

Mr. GORDON: Now, Mr. Chairman, I have included the financial and statistical statements. I do not think I should make two comments about the two major changes which appear on the balance sheet. A substantial adjustment was made to the property account and the depreciation reserves in consequence of the adoption on January the 1st, 1956, of the new uniform accounting classification. This adjustment is described in the "Notes to Consolidated Statements" on page 28 where you will find a special reference is made thereto.

The second statement I should like to make is that those who are comparing this balance sheet with last year will find that previously we carried a pension trust fund in the balance sheet and last year it appeared in the round figure of \$128 million. For all practical purposes, however, this was a trust although it did not have this legal status. During 1956 we decided that it would be more realistic to accord this fund the full legal status of an irrevocable trust and we did so. This action, which is described in note 5 to the consolidated financial statements, also has the effect of removing this fund from the system balance sheet.

The other statements I think are self-explanatory, if you would leaf through them, and we will come to them later, if you wish. I would call particular attention to page 30. We followed a suggestion of Mr. Fulton's last year that we should group the individual revenue items by types of service, for example, sleeping and parlor car revenue as allied to passenger service. We thought that would give a much better picture and we adopted that suggestion—I think the results you will find are quite satisfactory. I do not think there are any other details which I need to mention at this point—I think they are all self-explanatory, and with your permission, Mr. Chairman, I should like to ask the committee to accept them for insertion in the minutes in the usual way.

The CHAIRMAN: Thank you Mr. Gordon.

The tables have been included in the report on Canadian National Railways for the year ended December 31, 1956.

Probably we should go back then to the earlier part of the report—that is page 5 of the report, the preliminary statement as to the financial operations of the company.

Are there any questions on page 5, which is the first page of the annual report?

Mr. HAMILTON (*York West*): Mr. Chairman, may I ask a question with respect to page 4?

The CHAIRMAN: Yes, Mr. Hamilton.

Mr. HAMILTON (*York West*): What is the occupation of Mr. Griffith, the new director?

Mr. GORDON: Mr. James Raymond Griffith who was appointed December 19, 1956, was general chairman of the Brotherhood of Railway Carmen of America. He resigned that position and he can now be classified as retired.

Mr. HAMILTON (*York West*): He therefore fills a directorship which might be considered as being a labour representative?

Mr. GORDON: Representation of labour, yes—the appointment of course was made by order in council on the recommendation of the Minister of Transport.

Mr. HAMILTON (*Notre-Dame-de-Grâce*): Mr. Chairman, has Mr. Gordon any comparative figure, say on the revenue of the C.P.R. or the railways in class (I) in the United States, against ours, for the current year under discussion. Perhaps a more actual figure would be the rate percentage increase or decrease.