMODITIES FOR YEARS 1941-1940

	Year	Year	Increase or	
	1941	1940	Decrease	
	Tons	Tons	Tons	Percent.
<b>AGRICULTURAL PRODUCTS:</b>				
Wheat.....	6,937,627	4,998,619	1,939,008	38.79
Corn.....	479,765	582,923	103,158	17.70
Oats.....	605,271	547,433	57,838	10.57
Barley.....	469,507	371,272	98,235	26.46
Rye.....	68,937	52,458	16,479	31.41
Flaxseed.....	73,793	46,837	26,956	57.55
Other Grain.....	33,827	30,249	3,578	11.83
Flour.....	917,408	765,201	152,207	19.89
Other Mill Products.....	1,455,735	1,314,170	141,565	10.77
Hay and Straw.....	97,958	101,048	3,090	3.06
Cotton.....	101,219	75,584	25,635	33.92
Apples (Fresh).....	84,516	75,444	9,072	12.02
Other Fruit (Fresh).....	287,468	280,346	7,122	2.54
Potatoes.....	202,316	192,487	9,829	5.11
Other Fresh Vegetables.....	173,292	161,414	11,878	7.36
Other Agricultural Products.....	677,939	631,999	45,940	7.27
Total.....	12,666,578	10,227,484	2,439,094	23.85
<b>ANIMAL PRODUCTS:</b>				
Horses.....	22,743	27,582	4,839	17.54
Cattle and Calves.....	257,543	250,896	6,647	2.65
Sheep.....	14,867	15,811	944	5.97
Hogs.....	184,347	161,222	23,125	14.34
Dressed Meats (Fresh).....	215,615	204,686	10,929	5.34
Dressed Meats (Cured, Salted, Canned).....	188,732	132,123	56,609	42.85
Other Packing House Products (Edible).....	48,989	45,425	3,564	7.85
Poultry.....	21,427	24,435	3,008	12.31
Eggs.....	46,903	38,065	8,838	23.22
Butter.....	70,741	65,114	5,627	8.64
Cheese.....	38,431	31,455	6,976	22.18
Wool.....	52,267	28,081	24,186	86.13
Hides and Leather.....	83,719	62,589	21,130	33.76
Other Animal Products.....	84,618	72,157	12,461	17.27
Total.....	1,330,942	1,159,641	171,301	14.77
<b>MINE PRODUCTS:</b>				
Anthracite Coal.....	2,108,001	1,675,492	432,509	25.81
Bituminous Coal.....	8,572,054	7,896,579	675,475	8.55
Lignite Coal.....	1,411,937	1,199,240	212,697	17.74
Coke.....	863,326	698,476	164,850	23.60
Iron Ores.....	127,592	61,694	65,898	106.81
Copper Ore and Concentrates.....	229,660	202,484	27,176	13.42
Other Ores and Concentrates.....	2,089,724	1,569,905	519,819	33.11
Base Bullion, Matte, Pig and Ingot (Non-Ferrous Metals).....	707,897	567,939	139,958	24.64
Sand and Gravel.....	1,929,958	2,077,764	147,806	7.11
Stone (Crushed, Ground, Broken).....	1,788,897	1,771,747	17,150	.97
Slate, Dimension or Block Stone.....	91,575	90,661	914	1.01
Crude Petroleum.....	386,834	388,140	18,694	5.08
Asphalt (Natural, By-Product Petroleum).....	263,084	251,080	12,004	4.78
Salt.....	372,516	317,128	55,388	17.47
Other Mine Products.....	1,247,156	864,510	382,646	44.26
Total.....	22,190,211	19,612,839	2,577,372	13.14



## REVENUE TONNAGE BY COMMODITIES—Continued

	Year	Year	Increase or	
	1941	1940	Decrease	
	Tons	Tons	Tons	Percent.
<b>FOREST PRODUCTS:</b>				
Logs, Posts, Poles, Piling.....	487,968	511,686	23,718	4.64
Cordwood and Other Firewood.....	576,655	599,305	22,650	3.78
Ties.....	49,087	28,019	21,068	75.19
Pulpwood.....	2,114,953	1,893,570	221,383	11.69
Lumber, Timber, Box, Crate and Cooperage Material.....	3,946,375	3,404,404	541,971	15.92
Other Forest Products.....	383,087	318,696	64,391	20.20
Total.....	7,558,125	6,755,680	802,445	11.88
<b>MANUFACTURES AND MISCELLANEOUS:</b>				
Gasolene.....	1,408,197	1,245,489	162,708	13.06
Petroleum Oils and Petroleum Products (except Asphalt and Gasolene).....	870,085	813,257	56,828	6.99
Sugar.....	295,646	277,374	18,272	6.59
Iron, Pig and Bloom.....	261,676	189,721	71,955	37.93
Rails and Fastenings.....	28,525	20,333	8,192	40.29
Iron and Steel (Bar, Sheet, Structural, Pipe).....	2,380,464	1,833,345	547,119	29.84
Castings, Machinery and Boilers.....	257,635	192,126	65,509	34.10
Cement.....	545,454	556,697	11,243	2.02
Brick and Artificial Stone.....	257,026	213,726	43,300	20.26
Lime and Plaster.....	387,333	313,770	73,563	23.44
Sewer Pipe and Drain Tile.....	26,228	25,172	1,056	4.20
Agricultural Implements and Vehicles other than autos.....	154,156	139,088	15,068	10.83
Automobiles, Auto Trucks and Auto Parts.....	2,557,722	1,733,986	823,736	47.51
Household Goods and Settlers Effects.....	10,932	12,794	1,862	14.55
Furniture.....	53,533	42,406	11,127	26.24
Beverages.....	263,580	211,331	52,249	24.72
Fertilizers, All Kinds.....	557,059	457,128	99,931	21.86
Newsprint Paper.....	1,469,819	1,351,236	118,583	8.78
Other Paper.....	264,510	234,928	29,582	12.59
Paper Board, Pulpboard and Wallboard (Paper).....	320,984	252,519	68,465	27.11
Woodpulp.....	1,244,455	1,005,784	238,671	23.73
Fish (Fresh, Frozen, Cured, etc.).....	80,889	74,697	6,192	8.29
Canned Goods (All Canned Food Products except Meats).....	436,223	347,566	88,657	25.51
Other Manufactures and Miscellaneous.....	5,718,287	4,260,394	1,457,893	34.22
Merchandise (All L.C.L. Freight).....	1,774,138	1,499,721	274,417	18.30
Total.....	21,624,556	17,304,588	4,319,968	24.96
Grand Total.....	65,370,412	55,060,232	10,310,180	18.73

## DETAILS OF RAILWAY EQUIPMENT

	December 31, 1940	Additions During Year	Retirements During Year	Conversions During Year		December 31, 1941
				Added	Retired	
<b>LOCOMOTIVES:</b>						
Passenger—Freight .....	2,092		61			2,031
Switching .....	448		12			436
Electric .....	15	9				24
Oil Electric .....	7	4				11
<b>Total .....</b>	<b>2,562</b>	<b>13</b>	<b>73</b>			<b>2,502</b>
<b>FREIGHT EQUIPMENT:</b>						
Box Cars .....	63,782	300	350	156	502	63,386
Flat Cars .....	4,878	300	31		83	5,064
Stock Cars .....	3,080		6			3,074
Coal Cars .....	13,186	475	73		5	13,583
Tank Cars .....	153		5			148
Refrigerator Cars .....	2,945	290	32		208	2,995
Caboose Cars .....	1,411		28	106	1	1,488
Other Cars in Freight Service .....	8			3		11
<b>Total .....</b>	<b>89,443</b>	<b>1,365</b>	<b>525</b>	<b>265</b>	<b>799</b>	<b>89,749</b>
<b>PASSENGER EQUIPMENT:</b>						
First Class Cars .....	881	28	3			906
Second Class Cars .....	140			22	2	160
Combination Cars .....	289				7	282
Immigrant Cars .....	194	19			1	212
Dining Cars .....	93			1	9	85
Parlor Cars .....	125			3	8	120
Sleeping Cars .....	318	5		1	11	313
Postal Cars .....	47	1				48
Baggage and Express Cars .....	934		5	22	17	934
Unit Cars .....	53		4			49
Other Cars in Passenger Service .....	91					91
<b>Total .....</b>	<b>3,185</b>	<b>53</b>	<b>12</b>	<b>49</b>	<b>55</b>	<b>3,200</b>
<b>WORK EQUIPMENT:</b>						
Business Cars .....	64		1			63
All other Cars in Company's Service .....	6,264	232	321	545	5	6,715
<b>Total .....</b>	<b>6,328</b>	<b>232</b>	<b>322</b>	<b>545</b>	<b>5</b>	<b>6,778</b>
<b>FLOATING EQUIPMENT:</b>						
Car Ferries .....	11		2			9
Barges .....	5		1			4
Tugs .....	6		2			4
Work .....	4					4

STATISTICS OF RAIL-LINE OPERATION

TRANSPORTATION SERVICE

	Freight		Passenger		Total	
	1941	1940	1941	1940	1941	1940
<b>TRAIN MILES:</b>						
Locomotive Drawn.....	40,364,715	34,570,862	19,603,832	17,949,193	59,968,547	52,520,055
Motor Unit Cars.....	—	—	1,166,371	1,222,646	1,166,371	1,222,646
<b>TOTAL.....</b>	<b>40,364,715</b>	<b>34,570,862</b>	<b>20,770,203</b>	<b>19,171,839</b>	<b>61,134,918</b>	<b>53,742,701</b>
<b>LOCOMOTIVE MILES:</b>						
Principal.....	40,392,690	34,590,380	19,603,841	17,949,195	59,996,531	52,539,575
Helper.....	1,626,057	931,919	267,568	149,169	1,893,625	1,081,088
Light.....	823,371	625,684	352,620	313,122	1,175,991	938,806
Train Switching.....	3,350,003	3,017,993	99,235	86,625	3,449,238	3,104,618
Yard Switching.....	13,747,527	11,301,055	1,084,996	1,015,606	14,832,523	12,316,661
<b>TOTAL.....</b>	<b>59,939,648</b>	<b>50,467,031</b>	<b>21,408,260</b>	<b>19,513,717</b>	<b>81,347,908</b>	<b>69,980,748</b>
<b>CAR MILES:</b>						
Loaded Freight Cars.....	1,060,297,777	869,837,901	774,834	532,777	1,061,072,611	870,370,678
Empty Freight Cars.....	512,885,837	429,886,243	773,669	293,523	513,659,506	430,179,766
Passenger Coach and Combination Cars.....	8,511,543	8,198,321	58,212,996	47,772,213	66,724,539	55,970,534
Sleeping, Parlor and Observation Cars.....	1,006,436	921,859	41,022,088	34,245,143	42,028,524	35,167,002
Dining Cars.....	171,422	176,817	6,976,162	5,166,379	7,147,584	5,343,196
Other Cars.....	8,929,225	9,490,569	50,972,432	48,508,199	59,901,657	57,998,768
Motor Unit Cars.....	—	—	1,232,892	1,280,565	1,232,892	1,280,565
Caboose.....	39,312,748	33,144,376	1,230,398	593,566	40,543,146	33,737,942
<b>TOTAL.....</b>	<b>1,631,114,988</b>	<b>1,351,656,086</b>	<b>161,195,471</b>	<b>138,392,365</b>	<b>1,792,310,459</b>	<b>1,490,048,451</b>

WORK SERVICE

	Train Miles		Locomotive Miles		Car Miles	
	1941	1940	1941	1940	1941	1940
Locomotive Drawn.....	1,332,698	1,192,967	1,766,696	1,551,930	2,724,068	3,352,907
Motor Unit Cars.....	130	—	—	—	—	—
<b>TOTAL.....</b>	<b>1,332,828</b>	<b>1,192,967</b>	<b>1,766,696</b>	<b>1,551,930</b>	<b>2,724,068</b>	<b>3,352,907</b>

## STATISTICS OF RAIL-LINE OPERATION

	1941	1940
Average mileage of road operated.....	23,524.95	23,603.38
<b>TON-MILES—TRAIN-HOURS IN ROAD SERVICE:</b>		
Gross ton-miles of cars, contents and cabooses.....	66,957,550,363	54,610,363,550
Net ton-miles of freight (revenue and non-revenue).....	30,049,483,326	23,893,076,937
Train-hours in freight road service.....	2,509,925	2,101,084
<b>REVENUE TRAFFIC:</b>		
Tons of freight carried.....	65,370,412	55,060,232
Ton-miles—Revenue freight.....	27,199,875,760	21,532,181,524
Freight revenue.....	\$239,592,287	\$194,562,209
Passengers carried.....	17,681,343	11,204,289
Passenger-miles.....	1,761,970,856	1,124,820,121
Passenger revenue.....	\$31,893,884	\$21,702,046
<b>AVERAGES:</b>		
Miles per revenue ton.....	416.09	391.07
Miles per revenue passenger.....	99.65	100.39
Revenue per ton-mile.....	\$0.00881	\$0.00904
Revenue per passenger-mile.....	\$0.01810	\$0.01929
Revenue per ton.....	\$3.66515	\$3.53362
Revenue per passenger.....	\$1.80382	\$1.93694
<b>AVERAGE PER MILE OF ROAD:</b>		
Ton-miles—Revenue freight.....	1,151,306	908,158
Ton-miles—All freight.....	1,277,345	1,012,274
Passenger-miles—Revenue.....	74,898	47,655
Gross Revenue.....	\$12,938.47	\$10,486.94
Gross Expenses (including Taxes, Equipment and Joint Facility Rents).....	\$10,573.89	\$8,963.24
Net Railway operating income.....	\$2,364.58	\$1,523.70

## EMPLOYEES AND THEIR COMPENSATION

	1941	1940	Increase	% Increase
*Average Number of Employees.....	89,536	82,831	6,705	8.09
*Total Payroll.....	\$153,654,368	\$132,584,063	\$21,070,305	15.89
*Includes railway, express and telegraph employees. Excludes hotel and subsidiary company employees.				

## DISTRIBUTION OF THE DOLLAR

	Operating Revenue Dollar		Operating Expense Dollar	
	1941	1940	1941	1940
Labour.....	.4615	.4894	.5907	.5981
Fuel.....	.0848	.0827	.1086	.1011
Other Expenses.....	.2349	.2461	.3007	.3008
<b>Total Operating Expenses.....</b>	<b>.7812</b>	<b>.8182</b>	<b>\$1.00</b>	<b>\$1.00</b>
Available for Taxes and other Accounts.....	.2183	.1818	—	—
<b>Total.....</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>
Maintenance of Way Accounts.....	.1547	.1616	.1980	.1975
Maintenance of Equipment Accounts.....	.1812	.1944	.2319	.2376
Traffic Accounts.....	.0174	.0208	.0223	.0254
Transportation Accounts.....	.3879	.3986	.4966	.4872
Miscellaneous Accounts.....	.0089	.0067	.0114	.0082
General Accounts.....	.0324	.0376	.0415	.0459
Transportation for Investment—Credit.....	.0013	.0015	.0017	.0018
<b>Total Operating Expenses.....</b>	<b>.7812</b>	<b>.8182</b>	<b>\$1.00</b>	<b>\$1.00</b>
Available for Taxes and other Accounts.....	.2183	.1818	—	—
<b>Total.....</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$1.00</b>

OPERATED MILEAGE, DECEMBER 31st, 1941

Territory	Mileage Owned by Constituent Companies				Mileage of Lines Under Lease or Contract		Mileage of Trackage Rights				Total Operated Road Mileage				Spurs Sidings & Yard Tracks Miles
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th & Other Main Tracks	1st Main Track	2nd Main Track	3rd Main Track	4th & Other Main Track	
Atlantic Region.....	2,986.77	49.97	—	—	82.95	—	82.95	—	—	—	3,076.13	49.97	—	—	890.23
Central Region.....	7,137.29	714.28	15.91	9.82	337.55	9.31	29.72	25.17	4.10	4.10	7,504.56	748.76	18.04	13.92	2,617.65
Western Region.....	11,091.15	86.24	—	—	378.22	4.29	64.07	23.04	—	—	11,533.44	113.57	—	—	2,548.22
Grand Trunk Western Lines.....	904.62	363.18	10.62	—	61.14	—	59.75	6.33	1.36	0.99	1,025.51	369.51	11.98	0.99	805.92
Central Vermont Lines	237.90	0.63	—	—	125.18	0.03	58.73	32.75	—	—	421.81	33.41	—	—	161.80
*Total Mileage.....	22,357.73	1,214.30	26.53	9.82	908.50	13.63	295.22	87.29	3.49	5.09	23,561.45	1,315.22	30.02	14.91	7,023.82
Lines in Canada.....	20,984.20	849.92	15.91	9.82	565.43	12.49	172.35	44.77	2.13	4.10	21,721.98	907.18	18.04	13.92	5,893.89
Lines in United States.	1,373.53	364.38	10.62	—	343.07	1.14	122.87	42.52	1.36	0.99	1,839.47	408.04	11.98	0.99	1,129.93

\*Separately Operated Lines (Gasoline Electric and Electric) not included.

