



CANADA

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## CONTENTS

Canadian National Railways, 1960 .....	1
Electrical Generation 1960 .....	4
Adult Education .....	4
1960 Canada Year Book .....	5
Production of Sugar .....	5

Canada's Ambassador in Quito .....	5
Passing of C.D. Howe .....	5
Iranian Envoy Installed .....	6
International Accounts .....	6
Canada Supports OECD .....	6

## CANADIAN NATIONAL RAILWAYS, 1960

The following is the full text of the year-end statement by Mr. Donald Gordon, Chairman and President of Canadian National Railways:

"Despite low traffic levels that plagued the railway industry throughout America, Canadian National in 1960 pushed ahead with a programme of modernization aimed at improved efficiency and flexibility of service, tailored for Canada's current and future transportation needs.

"Technological advances, coupled with administrative reorganization of the railway, along with marked progress in communications and greater integration of road and railway facilities, provided for an increasingly efficient operation matched by important strides in sales development.

"Reflecting this modernization, CN presented to the public in recent weeks a new trademark that symbolizes its role -- movement of men, materials and messages throughout the country.

### REVENUE PICTURE

"These improvements in plant and method contrasted sharply with the year's revenue picture. Freight-traffic revenues dipped by more than seven per cent, while passenger revenues declined by about six per cent. Gross revenues of Canadian National Telegraphs, however, advanced by nine per cent, to reach a new high, while CN hotel revenues moved slightly upward.

Canada's Ambassador in Quito ..... 5  
Passing of C.D. Howe ..... 5  
Iranian Envoy Installed ..... 6  
International Accounts ..... 6  
Canada Supports OECD ..... 6

"The over-all decline in Canadian National operating revenues is estimated at 6.5 per cent, leaving the system in a disappointingly large deficit position at the year-end.

"Figures for freight moved on CN lines show increases in shipments of ores and concentrates, pulpwood and miscellaneous manufactured iron and steel products, but these were more than offset by declines in the movement of grain, flour and other grain products, bituminous coal and other mining products.

"Completion of a 10-year dieselization programme in April and the opening of the first of four electronic hump yards in November (at Moncton) were important milestones in the company's continuing drive for improved freight service. Diesels can provide better service at less cost. Electronic hump yards will reduce by 75 per cent the time required to make up freight trains.

"The organizational structure of the system was streamlined to decentralize authority, modernize administrative techniques and provide a sales and operations staff integrated at all levels. CN's three operating regions are superseded as of January 1, 1961, by five regions -- Atlantic, St. Lawrence, Great Lakes, Prairie and Mountain regions -- which will be further subdivided into 19 geographic areas as 'business units'. The year 1961 will see completion of this system reorganization.

"With the increasing importance of road-rail integration, CN completed purchase agree-