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## THE RAILWAY PROBLEM.

The newly-published majority and minority reports of the Royal Commission appointed last year to investigate the Canadian railway situation, will doubtless evoke lively controversy before the Government decides upon a policy and proceeds to carry it into effect. The whole country is sick and tired of the existing state of affairs—the never-ceasing demands for public money to maintain private corporations over which the Government has practically no control. But the new reports will crystallize sharp differences of opinion between those who favor a new and immense experiment in public ownership, and those who prefer the less adventurous method of reorganized private enterprise. It can be said for the majority report by Sir Henry Drayton and Mr. W. M. Acworth that it contains probably the best solution of the problem on Government-ownership lines that could well have been devised. The Commissioners have evidently had under grave consideration the questions which must necessarily arise in connection with any public-ownership proposals in Canada—the difficulties resulting from political interference and consequently second-rate management—and to the best of their ability they have endeavored to overcome them. What they propose is the taking over of the Grand Trunk, Grand Trunk Pacific and Canadian Northern, and the amalgamation of these with the National Transcontinental and Intercolonial into one system, to be operated by a company, the whole of the stock of which would be owned by the Dominion Government. Operation of the system would be carried on by a board of five trustees, three being expert railway men giving their whole time and energy to this work, the fourth a man of business and financial experience, and the fifth, one who specially possesses the confidence of the railway employees. This board, the Commissioners suggest, should be originally appointed by Parliament, but must be non-political, permanent and self-perpetuating. The tenure of office of its members should be substantially the same as that of Judges of the Supreme Court. The trustees would be appointed for a fixed period of seven years, and vacancies would be filled, in the case of a railway member, by the Governor-General in Council on the nomination of a majority of the remaining trustees. Should the Government refuse to approve a nomination, it would devolve upon the trustees to submit a new name. Parliamentary control would be continued sufficiently by a continuous public audit of the Dominion railway

accounts under the direction and control of the Finance Minister.

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Mr. A. H. Smith, president of the New York Central, the commissioner who contributes a minority report, is sceptical in regard to the feasibility of eliminating political interference in the management of a Government-owned and operated system. In this attitude of scepticism, Mr. Smith is certainly justified by the Dominion's past practical experience of Government control. Mr. Smith believes that the best results can be achieved by continuing private enterprise, with the re-organization and better co-ordination of the work of the various lines. He recommends, in brief, the taking over of the Grand Trunk Pacific with its branch lines in the West by the Canadian Northern, leaving the latter company free to operate in the western part of Canada, while the Grand Trunk should lease the eastern lines of the Canadian Northern from North Bay east, and confine its operations to eastern Canada. With regard to the Intercolonial and National Transcontinental, he believes that they should be left as at present as a continuous system from seaboard to the grain-distributing centres. While the Commissioners thus differ radically in their main recommendations, they are unanimous in regard to the urgency of the situation, that present conditions are economically bad, that there is a wasteful duplication of lines, lack of co-ordinated transportation economy, and heavy deficits to be met on behalf of the railways by the people of Canada for years to come, unless some scheme of radical reorganisation is promptly carried out.

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In reference to this situation, one thing is certain, that the bulk of public opinion is entirely opposed to the wild proposals put forward by certain enthusiasts for the complete nationalisation of all the Canadian railways, including the Canadian Pacific. Under such circumstances, we should have the railway employees in a short time the political bosses of Canada. Canadians have seen too much of the way in which Government-owned public utilities have been run in political interests, to be enthusiastic about the idea of public ownership, and before assenting to the proposals contained in the majority report, will have to be convinced that there is no other feasible way by which this matter can be settled on broad and statesmanlike lines.