

ating expenses at \$182,550,000. Sundry items charged against operating revenues, including interest on long term debt due to the public, amount to \$61,350,000, bringing the estimated deficit on the year's operations to \$38,900,000. The anticipated net cash requirement on deficit account is, however, reduced to \$35,000,000, after deducting the following items which are not required in cash, viz:—Depreciation revenue, \$630,000; amortization of discount on funded debt, \$1,370,000, and loss on retired road and property, etc., \$1,900,000.

The Annual Report of the Canadian Government Merchant Marine, Limited, indicates that all remaining vessels of the fleet have been sold, that practically all the affairs of the Company have been liquidated, and that the services it formerly operated will be continued by a Company known as the Montreal Australia New Zealand Line, Limited.

With reference to the Annual Report of the Canadian National (West Indies) Steamships, Limited, your committee notes with pleasure the steady improvement shown in the operating results of these services. For the first time since the formation of the Company, it has earned a surplus after meeting the interest on the bonds in the hands of the public.

The above-mentioned financial statements were examined by your committee in the light of the explanations given by the following officers of the Canadian National Railway System:

Mr. S. J. Hungerford, President.

Mr. D. C. Grant, Vice-President of Finance.

Mr. R. C. Vaughan, Vice-President, Purchases and Stores Department.

Mr. J. B. MacLaren, Comptroller.

Mr. T. H. Cooper, Assistant Comptroller.

Mr. W. M. Armstrong, Bureau of Economics.

Mr. A. V. Franklin, Railway Auditor, Department of Finance.

A copy of the Minutes of Proceedings and Evidence is annexed hereto.

All of which is respectfully submitted.

EUGENE Fiset,  
*Chairman.*