

CN's other major revenue-producing operations showed a profit during the year, including CN Telecommunications (\$22.8 million), CN Trucking (\$6.6 million), CN Hotels (\$3.6 million), and the CN's U.S. operations (\$3.5 million).

During 1975, CN's operating expenses exceeded operating revenues by \$57.2 million. With the addition of a heavy interest burden of \$110.9 million, resulting mainly from the conditions under which the company was founded, the deficit for the year was \$168.1 million. Payments received under the Railway Act totalled \$151.7 million, reducing the net deficit to \$16.4 million.

The company's 1975 annual report indicated that economic recovery was proceeding at a slow and uncertain rate and that the company would continue to reduce costs, increase productivity and generate more revenues while giving full support to the Government's anti-inflation program.

