

The Canadian National Railways Capital Revision Act was introduced in the House of Commons on June 4, 1952. The Act changed 50 p.c. of the Company's interest-bearing debt to preferred stock on which, after settling income taxes, a dividend of 4 p.c. would be paid on earnings; furthermore, for a term of 10 years ending Dec. 31, 1961, the Railway is not obliged to pay interest on \$100,000,000 of its long-term debt. The Act made provision for the Government to buy additional preferred stock annually in amounts related to the Company's gross revenues.

What the Act did not do is also important. It did not write off any of the money invested in the CNR. Nor did it guarantee freedom from deficits: at Dec. 31, 1953, \$28,000,000 of annual interest charges remained on the Railway's books. The Act has no direct effect on the taxpayer, but goes a long way towards correcting the impression that the CNR has been losing money on its current operations and is a burden to the taxpayer.

In Canada, the geographic location of newly discovered mineral wealth has been a main factor in the close relation between the Canadian National Railways and industry. Mineral discoveries have sparked a new phase of railway building; new, because machinery—bulldozers, steam shovels and power tools—has taken the place of the hand labour employed by the railway pioneers.

The Canadian National Railways first post-war venture into the field of railway building was the 40-mile extension from Barraute to Beattyville. This was the first step in a move to eventually tap the extensive mineral deposits and forest reserves of the northern Quebec area. Surveying of this line began in 1946 and construction was completed in 1949.

In 1952, Parliament authorized the Canadian National Railways to build a 43-mile line to Kitimat, B.C., to serve the Aluminum Company of Canada's new smelter. The terrain over which the line was built was rugged and the engineering problems were typical of those which had been encountered in the construction of the mountain section of the transcontinental line. The largest bridge on the line is the seven-span 1,018-foot steel bridge over the turbulent Skeena River, near Terrace. Within a few years this new line will be carrying the necessities of life to a city of 50,000 to 60,000 people. At the same time it is opening up new fields for loggers and lumbermen in virgin timber stands and, it is expected, will play an important role in the development of the whole area.

An important mineral discovery in a remote area of northern Manitoba necessitated the construction of a 144-mile rail line from Sherridon to Lynn Lake where Sherritt-Gordon Mines Limited is now working valuable nickel and copper ore deposits. When in the early 1940's, Sherritt-Gordon found that the copper and zinc mines at Sherridon were running out, prospectors were dispatched to comb the northern hinterlands for new ore bodies. Deposits were discovered in 1941 at Lynn Lake, near the Saskatchewan border, 500 miles northwest of Winnipeg and 120 air-miles due north of Sherridon. However, the multi-million-dollar project of moving the entire town of Sherridon to the Lynn Lake site, constructing a 7,000-h.p. power plant and the new mine buildings, was not started until after World War II.

The CNR surveyed the new line in 1951 and awarded contracts for clearing and grading the right-of-way. Equipment, needed for construction of trestles and track-laying were transported over the frozen wastes during the winter of 1951-52 and actual track laying began on Aug. 7, 1952. The first train, powered by a diesel locomotive and carrying supplies for the town and the mine, reached Lynn Lake on Nov. 7, 1953. The 144 miles of track had been laid in exactly 15 months.