

## CONDITION OF THE PROPERTY

23. An intensive shopping and repair program was concentrated on locomotives and freight cars during the year and resulted in substantial improvements in the percentage of serviceability of this equipment. A slight increase was registered in the serviceability of passenger car equipment.

24. The acquisition of 5,000 box cars during 1951, partly offset by the retirement of 1,274 old cars, was of considerable assistance in meeting an unprecedented volume of traffic particularly during and after the harvesting of the western grain crop. Generally speaking, in respect of other freight car equipment the underlying condition of shortage remains. The situation should, however, improve progressively as deliveries are made during 1952 and 1953 of the equipment for which orders are outstanding or anticipated.

25. No new passenger-carrying cars were added to the inventory of equipment during 1951. The continuing steel shortage and congestion of production schedules, arising out of industrial requirements essential to defence preparedness, are likely to defer until at least 1953 the delivery of new equipment, and in consequence heavy pressure on the available supply of the newer types of cars can be expected during seasonal travel peaks.

26. The state of maintenance of the road bed, track and structures can be described as generally satisfactory, but in some instances does not measure up to the standards planned at the start of the year. This situation can be attributed to shortages and slow deliveries of materials, notably steel products, and to the strain imposed, during a period when labour was relatively scarce, by the necessity for recruiting and training the additional workers required by the introduction of a 5-day 40-hour week on June 1. Considering the arrears of maintenance and the backlog of necessary improvements which still persist from the war period, the effect on the property is significant. An intensive survey, reaching down to divisional level, is currently under way with a view to assessing as accurately as possible the extent and degree of deferred maintenance.

*Terminal facilities*

27. The high volume of traffic and intensive industrial development, which have characterized the expansion of the Canadian economy, have resulted in serious congestion in many of the Company's terminal and yard facilities at major centres. This problem, which is compounded of obsolete layout and inadequate capacity, has been receiving systematic and comprehensive study with a view to making such improvements, both in facilities and operating methods, as will provide a measure of immediate relief during the period which must intervene before long term remedies can begin to take effect. Encouraging progress was made in this direction during 1951.

28. A number of terminal projects in hand at the beginning of the year were progressed as rapidly as supply conditions permitted. In the Bonaventure freight terminals a four-storey office building, a short extension to the inbound shed, and the shed office building were approximately three-quarters completed at the year-end. Continued progress was made on the rearranging of the track structure in the Central Station area, a phase of the Montreal Terminal Development Plan, and work is expected to be finished by the end of 1952. At Point St. Charles shops in Montreal, the new paint shop was approximately 70% finished and track alterations were completed in preparation for the construction of a new diesel shop extension. The rearrangement of tracks and enlargement of Mimico yards in Toronto Terminals was brought close to completion during the year.