

CONSOLIDATED INCOME ACCOUNT—*Cont.*

	1938	1937
Income from lease of road and equipment.....	74,273 79	55,949 12
Miscellaneous rent income.....	900,219 75	828,281 57
Miscellaneous non-transportation property—credit.....	84,071 04	53,541 81
Dividend income.....	243,972 50	709,363 14
Income from funded securities.....	1,697,609 86	1,730,589 28
Income from unfunded securities and accounts.....	714,849 86	127,571 06
Income from sinking and other reserve funds.....	209,379 48	208,618 73
Miscellaneous income.....	327,056 88	63,008 75
Miscellaneous rents—debit.....	498,107 82	499,202 91
Miscellaneous tax accruals.....	152,413 03	184,149 52
Separately operated properties—loss.....	1,693,336 01	1,130,521 24
Miscellaneous income charges.....	1,019,805 86	430,774 92
Income available for fixed charges.....	\$ 1,019,255 19	\$ 11,241,762 72
Rent for leased roads and equipment.....	1,474,675 68	1,505,688 80
Interest on funded debt—public.....	49,839,022 58	48,888,545 56
Interest on Government loans.....	926,124 86	1,744,550 71
Interest on unfunded debt.....	153,093 69	192,903 29
Amortization of discount on funded debt.....	1,058,824 92	938,728 79
Total fixed charges.....	\$ 53,451,741 73	\$ 53,270,417 15
Income deficit transferred to profit and loss.....	\$ 54,470,996 92	\$ 42,028,654 43

Mr. WALSH: May I ask a question in connection with the income from unfunded securities and accounts? I see the amount is \$1,697,609.86.

The CHAIRMAN: What page?

Mr. WALSH: Page 13.

The CHAIRMAN: That is the income from funded securities.

Mr. WALSH: I do not understand that. Really I display my ignorance. I do not know what exactly is represented there.

The CHAIRMAN: Your ignorance shows that you are a good man.

Mr. HOWARD: What is the item?

Mr. WALSH: "Income from unfunded securities and accounts."

The CHAIRMAN: Yes.

Mr. WALSH: \$1,697,609.86.

Mr. COOPER: That is income from funded securities, Mr. Walsh. The income from unfunded securities is \$714,849.86.

Mr. WALSH: What is the reason for the increase? The income from unfunded securities in 1937 was \$127,571.06. In 1938 it was \$714,849.86. That is what caught my attention.

Mr. COOPER: You wish to know how the increase is caused?

Mr. WALSH: Yes.

Mr. COOPER: In 1938 we sold considerable property to the Toronto Terminals Railway Company. They had taken possession of the property in 1927 and the basis of the settlement was only agreed to at the end of 1938. We charged up to the Terminals Company the purchase price together with interest and it is such interest on the purchase price of the property sold to the Toronto Terminals Railway Company in 1938 which has caused the increase.

The CHAIRMAN: Is it carried?

Mr. WALSH: May I draw attention to this fact: The railway operating revenues and the railway operating expenses at the top of page 13 interest me. I refer back to the year 1936 and I find that the operating revenues were shown at \$186,000,000 and the operating expenses at \$171,000,000. This year I notice the operating revenues are \$182,000,000 and operating expenses \$176,000,000.