

To this objection the following arguments taken from the evidence apply:—

(1) For many years very large sections of the Dominion not served by both railways have lived under the monopoly, if such it be called, of either the Canadian National or the Canadian Pacific, and have done so without any perceptible disadvantage.

(2) The Railways have long ago been stripped of all powers which might render any monopolistic feature injurious to the public interest. The Board of Transport Commissioners holds by Statute supreme authority over them and controls all abandonment of lines, withdrawals or reductions of services, as well as of increases or decreases of rates and fares.

(3) The development of transportation by means of motor cars, buses and trucks (public and private) and by air and water traffic, has created conditions where even under unified railway operation there would be very effective competition anyway, and competition quite difficult to cope with. Indeed, many witnesses, including some who spoke for labour, contended strongly that under the present system of operation it was impossible to meet this competition, and that if the situation is not met effectively, railway labour itself would be direct sufferers, and on a serious scale.

(4) The modern world exists under a great number of monopolies imposed by the free will of the people for the essential purpose of suppressing excessive charges and wastage due to duplication. This is strikingly exemplified in transportation, telephone, water, gas, electricity and other urban services, and in some countries, in railways.

Secondly.—The other objection is based on the apprehension that there would be created a large mass of population, whose united influence might dominate the political life of Canada. To this the answer seems to be that if the interest coalescing the railway employees is an occupational or a professional one it exists already. No more striking evidence of this can be imagined than the opposition to unified management, as well as to co-operation, voiced by the railway employees of both systems through their unions.

If the interest creating the coalition be a political one, then conditions now are just as favourable for its success as they could be under unified management. Indeed, there are many who believe that such political power is now exercised. Without any doubt at all, pressure is exerted, through their unions, by the mass of employees of both railways, on political parties.

This continuous, concerted pressure is mainly directed to the protection of a fortunate section among all the labouring classes of the country.

This influence is in fact one of the chief obstacles to the settlement of our railway problem. It can only be removed by placing the administration of the Canadian National definitely and finally above political interference and in the hands of capable, strong and thoroughly independent men, whose tenure of office could be attacked only for cause. This could be accomplished by placing our railways under the direction of a properly selected board, whose only object could be the successful operation of a united system.

Any reasonable cause which railway workers might have had to oppose unified management has been eliminated by the proffer of provisions

protecting them, in the manner effected in Great Britain, against loss by dismissal, demotion or transfer. It must be remembered that not less than from five to seven years will be essential to attain, step by step, the full results of unification. The evidence indicates that normal attrition, which accrues through death, pension age, or resignation, would remove men from employment faster in the aggregate than would be required during the process of unification, and those who suffer in special cases—for some would so suffer—can be assuredly compensated. These guarantees which have been definitely offered are measures of protection hitherto unknown to the working classes of any industry in the country, and corresponding protection is certainly not enjoyed by any other class.

It was not unreasonable to expect that railway workers would have been reassured by the definite statement to the above effect made on behalf of the Canadian Pacific—which, undoubtedly, would be acceptable to the Government if an arrangement were entered into—and would have withdrawn their opposition to a unified scheme of management. This is especially true because the scheme of compensation would be, and should be, the subject of an agreement in which the wishes of the employees would be fully represented, and the rights under such agreement would become statutory.

The object sought to be attained is the avoidance of financial disaster to our country, in which disaster every class would suffer, and the poorer classes even more than others. It is not, therefore, unjust to ask that all co-operate in a fair spirit to such an end.

Persistence in their present attitude simply means they insist that the taxpayers of Canada, for all time, shall carry the burden of many thousands of positions which are not required. On this point it must be carefully noted that the benefit in the main goes to the more fortunate class of senior employees, while junior men are left to suffer for want of work.

In this connection it is important to keep in mind that the railway business of the Dominion, as indeed of all countries, has been steadily diminishing in volume as compared with business as a whole. The evidence before your Committee led irresistibly to the conclusion that this tendency may be expected to continue.

Mr. Hungerford, President of the Canadian National Railways, submitted in his evidence that the efforts to operate the property on economical lines were circumscribed by what he defined as considerations of "public interest"; that what constitutes "public interest" was really determined by the Government of the day and that if the Canadian National were not a Government enterprise it certainly could not be carried on its present footing.

It may be reasonably inferred, as was indicated by the late Sir Henry Thornton in his evidence before the Royal Commission, that the policy of the Government, whatever might be the efforts of the Canadian National management to operate on sound business lines, is unhappily reflected in the administration of the railway in increases or reductions in personnel, in the carrying out of contracts for works, purchases, etc., which fact largely accounts for the Canadian National spending on operating costs alone last year 96·67c for every dollar earned by it, whereas, the Canadian Pacific spent 82·29c to earn the same amount.