

Unemployment Relief Expenditures

Under the Dominion Government Work Relief Program whereby among other things provision was made for financing of necessary construction with respect to highway crossing protection and other railway projects deferred under present conditions, several projects were undertaken by the Company wholly or partly at the expense of the Government. The more important of these projects involved subway construction at Montreal, St. Hyacinthe and Toronto, an overhead bridge at Prince Albert and a new station at Saskatoon.

Cartage Service

Effective February 1, 1938, the Company commenced operation of its own freight cartage services at Montreal and St. Hyacinthe, Que., and Brantford, Guelph and London, Ont., these services having previously been operated by outside contractors. This change has been well received by the shipping public and has resulted in economies.

Montreal Terminals

During the year a study was made of the Montreal Terminal project, work on which had been suspended for some years.

In such study the directors gave consideration to the following factors:—

- (a) The necessity for rational co-ordination of passenger and freight terminals of the Canadian National in the interests of efficiency and economy.
- (b) The adverse effect, financial and otherwise, upon the operations of the company through the continued use and maintenance of antiquated and unco-ordinated terminal facilities inherited from predecessor companies.
- (c) The long-standing grade crossing problem in Montreal.
- (d) The effect upon the development and growth of the city, industrially and otherwise.
- (e) The provision of a satisfactory suburban service between South Shore communities and the centre of the city.
- (f) The amount of money already invested in the property standing idle.
- (g) The necessary developments in the light of present day conditions and requirements as well as future necessities, including eventually, if decided upon, a union terminal.
- (h) The pre-eminent suitability of the location of the central station for a union terminal demonstrated by exhaustive study of the situation by the company's engineers as well as by a special independent study made by Sir Frederick Palmer, M. Inst. C.E., M.Am. Soc. C.E., who was engaged by the Dominion Government for the purpose.

The Directors therefore decided that the company should proceed with the completion of the terminal by stages as conditions warrant, taking advantage of any favourable factors which may from time to time prevail for doing work which contributes to the eventual completion.

The Dominion Government has recognized the importance of this project as a means of relieving unemployment and has contributed to the cost of the work a portion of the funds voted by Parliament in its construction and rehabilitation appropriation, and tenders have been called and contracts placed for the construction of certain items of the work. Further progress is contingent upon the project being assisted as an unemployment relief measure to the extent of the direct labour content of the work performed.