

The transitional period which we are now undergoing tends to obscure the real accomplishments of railway management and the immediate current circumstances add to the distortion. So it is that in 1957, the C.N.R. fell short by 29.6 million dollars of meeting its fixed interest charges, and with traffic in 1958 showing a steady decline, we are for this reason alone faced with very serious deficit possibilities for the current year. Add to that the consideration that the non operating unions and the Running Trades have placed demands on us that would, if granted, add to our expenses some \$102 millions on an annual basis and you will see why I am not prepared to give any abbreviated judgment on our financial circumstances.

Be all this as it may, I say with all sincerity that we have a loyal and energetic organization. I say further with a sense of pride that the Canadian National System is one of Canada's greatest assets. Despite the aura of conflict that surrounds a period of re-negotiation of contracts, the devotion to duty of our employees and their contribution, not only as railroaders but as citizens, has been one of a few unchanging facts in a rapidly changing world.

Looking back over the history of the Railway I think it is fair to say that the organization itself has undergone almost a complete reconstruction and change of direction. There have been difficult times in the past and there will be difficult times in the future, but I hope that from this brief interpretation and reflection on the history of the C.N.R. that the moral will be clear and I venture to state it in this fashion: Let us not lose faith in the institutions which have stood the test of time; institutions which have demonstrated their ability to serve as instruments of economic integration and economic development with such outstanding success that it has been possible for a strong, vigorous, and growing nation to emerge from the reaches of half a continent.

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