

Mr. GORDON: That is the figure we really need.

Mr. FORBES: How do you account for the decrease? Are you losing this traffic to your competitors?

Mr. GORDON: It depends entirely on what the wheat board places through us, to ship.

Mr. FORBES: I often heard reports that farmers were better off to have delivery points on the C.P.R., because the C.P.R. could get cars for them when the C.N.R. could not. Is there any truth in that?

Mr. GORDON: Absolutely not.

Mr. HORNER (*Acadia*): Following up with a supplementary question on the 200,000 tons mentioned a moment ago, is that all was involved?

Mr. GORDON: We were talking about the grain that moved at statutory rates. Western grain statutory rates went down. There was one figure I quoted earlier in tons, it was a reduction from 6.8 to 6.6 million tons, which represented 200,000 tons; but when you get to the dollars it is from \$28.4 million down to \$27 million, \$1.4 million down in our revenue in regard to grain moved under statutory rates.

Mr. HORNER (*Acadia*): In explaining chart three I think the president said that grain for export was down 12 per cent. Am I right?

Mr. GORDON: Grain for export covers grain of all types.

Mr. HORNER (*Acadia*): I realize that. I just wanted to make sure this was all correlated.

The CHAIRMAN: It seems to me we should try and stay within principles or we shall be getting into detailed accounts, and I think we should keep our questioning on general matters.

Mr. MCPHILLIPS: The statute does not say we are to consider the annual report. It says we are to consider the accounts. The statute says we are to consider the details of the accounts.

Mr. GORDON: I am not afraid of the committee's questioning.

Mr. FISHER: I have one or two questions I should like to ask on the first part of the report, the financial results, if I may.

The CHAIRMAN: Very well.

Mr. FISHER: I understand, Mr. Gordon, you have been more than ten years as head of the C.N.R.?

Mr. GORDON: That is right. I started on January 1, 1950.

Mr. FISHER: You had a free hand in running the railway?

Mr. GORDON: You mean personally?

Mr. FISHER: I mean have you any qualification about the fact that you have been in charge of it and in direction of its policy?

Mr. GORDON: That is correct, I have been in charge.

Mr. FISHER: We have here financial results which are very unsatisfactory, and we have a picture in the last four years that is a bleak one in terms of deficits. I am wondering what you can tell us to assure us the management of the C.N.R. is efficient, since these returns show we are getting deeper and deeper into the box. In view of these results, and in view of the fact that you have had control for this length of time, and have had a free hand in making changes and alterations, why should not we have a complete lack of confidence in the management of the C.N.R.?

Mr. GORDON: I shall be happy to give you a memorandum which I have had prepared on the financial situation, because that question you asked is not something that can be disposed of in a single sentence. It is a very complex subject indeed. If you will permit me, Mr. Chairman, I think the time has