

*In attendance:* Same as at morning and at afternoon sittings.

Mr. Gordon's examination was continued.

In answer to Mr. Broome the witness reviewed and summarized the Management's arrangements of the Queen Elizabeth Hotel. He undertook to file with the Committee certain operating figures on the C.N.R. Hotels (*See Appendix I*)

On motion of Mr. Broome, seconded by Mr. Smith (*Simcoe North*), the 1957 Annual Report of the Canadian National Railways was adopted.

At 10.45 o'clock p.m. the Committee adjourned until Tuesday, July 15, at 9.30 o'clock a.m.

TUESDAY, July 15, 1958.

(5)

The Sessional Committee on Railways, Air Lines and Shipping owned and controlled by the Government met at 9.30 o'clock a.m. this day. The Honourable W. Earl Rowe, Chairman, presided.

*Members present:* Messrs. Bourbonnais, Broome, Carter, Chevrier, Chown, Creaghan, Fisher, Fraser, Grills, Gundlock, Hardie, Kennedy, Loiselle, Martini, Mitchell, Monteith (*Verdun*), Pascoe, Robinson, Rowe, Rynard, Smith (*Calgary South*), Smith (*Simcoe North*), and Tassé.—(23)

*In attendance:* The Honourable George H. Hees, Minister of Transport; Mr. Donald Gordon, Mr. S. F. Dingle, Mr. R. D. Armstrong, respectively President and Chairman of the Board, Vice-President (Operations), Vice-President (Accounting and Finance) of the Canadian National Railways.

The Committee considered the 1958 Operating and Capital Budget (Revised and as tabled in the House on July 14) of the Canadian National Railways.

Mr. Donald Gordon was recalled.

By unanimous consent, the Committee reverted to the C.N.R. Annual Report, and Mr. Gordon read a supplementary statement on dieselization, and was further examined.

Mr. Gordon, referring to the Budget, made an introductory statement thereon.

Mr. Gordon was examined at some length on safety signals and highway crossing protection. In the course of his examination, he made a specific statement on depreciation accounting on steam locomotives.

On motion of Mr. Smith (*Simcoe North*), seconded by Mr. Chevrier, the above Budget (1958) was adopted.

The Committee then proceeded to the consideration of the Canadian National (West Indies) Steamships Limited Annual Report.

Mr. Gordon read the Report and was examined, particularly on the registration and sale of certain ships.

On motion of Mr. Martini, seconded by Mr. Chown, the said Annual Report was adopted.