

AUDITORS' REPORT

To The Honourable The Minister of Transport,
Ottawa, Canada.

We have examined the books and accounts of the Canadian National Railway System for the year ended December 31, 1957. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above consolidated balance sheet and the related consolidated income statement are prepared on a basis consistent with that of the preceding year except for the additional provision for depreciation referred to in Note 1 which we approve, and subject to the position with regard to depreciation accruing prior to the adoption of depreciation accounting referred to in Note 1,

February 25, 1958.

are properly drawn up so as to give a true and fair view of the state of the System's affairs at December 31, 1957 and of the results of operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the System.

We further report that in our opinion proper books of account have been kept by the System and the transactions of the System that have come under our notice have been within the powers of the System.

We are also submitting a supplementary explanatory report.

GEORGE A. TOUCHE & CO.,
Chartered Accountants.