

Should the Roads be Taken Over?

Part of an Address Before the Associated Boards of Trade of
British Columbia—Grounds for Public Ownership not Established

By E. W. BEATTY, President, C.P.R.

I FEEL that I need no apology for speaking very briefly on a matter which is engrossing the attention of most serious thinking Canadians, and that is what is to be the ultimate end of our rails, and under what auspices or method of administration are they to be managed. The possession by the Canadian Pacific of a system involving 13,770 miles in Canada, of which 8,750 miles are west of the great lakes, gives in itself a reason why its officers should have some knowledge and some views on the subject, and if they are of any value those that have an equal voice in the final determination of the question are certainly entitled to the benefit of them.

"I have an additional reason for mentioning this subject in that a great deal of misapprehension seems to exist in some quarters as to just what the problem is. We have private ownership of some railways and we have public ownership of others, both existing in the country now. The fact that the country has been compelled through the financial failure of some systems to take them over in order to prevent them from falling into utter desuetude is one thing, but that is quite a different problem from the question of a permanent policy of government owned and government managed railways. I do not know that the government could have done anything else than they did do, but I do feel that neither the government nor the people of this country are yet in a position to determine finally what the future of all these systems shall be.

"I think it is unfortunate that fuller discussion of this subject has not obtained in Canada up to now. It is true it occupies certain space in the newspapers, and has been discussed in parliament, but always with the unsatisfactory result that the advocates of the different methods of administration are considered prejudiced. If a public man speaks we shrug our shoulders and say it is politics; if a railway man speaks, he is said to be prejudiced by his railway association. Not all the men who go to Ottawa are governed absolutely and exclusively by political considerations, and the railway man can still be a railway man and be a good citizen of Canada with an honest desire to see the transportation future of his country assured.

"Government ownership in theory has much to recommend it. It has been said by a very able member of the government that the advisability of it increases as you approach a state of monopoly, and that is probably true, whether government management of our systems is feasible or even possible. Until it is determined I should conclude it would be well for the government and the people to withhold their final judgment. Among the advocates of this system are many men who are sincerely and honestly convinced that in the last analysis it will be for the benefit of the people of this country, and that is the only angle from which the question can be viewed.

Experience of United States

"It is unfortunate, however, that most of these men have not intimate personal knowledge of the administration of these large enterprises and the wish for success is father to the thought that success will result. We have recently had the benefit of the results of similar experiments in Great Britain and the United States, and while I am quite prepared to admit that the abnormal conditions under which the systems had to be operated during the war makes the lessons to be drawn from this method of administration not entirely conclusive, I am strongly of the view that there is nothing in these results which gives confidence or justifies the hope that we would avoid the disaster they have experienced, and that the difficulties which, at least, contributed to their failure would be absent from the administration of Canadian railways under like auspices.

"You will recall that the American system broke down when put to the test. They broke down physically and financially. Both could, I think, have been avoided, or, at least, minimized had a little broader view of the needs of the American railways been taken by American tribunals in the last five years prior to the entry of the United States into the war. What was subsequently done, was done in an attempt to meet a highly emergent situation, and with an intent that the cost whatever it might be, of mistake or failure, should be borne in the interest of the principles for which the allied nations were contending in this war. The result is described as a debacle, the deficits have been enormous and the efficiency and character of the service lessened to an alarming degree. The United States people were, however, fortunate that their experience was crowded into a comparatively short time, and they were enabled to learn the lesson it taught without protracted experiments.

"As a result of this experience and that which they had through the operation of cables, telegraphs and telephones, I think it may be safely said that the last vestige of desire for government operation of these utilities has departed from the majority of the American people. In fact those actually entrusted by the government with the administration of the properties have admitted the unwisdom of the continuance of the system. The Postmaster-General has agreed to return of the the cables and the telegraph lines, the President of the United States has directed the return of the railroads. The Director-General of the railroads, Mr. Walter D. Hines, who has been connected with the railroad administration from the beginning, first as Assistant Director-General, and latterly as Director-General, expresses his views as follows: 'I want to tell you that in my judgment, based on a very careful study of this subject since the federal control began, the best interests of the country will be promoted, not through permanent government control, but through the return of the railroads to private management. I believe the American public wants competition in service, and private initiative is, I think, of the utmost importance in order to get satisfactory public service.'

"Mr. E. N. Hurley, chairman of the United States Shipping Board, states that it is his belief that combinations between government and business are almost as dangerous as combinations between church and state. The results in the United States will be available to this country. They will be of use to us in determining what our policy will be, because the evils of government administration if present in one country, will be difficult to avoid in the other.

"It may be said that my own views are prejudiced and they are to the extent that they are the result of eighteen years' intimate association with the workings of one railway company, and an appreciation from the inside of what factors contributed to its efficiency and success. It is a long and arduous work to hammer together an efficient organization which must be so wide-spread in its activities, and so widely separated as to locality as the organization of a trans-continental railway. It has been in existence almost thirty-eight years, and the organization has been built up painfully and slowly. It has now reached an efficiency in all ranks which I should hope it would be easier to maintain, but it could not be developed, nor can it be maintained without the enterprise, resourcefulness, loyalty, initiative and esprit of the officers and men of the company. There is something which gives rise to this spirit which comes from within the organization itself, and I would need be assured not only that independent non-political administration is possible, but that it would provoke this spirit, before I would cast a vote for a permanent policy of government ownership and