

CANADA'S RAILROAD PROBLEM

Objections to Government Ownership—Party System Militates Against It—State Ownership and Inefficiency

[In the following article (the second of three) by Mr. W. T. Jackman, M.A., Department of Political Science, University of Toronto, the objections to Government ownership of Canadian railroads are discussed. In his first article, Mr. Jackman considered the advantages of Government ownership. In the third article, he will deal with the remedies for our existing difficulties.—Editor.]

Having looked at the advantages of government ownership, it will be well to consider, in the next place, the objections to or disadvantages of government ownership. In the administration of a railway system or any other large enterprise, prompt action is an imperative necessity in order to be able to meet the emergencies that are constantly arising. There is need for instant action in the despatch of business and in order to secure judicious outlay in the interest of economy. The many changes in commercial conditions, of which business men endeavor to take advantage, should be met by the agents of the railway companies armed with authority to grant traffic arrangements to meet the necessities of their patrons. A delay of even a few days may be fatal. So, too, in regard to line expenses; the replacing of a bridge in time, the ballasting of the road-bed when required, the changing of gradients and curves, and many similar items, when effected at the proper time will save large amounts in the expenses of operation and in many instances will provide the public with greater facilities and greater security. When private control is exercised the management is left in the hands of a capable executive, from whom immediate action may be obtained under all circumstances. In this way, not only the welfare of the company may be secured but also the interests of the public may be advanced. But Parliament is too unwieldy a body through which to secure immediate action. Any measure which is brought before the legislature becomes at once the subject of discursiveness in debate. It is referred to a committee for recommendation and the minute regulations under which Parliament proceeds, being determined by law, leave no power of initiative to the railway executive. Since the master has no power of initiative it cannot delegate any to the servant.

Parliament is Too Slow.

Parliament is altogether too slow in its deliberations to be the directorate of a great railway system. Its members, representing widely separated localities with much diversity of interests, are sent to Parliament to act for the well-being of their own sectional or partisan interests and are in nowise able to see things from the larger point of view when it comes to the time for casting the vote. Out of this confusion of interests we cannot expect and do not find decisive action for the public welfare. Decisions which are finally reached are mostly compromises in order to adjust most amicably the vast variety of interests; and such indecision and compromise are fatal to the success of any large business of an economic character.

No official can administer the affairs of such a complex and changing mechanism as a railway system with even reasonable efficiency unless funds are at his disposal when they are needed. If otherwise, waste goes on, with misfortune to the property, to the owners, to the bond-

holders and to the public. When authorizations of funds are delayed for months, and sometimes for years, the effect is invariably and unavoidably increased cost of construction, maintenance and repair work, together with increased interest charges the longer the appropriation is delayed, and greater loss through the deterioration of the plant. It cannot be otherwise. Taking this in connection with the administrative expenses, which go on whether the property can be operated efficiently or not, we have a clear view of one great reason why governmental activity should not be exercised in regard to the administration of railways.

Party System and Railroads.

Another factor which militates against government ownership of the Canadian railways is our party system of government, with all that this includes. At a change of the party in power there is always so much undoing of work that had been done by the previous party in control. An uncertain, unstable policy of government is not conducive to the building up, upon a permanent basis, of a railway system that will be of national importance. In building for the future those who are entrusted with these responsibilities need to be assured that a continuously consistent policy will be shown, so that enterprises which have been initiated may be assured of completion. But this is impossible under our government with its vacillating policy, for public works which have been supported by one party when in power will be relegated to obscurity by the other party when it secures control. The result is that such works lack adequate continuous financial support until their completion, and so we have piecemeal construction, patchwork planning and temporizing operation. Public enterprises, like those of a private nature, must have the continuance of conditions upon which they can depend in order to build for the future; the lack of this essential would surely prove detrimental in devising the means for meeting future needs and emergencies. The influences of party and sectional demands have been all too apparent in recent years since the rise of the great agricultural western provinces, and while we do not, in the least degree, condemn those who have such influence for exercising it for the improvement of their economic condition, it furnishes us a striking example of the way in which partisan claims secure recognition at Ottawa.

Works for Inefficiency.

In a democratic state, not only has the direction of state-owned railways an overwhelming tendency toward inefficiency, but even the management partakes of the same character. We will recognize, however, that there are exceptions to this rule. Managers are not chosen because by training and experience they have fitted themselves to direct the affairs of a great enterprise, for government officials are usually selected on another basis than ability and aptitude in the special line of duty to which they are assigned. It does not follow that, because a man has ability in business life or skill as a physician or lawyer, he can be placed at the head of large railway interests after he has had experience in Parliament.

The work of a capable railway executive is as much a specialized calling as is that of a doctor or lawyer, and for its successful accomplishment requires training and intellectual ability of a high order combined with broad practical experience in the important grades of the service. To place any other kind of man at the head of a great railway would be to place a premium on incompetency, to create a misfit in one of the most important offices of the public service and to give rise to demoraliza-