

We, Mr. Acworth and myself, have given our honest opinion and best judgment. Mr. Smith has undoubtedly done the same. No conclusion ought to be made until all aspects have been fully and fairly considered.

But I plead for fair consideration for that and nothing else. My only interest is that the right conclusion be arrived at after full consideration and with a full knowledge of the matter by the people of this country. Among other matters this surely means that all party and political bias be abandoned and that the question of whether the Conservative party was wrong here or the Liberal wrong there can have nothing to do with the proper solution of our present difficulties.

Nor can the question be properly settled, as I notice it already has by at least one writer, on the ground that the only practical railroader in the commission was Mr. Smith, and that as Mr. Acworth and myself were merely students of and theorists in railway matters, Mr. Smith's conclusions must perforce be adopted. May I at this point ask what is responsible for the present situation? Too much study and consideration of the problem from the country's standpoint or too many practical railroad builders anxious to build railways anywhere or everywhere when the essential government assistance could be obtained?

Let me at once say that in my view the government could not have found a better or more efficient railway operator than Mr. Smith. As to myself I say nothing; except that for months past my time has been very much taken up in looking after the supply of coal, grain, flour and other necessities of life, of agriculture and of the manufacture of munitions and other essentials. I can at least say that in no instance did the shippers or consignees look either upon their necessities or my intervention on their behalf as theoretical or academic.

I would like, however, to acknowledge the assiduous and thorough work of Mr. Acworth, whose training, disposition and ability particularly well fitted him to pass on the question. I admit that Mr. Acworth is a student. I go further and say that he is a great student of and a recognized authority on the whole question of railway economics, that he has written leading text books on the subject and that in the opinion of the practical railway managers of America his knowledge and his standing is such that he has been engaged by them to give evidence this very week on their behalf before the Congressional Committee on Transportation at Washington on the evils of political railway management. I attach the very greatest importance to Mr. Acworth's conclusions, particularly in view of the fact that he is very familiar with company management and English finance, and that he himself is a director of the Underground Railway of London, which controls the bulk of the transportation facilities, both street and underground, and omnibuses in and around the metropolis.

The whole issue is, what is right, what is in the best interests of the country, not what is popular and the most easy to put into effect. Public opinion may roughly be divided into two classes: Those who believe in public ownership and operation of all public utilities and to the fullest extent, and those who believe that only proper results can be obtained by individual initiative and effort in the hope of individual gain, and who also believe that everything that the government takes in hand will be more or less muddled. In some sections of the country the one view is popular and in others the other.

We have made no attempt in our report to meet the views of either section. We deal with conditions and not

theories. Our report leaves the Canadian Pacific standing as it is. This naturally affords the thorough-going public ownership advocate a ground of complaint and also enables pro-corporation adherents an opportunity for attack. Let us for a moment consider what public necessity and right now insistently calls for.

The most urgent necessity is better and more efficient transportation. The most pressing failures that have taken place are attributable to the Grand Trunk and to the Canadian Northern. It is common ground that both systems urgently require many more locomotives and many more freight cars. The report made by Mr. E. E. Loomis and Mr. John W. Platten, as I understand it, at the instance of the Canadian Northern, points out that the Canadian Pacific has two and two-tenths times rateably the number of locomotives owned by the Canadian Northern and has nearly two and three-tenths times rateably the number of freight cars. No such case is made out against the Canadian Pacific, but again every one has conceded that that company is giving an efficient public service and is well and efficiently organized.

The Canadian Pacific stands well in the world's financial circles and has a great borrowing power as well as liquid assets held in reserve. At a time like the present it is undoubtedly in the best interest of the country that the company's borrowing power and financial ability to increase its facilities be not impaired, and further, that any new capital that may be required for the Canadian Pacific undertaking ought not to be obtained on the credit of the country generally, as might be the case should the company be taken over and its liquid reserves divided among its shareholders. More or less difficulty attends any change—mistakes of detail invariably occur. The Canadian Pacific service is good and satisfactory. It is certainly not necessary under the present conditions to jeopardize it.

In so far as the other systems go, the conditions are reversed. Service is poor. Transportation failures have taken place, and no company funds are available to make them good. In addition to this, no further capital investment would be saved by taking in the Canadian Pacific whose service and facilities are, speaking generally, complete both in the East and West. On the other hand, the Grand Trunk is well-established in the East but lacks necessary feeders and terminals in the West, while the Canadian Northern has a well-laid-out system in the West, but is sadly lacking both terminals and lines in the East. The two systems combined, as we suggest, renders unnecessary Grand Trunk work in the West and Canadian Northern work in the East.

Two objections have been made to our conclusions. The one that it is impossible for the new National System to compete with the well-established and efficient Canadian Pacific and that public ownership must under such unfair conditions fail. All I can say is that if the National Railway System cannot stand in competition with a privately owned system, the sooner the fact is demonstrated the better. We seek to improve conditions and not to create an inefficient substitute merely for the purpose of making a change.

The other objection, equally strongly taken, is that the competition of the National System would be unfair to the Canadian Pacific. Manifestly the one objection answers the other. I believe neither are well taken. The competition would be unfair to the Canadian Pacific if the National System were not run on business principles and rates were not levied having regard to the cost and value of the service, but were in part covered by the