

FIRST ANNUAL REPORT

of the

BOARD OF DIRECTORS

of

The Canadian Northern
Railway System

For the Year ended 30th June, 1915-16

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CANADIAN NORTHERN RAILWAY SYSTEM

BOARD OF DIRECTORS

SIR WILLIAM MACKENZIE	Toronto, Ont.
SIR DONALD MANN	" "
MR. Z. A. LASH, K.C., LL.D.	" "
LT. COL. FREDERIC NICHOLLS.....	" "
MR. R. M. HORNE-PAYNE	London, Eng.
MR. R. J. MACKENZIE	Toronto, Ont.
MR. E. R. WOOD.....	" "
MR. D. B. HANNA.....	" "

GENERAL OFFICERS

SIR WILLIAM MACKENZIE	<i>President</i>
SIR DONALD MANN	<i>Vice-President</i>
MR. D. B. HANNA	<i>Third Vice-President</i>
MR. Z. A. LASH, K.C., LL.D.	<i>Senior Counsel</i>
HON. F. H. PHIPPEN, K.C.	<i>General Counsel</i>
MR. M. H. MACLEOD.....	<i>Gen'l Mgr., Western Lines</i>
MR. L. C. FRITCH.....	<i>Gen'l Mgr., Eastern Lines</i>
MR. W. H. MOORE.....	<i>Secretary</i>
MR. GERARD RUEL	<i>Chief Solicitor</i>
MR. GEO. H. SHAW	<i>General Traffic Manager</i>
MR. L. W. MITCHELL	<i>Treasurer</i>
MR. LEWIS LUKES	<i>Assistant to President</i>
MR. A. J. MITCHELL.....	<i>Assistant to Vice-President</i>
MR. R. C. VAUGHAN.....	<i>Assistant to Third Vice-President</i>
MR. R. P. ORMSBY.....	<i>Assistant Secretary</i>
MR. C. E. FRIEND.....	<i>General Auditor</i>
MR. J. D. MORTON.....	<i>Assistant Comptroller</i>
MR. J. R. CAMERON.....	<i>Assistant General Manager</i>
MR. A. E. WARREN.....	<i>Assistant to General Manager</i>
MR. A. E. WILCOX	<i>General Superintendent</i>
MR. W. A. BROWN.....	<i>General Superintendent</i>
MR. A. J. HILLS.....	<i>General Superintendent</i>
MR. W. A. KINGSLAND.....	<i>General Superintendent</i>
MR. J. BAIN.....	<i>General Superintendent</i>
MR. E. F. SEIXAS.....	<i>Manager, Electric Lines, etc.</i>

LONDON (ENGLAND) OFFICES

BOND COURT, WALBROOK, LONDON, E.C.

MR. R. M. HORNE-PAYNE.....	<i>Director representing the Company in Europe</i>
MR. H. W. HARDING.....	<i>Local Secretary</i>
MR. WILLIAM PHILLIPS.....	<i>European Railway and Steamship Manager</i>

THE HISTORY OF THE
CITY OF BOSTON

FROM THE FIRST SETTLEMENT TO THE PRESENT TIME

BY
NATHANIEL BENTLEY

VOLUME I

CANADIAN NORTHERN RAILWAY SYSTEM

First Annual Report of the Directors

To the Shareholders:—

Your Directors in submitting the first Report of The Canadian Northern Railway System (and what otherwise would have been the thirteenth Annual Report of the Canadian Northern Railway) for the fiscal year ended 30th June, 1915, regret exceedingly having to do so at such a late date. There were, however, various reasons for the delay. A large number of head office and other employees have from time to time joined the Canadian Expeditionary Forces doing service for the Empire, and a great deal of the detail work incidental to the consolidation of the accounts of the various parts of the System had to be done by a limited staff. At the present time over 1,700 of your employees are attached to the service, and unhappily a number have already fallen on the several fields of battle. To the families of such employees your Directors extend the sincerest sympathy in the belief that in offering up their lives for their country's honor they have performed the highest service possible for men to do.

Another reason is that in carrying into effect the statute under which the consolidation of the Companies forming part of the Canadian Northern Railway System was provided, reference to which was made in the previous Annual Report, an immense amount of preliminary work was necessary to co-ordinate the services and accounts of the different Companies so that the best results might be attained. This statute required the preparation of a consolidated Balance Sheet, showing the financial position of all the Companies comprised in the Canadian Northern System. The financial statements submitted with the previous Annual Reports of The Canadian Northern Railway Company dealt only with the accounts of The Canadian Northern Railway Company itself, but in the financial statements submitted herewith are included the operations and accounts of the System as a whole covering the fiscal year ending June 30th, 1915. In this connection your Directors felt that this was an opportune time to introduce the practice of having the accounts audited by representative Public Chartered Accountants. They, therefore, appointed Messrs. Webb, Read, Hegan, Callingham & Co. to perform this service, and their certificate is attached to the consolidated Balance Sheet on page 11 of this Report.

The results of the operations of the System for the fiscal year ended 30th June, 1915, are as follows:—

GROSS EARNINGS.

From Passenger Traffic	\$ 5,411,224.37
From Freight Traffic.....	18,207,800.52
From Express, Mail, Telegraph, Interest and profits from Elevators and other Subsidiary Companies, Investments, etc.....	2,293,081.41
	<u>\$25,912,106.30</u>

<u>WORKING EXPENSES</u> (Including Taxes, etc.)....	19,288,814.42
Net Earnings	\$ 6,623,291.88

Deduct:—

Fixed Charges (per Statement, pages 16 & 17)	8,263,574.99
Net Loss or Deficit	<u>\$ 1,640,283.11</u>

The Gross Earnings of the System show a decrease of \$5,544,362.89, or 17.63 per cent., compared with the previous year's figures.

The Working Expenses were 76.66% of the Gross Earnings of the System proper, and including Taxes, 74.44% of the Gross Earnings from all sources, compared with 76.74% and 76.60% respectively last year.

As indicated in the Report for the previous year Canada had commenced to feel the effect of a contraction in business. Real Estate values and the building trades were, as usual, the first to suffer, and carried in their wake subsidiary and dependent industries. In the throes of the trade depression came the war, the immediate effects of which were disastrous to the industrial life of the country. For weeks after the declaration of war business was practically at a standstill and the uncertainty of the future threatened to bring about a collapse of credit conditions.

Faith in British power, supported by timely and generous encouragement from financial circles in London, averted disaster, and restored the country to a more normal condition, in which it regained confidence in its own inherent resources. To these troubles had been added a limited grain crop in the Western Provinces, and the Canadian Northern, with a large proportion of its mileage in the grain growing districts, suffered accordingly in the loss of such traffic.

It is a matter for sincere regret that notwithstanding the most rigid economy exercised in the operation of the Companies' lines, the Net Earnings for the past year were insufficient to meet the Fixed Charges for the same period. It is perhaps unnecessary to say that this is the first occasion of its kind. Your Directors feel, however, that having regard to the abnormal conditions which prevailed, added to the fact that they exercised the closest supervision of the Companies' revenues, they were able to avert even greater losses than those shewn in the Report.

Land Sales during the year were 9,866 acres for \$158,272.40, an average of \$15.53 per acre, compared with an average of \$15.23 per acre for the preceding year. Land Grant Bonds of the issue of 1909, amounting to £122,700, or \$597,140, were retired, leaving in respect of this issue outstanding \$2,490,273.

Car Trust obligations were created to the extent of \$2,000,000.00 for the purchase of cars of different kinds. During the year \$3,533,000.00 was repaid in respect of previous obligations, thus making a net decrease on this account for the year of \$1,533,000.00. The amount outstanding is now \$20,490,500.00, but inasmuch as the aggregate purchases of equipment amounted to \$56,761,448, it will be seen that very substantial repayments have been made on that account.

It has not been the practice in previous Annual Reports of the Canadian Northern Railway to incorporate in its accounts by way of an asset the value of unsold lands owned by the Company. In view of the fact, however, that other subsidiary Companies of the System had also unsold lands amongst their assets, your Directors decided to place a valuation on such lands and to include the amount in the assets of the consolidated Balance Sheet. The amount therein shown is \$20,074,380.00, represented by the following acreage in the different Provinces, as under:—

	Acres.
Manitoba and Saskatchewan	857,720
Ontario	2,000,000
Quebec	402,860

The valuation is a most conservative one, and whilst producing the amount mentioned, the sales to settlers will materially add to the traffic returns of your System in due course.

Various short term issues of secured notes and temporary loans were made during the year, the proceeds of which have been or will be applied to construction work and for the general purposes of the Company.

Prior to the opening of the Transcontinental Line for public service it was felt by your Directors that the time was opportune to extend an invitation to the Members of Senate and House of Commons of the Dominion and representatives of the leading newspapers of Eastern Canada, Chicago and New York to be the Company's guests on a trip across the Continent. Seventy-eight members of the Senate and House of Commons and thirty-four journalists accepted the invitation. The trip occupied ten days, and both from Members of Parliament and journalists the Company received congratulations. The Members presented to the Executive Officials an address from which is submitted the following extract:—

“WE HAD NOT CONCEIVED IT POSSIBLE THAT A RAILWAY, POSSESSING THE STANDARD OF ALIGNMENT AND GRADIENT OF YOUR ROAD COULD HAVE BEEN CONSTRUCTED ACROSS CANADA WITHIN SO SHORT A PERIOD. THE EVENNESS OF THE ROADBED AND THE FACILITY WITH WHICH ONE LOCOMOTIVE HAS HAULED ACROSS THE CONTINENT A TRAIN NEARLY ONE-QUARTER OF A MILE IN LENGTH (CONSISTING OF FIFTEEN HEAVY COACHES) FULLY DEMONSTRATES THE HIGH STANDARD OF CONSTRUCTION OBTAINING THROUGHOUT THE LINE OF TRAVEL.”

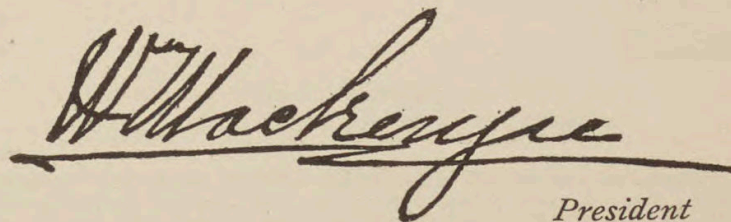
The Main Line traverses the Continent from tidewater on the Atlantic at Quebec, through the Provinces of Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, to tidewater on the Pacific at Vancouver and Victoria by car ferry, with branches gridironing the grain-growing prairie Provinces of the West, and with trunk lines and branches serving the main industrial centres of the East. We have the advantage of access to ocean ports on the Atlantic and Pacific, as well as to the principal ports of the Great Lakes. Our future prosperity should be assured in proportion to the prosperity of the country. We will not realise our full earning power this year, or next year, but with continued improvement in the agrarian and industrial movements of the country we should continue to show steady increases in the traffic carried and revenues earned.

There has in the past been a real need for the Company's lines in the economic development of Canada. There will be the same need in the future. These lines have been located with careful regard to the development of the maximum amount of traffic. With an efficient modern equipment and a roadbed of the highest physical standard it would appear that the success of the Canadian Northern Railway as a Canadian Transcontinental System is assured.

Since the close of the fiscal year business conditions have substantially improved. The placing of large orders for munitions in Canada served to revive the industrial centres of Eastern Canada, and the rising prices of cereals, beef, pork products and cheese—Canada's principal export commodities—materially increased the purchasing powers of the farming communities of the nine Provinces of the Dominion. The grain crop, too, of 1915, was the best in the history of the country, the value of farm products of all Canada exceeding that of any previous year by at least three hundred million dollars.

With the completion of our Transcontinental Line from Quebec to Vancouver towards the end of 1915, a service was established which now gives to your Company the advantage of the long haul on all traffic which had heretofore been enjoyed by other intermediate carriers. As indicating the cumulative effect of better trade conditions and the operation of your Company's Transcontinental service, the following comparative traffic figures for the last few months will perhaps more effectively show the situation:—

	1916	1915	Increase.	Per Cent. of increase
March	\$2,607,000	\$1,898,500	\$ 708,500	38%
April	2,824,300	1,948,900	875,400	44%
May	3,088,900	1,721,400	1,367,500	79%
June	3,377,200	1,779,600	1,597,600	90%


W. Mackenzie
 President

CONDENSED GENERAL

At 30th

ASSETS

PROPERTY INVESTMENT—Railway and Equip- ment at Cost to the System (including discount on Securities)		\$430,052,428.55
ACQUIRED SECURITIES (Cost)....Schedule "A"		48,775,702.70
NATIONAL TRUST COMPANY CERTIFICATES, Re Land Grant Bonds, Issue 1899. These Securities held as Collateral to Loans		1,657,500.00
TERMINAL AND OTHER PROPERTIES.....		5,065,650.61
 LAND ASSETS—		
Deferred Payments and Accrued Interest on Sales	\$ 7,062,769.99	
Cash with National Trust Company Account of Land Sales	2,374,563.31	
Lands Unsold	20,074,380.00	
		29,511,713.30
 CURRENT ASSETS—		
Cash held on account of—		
Dominion Government	9,066,013.90	
Province of Manitoba	305,280.59	
Province of Saskatchewan	2,041,066.89	
Province of Alberta	3,908,612.24	
Province of Ontario	642,753.22	
Province of British Columbia	6,516,638.63	
National Trust Company.....	2,214,432.44	
Sinking Funds	238,173.18	
		24,932,971.09
Value of Material and Supplies on hand.....	2,604,207.63	
Due from Agents, Station Balances, etc.....	764,359.23	
Miscellaneous Accounts Receivable	5,303,558.67	
Cash on hand	2,108,272.05	
		35,713,368.67
INSURANCE PAID IN ADVANCE.....		302,666.60
ADVANCES BY THE CANADIAN NORTHERN RAIL- WAY COMPANY TO AFFILIATED COMPANIES		9,720,789.96
DEFERRED CHARGES—Unadjusted Debits— Balance		1,554,333.89
		\$562,354,154.28

BALANCE SHEET

June, 1915

LIABILITIES

CAPITAL STOCK—Common		\$100,000,000.00
CAPITAL STOCK—Affiliated Companies	\$ 75,429,500.00	
Less held in Treasury	69,557,400.00	
		5,872,100.00
FIVE PER CENT. INCOME CHARGE CONVERTIBLE DEBENTURE STOCK		25,000,000.00
FUNDED DEBT—		
Canadian Northern Railway...Schedule "B"	148,464,973.72	
Affiliated Companies .....Schedule "C"	121,965,900.00	
		270,430,873.72
EQUIPMENT TRUST OBLIGATIONS		20,490,500.00
TEMPORARY LOANS against deposit as collat- eral of inter alia Government Guaranteed Securities, the value of which at current prices exceeds the amount borrowed.....		49,542,417.92
DUE TO OTHER COMPANIES ON CONSTRUCTION ACCOUNT (Secured)		25,011,769.71
CURRENT LIABILITIES—		
Pay Rolls	1,088,539.85	
Audited Vouchers and other Floating Liabilities	8,307,458.79	
		9,395,998.64
COUPON AND DIVIDEND WARRANTS DUE ON 1ST JULY (since paid)	2,086,916.66	
ACCRUED INTEREST ON BONDS, LOANS AND EQUIPMENT SECURITIES—		
Operating	\$ 907,215.06	
Construction	1,607,207.72	
	2,514,422.78	
		4,601,339.44
RESERVES—		
Equipment Replacement Fund	792,235.12	
Insurance Account	482,737.57	
Taxes Accrued	200,000.00	
		1,474,972.69
AFFILIATED COMPANIES, ADVANCES ACCOUNT		9,720,789.96
SURPLUS—		
Land Account	37,068,212.72	
Railway Account	3,745,179.48	
		40,813,392.20
		<u>\$562,354,154.28</u>

D. B. HANNA,
Third Vice-President.

Auditor's Certificate.

We have compared the above Balance Sheet with the books and records of the Canadian Northern Railway System and we hereby certify that in our opinion the statement presents a true and correct view of the affairs of the Company as at 30th June, 1915.

Toronto, March 9th, 1916.

WEBB, READ, HEGAN, CALLINGHAM & CO.,
Chartered Accountants.

PROFIT AND LOSS STATEMENT
at 30th June, 1915

By Credit Profit and Loss, 30th June, 1914....		\$6,962,893.53
Balance of Deficit for the year, see page 13	\$2,265,283.11	
Delayed Income Debits and Credits.....	477,200.59	
Taxes Accrued	200,000.00	
Accrued Interest on Bonds and Equipment Securities to 30th June, 1915	\$907,215.06	
Less Accrued Interest to 30th June, 1914	631,984.71	
	275,230.35	
		3,217,714.05
By Credit Profit and Loss, 30th June, 1915		\$3,745,179.48

INCOME STATEMENT

For the Fiscal Year Ended 30th June, 1915

Earnings	\$24,553,632.86	
Subsidiary Miscellaneous Earnings.....	1,358,473.44	
	<hr/>	\$25,912,106.30
Working Expenses	18,823,945.47	
Taxes, Hire of Equipment, etc.....	464,868.95	
	<hr/>	19,288,814.42
Net Earnings		<hr/>
		6,623,291.88
Fixed Charges, Canadian Northern Ry.....	6,010,420.76	
Fixed Charges, Affiliated Companies	2,253,154.23	
	<hr/>	8,263,574.99
Net Loss or Deficit		<hr/>
		1,640,283.11
Add to this half year's Interest at 5% per annum on Income Charge Convertible Debenture Stock in respect of Surplus Earnings for half year ended 30th June, 1914		<hr/>
		625,000.00
Balance transferred to Debit of Profit and Loss, 30th June, 1915		<hr/>
		\$ 2,265,283.11

ACQUIRED SECURITIES

THE MINNESOTA & ONTARIO BRIDGE COMPANY.	
4½% 1st Mortgage Debenture Bonds.....	\$ 180,000.00
Capital Stock	100,000.00
THE MINNESOTA & MANITOBA R.R.	
5% General Mortgage Bonds.....	250,000.00
Capital Stock	400,000.00
THE LAKE SUPERIOR TERMINALS COMPANY, LIMITED.	
5% Mortgage Gold Bonds.....	2,000,000.00
Capital Stock	500,000.00
THE CANADIAN NORTHERN TELEGRAPH COMPANY.	
5% General Mortgage Bonds.....	800,000.00
Capital Stock	500,000.00
THE WINNIPEG LAND COMPANY, LIMITED.	
5% First Mortgage Gold Bonds.....	300,000.00
Capital Stock	100,000.00
THE CANADIAN NORTHERN COAL & ORE DOCK COMPANY.	
5% First Mortgage Bonds.....	437,000.00
THE ST. BONIFACE & WESTERN LAND COMPANY.	
5% First Mortgage Bonds.....	750,000.00
Capital Stock	250,000.00
THE EDMONTON & SLAVE LAKE RAILWAY COMPANY.	
5% First Mortgage Bonds.....	420,000.00
THE CANADIAN NORTHERN PRAIRIE LANDS COMPANY.	
Capital Stock	483,393.55
THE CANADIAN NORTHERN RAILWAY EXPRESS COMPANY, LIMITED.	
4% First Mortgage Gold Bonds, £616,438	3,000,000.00
Capital Stock	1,000,000.00
THE CANADIAN NORTHERN STEAMSHIPS, LIMITED.	
5% First Mortgage Debenture Stock, Sterling £600,000	2,920,000.00
Capital Stock	2,000,000.00
THE CANADIAN NORTHERN SYSTEM TERMINALS, LIMITED.	
5% First Mortgage Debenture Stock and Bonds	7,000,000.00
Capital Stock	2,000,000.00
THE BAY OF QUINTE RAILWAY COMPANY.	
Capital Stock	1,395,000.00
THE CENTRAL ONTARIO RAILWAY COMPANY.	
Capital Stock	3,329,000.00
THE BROCKVILLE, WESTPORT & NORTH WESTERN RAILWAY COMPANY.	
THE IRONDALE, BANCROFT & OTTAWA RAILWAY COMPANY.	
Capital Stock	53,000.00
5% First Mortgage Bonds.....	450,000.00

ACQUIRED SECURITIES—Continued

THE MARMORA RAILWAY & MINING COMPANY.	
Capital Stock	100,000.00
Bonds	100,000.00
THE QU'APPELLE, LONG LAKE & SASK. RY. & STEAMBOAT COMPANY.	
Capital Stock	201,000.00
THE NIAGARA, ST. CATHARINES & TORONTO RAILWAY COMPANY.	
Capital Stock	922,000.00
THE NIAGARA, ST. CATHARINES & TORONTO NAVIGATION COMPANY.	
First Mortgage Bonds	200,000.00
THE QUEBEC & LAKE ST. JOHN RAILWAY COMPANY.	
Capital Stock	4,002,800.00
THE CANADIAN NORTHERN PACIFIC RAILWAY COMPANY.	
Capital Stock	25,000,000.00
THE CANADIAN NORTHERN ALBERTA RAILWAY COMPANY.	
Capital Stock	3,000,000.00
THE CANADIAN NORTHERN WESTERN RAILWAY COMPANY.	
Capital Stock	2,000,000.00
THE CANADIAN NORTHERN SASKATCHEWAN RAILWAY COMPANY.	
Capital Stock	1,000,000.00
THE CANADIAN NORTHERN MANITOBA RAILWAY COMPANY.	
Capital Stock	250,000.00
THE CANADIAN NORTHERN ONTARIO RAILWAY COMPANY.	
Capital Stock	10,000,000.00
THE DULUTH, WINNIPEG & PACIFIC RAILWAY COMPANY.	
Capital Stock	3,060,000.00
THE MOUNT ROYAL TUNNEL & TERMINAL COMPANY, LIMITED.	
Capital Stock	5,000,000.00
THE NORTHERN CONSOLIDATED HOLDING COMPANY, LIMITED.	
Capital Stock	4,446,700.00
Represented by Canadian Northern Québec Railway Company Capital Stock amounting to \$5,144,600.00.	
THE CANADIAN NORTHERN QUEBEC RAILWAY COMPANY.	
Capital Stock	2,000,000.00
THE HALIFAX & SOUTH WESTERN RAILWAY COMPANY.	
Capital Stock	1,000,000.00
THE PRINCIPELLO STEAMSHIPS, LIMITED.	
Capital Stock	15,000.00
5% First Mortgage Bonds.....	632,666.69
THE CAMPANELLO STEAMSHIPS, LIMITED.	
5% First Mortgage Bonds.....	647,266.69
THE PUBLIC MARKETS, LIMITED, WINNIPEG.	
Capital Stock	257,600.00
	\$94,452,426.93
Cost to the Railway Company.....	\$48,775,702.70

FUNDED DEBT OF THE CANADIAN NORTHERN RAILWAY COMPANY

Guaranteed as to Principal and Interest by the Dominion Government of Canada

	AMOUNT.	STERLING.	CURRENCY.	AMOUNT OF INTEREST.
3% 1st Mortgage Debenture Stock		£1,923,287	\$ 9,359,996.72	\$ 280,799.86
3½% 1st Mortgage Debenture Stock		1,622,586	7,896,590.00	276,380.47
*4% Dom. Guaranteed Deb. Stock....		3,500,000	17,033,333.33	93,065.62

Guaranteed by Government of Manitoba

4% Consolidated Debenture Bonds	2,555,600	12,436,279.98	497,451.18
4% Ontario Division Bonds.....	1,180,600	5,745,586.66	230,648.36
4% Winnipeg Terminal Bonds.....	616,438	3,000,000.00	120,000.00
4% 1st Mortgage Debenture Stock	587,671	2,859,998.87	114,399.91

Guaranteed by Government of Saskatchewan

4% 1st Mortgage Debenture Stock	1,650,000	8,029,999.99	321,200.00
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Guaranteed by Government of Alberta

4% 1st Mortgage Debenture Stock	1,147,945	5,586,665.64	223,466.62
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4% Perp. Consolidated Deb. Stock	9,234,867	44,943,019.40	1,797,720.76
	102,739	499,998.15	
	316,438	1,539,998.28	
	9,654,044	46,983,015.83	
4% Land Grant Bonds (1909).....	511,700	2,490,273.36	108,682.40
	(1899).....	2,000,000.00	
5% Land Mortgage Debentures.....	1,500,000	7,300,000.00	365,000.00
*5% Secured Notes	2,000,000	9,733,333.34	290,726.65
*5% Secured Notes	450,000	2,190,000.00	34,052.68
5% One Year Notes	735,000	3,577,000.00	.....
4% 1st Mortgage Pas Mission Br Bonds, Collateral to Loans		880,000.00	
4½% 1st Mortgage Gunflint Br. Bonds, Collateral to Loans		669,000.00	
4½% 1st Mortgage Pr. Albert Br. Bonds, Collateral to Loans		693,900.00	

Leased Lines

Northern Pacific & Manitoba Railway.....	225,000.00
Minnesota & Manitoba R.R.....	26,460.00
Interest on Equipment Securities.....	1,005,366.25

\$148,464,973.72 \$6,010,420.76

*Part of interest charge to Lines under construction.

Schedule "C"

FUNDED DEBT OF AFFILIATED COMPANIES

	STERLING	CURRENCY	AMOUNT OF INTEREST
The Canadian Northern Alberta Railway Company Guaranteed by the Dominion Government			
†3½% 1st Mortgage Deb. Stock.....	£ 647,260	\$ 3,149,998.66	.....
The Canadian Northern Western Railway Company Guaranteed by the Government of Alberta			
4½% 1st Mortgage Deb. Stock.....	575,342	2,800,000.00	\$125,999.90
†4½% 1st Mortgage Deb. Stock.....	1,320,000	6,424,000.00	.....
The Canadian Northern Pacific Railway Company Guaranteed by the Government of British Columbia			
†4% 1st Mortgage Debenture Stock	3,372,329	16,412,001.13	.....
†4½% Terminal Debenture Stock.....	1,770,000	8,614,000.00	.....
The Canadian Northern Ontario Railway Company Guaranteed by the Dominion Government			
*3½% 1st Mortgage Deb. Stock.....	7,033,561	34,229,996.87	69,549.40
Guaranteed by the Government of Ontario			
3½% 1st Mortgage Deb. Stock.....	1,615,068	7,859,997.59	275,144.62
4% Perp. Cons. Deb. Stock.....	1,825,405	8,883,637.66	355,345.50
The Central Ontario Railway Company			
5% 1st Mortgage Bonds.....	199,000	968,466.67	48,544.99
The Bay of Quinte Railway Company			
5% 1st Mortgage Bonds.....		830,000.00	41,500.00
The Irondale, Bancroft and Ottawa Railway Company			
5% 1st Mortgage Bonds.....		450,000.00	.....
The Canadian Northern Quebec Railway Company			
4% Perp. Cons. Deb. Stock.....	1,078,843	5,250,369.26	210,014.75
Great Northern Railway of Canada			
4% Bonds		3,505,750.00	141,375.00
The Quebec and Lake St. John Railway Company			
4% Perpetual Debenture Stock.....	921,948	4,486,814.93	174,360.58
First Mortgage Bonds	6,425	31,268.33	.....
Income Bonds	21,127	102,818.07	.....
Interest on Equipment Notes.....			655.80
The Duluth, Winnipeg and Pacific Railway Company			
4% 1st Mortgage Debenture Stock	1,473,353	7,170,317.93	286,812.68
Leased Lines			
Duluth, Rainy Lake & Winnipeg Ry.			
1st Mortgage Bds. (\$2,000,000.00)			100,000.00
The Halifax and South Western Railway Company			
3½% 1st Mortgage Bonds.....		4,447,000.00	155,645.00
The Niagara, St. Catharines and Toronto Railway Company			
5% 1st Mortgage Bonds		1,098,000.00	56,150.00
The Niagara, St. Catharines & Toronto Navigation Company.			
5% Mortgage Bonds.....		200,000.00	10,000.00
The Qu'Appelle, Long Lake & Saskatchewan Railway and Steamboat Company			
4% Guaranteed Debenture Stock....	1,037,972	5,051,462.90	202,056.01
		<u>\$121,965,900.00</u>	<u>\$2,253,154.23</u>

*Part of Interest charge to Lines under construction.

†Interest charge to Lines under construction.

GROSS EARNINGS, OPERATING EXPENSES AND NET EARNINGS

COMPARED WITH PREVIOUS FISCAL YEAR

Gross Earnings

Per Cent.	1914	Class	1915	Per Cent.
18.66	\$ 5,869,091.10	Passenger	\$ 5,411,224.37	20.88
74.76	23,518,666.16	Freight	18,207,800.52	70.27
00.64	202,739.44	Mails	212,840.73	00.82
02.02	634,011.10	Express	644,492.99	02.49
03.92	1,231,961.39	Miscellaneous..	1,435,747.69	05.54
100.	\$31,456,469.19	Total	\$25,912,106.30	100.

Operating Expenses

Per Cent.	1914	Class	1915	Per Cent.
20.20	\$ 4,868,232.52	{ Maintenance of Way and Structures }	\$ 3,974,820.49	20.61
17.63	4,247,373.12	{ Maintenance of Equipment }	2,871,981.15	14.89
02.51	604,463.25	Traffic Expenses	562,995.28	02.92
53.28	12,838,934.36	{ Transportation Expenses }	10,154,510.96	52.64
		{ Miscellaneous Operations }	146,632.94	00.76
06.38	1,536,911.27	General Expenses	1,577,873.60	08.18
100.	\$24,095,914.52	Total	\$19,288,814.42	100.

Summary of Earnings and Expenses

Per Cent.	1914	Class	1915	Per Cent.
	\$31,456,469.19	Gross Earnings	\$25,912,106.30	
76.60	24,095,914.52	Operating Expenses	19,288,814.42	74.44
23.40	7,360,554.67	Net Earnings	6,623,291.88	25.56
100.				100.

DESCRIPTION OF FREIGHT CARRIED

		For Year Ended, June 30	
		1915	1914
Flour.....	Sacks (100 lbs. each) ..	7,410,420	6,173,800
Grain	Bushels.....	58,575,520	83,701,671
Live Stock (All kinds)	Head	595,058	498,966
Logs and Lumber.....	Feet.....	1,801,691,000	1,780,056,000
Firewood.....	Cords.....	286,419	617,123
Coal.....	Tons.....	1,653,952	1,724,337
Immigrants' Effects..	Cars.....	3,518	4,694
Building Material (Lime, Stone, Brick, Sand, etc.)	Cars.....	46,082	73,414
Miscellaneous.....	Tons.....	3,009,903	3,456,856

EARNINGS, EXPENSES AND NET EARNINGS

FROM JULY 1ST, 1902, TO JUNE 30TH, 1915

Year	Average Miles Operated	Earnings	Expenses	Net Earnings
1902-03	1,276	\$2,449,579.33	\$1,589,293.47	\$ 860,285.86
1903-04	1,349	3,242,702.69	2,120,772.43	1,121,930.26
1904-05	1,586	4,190,211.96	2,644,729.64	1,545,482.32
1905-06	2,064	5,903,755.61	3,674,732.85	2,229,022.76
1906-07	2,509	8,350,198.08	5,424,163.65	2,926,034.43
1907-08	2,866	9,709,462.71	6,676,775.82	3,032,686.89
1908-09	3,013	10,581,767.93	7,015,405.76	3,566,362.17
1909-10	3,179	13,833,061.63	9,488,671.60	4,344,390.03
1910-11	3,383	16,360,712.39	11,370,365.57	4,990,346.82
1911-12	3,888	20,860,093.63	14,979,048.52	5,881,045.11
1912-13	4,297	24,277,478.47	17,503,610.57	6,773,867.90
1913-14	4,563	23,781,328.84	16,450,763.09	7,330,565.75
*1914-15	7,269	25,912,106.30	19,288,814.42	6,623,291.88

Per Mile Operated

Year	Average Miles Operated	Earnings	Expenses	Net Earnings
1902-03	1,276	\$1,918.23	\$1,244.55	\$ 673.68
1903-04	1,349	2,402.71	1,571.40	831.31
1904-05	1,586	2,641.37	1,667.55	973.82
1905-06	2,064	2,860.34	1,780.39	1,079.95
1906-07	2,509	3,328.09	2,161.88	1,166.21
1907-08	2,866	3,387.81	2,329.65	1,058.16
1908-09	3,013	3,512.04	2,328.38	1,183.66
1909-10	3,179	4,351.39	2,984.80	1,366.59
1910-11	3,383	4,836.15	3,361.03	1,475.12
1911-12	3,888	5,365.25	3,852.64	1,512.61
1912-13	4,297	5,649.87	4,073.45	1,576.42
1913-14	4,563	5,211.77	3,605.25	1,606.52
*1914-15	7,269	3,564.74	2,653.57	911.17

*C. N. Ry. System

PASSENGER, FREIGHT AND MISCELLANEOUS STATISTICS

COMPARED WITH PREVIOUS FISCAL YEAR

	1915	1914	Increase or Decrease	Per Cent.
PASSENGER TRAFFIC				
Passengers Carried (Earning Revenue).....	8,851,672	9,138,858		3.14
Passengers carried one mile.....	230,580,776	265,097,118 d	34,516,342	13.02
Passengers carried one mile per mile of Road.....	31,721	39,111 d	7,390	18.90
Average distance carried.....	26.05	29.01 d	2.96	10.20
Total Passenger Revenue.....\$	5,055,865.03	5,674,934.68 d	619,069.65	10.91
Average amount received per passenger.....\$	.57.118	.62.096 d	.04.978	8.01
Average amount received per passenger per mile.....Cts.	.02.193	.02.141	.00.052	2.43
Total Passenger Train Earnings.....\$	6,268,558.09	6,705,841.64 d	437,283.55	6.52
Passenger Train Earnings per Train Mile.....\$	.87.409	.96.857 d	.09.448	9.75
FREIGHT TRAFFIC				
Revenue Tons carried.....	10,536,769	12,672,227 d	2,135,458	16.85
Revenue Tons carried one mile.....	2,150,365,193	2,876,405,789 d	726,040,596	20.52
Revenue Tons carried one mile per mile of Road.....	295,827	424,374 d	128,547	30.29
Average distance haul of one ton....	204.08	226.98 d	22.90	10.09
Total Freight Revenue.....\$	17,873,979.42	23,146,298.16 d	5,272,318.74	22.78
Average amount received for each ton of Freight.....\$	1.69.634	1.82.654 d	.13.020	7.13
Average Revenue per ton per mile.....Cts.	.00.831	.00.805	.00.026	3.22
Total Freight Train Earnings.....\$	18,207,800.52	23,518,666.16 d	5,310,865.64	22.58
Freight Train Earnings per Train Mile.....\$	2.53.761	2.64.411 d	.10.650	4.03
PASSENGER AND FREIGHT ETC.				
Gross Earnings per mile of Road...\$	3,564.74	4,640.96 d	1,076.22	23.19
Operating Expenses per mile of Road.....\$	2,653.57	3,555.02 d	901.45	25.36
Net Earnings per mile of Road...\$	911.17	1,085.94 d	174.77	16.09
Amount required per mile of Road to pay Fixed Charges including Leased Lines.....\$	1,136.82	1,018.93	117.89	11.57
TRAIN MILEAGE				
Mileage of Passenger Trains.....	7,171,470	6,923,444	248,026	3.58
Mileage of Freight Trains.....	7,175,157	8,894,556 d	1,719,399	19.33
EXPENSES PER TRAFFIC TRAIN MILE				
Maintenance of Way and Structures.....Cts.	27.71	30.78 d	3.07	9.97
Maintenance of Equipment....Cts.	20.02	26.85 d	6.83	25.44
Traffic Expenses.....Cts.	03.92	3.82	.10	2.62
Transportation Expenses.....Cts.	70.78	81.17 d	10.39	12.80
Miscellaneous Operations.....Cts.	01.02		1.02	100.00
General Expenses.....Cts.	11.00	9.72	1.28	13.17
Total.....\$	1.34.45	1.52.34 d	17.89	11.74

SUMMARY OF EQUIPMENT
at 30th June, 1915

Locomotives.....	744
Sleeping and Dining Cars.....	118
Passenger Coaches.....	638
Baggage and Mail and Express Cars.....	193
Business Cars.....	19
Freight, Refrigerator and Stock Cars.....	29,745
Conductors' Vans.....	468
Boarding, Tool, Auxiliary Cars, Steam Shovels and Snow Equipment	1,478

MILES OF RAILWAY

The total number of miles of railway owned and operated, including leased line, at the close of the fiscal year ended 30th June, 1915, was 7,761.10 made up as follows:

CENTRAL DIVISION—WEST OF PORT ARTHUR

District No. 1.

Port Arthur to Paddington.....	435.08	
Twin City Junction to North Lake.....	59.15	
Emerson Junction to South Junction.....	72.69	
		566.92

District No. 2.

Winnipeg Transfer Tracks.....	1.20	
Portage Junction to International Boundary.....	62.81	
Morris to Somerset	62.08	
St. James to Gypsumville	158.01	
Grosse Isle to Hodgson.....	80.98	
Greenway to Deloraine	80.18	
Paddington to Grande Marais	58.64	
Carman Junction to Belmont	118.80	
Bird's Hill Branch .....	.82	
Deerfield to Steep Rock.....	12.36	
De Lourdes	2.63	
		638.51

District No. 3.

Woodward Avenue to Dauphin.....	175.61	
Delta Junction to Delta	15.05	
Totogan Junction to Totogan.....	1.80	
Oakland to End of Steel.....	44.18	
Brandon Junction to Carberry Junction.....	22.85	
Rosburn Junction to Ross Junction.....	190.57	
Hallboro to Beulah	75.43	
Neepawa Junction to Neepawa.....	33.06	
Neepawa Junction to McCreary Junction.....	37.35	
Ochre River to End of Steel.....	14.90	
Arizona Junction to Brandon.....	78.86	
		689.66

District No. 4.

Brandon to C. N. Junction.....	220.58	
Maryfield to Radville.....	139.76	
Luxton to Bienfait	16.60	
M. & B. Junction to Hartney Junction.....	37.97	
Belmont to Virden	92.20	
Radville to Bengough	44.65	
Radville to South Moose Jaw.....	85.66	
Gravelbourg Junction to Gravelbourg.....	79.25	
		716.67

<i>Forward</i>		2,611.76
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Forward..... 2,611.76

WESTERN DIVISION—WEST OF PORT ARTHUR

<i>District No. 1.</i>			
Dauphin to Humbolt	247.25		
North Junction to Prince Albert.....	360.62		
Sifton Junction to Winnipegosis	21.10		
Thunderhill Junction to Preceville	72.90		
Hudson's Bay Junction to La Pas.....	88.06		
Melfort to St. Brieux.....	21.91		
Canora to Sturgis	21.44		
			833.28
<i>District No. 2.</i>			
Regina to East Prince Albert.....	250.02		
Craven Junction to Craven.....	4.38		
Saskatoon to Kindersley	125.84		
Prince Albert to Denholm.....	116.55		
Shellbrook to Big River.....	56.85		
Delisle to Dumblane	59.70		
Elrose Junction to Elrose.....	50.13		
Humbolt to North Battleford.....	147.65		
Dalmeny to Laird	28.13		
			839.25
<i>District No. 3.</i>			
North Battleford to Peace River Junction.....	289.94		
North Battleford to Turtleford.....	56.74		
St. Albert to Athabasca	85.19		
Edmonton Junction to Stony Plains.....	19.94		
Battleford to Battleford Junction.....	7.91		
Edmonton to Strathcona (E. Y. & P.).....	7.81		
Peace River Junction to Sangude.....	31.65		
			499.18
<i>District No. 4.</i>			
Kindersley to Calgary.....	273.43		
Munson Junction to Vegreville.....	161.28		
Warden to Nordegg	174.48		
Camrose to Strathcona	47.28		
			656.47

WINNIPEG JOINT TERMINALS

Paddington to Woodward Avenue. (Main Line Low Level)	3.97	3.97
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ONTARIO DIVISION—EAST OF PORT ARTHUR

<i>Toronto District.</i>			
Toronto to Ottawa	256.80		
Todmorden to Parry Sound Junction.....	143.60		
Udney to Orillia	10.20		
Brockville to Westport	44.40		
Trenton to Wallace	117.60		
Ormsby Junction to Coe Hill.....	7.20		
Trenton to Picton.....	30.60		
York River to Kinmount Junction.....	51.90		
Yarker to Bannockburn.....	54.50		
Harrowsmith to Kingston.....	18.60		
			735.40
Forward.....			6,179.31

<i>Forward</i>		6,179.31
<i>Lake Superior District.</i>		
Parry Sound to Capreol.....	127.90	
Key Junction to Key Harbour.....	6.20	
Sudbury Junction to Sudbury.....	5.20	
Garson Junction to Garson.....	3.70	
Algoma Connection	2.40	
Capreol to North Bay.....	83.00	
Capreol to Ruel	50.70	
Sellwood Junction to Sellwood.....	5.20	
	<hr/>	284.30

QUEBEC DIVISION

<i>Montreal District.</i>		
Montreal to Quebec.....	176.07	
Ottawa to Joliette.....	124.76	
Rinfret to Huberdeau.....	45.28	
Paradis to Rawdon.....	15.88	
Aldred to Shawinigan Falls.....	3.41	
Garneau to Riviere a Pierre.....	39.84	
	<hr/>	405.24

<i>Lake St. John District.</i>		
Quebec to Lake Edward.....	111.90	
Lake Edward to Chicoutimi.....	115.10	
Paquet to La Tuque.....	39.60	
Chambord to Roberval.....	12.30	
	<hr/>	278.90

LINES IN PROVINCE OF NOVA SCOTIA

Halifax to Yarmouth	248.30	
Mahone Junction to Lunenburg.....	7.00	
Bridgewater to Port Wade.....	92.50	
Caledonia Junction to Caledonia	22.11	
Middleton Junction to Middleton.....	.60	
Liverpool to Rapid Falls.....	4.98	
Nictaux to Torbrook Mines.....	4.16	
Shelburne to Battery Pt. Wharf.....	1.11	
	<hr/>	380.76

**DULUTH WINNIPEG AND PACIFIC RY.,
IN STATE OF MINNESOTA**

Duluth to Virginia.....	78.70	
Virginia to Duluth Junction.....	93.00	
	<hr/>	171.70

ELECTRIC LINES IN ONTARIO

<i>Niagara, St. Catharines & Toronto Railway.</i>		
Port Dalhousie to Niagara Falls.....	17.41	
Thorold to Port Colborne.....	18.55	
St. Catharines to Niagara-on-the-Lake.....	12.21	
Various Local Lines.....	12.72	
	<hr/>	60.89

Total	<hr/>	7,761.10
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Forward—

Forward—

Located as follows

Province of Nova Scotia	380.76
Province of Quebec	626.77
Province of Ontario	1,480.65
Province of Manitoba	1,983.46
Province of Saskatchewan	2,111.85
Province of Alberta	962.19
State of Minnesota	215.42
Total Mileage	<u>7,761.10</u>

Average mileage operated for Fiscal Year.....7,269 miles.