At peak production, more than 77,800 tons of nickel concentrates and 12,300 tons of copper concentrates will be shipped from Lynn Lake annually—the nickel concentrates to Fort Saskatchewan, on the outskirts of Edmonton, Alta., where plentiful resources of natural gas are available for the refining process, and the copper concentrates to Noranda, Que. The line will also handle the fish traffic from Reindeer Lake and other large northern lakes, and supplies of fuel and equipment required to serve the mine and the town of Lynn Lake and the many trading posts in the territory will constitute the inbound traffic.

Plans for two other rail extensions are being put into final form. The potential mineral and forest wealth at Chibougamau in northern Quebec is to be tapped and a new railway constructed from Beattyville, the present terminal of the Barraute line, to Cache Lake, a distance of 149 miles. From Cache Lake, the line will extend six miles due north to Chibougamau. The eastern arm of the line will link the region to St. Felicien in the Lake St. John district.

Another line will open up the Manitouwadge area of northwestern Ontario where rich deposits of copper, zinc and silver have recently been found. The line will run from Hillsport on the CNR main line, 42 miles west of Hornepayne, in a southerly direction to Lake Manitouwadge, a distance of approximately 27 miles. It is expected that the Manitouwadge area will produce ore at the rate of 10,000 tons a day and involve inbound traffic estimated at 60,000 tons annually.

Although aircraft is playing an important role in the discovery of new resources in the outlying areas of Canada and in their initial development, the provision of railway services is absolutely essential to the continuing life of such projects. Only the railway can provide a permanent, dependable and economical link with the markets in the better developed areas of Canada.

Financial Statistics of the Canadian National Railway System.*— *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 $3\frac{5}{8}$ 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 capital was correspondingly reduced. It will be noted that these percentages are calculated exclusive of the $4,518,890 of capital stock of subsidiary companies which was held by the public on the above dates.

* The Hudson Bay Railway is a direct responsibility of the Federal Government and has been operated by the CNR for the Government since Apr. 1, 1935; statistics relating to the operation of this line are not included in the data for the CNR.