

16.—Condensed Consolidated Balance Sheet at Dec. 31, 1936, showing Adjustments as of Jan. 1, 1937, as Authorized by the Canadian National Railways Capital Revision Act, 1937—concluded.

Item.	As Published Dec. 31, 1936.	Adjustments Authorized by Act.	As Revised Jan. 1, 1937.
	\$	\$	\$
Liabilities.			
Capital stocks owned by Dominion Government.....	265,628,339	-265,628,339	Nil
Capital stocks owned by public.....	4,584,100	Nil	4,584,100
Government grants by Province of Canada.....	15,142,633	-15,142,633	Nil
Other grants.....	3,013,749	Nil	3,013,749
Funded debt—public.....	1,184,612,249	“	1,184,612,249
Loans for Dominion of Canada and interest thereon.....	1,251,916,623	-1,174,693,156 ¹	77,223,467
Dominion of Canada expenditures for Canadian Govern- ment Railways—			
Road and equipment.....	388,290,263	-388,290,263	Nil
Working capital.....	16,771,981	Nil	16,771,981
Current liabilities.....	35,351,859	“	35,351,859
Deferred liabilities.....	3,331,771	“	3,331,771
Unadjusted credits and reserves.....	36,381,120	“	36,381,120
Profit and loss balance—deficit.....	-904,655,718	904,655,718	Nil
New Account Authorized—			
Dominion Government Proprietor's Equity (repre- sented by)—			
1,000,000 shares of no-par value capital stock of the Canadian National Railway Company issued in ex- change for the residual value of Canadian Northern Capital Stock.....	\$ 18,000,000		
5,000,000 shares of no-par value capital stock issued by Securities Trust to the Government in considera- tion for the securities, advances, claims for unpaid interest and collateral security held by Gov- ernment.....	\$ 270,037,438		
Dominion Government capital expen- ditures for Canadian Govern- ment Railways.....	\$ 388,290,263		
		676,327,701	676,327,701
Totals, Liabilities.....	2,306,368,969	-262,770,372	2,043,598,597

¹ Does not include Dominion Government claims for interest amounting to \$43,949,039. ² Made up of: loans for capital, \$270,037,438; loans for deficits, \$373,828,120; and accrued interest, \$530,832,598.

Capital Structure and Debt of Canadian National Railways.—The Capital Revision Act, eliminated the Profit and Loss balance as at Jan. 1, 1937, and Profit and Loss balances for 1937 and future years will also be eliminated by charging to “Dominion Government Proprietor's Equity” the losses due to abandonment of lines and other such items which do not involve the payment of cash at the time the items are written down, and by the Government contributing cash for the cash deficits. These cash deficits are shown in the last column of Table 15 and for the years 1923-36 have been met by loans by the Government, by direct payment from July 1, 1927, and by reduction of working capital.

Table 17 shows for each year 1922 to 1937: (1) shareholders' capital; (2) funded debt held by public; (3) Government loans and advances; and (4) appropriations for Canadian Government Railways. The share capital consisted of \$165,627,739 stock of the Grand Trunk Railway held by the Dominion Government and \$100,000,600 of the Canadian Northern Railway stock also held by the Dominion Government. There was also outstanding on Dec. 31, 1922, \$4,591,975 stock of constituent lines held by the public, of which \$8,175 has been retired. The table shows the adjustments of the capital liabilities of the system made effective Jan. 1, 1937, under the Capital Revision Act.