

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, 1945-54

Note.—Information given in greater detail in DBS report, *Canadian National Railways*.

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		
	\$	\$	\$	\$	\$	\$
1945.....	777,326,528	4,643,040	528,275,246	44,904,751	690,973,594	2,046,123,159
1946.....	776,018,575	4,635,440	488,772,318	41,650,680	718,537,286	2,029,614,299
1947.....	774,195,901	4,570,940	538,759,177	44,100,584	689,470,349	2,051,096,951
1948.....	774,242,649	4,567,540	492,437,507	91,795,151	760,494,825	2,123,537,672
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

In Table 13, the assets of the Canadian National Railway System as at Dec. 31, 1954 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 1954

Account	Dec. 31, 1922	Dec. 31, 1954	Increase or Decrease
	\$	\$	\$
<b>Investments.....</b>	<b>1,842,428,131</b>	<b>2,780,075,579</b>	<b>+937,647,448</b>
Road and equipment.....	1,765,323,644	2,639,859,096	+874,535,452
Improvements on leased railway property.....	1,492,123	1,270,331	- 221,792
Sinking funds.....	4,629,855	—	- 4,629,855
Deposits in lieu of mortgaged property sold.....	6,171,808	887,686	- 5,284,122
Miscellaneous physical property.....	34,767,914	68,080,192	+ 33,312,278
Affiliated companies.....	24,253,323	69,283,238	+ 45,029,915
Other investments.....	5,789,464	695,036	- 5,094,428
<b>Current Assets.....</b>	<b>87,580,218</b>	<b>292,342,939</b>	<b>+114,762,721<sup>1</sup></b>
Cash.....	14,651,422	46,008,522 <sup>2</sup>	+ 31,357,100
Special deposits.....	6,139,435	14,599,180	+ 8,459,745
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	23,776,201	+ 18,389,528
Miscellaneous accounts receivable.....	16,857,420	20,061,771	+ 3,804,351
Materials and supplies.....	41,408,999	86,325,914	+ 44,916,915
Interest and dividends receivable.....	377,003	65,213	- 311,790
Rents receivable.....	112,269	—	- 112,269
Other current assets.....	106,775	10,906,138	+ 10,799,363

<sup>1</sup> Decrease in current liabilities, \$7,561,446.

<sup>2</sup> Includes demand loans and deposits.