

FOURTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF

The Canadian Northern Railway System



For the Period ended 31st December, 1918.

CANADIAN NORTHERN RAILWAY SYSTEM

BOARD OF DIRECTORS

MR. D. B. HANNA.....	Toronto, Ont.
MR. A. J. MITCHELL.....	“ “
MR. R. T. RILEY.....	Winnipeg, Man.
MR. C. M. HAMILTON.....	McTaggart, Sask.
MR. R. HOBSON.....	Hamilton, Ont.
MR. F. P. JONES.....	Montreal, Que.
MAJOR G. A. BELL.....	Ottawa, Ont.
SIR HORMISDAS LAPORTE.....	Montreal, Que.
COLONEL THOMAS CANTLEY.....	New Glasgow, N.S.
MR. A. P. BARNHILL.....	St. John, N.B.
MR. E. R. WOOD.....	Toronto, Ont.

GENERAL OFFICERS

MR. D. B. HANNA.....	<i>President</i>
MR. A. J. MITCHELL.....	<i>Vice-President</i>
MR. M. H. MACLEOD.....	<i>Vice-President in charge of Oper.</i>
MR. S. J. HUNGERFORD.....	<i>Asst. V.-Pres., in charge of Oper.</i>
MR. A. E. WARREN.....	<i>Gen'l. Mgr., Western Lines</i>
MR. F. P. BRADY.....	<i>Gen'l. Mgr., Eastern Lines</i>
MR. C. A. HAYES.....	<i>Vice-Pres., in charge of Traffic.</i>
MR. GEO. STEPHEN.....	<i>Freight Traffic Manager</i>
MR. H. H. MELANSON.....	<i>Passenger Traffic Manager</i>
MR. Z. A. LASH, K.C., LL.D.....	<i>Senior Counsel</i>
MR. GERARD RUEL.....	<i>Counsel</i>
MR. R. P. ORMSBY.....	<i>Secretary</i>
MR. R. C. VAUGHAN.....	<i>Assistant to President</i>
MR. A. J. HILLS.....	<i>Assistant to President</i>
MR. C. E. FRIEND.....	<i>Comptroller</i>
MR. J. D. MORTON.....	<i>General Auditor</i>
MR. H. G. FOREMAN.....	<i>Assistant Treasurer</i>
MR. T. J. MACABE.....	<i>Registrar</i>
MR. J. R. CAMERON.....	<i>Asst. Gen'l Mgr., Western Lines</i>
MR. W. A. KINGSLAND.....	<i>Asst. Gen'l Mgr., Eastern Lines</i>
MR. A. E. WILCOX.....	<i>Gen'l. Supt., Central Division</i>
MR. B. T. CHAPPELL.....	<i>Gen'l. Supt., Prairie Division</i>
MR. W. A. BROWN.....	<i>Gen'l. Supt., Western Division</i>
MR. D. R. CAMPBELL.....	<i>Gen'l. Supt., Pacific Division</i>
MR. D. CROMBIE.....	<i>Gen'l. Supt., Ontario Division</i>
MR. J. E. MORAZAIN.....	<i>Gen'l. Supt., Quebec Division</i>
MR. L. S. BROWN.....	<i>Gen'l. Supt., Maritime Division</i>
MR. E. W. OLIVER.....	<i>Gen'l. Supt., Niagara Division</i>
MR. W. PRATT.....	<i>Mgr., S.D.&P. Cars and Hotel Dept.</i>

LONDON (ENGLAND) OFFICES

ORIENT HOUSE, NEW BROAD STREET, LONDON, E.C. 2	
MR. R. M. HORNE-PAYNE.....	<i>Financial Representative</i>
MR. H. W. HARDING.....	<i>Local Secretary</i>

CANADIAN NORTHERN RAILWAY SYSTEM

FOURTH ANNUAL REPORT

September 15th, 1919.

To the Shareholders of the Canadian Northern Railway Company.

The Directors submit herewith the Fourth Annual Report of the Canadian Northern Railway System for the year ended December 31st, 1918. The previous Annual Report was for the twelve months ended June 30th, 1917, since which date the fiscal year of the Company has been changed to conform with the general practice of most other Railway Companies on this Continent.

The results of operation for the period from June 30th to December 31st, 1917 are shown in the statements included in the present report.

Since the last Annual Report the Government of Canada, by the acquisition of six hundred thousand additional shares in your Company, (having previously acquired 400,000 shares by way of bonus for guaranteeing certain securities of the Company,) became the beneficial owner of the entire Capital Stock of the Company then outstanding, with the exception of five shares which were issued in exchange for an equivalent amount of Canadian Northern Railway 5% Income Charge Convertible Debenture Stock. The purchase was made as of September 30th, 1917, the price payable by the Government being subject to arbitration, on the conclusion of which and the delivery of the shares, the actual control of your Company passed to the Dominion Government, and a new Board of Directors was appointed in September, 1918.

The results of the operations of the System for the fiscal year ended December 31st, 1918, were as follows:—

Gross Earnings—

From Passenger Traffic..	\$ 7,824,444.44	
From Freight Traffic....	36,735,869.46	
From Express, Mail and Telegraphs.....	1,212,881.95	
Miscellaneous Earnings..	1,536,816.06	
		<hr/>
	\$47,310,011.91	
Interest and Profits from Elevator and other Sub- sidiary Companies, In- vestments, etc.....	1,752,700.59	
		<hr/>
	\$49,062,712.50	
Working Expenses.....	44,062,949.94	
Hire of Equipment, Taxes, Rentals and Miscell- aneous Charges.....	1,599,325.32	
		<hr/>
	\$45,662,275.26	
Net Earnings.....	\$ 3,400,437.24	
Interest charges.....	17,898,246.98	
		<hr/>
Net Deficit.....	\$14,497,809.74	<hr/> <hr/>

Mileage: The average mileage operated during the year was 9.452 miles, and at December 31st, 1918, the mileage in operation as per statement on pages 29-33 was 9566.5 miles, an increase of 133.1 miles over the previous year.

Operating Revenues: Gross Earnings for the year 1918 increased by \$5,839,990.07 over the previous 12 months or 14.08% but, as referred to later on in detail, this increase in gross is due to the increased rates which took effect during the year under review.

Traffic Movement: Passenger Traffic during the year shows an increase of \$769,016.63 over the previous year, notwithstanding the fact that 388,993 passengers less were carried. The fact, however, that the passengers carried have averaged a larger mileage indicates that your Company is securing an increasing share of Western and Pacific business.

The number of revenue tons carried decreased by 545,035 tons as compared with the previous year, and the average length of haul decreased by 10.27 miles. This is due largely to the shrinkage in grain tonnage

due to the poor crop of 1917. The commodity statement on page 25 shows a decrease of 18,986,113 bushels of grain handled as compared with the previous 12 months. There was also less lumber carried, less building material, and less miscellaneous tonnage. While there was a substantial increase in flour traffic of 1,765,571 sacks of 100 lbs. and in coal traffic of 247,651 tons, and a good increase in live stock traffic, these did not produce enough tonnage to overcome the loss in grain and other traffic.

Operating Expenses: In considering the 12 months period under review, it must first be remembered that the year had a most inauspicious beginning. The months of January, February and March of 1918 completed a winter which, for severity, stands without parallel in the history of railway operation. The intense cold and heavy snowfall which was general throughout Canada and all the Northern States made operations so burdensome that net earnings for all lines thus affected were entirely wiped out, and many roads, including the most important trunk lines accustomed to operate at a comparatively low ratio during the winter months, showed large deficits. The cold weather extended well into April, and later on during the Fall and Winter of 1918, the operating staff was badly crippled by the very serious influenza epidemic.

The effect of these adverse conditions was increased by other events which made further inroads on net earnings. The United States Government on December 26th, 1917, decided to take over the operation of all American railway mileage of importance from January 1st, 1918, and one of the first acts of the Administration was to establish a commission to enquire into the requests for increased wages which were then collectively before the Managements of the U. S. Railroads. This Commission's report was issued on April 30th, 1918, and recommended substantial increases for all railway employees. These recommendations were largely accepted by the Director General, and promulgated in his Order No. 27, dated May 23rd, 1918, now better known as the McAdoo Award.

There was an immediate and insistent demand from Canadian Railway employees that the scale of increases provided in the McAdoo Award be adopted in Canada. Many requests for wage increases were pending at the time. Wages on Canadian lines have in recent years been on a par with those on U. S. lines, the fact that the large brotherhoods of railway employees on this continent are international, having a direct bearing on the matter. The situation was a serious one, and Governmental

action was necessary, as it was apparent that the Railways could not pay the increased wages without substantial increase of revenue.

Concurrently with the promulgation of General Order No. 27, the United States Railroad Administration found it necessary to raise tariffs on freight and passenger business. Similar action was taken in this country, but only in respect of freight tariffs. While it was felt at the time that the increase in rates would largely compensate the Railways for the heavy burden thrown on them in respect of increased wages, yet subsequent conditions have shown that the wage increases granted (which have applied to every department of railway operation) have enormously exceeded the increased revenue obtained from the higher scale of tariffs. The new scale of rates for employees in the shops and mechanical plants of the railways in Canada took effect from May 1st, 1918, and for other classes generally from August 1st, 1918. Supplements have been issued from time to time augmenting the allowance to various classes of employees, shortening the hours of service, and generally adopting the eight hour day, with many other specific improvements in working conditions, all having the immediate effect of largely increasing the compensation of employees. The result of this was that at the end of the calendar year the payroll of the Company which had previously averaged \$1,890,000.00 per month reached the enormous total of \$2,815,000.00 per month, equivalent to an additional \$925,000.00 per month, representing an increase of almost 50% over the wages paid up to the date the McAdoo Award took effect. Besides wage increases, other items of operating expenses continued to show large advances. Under these exceptional circumstances, the cost of operation for the year advanced by \$10,036,297.51, or 29.49%.

Land Department: Land Sales for the period since the last Annual Report were 81,661.346 acres for \$1,588,264.14, an average of \$19.45 per acre, compared with an average of \$17.82 for the preceding year.

During the same period, sales previously entered into aggregating 58,920.10 acres, were by mutual agreement cancelled so that the acreage of land available for sale has been decreased by 22,741.246 acres, leaving a total of 818,958.532 acres unsold.

Car Trusts Obligations: Since the last Annual Report additional Car Trusts Obligations have been created to the extent of \$5,000,000.00 for the purchase of equipment of different kinds, and \$4,705,500.00 has

been repaid in respect of previous obligations, thus making a net increase on this account of \$294,500.00.

Freight and Passenger Rates: In the previous Annual Report reference was made to certain rate increases which took effect on March 15th and June 1st, 1918. As already mentioned in this report a further increase in freight rates only was arranged for, in connection with the adoption of the McAdoo scale of wage increases. This latter increase has been popularly known as a 25% increase, but, in actual application (being coupled with the previous increase and being utilized in the direction of equalization of rates as between Eastern and Western Canada) has only produced an increase in freight revenue of about 15½%, so that, putting the two increases together, freight tariffs are increased by less than 30%.

Conditions and Prospects: Shortly after the signing of the Armistice, traffic began to fall off, and from January to date of this report, the tonnage carried shows a large decrease compared with the same period of the previous year. The present situation is, therefore, a very serious one. In the first place, the wage increases under the McAdoo Award have greatly exceeded the increase in revenue granted to offset them, largely due to the supplements to the Award which were not contemplated at the time the tariffs were increased, and also due to the fact that business on which the increased tariffs were estimated to apply has fallen off to a considerable extent. The prices of materials and supplies still stand at the highest point, and so long as these conditions continue no improvement can be expected in net revenue.

Construction and Betterments: Prior to the war the Company had in Western Canada a number of Branch Lines under construction, but work on these lines, owing to limitation on spending of capital moneys and also the difficulty of obtaining material, was necessarily discontinued. Since the signing of the Armistice, urgent requests from settlers along the projected lines were renewed, and after many delegations from various sections of the Prairie Provinces had been received by your Directors and the Executive, and after the entire situation had been carefully reviewed, a programme of construction was adopted providing for the completion of certain partly constructed and projected lines which would serve new districts where settlement had preceded the Railway and where the settlers were suffering most

through lack of transportation facilities. Provision for this construction programme and for the betterment and equipment requirements of the Company have been made in the Government estimates for the current year and the work is under way.

Due to the difficulty of securing material, expenditures beyond those actually required for current operation were not incurred during the war, and the shortage in some respects was so great that actual operating requirements could not always be met, with the result that in the year under review, only a comparatively small amount of betterment work could be undertaken. For this reason the programme of betterment work submitted by the management for the present year was an extensive one, and your Directors have approved the expenditure of a substantial sum to be devoted to providing improvements to the physical property of your System.

New Equipment: To provide for additional train service and to take care of new mileage, equipment was ordered and delivered during the year as follows:

- 60 Consolidation Type Locomotives;
- 10 Six Wheel Switching Locomotives;
- 10 Passenger Refrigerator Cars;
- 140 40-Ton Freight Refrigerator Cars;
- 5000 40-Ton Steel Underframe and Side Frame Box Cars;
- 300 30-Ton Wooden Stock Cars;
- 500 40-Ton Steel Frame Flat Cars;
- 250 50-Ton Steel Underframe Gondola Cars;
- 250 50-Ton Wooden Dump Cars;
- 25 50-Ton Steel Tank Cars;
- 15 40-Ton Steel Tank Cars.

Lines Acquired: The Toronto Suburban Railway (operated by electricity) with 46 miles of suburban line from Toronto to Guelph and 19 miles of Urban lines mostly within the City of Toronto, and the Toronto Eastern Railway (electric) with 19 miles of partly constructed line between Bowmanville, Oshawa and Whitby have been acquired by your Company. The operations of these lines will be included with those of the Niagara,

St. Catharines and Toronto Railway in a separate statistical statement, the net return alone being included in the System accounts.

Leaside Terminals at Toronto: The first units of the Leaside Terminals, which were about completed at the close of the year 1918, were put into operation in the early summer of 1919. This plant will provide repair facilities for Ontario Lines which have hitherto lacked suitable shop accommodation. The shops are conveniently located near the North Toronto Terminals in which your lines have a joint interest with the Canadian Pacific Railway.

Opening of Montreal Tunnel: On October 21st last, service through the Montreal tunnel was inaugurated, and since then, regular service between Montreal, Ottawa and Toronto has been given, using the new short line between Hawkesbury and Montreal.

Ocean Steamship Services: Early in 1918 the Dominion Government realizing the need for a mercantile fleet to develop Canadian export trade, placed orders with Canadian shipbuilding firms for a large number of ocean-going steamships. The Government has arranged for these steamers to be operated by a Company under the charter name of the Canadian Government Merchant Marine Limited, the Directors of which Company are members of your Board. Up to date twelve boats have been delivered, and the following services have been established: Between Montreal and St. John's Newfoundland, Cuba, the West Indies, South America and various United Kingdom ports, which services will continue from Halifax or St. John during the winter months. Cargoes have also been carried to French ports and from Vancouver to United Kingdom ports via the Panama Canal, and a service from Vancouver to Australia is just about to be established. Additional services have been arranged for as soon as further vessels are delivered by the builders, and the operation of the boats is confidently expected to reflect most satisfactory results in the building up of Canadian trade, and from which the Canadian National Railways should receive substantial benefits in traffic returns.

Vancouver-Victoria Car Ferry: During the year, the car ferry "Canora" was completed at Quebec, and made the trip from there to Vancouver via the Panama

Canal. The ferry is now in regular operation between Vancouver Island and the mainland.

Organization: Immediately following their appointment, the Board of Directors took up the reorganization of the official staff of the Canadian Northern Railway System. This matter was under way when, by Order-in-Council passed on November 20th, 1918, your Directors were constituted a Board of Management for the Canadian Government Railways. This necessitated a more extensive rearrangement of official personnel, and the amalgamation of the staff of the two systems. The appointments are to some extent indicated by the list of officers appearing on page 3 of this report. In anticipation of post-war developments, the Department of Resources has been strengthened and is now carrying on active work. This Department will handle immigration matters.

The use of the collective title "Canadian National Railways" as representing both the Canadian Northern System and the Canadian Government Lines, was authorized by Order-in-Council passed December 20th, 1918, and by special Act of the Dominion of Canada, the Canadian National Railway Company has been incorporated in order that the various railways under Federal control may be operated by the new Company for the Government.

The members of your Board have made inspections of most of your lines, and additional inspection trips will be made from time to time, so that your Board may have first hand information as to the general condition, up-keep and operation of the railway.

Your Board is glad to welcome back to the service of the Railway those officers and employees who have been serving with Canada's Expeditionary Forces in the Great War. To those who have suffered bereavement, the Directors desire to convey their sincere sympathy.

The Board expresses to the Management and Employees its thanks for loyal and efficient services rendered throughout the year. In this connection it should be remembered that the epidemic of influenza created conditions of great hardship, and resulted in overtaxing those on whom fell the burden of carrying

on during the periods when many employees were forced to remain out of service. To the families of those who succumbed to the attack of this dread disease, the Board desires to tender its sympathetic condolences and to record its sense of loss by the death of a number of valued officers and employees.

A handwritten signature in black ink, appearing to read 'A. Hanna', written in a cursive style.

President.



CONSOLIDATED

At 31st

ASSETS

INVESTMENTS—Property Investment.	
Investment in Road and Equipment including Discount on Funded Debt	\$488,528,408.94
Acquired Securities. Schedule A.....	46,372,891.71
Terminal and Other Properties.....	6,254,155.92
	<hr/>
	\$541,155,456.57
Cash in Trust Accounts held in respect of Construction work, Sinking Funds and other Special Accounts:	
Dominion Government.....	1,443,816.68
Province of Manitoba.....	47,977.47
Province of Saskatchewan.....	1,202,825.24
Province of Alberta.....	2,333,064.77
Province of Ontario.....	216,504.60
Province of British Columbia.....	2,451,090.06
Sinking Funds.....	299,065.09
National Trust Company.....	3,331,377.61
British Admiralty.....	281,461.32
British Empire Trust Company (Trustees Account).....	19,948.41
National Trust Company on account of Land Sales.....	2,180,066.66
Pennsylvania Company re Equipment Series A, 1918.....	2,984,664.10
	<hr/>
	\$16,791,862.01
Lands Unsold.....	19,602,525.00
National Trust Company Certificates re Land Grant Bonds Issue, 1899 (These held by Bank as Collateral to Loans)	1,657,500.00
Other Investments (At Cost).....	2,979,059.20
CURRENT ASSETS.	
Cash in Bank.....	2,885,162.91
Balance due from Agents, Station Balances, etc. (net).....	3,061,619.62
Miscellaneous Accounts Receivable... ..	8,464,744.35
Deferred Payments on account of Land Sales and Accrued Interest.....	6,607,961.63
Materials and Supplies on hand as per Books.....	6,996,270.01
	<hr/>
	28,015,758.52
DEFERRED CHARGES—	
Proportion of Discount on Funded Debt.....	800,067.79
Insurance Premiums paid in Advance.....	476,260.62
Unadjusted Debits (net balance).....	780,579.88
	<hr/>
	2,056,908.29
ADVANCES BY THE CANADIAN NORTHERN RAILWAY COMPANY TO AFFILIATED COMPANIES, PER CONTRA.....	
	<hr/>
	10,494,459.41
	<hr/>
	\$622,753,529.00

NOTE: The Ontario Government questions the title of the Canadian Northern Ontario Railway to the lands granted in respect of construction of lines in Ontario which are valued by the Company at \$6,000,000.

BALANCE SHEET

December, 1918

LIABILITIES

CAPITAL STOCK—COMMON.....		\$100,000,500.00
CAPITAL STOCK—AFFILIATED COMPANIES	\$75,429,500.00	
Less: Held in Treasury.....	69,514,300.00	
		<u>5,915,200.00</u>
		105,915,700.00
LONG TERM FUNDED DEBT—		
Canadian Northern Railway Company		
Schedule B	128,543,062.19	
Affiliated Companies		
Schedule C	125,186,538.42	
		<u>253,729,600.61</u>
FIVE PER CENT. INCOME CHARGE		
CONVERTIBLE DEBENTURE STOCK	24,999,500.00	
EQUIPMENT TRUST OBLIGATIONS.....	15,141,000.00	
		<u>293,870,100.61</u>
SHORT TERM LOANS SECURED BY		
COLLATERAL OR MORTGAGE—		
Demand and Short Term Loans.....		166,355,148.32
CURRENT LIABILITIES—		
Audited Vouchers and other		
Floating Liabilities.....	13,173,091.02	
Pay Rolls.....	2,971,076.44	
Interest matured (since paid).....	2,305,133.41	
ACCRUED INTEREST ON BONDS, LOANS		
AND EQUIPMENT SECURITIES—		
Operating.....	2,964,616.17	
Construction.....	171,356.44	
		<u>3,135,972.61</u>
Taxes Accrued.....		909,657.67
		<u>22,494,931.15</u>
RESERVES—		
Steamship Replacement Fund.....	3,315,795.68	
Equipment Replacement Fund.....	1,674,024.15	
Insurance Fund.....	701,145.07	
		<u>5,690,964.90</u>
ADVANCES TO AFFILIATED COMPANIES BY		
CANADIAN NORTHERN RAILWAY		
COMPANY, PER CONTRA.....		10,494,459.41
SURPLUS.....		17,932,224.61
		<u>\$622,753,529.00</u>

C. E. FRIEND,

Comptroller.

We have examined the books and records of the Canadian Northern Railway System for the fifteen months ending the 31st December, 1918, and we certify that in our opinion the above Balance Sheet is properly drawn so as to exhibit a true and correct view of the affairs of the System at the 31st December, 1918, and is in accordance with the books and the explanations and information given us.

WEBB, READ & COMPANY,

Toronto, Ont., 7th July, 1919.

Chartered Accountants.

INCOME STATEMENT

Fiscal Year ending 31st December, 1918

Revenue	\$47,310,011.91	
Subsidiary Miscellaneous Earnings.....	1,752,700.59	
		\$49,062,712.50
Working Expenses	44,062,949.94	
Taxes, Rentals, Joint Facilities, etc.....	1,599,325.32	45,662,275.26
Net Earnings		3,400,437.24
Fixed Charges — Canadian Northern Railway.....	6,875,465.58	
Fixed Charges—Affiliated Companies...	4,301,207.57	
Interest on Demand and Short Term Notes—		
Government.....	3,926,279.61	
Other.....	2,795,294.22	
		17,898,246.98
Deficit carried to Profit and Loss State- ment.....		\$14,497,809.74

PROFIT AND LOSS STATEMENT

At 31st December, 1918

Deficit on Income Account	\$14,497,809.74	
Discount, etc. on Funded Debt.....	694,624.97	
Taxes Accrued to 31st December, 1918.....	409,657.67	
Adjustment Interest on D.R.L. and Wpeg. Ry. Bonds included in D.W. and P. Ry. account in C.N.R. Accrued Interest Statement 30th September, 1917.....	24,999.99	
		15,627,092.37
Less—		
Delayed Income, Debits and Credits, Credit Balance.....	47,237.24	
		15,579,855.13
Adjustment of Land Sales.....	936,101.83	
Net Deficit		14,643,753.30
Surplus brought forward.....		32,575,977.91
Total Surplus to 31st December, 1918 carried to Balance Sheet.....		\$17,932,224.61

INCOME STATEMENT

Three months to 31st December, 1917

Revenue	\$11,264,978.56	
Subsidiary Miscellaneous Earnings.....	361,566.21	
		\$11,626,544.77
Working Expenses.....	9,853,944.56	
Taxes, Rentals, Joint Facilities, etc.....	326,934.21	
		10,180,878.77
Net Earnings		1,445,666.00
Fixed Charges — Canadian Northern Railway.....	1,915,196.47	
Fixed Charges—Affiliated Companies... ..	1,058,807.12	
Interest on Demand and Short Term Notes—		
Government.....	449,332.61	
Other.....	356,382.33	
		3,779,718.53
Deficit carried to Profit and Loss Statement		\$2,334,052.53

PROFIT AND LOSS STATEMENT

At 31st December, 1917

Deficit on Income Account.....	2,334,052.53	
Discount, etc. on Funded Debt.....	99,115.69	
		2,433,168.22
Less—		
Delayed Income, Debits and Credits, Credit Balance.....	65,045.82	
Net Deficit		2,368,122.40
Surplus brought forward.....		34,944,100.31
		\$32,575,977.91
Total Surplus to Profit and Loss (page No. 16)		

INCOME STATEMENT

Three months to 30th September, 1917

Revenue	\$10,591,807.57	
Subsidiary Miscellaneous Earnings.....	459,231.66	
		\$11,051,039.23
Working Expenses	8,667,867.95	
Taxes, Rentals, Joint Facilities, etc.....	465,531.47	
		9,133,399.42
Net Earnings		1,917,639.81
Fixed Charges — Canadian Northern Railway	1,672,056.91	
Fixed Charges—Affiliated Companies...	1,068,641.09	
Interest on Demand and Short Term Notes—		
Government	346,759.67	
Other	714,828.70	
		3,802,286.37
Deficit carried to Profit and Loss State- ment.....		\$1,884,646.56

PROFIT AND LOSS STATEMENT

At 30th September. 1917

Deficit on Income Account.....	1,884,646.56	
Discount, etc. on Funded Debt.....	49,687.25	
Reserve for Bad or Doubtful Debts.....	400,000.00	
		2,334,333.81
Less—		
Delayed Income, Debits and Credits, Credit Balance.....	121,175.07	
		2,213,158.74
Adjustment of Land Sales.....	164,687.03	
		2,377,845.77
Net Deficit		37,321,946.08
Surplus brought forward.....		\$34,944,100.31
Total Surplus to Profit and Loss (page No. 17)		

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. COY.	
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.....	2,000,000.00
Capital Stock.....	500,000.00
THE WINNIPEG LAND COMPANY, LIMITED.	
5% First Mortgage Gold Bonds....	300,000.00
Capital Stock.....	100,000.00
THE 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 RAILWAY EXPRESS COMPANY, LIMITED.	
4% First Mortgage Gold Bonds— £616,438.....	3,000,000.00
Capital Stock.....	1,000,000.00
CANADIAN NORTHERN STEAMSHIPS, LIMITED.	
5% First Mortgage Debenture Stock, £600,000.....	2,920,000.00
Capital Stock.....	2,000,000.00
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.	
Preferred Stock.....	465,000.00
Common Stock.....	930,000.00
CENTRAL ONTARIO RAILWAY.	
Preferred Stock.....	291,000.00
Common Stock.....	3,038,000.00
THE IRONDALE, BANCROFT & OTTAWA RAILWAY COMPANY.	
5% First Mortgage Bonds.....	450,000.00
Capital Stock.....	53,000.00
THE MARMORA RAILWAY & MINING COMPANY.	
Bonds of Ontario, Belmont & Northern Railway.....	100,000.00
Capital Stock.....	100,000.00

ACQUIRED SECURITIES—Continued

THE QU'APPELLE, LONG LAKE & SASK. RAILROAD & 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, LTD.	
First Mortgage Bonds.....	200,000.00
THE QUEBEC & LAKE ST. JOHN RAILWAY COMPANY.	
Capital Stock.....	4,034,700.00
CANADIAN NORTHERN PACIFIC RAILWAY COMPANY.	
Capital Stock.....	25,000,000.00
THE CANADIAN NORTHERN ALBERTA RAILWAY COMPANY.	
Capital Stock.....	3,000,000.00
CANADIAN NORTHERN WESTERN RAILWAY COMPANY.	
Capital Stock.....	2,000,000.00
THE CANADIAN NORTHERN SASKATCHEWAN RAILWAY COMPANY.	
Capital Stock.....	1,000,000.00
CANADIAN NORTHERN MANITOBA RAILWAY COMPANY.	
Capital Stock.....	250,000.00
THE CANADIAN NORTHERN ONTARIO RAILWAY COMPANY.	
Capital Stock.....	10,000,000.00
DULUTH, WINNIPEG & PACIFIC RAILWAY COMPANY.	
Capital Stock.....	3,060,000.00
MOUNT ROYAL TUNNEL & TERMINAL COMPANY, LIMITED.	
Capital Stock.....	5,000,000.00
THE NORTHERN CONSOLIDATED HOLDING COMPANY, LIMITED.	
Capital Stock.....	4,446,700.00
The Holding Company whose issued Capital is \$6,181,500 owns Capital Stock in the Canadian Northern Quebec Railway Company of \$5,064,600.	
THE CANADIAN NORTHERN QUEBEC RAILWAY COMPANY.	
Capital Stock.....	2,080,000.00
THE HALIFAX & SOUTH WESTERN RAILWAY COMPANY.	
Capital Stock.....	925,000.00
THE BESSEMER & BARRY'S BAY RAILWAY COMPANY.	
Capital Stock.....	125,000.00
	\$93,341,400.00
Cost to the Railway Company.....	\$46,372,891.71

FUNDED DEBT OF THE CANADIAN NORTHERN RAILWAY COMPANY

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

	STERLING	CURRENCY
3% 1st Mortgage Debenture Stock.....	£1,923,287	\$ 9,359,996.72
3½% 1st Mortgage Debenture Stock...	1,622,586	7,896,588.26
4% Dominion Guaranteed Debenture Stock		17,060,333.33

Guaranteed by Government of Manitoba

4% Consolidated Debenture Bonds.....	2,215,900	10,784,046.65
UNDERLYING BONDS—		
4% Sifton Branch Bonds.....	233,700	1,137,340.00
4% Gilbert Plains Branch Bonds.....	500	2,433.33
4% Manitoba & S.E. Bonds.....	105,300	512,460.00
4% Ontario Division Bonds.....	1,180,600	5,745,586.66
4% Winnipeg Terminal Bonds.....	616,438	3,000,000.00
4% 1st Mortgage Debenture Stock.....	587,671	2,859,998.87

Guaranteed by Government of Saskatchewan

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

4% 1st Mortgage Debenture Stock.....	1,147,945	5,586,665.64
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4% Perpetual Consolidated Debenture Stock.....	9,234,867	44,943,019.40
4% Land Grant Bonds (1909).....	344,300	1,675,593.34
4% Land Grant Bonds (1899).....		2,000,000.00
5% Land Mortgage Debentures.....	1,500,000	7,300,000.00
4½% Prince Albert Branch Bonds.....		300,000.00
Long Term Loan at 4% against deposit of \$352,000 Bonds of Minnesota & Manitoba R.R. Company Payable 1930.....		349,000.00
		\$128,543,062.19

FUNDED DEBT OF AFFILIATED COMPANIES

	STERLING	CURRENCY
The Canadian Northern Alberta Railway Company		
Guaranteed by Dominion Government		
3½% 1st Mortgage Debenture Stock...	£ 647,260.00	\$3,149,998.66
Canadian Northern Western Railway Company		
Guaranteed by Government of Alberta		
4½% 1st Mortgage Debenture Bonds (1943).....	575,342.00	2,799,997.73
4½% 1st Mortgage Debenture Stock (1942).....	1,320,000.00	6,424,000.00
Canadian Northern Pacific Railway Company		
Guaranteed by Government of British Columbia		
4% 1st Mortgage Debenture Stock.....	3,372,329.00	16,412,001.13
4½% Terminal Debenture Stock.....	1,770,000.00	8,614,000.00
The Canadian Northern Ontario Railway Company		
Guaranteed by Dominion Government		
3½% 1st Mortgage Debenture Stock...	7,033,561.00	34,229,996.87
Guaranteed by Government of Ontario		
3½% 1st Mortgage Debenture Stock...	1,615,068.00	7,859,997.59
4% Perpetual Consolidated Debenture Stock.....	1,866,499.00	9,083,628.46
Central Ontario Railway		
5% 1st Mortgage Bonds.....	185,600.00	903,253.34
The Bay of Quinte Railway Company		
5% 1st Mortgage Bonds.....		780,000.00
The Canadian Northern Quebec Railway Company		
4% Perpetual Consolidated Debenture Stock.....	1,078,843.00	5,250,369.26
Great Northern Ry. of Canada 4% Bonds		3,505,750.00

FUNDED DEBT OF AFFILIATED COMPANIES

—Continued

	STERLING	CURRENCY
The Quebec and Lake St. John Railway Company		
4% 1st Mortgage Perpetual Debenture Stock.....	895,688.0.0	\$ 4,359,014.93
Duluth, Winnipeg and Pacific Railway Company		
4% 1st Mortgage Debenture Stock.....	1,440,683.0.0	7,011,323.93
Duluth, Rainy Lake and Winnipeg Railway Company		
5% 1st Mortgage Bonds.....		2,000,000.00
The Halifax and South Western Railway Company		
3½% 1st Mortgage Bonds.....		4,447,000.00
The Niagara, St. Catharines and Toronto Railway Company		
5% 1st Mortgage Bonds.....		1,098,000.00
The Qu'Appelle, Long Lake & Saskatchewan Railroad and Steamboat Company		
4% 1st Mortgage Guaranteed Debenture Stock.....	1,031,412.6.0	5,019,539.86
Mount Royal Tunnel & Terminal Company, Limited		
5% 1st Mortgage Rent Charge Bonds..	460,000.0.0	2,238,666.66
		<u><u>-\$125,186,538.42</u></u>

OPERATING REVENUE, OPERATING EXPENSES AND NET EARNINGS

Year ending 31st December, 1918
Compared with Previous Fiscal Year

Operating Revenues

Per Cent.	1918	Class	1917	Per Cent.
16.54	7,824,444.44	Passenger	7,055,427.81	17.01
77.65	36,735,869.46	Freight	32,012,791.03	77.19
.52	245,187.12	Mails	249,983.06	.62
2.04	964,617.55	Express	856,402.77	2.06
3.25	1,539,893.34	Miscellaneous	1,295,417.17	3.12
100.00	47,310,011.91	Total, - -	41,470,021.84	100.00

Operating Expenses

Per Cent.	1918	Class	1917	Per Cent
20.56	9,060,264.79	{ Maintenance of Way and Structures }	\$7,059,883.88	20.75
19.29	8,498,673.11		6,086,901.56	17.89
1.81	797,181.68	{ Maintenance of Equipment }	777,121.18	2.29
54.26	23,907,348.28		18,247,439.92	53.62
1.31	576,071.12	{ Traffic Expenses Transportation Expenses Miscellaneous Operations }	546,378.12	1.61
2.77	1,223,410.96		1,308,927.77	3.84
100.00	\$44,062,949.94	Total, - -	\$34,026,652.43	100.00

Summary of Revenues and Expenses

Per Cent.	1918	Class	1917	Per Cent
93.13	\$47,310,011.91	Operating Revenues	\$41,470,021.84	
6.87	44,062,949.94	Operating Expenses	34,026,652.43	82.04
	3,247,061.97	Net Earnings	7,443,369.41	17.96
100.00				100.00

DESCRIPTION OF FREIGHT CARRIED

	For the Year Ended, Dec. 31st.	
	1918	1917
Flour.....Sacks (100 lbs. each)	8,904,498	7,138,927
Grain.....Bushels.....	93,985,078	112,971,191
Live Stock.....Head (all kinds)....	654,583	609,409
Logs and Lumber...Feet. <i>M.F.</i>	1,614,829	1,970,656
Firewood.....Cords.....	362,118	334,489
Coal.....Tons.....	2,373,985	2,126,334
Immigrants' Effects. Cars.....	5,279	3,958
Building Material (Lime, Stone, Cars..... Brick, Sand, etc.).	29,794	33,340
Miscellaneous.....Tons.....	4,048,065	4,269,115

EARNINGS, EXPENSES AND NET EARNINGS

per mile operated years ending December 31st.

Year	Average Miles Operated	Earnings	Expenses	Net Earnings
1917	9.433	\$4,396.27	\$3,607.19	\$789.08
1918	9.452	5,005.29	4,661.76	343.53

Fixed Charges Per Mile of Line

	1918	1917
Amount required per mile of Road to pay Fixed Charges including Leased Lines....	\$1,893.60	\$1,695.24

PASSENGER, FREIGHT AND MISCELLANEOUS STATISTICS

Compared with Previous Fiscal Year

	1918	1917	+Increase or -Decrease
PASSENGER TRAFFIC			
Passengers Carried (Earning Revenue)	4,114,965	4,503,958	— 388,993
Passengers Carried one mile	288,067,800	293,322,255	— 5,254,455
Passengers Carried one mile per mile of road	30,477	31,425	— 948
Average distance carried	70.01	65.13	+ 4.88
Total Passenger Revenue	\$ 7,128,141.55	\$ 6,437,305.25	+ 690,836.30
Average amount received per passenger	\$ 1.73,225	\$ 1.42,925	+ .30,300
Average amount received per passenger per mile	Cts. .02,474	Cts. .02,194	+ .00,280
Total Passenger Train Earnings	\$ 8,783,084.63	\$ 7,970,489.84	+ 812,594.79
Passenger Train Earnings per train mile	\$ 1.28,903	\$ 1.14,649	+ 0.14,254
FREIGHT TRAFFIC			
Revenue Tons carried	13,289,641	13,834,676	— 545,035
Revenue Tons carried one mile	4,021,275,963	4,328,241,986	—306,966,023
Revenue Tons carried one mile per mile of road	425,442	463,707	— 38,265
Average distance haul of one ton	302.59	312.86	— 10.27
Total Freight Revenue	\$ 35,674,816.63	\$ 31,134,034.68	+ 4,540,781.95
Average amount received for each ton of freight	\$ 2,68.441	\$ 2,25.043	+ .43,398
Average Revenue per ton per mile	Cts. .00,887	Cts. .00,719	+ .00,168
Total Freight Train Earnings	\$ 36,719,136.76	\$ 31,937,926.59	+ 4,781,210.17
Freight Train Earnings per Train Mile	\$ 3.24,220	\$ 2.69,118	+ .55,102
TRAIN MILEAGE			
Mileage of Passenger Trains	5,044,607	5,037,334	+ 7,273
Mileage of Freight Trains	9,556,238	9,952,918	— 396,680
Mileage of Mixed Trains	1,769,124	1,914,725	— 145,601
EXPENSES PER TRAFFIC TRAIN MILE			
Maintenance of Way and Structures	Cts. 54.67	Cts. 41.28	+ 13.39
Maintenance of Equipment	Cts. 51.12	Cts. 35.39	+ 15.73
Traffic Expenses	Cts. 04.79	Cts. 04.52	+ .27
Transportation Expenses	Cts. 1.43.69	Cts. 1.05.83	+ 37.86
Miscellaneous Operations	Cts. 03.52	Cts. 03.23	+ .29
General Expenses	Cts. 07.10	Cts. 07.42	— .32
Total	\$ 2.64.89	\$ 1.97.67	+ 67.22

Operations of Electric Lines not included in above Statement

ELECTRIC LINE STATISTICS			
Passengers Carried (Earning Revenue)	6,036,625	5,859,032	+ 177,593
Total Passenger Revenue	\$ 504,319.84	\$ 441,675.72	+ 62,644.12
Revenue Tons Carried	409,704	423,642	— 13,938
Total Freight Revenue	\$ 252,746.20	\$ 225,809.38	+ 26,936.82

SUMMARY OF EQUIPMENT

	At December 31st.		
	1918	1917	1916
Locomotives.....	788	735	740
Sleeping and Dining Cars.....	116	116	117
Passenger Coaches.....	596	624	635
Baggage, Mail and Express Cars....	191	187	190
Business Cars.....	25	22	22
Freight, Refrigerator and Stock Cars	31,828	29,489	29,368
Conductors' Vans.....	426	443	454
Boarding, Tool, Auxiliary Cars, Steam Shovels and Snow Equipment.....	1,676	1,520	1,272

MILES OF RAILWAY

The total mileage operated at the close of the fiscal year ended December 31st, 1918, including lines owned and leased, was 9,566.5 miles, made up as follows:

CENTRAL DIVISION—WEST OF PORT ARTHUR

District No. 1.

Port Arthur to Paddington Junction.....	435.1	
Twin City to North Lake.....	58.1	
Emerson to South Junction.....	71.6	
Duluth Junction to River D.W. & P.....	1.5	
		566.3

District No. 2.

Winnipeg Transfer Tracks.....	1.2	
Portage Junction to Emerson.....	63.4	
Morris to Somerset.....	62.2	
St. James to Gypsumville.....	156.7	
Grosse Isle to Hodgson.....	80.7	
Greenway to Deloraine.....	79.7	
Paddington Junction to Victoria Beach and Grand Beach.....	72.6	
Carman Junction to Belmont.....	118.8	
Steep Rock Junction to Steep Rock.....	12.0	
De Lourdes.....	2.6	
Dundee.....	4.0	
Paddington Junction to Woodward Ave. Junction.....	4.2	
		658.1

District No. 3.

Woodward Ave. to Dauphin.....	175.6	
Delta Junction to Delta.....	14.8	
Oakland to Amaranth.....	44.0	
Arizona Junction to Brandon.....	78.8	
Neepawa Junction to McCreary Junction....	70.4	
Brandon Junction to Carberry Junction....	22.9	
Rosburn Junction to Ross Junction.....	190.6	
Hallboro to Beulah.....	75.0	
Ochre River to End of Track.....	15.0	
Wroxton to Willowbrook.....	41.0	
Totogan Junction to Totogan.....	1.8	
		729.9

District No. 4.

Brandon to C.N. Junction.....	219.5	
Maryfield to Radville.....	139.8	
Luxton to Estevan.....	24.9	
M. & B. Junction to Hartney Junction....	38.0	
Belmont to Virden.....	91.9	
Radville to Bengough.....	45.2	
Moose Jaw Junction to Moose Jaw.....	85.8	
Gravelbourg Junction to Gravelbourg.....	78.6	
		723.7

<i>Forward</i>		2,678.0
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Forward..... 2,678.0

WESTERN DIVISION—WEST OF PORT ARTHUR

District No. 1.

Dauphin to Humbolt.....	247.3
North Junction to Prince Albert.....	360.5
Sifton Junction to Winnipegosis.....	20.7
Thunderhill to Preeceville.....	72.1
Hudson Bay Junction to The Pas.....	87.5
Melfort to St. Brieux.....	21.5
Canora to Sturgis Junction.....	21.7
	<hr/>
	831.3

District No. 2.

Regina to East Prince Albert.....	249.3
Saskatoon to Kindersley.....	126.1
Delisle to Dunblane.....	59.4
Elrose Junction to Glidden.....	104.0
Humbolt to North Battleford.....	147.6
Dalmeny to Carlton.....	35.8
Prince Albert to Denholm.....	116.5
Shellbrook to Big River.....	56.5
Craven Junction to Craven.....	4.4
	<hr/>
	899.6

District No. 3.

North Battleford to Lobstick Junction.....	331.0
North Battleford to Turtleford.....	55.7
Battleford Junction to Battleford.....	8.0
Edmonton Junction to Stoney Plains.....	19.4
St. Albert to Athabasca.....	85.8
Edmonton & South Edmonton Terminals....	11.1
Peace River Junction to Sangudo.....	33.4
	<hr/>
	544.4

District No. 4.

Kindersley to Calgary.....	273.4
Munson Junction to Vegreville.....	162.1
Warden to Nordegg.....	174.0
Camrose to Terminal Junction.....	45.8
S.E. Junction (Camrose) to Alliance.....	59.3
	<hr/>
	714.6

PACIFIC DIVISION—WEST OF EDMONTON

Lobstick Junction to Chiplake, C.N.R. Joint with G.T.P.....	13.2
Chiplake to Obed Conn., G.T.P. Joint with C.N.R.....	77.8
Obed Conn. to Snaring, Conn., C.N.R. Joint with G.T.P.....	59.3
Snaring Conn. to Geikie, G.T.P. Joint with C.N.R.....	21.0
Geikie to Red Pass Junction, C.N.R. Joint with G.T.P.....	35.1
Red Pass Junction to Blue River.....	88.7
Blue River to Kamloops.....	142.8
Kamloops to Boston Bar.....	125.7
Boston Bar to New Westminster.....	118.4
New Westminster to Vancouver, Trackage Rights over Great Northern.....	13.8
Victoria to Patricia Bay.....	15.5
	<hr/>
	711.3

Forward..... 6,379.2

Forward..... 6,379.2

ONTARIO DIVISION— EAST OF PORT ARTHUR

Toronto District.

Toronto (Union Station) to Rosedale, Trackage		
Rights on G.T.R.	3.8	
Rosedale to Parry Sound.....	145.2	
Udney to Grand Trunk Crossing.....	7.4	
Grand Trunk Crossing, Orillia, Trackage		
Rights on C.P.R.....	2.8	
Todmorden to Trenton.....	105.0	
Trenton to Wallace.....	117.6	
Ormsby Junction to Coe Hill.....	7.2	
York River to Howland (Kinmount Junction)	51.0	
Marmora Branch.....	9.6	
		<hr/> 449.6

Ottawa District.

Picton to Trenton.....	30.6	
Yarker to Bannockburn.....	54.5	
Brockville to Westport.....	44.4	
Harrowsmith to Kingston, Joint Track		
with C.P.R.....	18.6	
Trenton to Hurdman (Ottawa).....	145.7	
Riverside to Ottawa Union Station Trackage		
Rights G.T.R.....	1.7	
Rideau Junction to Brent.....	157.8	
		<hr/> 453.3

Nipissing District.

Parry Sound to Capreol.....	127.0	
Sudbury Junction to Sudbury.....	5.2	
Garson Junction to Garson.....	3.7	
Key Junction to Key Harbour.....	6.2	
Algoma Eastern Connection.....	2.4	
Brent to Capreol.....	144.8	
Capreol to Foleyet.....	148.3	
Milnet to Sellwood.....	5.2	
		<hr/> 442.8

Superior District.

Foleyet to Hornepayne.....	148.1	
Hornepayne to Jellicoe.....	150.5	
Jellicoe to Current Junction.....	145.8	
Current Junction to Port Arthur, Joint		
Track with C.P.R.....	2.1	
		<hr/> 446.5

QUEBEC DIVISION

Montreal District.

Montreal (Moreau St.) to Joliette.....	36.3	
Joliette to Quebec.....	139.8	
Montreal (Tunnel Terminal) to Lazard.....	7.3	
Lazard to Hurdman (Ottawa).....	104.3	
Grenville to Joliette.....	66.0	
Rawdon to Paradis.....	15.7	
Rinfret Junction to Huberdeau.....	45.3	
Aldred Junction to Terminal.....	3.8	
Garneau Junction to Riviere a Pierre.....	39.8	
St. Marc Quarries Spur.....	1.9	
Arundel to China Clay Mine.....	9.2	
		<hr/> 469.4

Forward..... 8,640.8

Forward..... 8,640.8

Saguenay District.

Hedley Junction to Lake Edward	109.9	
Lake Edward to Chicoutimi.....	115.1	
Chambord Junction to St. Felicien.....	29.7	
Linton Junction to LaTuque.....	39.6	
Loretteville to Stoneham.....	10.0	
Valcartier to Clarks.....	5.4	
Morency Junction to Mont. Mills.....	7.2	
		<hr/> 316.9

LINES IN PROVINCE OF NOVA SCOTIA

Halifax to Southwestern Junction. Trackage		
Rights over C.G.R.....	6.0	
Southwestern Junction to Yarmouth	246.4	
Mahone Junction to Lunenburg.....	7.0	
Bridgewater Junction to Port Wade.....	92.5	
Caledonia Junction to Caledonia.....	22.1	
Middleton Junction to Middleton. Trackage		
Rights over D.A.R.....	.6	
		<hr/> 374.6

MINNESOTA DIVISION

Duluth to D.W. & P. Junction. Trackage		
Rights over C. St. P.M. & O. & Northern		
Pacific.....	3.5	
D.W. & P. Junction to North Junction, via		
Virginia.....	75.5	
South Junction to Ranier (River).....	93.6	
		<hr/> 172.6
		<hr/> 9,504.9

ELECTRIC LINES IN PROVINCE OF ONTARIO

Port Dalhousie to Niagara Falls.....	17.5	
Thorold to Port Colborne.....	18.6	
Niagara Falls to Fallsview.....	4.6	
St. Catharines to Niagara-on-the-Lake.....	12.2	
Local Lines at St. Catharines, Thorold and		
Merritton.....	8.7	
		<hr/> 61.6
Total.....		<hr/> <hr/> 9,566.5

Located as follows :

Province of Nova Scotia.....	374.6	
Province of Quebec.....	729.5	
Province of Ontario.....	2,253.3	
Province of Manitoba.....	1,995.7	
Province of Saskatchewan.....	2,218.3	
Province of Alberta.....	1,246.9	
Province of British Columbia.....	531.9	
State of Minnesota.....	216.3	
		<hr/> 9,566.5
Total Mileage.....		<hr/> <hr/> 9,452
Average miles operated for Fiscal Year.....		<hr/> <hr/> 9,452

SUMMARY OF MILEAGE

Mileage owned by Canadian Northern Railway System	9,067.5
Joint Running Rights, Etc.	
Toronto to Rosedale	G.T.R. 3.8
Grand Trunk Crossing, Orillia.....	C.P.R. 2.8
Harrowsmith to Kingston.....	C.P.R. 18.6
Riverside to Ottawa Union Sta.....	G.T.R. 1.7
Current River to Port Arthur.....	C.P.R. 2.1
Chip Lake to Obed.....	G.T.P. 77.8
Snaring to Geikie.....	G.T.P. 21.0
New Westminster to Vancouver.....	Gr. Nor. 13.8
Halifax to Southwestern Jct.	C.G.R. 6.0
Middleton Jct. to Middleton.	D.A.R. .6
Duluth to D.W. & P. Jct.....	Nor. Pac. 3.5
	151.7
Lines Leased—	
Northern Pacific in Manitoba.....	347.3
	347.3
Total Mileage Operated	9,566.5