

after settling income taxes, a dividend of 4 p.c. is paid on earnings. Also, for a term of ten years ended Jan. 1, 1962, the Railway was 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. By the end of 1966, the proportion represented by equity capital in shareholders' account was 51.3 p.c.

**11.—Capital Structure of the Canadian National Railway System as at Dec. 31, 1957-66**

At Dec. 31—	Shareholders' Capital		Funded Debt Held by Public		Government Loans and Appropriations—Active Assets in Public Accounts	Total
	Government of Canada Shareholders' Account	Capital Stock Held by Public	Guaranteed by Federal and Provincial Governments	Other		
	\$	\$	\$	\$	\$	\$
1957.....	1,539,451,306	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
1959.....	1,723,909,722	4,503,549	1,335,510,205	5,548,765	345,684,052	3,415,156,293
1960.....	1,721,143,162	4,499,284	1,677,209,478	3,098,765	148,021,700	3,553,972,389
1961.....	1,744,673,266	4,499,273	1,670,653,176	2,423,765	164,593,150	3,586,842,630
1962.....	1,767,976,925	4,499,261	1,630,895,308	2,423,765	209,026,793	3,614,822,052
1963.....	1,792,380,188	4,485,785	1,378,875,000	2,023,764	410,354,762	3,588,119,499
1964.....	1,817,243,906	4,345,185	1,367,811,500	2,023,764	410,354,762	3,601,779,117
1965.....	1,843,209,298	4,345,185	1,366,061,500	2,023,764	410,354,762	3,625,994,509
1966.....	1,871,426,675	4,345,185	1,325,461,500	2,023,764	445,354,762	3,648,611,886

In Table 12 the assets of the Canadian National Railway System as at Dec. 31, 1965 and 1966 are shown.

**12.—Assets of the Canadian National Railway System as at Dec. 31, 1965 and 1966**

Note.—Assets as at the time of consolidation of the system (Dec. 31, 1922) are given in the 1963-64 Year Book, p. 764.

Account	1965	1966	Account	1965	1966
	\$	\$		\$	\$
<b>Current Assets</b> .....	<b>252,586,015</b>	<b>275,393,057</b>	<b>Investments—concl.</b>		
Cash.....	30,210,047	53,539,728	Improvements on leased property.....	1,384,318	1,416,332
Special deposits.....	26,369	26,590	Non-rail property.....	147,438,633	155,439,860
Traffic accounts receivable.....	2,752,377	4,204,163	Investments in affiliated companies.....	288,892,167	288,704,950
Agent and conductor balances.....	54,582,813	60,132,858	Other investments.....	3,853,705	4,689,126
Other accounts receivable.....	64,193,969	36,811,059	<b>Deferred Assets</b> .....	<b>27,511,771</b>	<b>27,050,856</b>
Government of Canada due on deficit account.....	12,017,755	6,155,732	Working fund advances.....	736,930	1,037,720
Material and supplies.....	71,083,427	76,835,257	Insurance and other funds.....	17,042,171	16,326,528
Interest and dividends receivable.....	2,990,874	4,744,095	Other deferred assets.....	9,732,670	9,686,608
Other current assets.....	14,728,384	32,943,605	<b>Unadjusted Debits</b> .....	<b>30,089,173</b>	<b>28,077,247</b>
<b>Investments</b> .....	<b>4,468,857,050</b>	<b>4,592,066,667</b>	Prepayments.....	2,215,986	2,123,816
Road and equipment property.....	4,027,288,227	4,141,816,399	Discount on funded debt.....	15,996,908	14,580,334
			Other unadjusted debits.....	11,876,279	11,373,097
			<b>Totals</b> .....	<b>4,779,044,009</b>	<b>4,922,587,827</b>