

of course, to the growth pattern of automobiles, trucks, buses and better highways, airlines, water, pipelines, and seaways. An interesting comparison is that the number of registered motor cars in 1923 was roughly 515,000 and the 1956 figures were in excess of 3,000,000, and I suspect would be close to 3,350,000 in 1957. As for trucks, in 1923 there were 54,000 registered, while in 1956 close to a million registrations were recorded.

The period 1946-1950 saw relatively little accomplished in the rehabilitation of the property to offset the exhaustion of war. Materials were still in short supply and yet there was talk as you will recall of post war depression. In any event, I think it fair to say that it was not until the 1950's that planning and investment expenditures reached a scale commensurate with the problems confronting the System. My own entry into the railway industry was in early 1950 so that what I have to say about this latest and current phase in C.N.R. history is in the nature of a first-hand report. This phase I shall call the "Rehabilitation and Reorientation Period". What, then, has been accomplished?

It is no exaggeration to say that a major rehabilitation of the property has been accomplished in a remarkably short space of time. Indeed, what has been achieved is not simply a restoration, but more, a revolution in motive power, in freight and passenger equipment, in fixed plant and facilities, such as marshalling yards, and in organization and methods. It has been a costly process, but in the judgment of management, both necessary and sound. Since 1950, nearly one billion dollars of capital has been ploughed into the property.

Remember, however, that the Caretaker Period, from 1930 to the advent of war, saw little or no improvement expenditures on the property, and that with war came severe wear and tear and exhaustion of plant and equipment. The cumulative result of all these years of use may be seen in the fact that from 1930 to the end of the war only \$205 million had been invested in the property or, in other words, in 15 years the average capital invested annually was only \$14 millions. In such circumstances, it is scarcely to be wondered at that much of the equipment, both motive power and rolling stock, was obsolete, as were many of the yards in terminal areas; the condition of track left much to be desired, the railway was lagging behind the advance of technology in such fields as signalling, and so forth.

The capital expenditure of one billion dollars since 1950 needs to be put into perspective, particularly so in light of the fact that it does not by any means complete the job. First we should recall that the period in question has been a high cost period and that a technological revolution has added