

13.—Assets of the Canadian National Railway System, as at Dec. 31, 1922 and 1952

Account	Dec. 31, 1922	Dec. 31, 1952	Increase or Decrease
	\$	\$	\$
Investments—			
Road and equipment.....	1,765,323,644	2,367,435,701	+602,112,057
Improvements on leased railway property.....	1,492,123	1,170,841	-321,282
Sinking funds.....	4,629,855	—	-4,629,855
Deposits in lieu of mortgaged property sold.....	6,171,808	4,582,660	-1,589,148
Miscellaneous physical property.....	34,767,914	68,231,230	+33,463,316
Affiliated companies.....	24,253,323	51,256,597	+27,003,274
Other investments.....	5,789,464	796,428	-4,993,036
Totals, Investments.....	1,842,428,131	2,493,473,457	+651,045,326
Current Assets—			
Cash.....	14,651,422	15,361,916	+710,494
Special deposits.....	6,139,435	4,627,313	-1,512,122
Loans and bills receivable.....	11,600	—	-11,600
Traffic and car service, balances receivable.....	2,528,622	—	-2,528,622
Net balances receivable from agents and conductors.....	5,386,673	27,324,194	+21,937,521
Miscellaneous accounts receivable.....	16,857,420	20,854,458	+3,997,038
Materials and supplies.....	41,408,999	102,509,769	+61,100,770
Interest and dividends receivable.....	377,003	54,562	-322,441
Rents receivable.....	112,269	—	-112,269
Other current assets.....	106,775	6,592,542	+6,485,767
Totals, Current Assets.....	87,580,218	177,324,754	+89,744,536
Deferred Assets—			
Working fund advances.....	166,847	509,855	+343,008
Insurance and other funds.....	352,488	12,843,050	+12,490,562
Pension contract fund.....	—	72,950,000	+72,950,000
Other deferred assets.....	11,805,962	2,216,508	-9,589,454
Totals, Deferred Assets.....	12,325,297	88,519,413	+76,194,116
Unadjusted Debts—			
Rents and insurance premiums paid in advance.....	322,059	928,168	+606,109
Discount on capital stock.....	634,960	—	-634,960
Discount on funded debt.....	1,919,635	3,045,818	+1,126,183
Other unadjusted debts.....	12,820,903	4,722,950	-8,097,953
Totals, Unadjusted Debts.....	15,697,557	8,696,936	-7,000,621
Grand Totals.....	1,958,031,203	2,768,014,560	+809,983,357

1 Increase in current liabilities \$6,526,863.

Capital Structure and Debt.—Major changes resulting from the Canadian Railways Capital Revision Act, 1952, were:—

- (1) \$736,385,405 of interest-bearing debt to the Federal Government, which represented 50 p.c. of the borrowed capital outstanding on Dec. 1, 1951, was exchanged for Canadian National Railway Company 4 p.c. non-cumulative preferred stock. Dividends on the 4 p.c. preferred stock must be paid to the extent that earnings are available after income tax has been paid.
- (2) Outstanding loans from the Federal Government to the amount of \$100,000,000 were converted into a 3½ p.c. 20-year debenture which is to mature Jan. 1, 1972. No interest is payable on this debenture for the first 10 years.
- (3) Capital stock of the Canadian National Securities Trust in the amount of \$378,518,135 was transferred to the Canadian National Railway Company in exchange for a like amount of the Company's capital stock.
- (4) In each of the years 1952 to 1960, inclusive, the Federal Government will purchase 4 p.c. preferred stock in amounts equal to 3 p.c. of the annual gross revenues, these funds to be used by the Railway for financing capital improvements.

As a consequence of these adjustments, the proportion of total capitalization represented by equity capital in shareholder's account was raised from 34.5 p.c. at Dec. 31, 1951, to 67.2 p.c. at Jan. 1, 1952, and the proportion of borrowed