

loans made for the purpose of additions and betterments were converted to equity capital, relieving the CNR from paying fixed charges on this amount. Under the 1952 Capital Revision Act, 50 p.c. of the company's interest-bearing debt was changed to preferred stock on which, after settling income taxes, a dividend of 4 p.c. is paid on earnings. Also for a term of ten years ending Dec. 31, 1961, the Railway is not obliged to pay interest on \$100,000,000 of its long-term debt. The Government is authorized to buy additional preferred stock annually in amounts related to the company's gross revenues. As a consequence, the proportion of total capitalization represented by equity capital in shareholders' 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.

12.—Capital Structure of the Canadian National Railway System as at Dec. 31, 1949-58

At Dec. 31—	Shareholders' Capital		Funded Debt Held by Public		Government Loans and Appropriations—Active Assets in Public Accounts	Totals
	Government of Canada Shareholders' Account	Capital Stock Held by Public	Guaranteed by Federal and Provincial Governments	Other		
	\$	\$	\$	\$	\$	\$
1949.....	774,448,716	4,560,290	539,706,744	85,159,176	743,661,162	2,147,536,088
1950.....	776,395,649	4,520,890	566,418,607	92,611,634	739,847,514	2,179,794,294
1951.....	776,395,649	4,518,890	518,396,607	96,800,428	857,573,774	2,253,685,348
1952.....	1,531,072,324	4,516,490	518,396,607	87,098,222	228,055,165	2,369,138,808
1953.....	1,552,050,067	4,514,490	513,977,391	75,834,299	342,140,048	2,488,516,295
1954.....	1,571,393,181	4,514,490	910,422,885	62,546,711	126,771,981	2,675,649,248
1955.....	1,591,902,624	4,511,150	861,870,899	34,493,192	199,444,622	2,692,222,487
1956.....	1,616,270,966	4,508,670	794,482,906	25,086,606	353,664,828	2,794,013,976
1957.....	1,639,451,306	4,505,870	730,346,711	17,978,788	623,967,851	3,016,250,526
1958.....	1,704,387,845	4,504,203	1,024,710,205	9,098,765	484,791,699	3,227,492,717

In Table 13 the assets of the Canadian National Railway System as at Dec. 31, 1958, are compared with those at the time of consolidation of the System.

13.—Assets of the Canadian National Railway System as at Dec. 31, 1922 and 1958

NOTE.—Based on the revised Uniform Classification of Accounts adopted in 1956.

Account	Dec. 31, 1922	Dec. 31, 1958	Increase or Decrease
	\$	\$	
Current Assets.....	87,580,218	190,098,402	102,518,184
Cash.....	14,651,422	30,059,862	15,408,440
Special deposits.....	6,139,435	40,776	-6,098,659
Traffic accounts receivable.....	2,528,622	4,403,922	1,875,300
Agent and conductor balances.....	5,386,673	31,902,218	26,515,545
Other accounts receivable.....	16,981,289 ¹	23,854,353	6,873,064
Government of Canada due on deficit account.....	—	3,591,424	3,591,424
Material and supplies.....	41,408,999	87,237,502	45,828,503
Interest and dividends receivable.....	377,003	1,349,901	969,898
Other current assets.....	106,775	7,661,444	7,554,669

¹ Includes "loans and bills receivable" and "rents receivable".