traffic during the period of its existence. An amortization charge of $500,000 has been included as a first instalment in the 1941 accounts.

Provision has also been made in the operating accounts for the retirement from service of the old passenger station facilities in the Montreal area which will be replaced by the new terminal.

The cost of protecting the company's property against possible sabotage was $552,000 against $476,000 in 1940. This expense is absorbed by the railway as an operating cost.

The number of employees increased by 6,705 to 89,536. It is significant that compared with 1928 the traffic volume in 1941 was greater but the number of employees was twenty thousand less.

Mr. NICHOLSON: In connection with the Montreal terminal, when is that going to be ready for use?

Mr. VAUGHAN: We expect it will be ready this fall, but as yet we cannot name the exact date.

Mr. JACKMAN: How much provision have you made in the operating account for the disposition of the old terminal property; are you showing anything in respect to that by way of write-off?

Mr. COOPER: $1,000,000.

Mr. JACKMAN: What has been its book value?

Mr. COOPER: It might be a shade more. $1,000,000 is the original cost, less whatever salvage there might be.

Mr. JACKMAN: You are writing the whole thing off then?

Mr. COOPER: Yes.

Mr. JACKMAN: The wartime cost-of-living bonus granted to employees on lines in Canada from June 1st, 1941, cost the railway $6,108,000, of which $5,508,000 was charged to operating expenses—the remainder being charged to investment account, hotel operations and separately operated subsidiaries; what has the cost-of-living bonus got to do with the investment account?

Mr. COOPER: Any of our employees who are working on work which is chargeable to investment account, their wages, of course, are charged to investment account. The cost-of-living bonus is simply an addition to the wage.

Mr. JACKMAN: Why do you include that? Is it not an expenditure, a capital investment—why do you include that as an addition to capital investment in operating expense.

Mr. COOPER: We do not.

Mr. JACKMAN: Under the heading of the paragraph, "Operating Expense"—would not that expenditure go direct to capital account and not into operating account?

Mr. COOPER: The sentence reads:—

> The wartime cost-of-living bonus granted to employees on lines in Canada from June 1st, 1941, cost the railway $6,108,000, of which $5,508,000 was charged to operating expenses.
>
> If we had stayed there someone would have said, where did the difference go to? We explain that the remainder of the cost went either to the hotels, or investment account, or to separately operated properties.

The CHAIRMAN: You were distributing it.

Mr. COOPER: Yes, according to the work on which the men were employed.

Mr. HAZEN: Where is this difference given in connection with United States increased costs?