

Mr. FULTON: Is this something produced for our information, or is it also in your own working papers?

Mr. GORDON: This is required by statute.

Mr. FULTON: For the information of parliament?

Mr. GORDON: For the information of parliament, yes.

Mr. FULTON: I am not in the least implying that you would produce one set for us and one for yourself, but—

Mr. GORDON: This is what we are working on ourselves. It is what we are basing our program for this year on. This is what we start out with, and every quarter we take a look at the actual results and if we find, as we found in 1954, that we were running low we took steps at that point to cut our services. If the traffic is going down, we adjust our forces to the needs of traffic, or vice versa. We make a monthly review of our budget forecast to try to bring ourselves into current conditions, and every quarter we make a very special review in the light of trying to forecast again.

Mr. BELL: One of the reviews at the end of the month would be men?

Mr. GORDON: Yes, and maintenance of equipment. We try to avoid cutting into a program situation with maintenance of way where we have men out on the line and materials and supplies moving towards specific jobs. We try to carry those through. We can adjust programs in respect to maintenance of equipment much more quickly.

Mr. HAMILTON (*York West*): The greatest expenditure facing you, which will probably affect your net, will be labour negotiations?

Mr. GORDON: Yes. We have the board of conciliation operating right now and a great deal will depend on what comes out of that.

Mr. HAMILTON (*York West*): This is a very narrow margin when you face that.

Mr. GORDON: It is no margin at all. What it shows is any increase of size will, on the basis of these conditions put the C.N.R. in a deficit position.

The CHAIRMAN: Shall the "Operating Budget" carry?

Agreed to.

Shall the Capital Budget of the Canadian National Railways for the year 1956 carry?

Agreed to.

Moved by Mr. Weselak, seconded by Mr. Hamilton (*York West*), that the Capital Budget of the Canadian National Railways for the year 1956 carry.

I think we should now discuss the Canadian National Railways Securities Trust.

Now, gentlemen, I assume we will not read this. There is a great deal of detail in connection with investments that are made by the Canadian National Railways, and I would ask for any questions which members might like to put in respect to the Canadian National report on securities trust.

Mr. WESELAKE: I move, Mr. Chairman, that the report be taken as read.

The CHAIRMAN: Moved by Mr. Weselak, seconded by Mr. Power (*Quebec South*), that the report of the Canadian National Railways Securities Trust be taken as read and that it be included in the record.