

digesting and extracting the information we need to speed the movements, increase the utilization, reduce our terminal costs and improve our service can be tackled by computer processing far more effectively than by manual methods.

The Canadian National is not neglecting its important, indeed dominant, role in opening up and developing the resources of the nation. From 1950 to the end of 1957, we have constructed 465 miles of new branch lines mainly for mining development and have, either underway or committed, another 171 miles. We have spent or committed some \$90 millions on such construction and the interested private enterprise corporations have spent, committed, or announced intentions of \$1.2 billions in capital investments in the areas concerned. This is surely a spectacular demonstration of the vital part that railways play in the development of our country.

Railway research works increasingly to tailor our product to the demands of modern day business. The handling of perishable foodstuffs is constantly under survey so as to meet and anticipate developments in this important field. Such innovations as piggy-back operations have been introduced. These began in 1952 between Montreal and Toronto and with the extension last fall of the piggy-back services to commercial truckers developments have been further accelerated.

Now with the record of accomplishment I have set before you in regard to the physical structure of the railway and the improvements made in service, you might expect to hear that these efforts have produced an equal measure of success in our financial results. Our financial story, however, is such a complex one that it requires extensive analysis to bring out all the factors necessary for a complete understanding of it. Time does not permit that sort of detail for this talk so I set it aside for another occasion. This much can be said, however, that the physical rehabilitation of both plant and equipment, which has taken place and is still in progress, is a necessary prelude to successful financial operations. Even more important, the collateral actions which these expenditures require in order to ensure the full benefit of them must be undertaken systematically and logically. To the extent that this fails of realization, the net result will be waste rather than savings or earnings, duplication and redundancy rather than streamlining and efficiency. The hard realities of an increasingly competitive world will have to be faced, for many of the practices pertaining to the railway industry are overdue for change. I include in this such things as the method of rate-making, labour negotiations, community and regional pressures and the various actions of regulatory authorities.