

The CHAIRMAN: If there is no further discussion a motion to adopt this report will be in order.

Annual Report of Canadian National Steamships Limited, adopted.

The CHAIRMAN: We now come to Canadian National Railways. Mr. Vaughan, will you proceed, please.

Mr. VAUGHAN:

CANADIAN NATIONAL RAILWAYS

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 CHAIRMAN: Is there any discussion here?

Mr. HANSON: That is the highest year we have had?

Mr. VAUGHAN: Yes, the best year we have had.

Mr. HANSON: Better than 1929?

Mr. JACKMAN: The interest on the funded debt held by the public is given here; the interest on government loans cannot be estimated.

Mr. JACKMAN: Vested securities. They have not turned them over to you yet?

Mr. VAUGHAN: No.

Mr. COOPER: They are held by the Minister of Finance as collateral for the loan made by the dominion.

Mr. McCULLOCH: I think it must be very gratifying to show a statement like that.

Mr. VAUGHAN: All our staff have done a very good job, and the result is a vindication of the policy of our management in keeping the road and equipment in reasonably good physical condition in the years of depression to meet an emergency of this kind.

Mr. HANSON: How does it compare with the highest peak year before?

Mr. VAUGHAN: I think the peak year before was 1928.

Mr. COOPER: Yes.

The CHAIRMAN: There was a surplus of \$15 millions that year, I think.

Mr. COOPER: In 1928 our net revenue was \$54,859,000. That compares with \$66,608,000 in 1941.

Mr. HANSON: What was the lowest year, 1932 or 1933?