

## THE RAILWAYS RESPOND TO CHANGE

The following is a partial text of a recent address by Mr. Donald Gordon, President and Chairman of the Board, Canadian National Railways, to the Toronto Railway Club:

...I want to go on record as saying that the railway industry in Canada, like the railway industry generally in North America, has been responding to change in a positive fashion, albeit a little slowly in some respects. I know that this goes against some some popular assumptions. It is often alleged that the greater part of the post-war difficulties of the railway industry have been due to a short-sighted refusal to look for and apply improvements in technology and management methods. But this generalization is not supported by fact. Such developments as "dieselization", electronically-controlled hump yards, centralized traffic control, computerized data processing, "piggyback", "containerization", specially-designed rolling stock and a new customer-oriented approach to sales and market development are all positive responses to the need of the times. Some may still contend that the railway industry has not, on the whole, taken full advantage of all scientific and technological resources developed since the end of the Second World War, but it is by no means accurate to suggest there has been a closed mind to all innovation and improvement in operational and management methods.

There are two bad ways of dealing with change; one is simply to oppose it and the other is to embrace it blindly and for its own sake. When the poet Pope said "Be not the first by whom the new is tried nor yet the last to lay the old aside", he was not likely to have been talking about railways. Indeed, I think it was fashions in clothing he had in mind. But his advice is not bad for the railway industry in a day and age when any major technological innovation is bound to have repercussions throughout the entire transportation industry and may well affect the course of events in the nation itself.

### SOME PROBLEMS EXTERNAL

This point — the fact that there are social and political factors external to the industry that impede the effective application of technical advance — is frequently overlooked. Willingness and ability to take advantage of technical progress will not, in themselves, solve the problems of the railways. Social and political barriers may impede the effective application of even our present technological capacity; and thus, these external problems may well be more critical and conclusive in respect of policy determination than the technological ones. And so we may well ask what are these external problems, where do they come from and what can be done about them?

Perhaps as good a summary as any of what I have in mind here was provided by the late President John F. Kennedy in his 1962 message on transportation to the U.S. Congress. He said: "Crushing problems are burdening our national transportation system, jeopardizing the progress and security on which we

depend. A chaotic patchwork of inconsistent and often obsolete legislation and regulation has evolved from a history of specific actions addressed to specific problems of specific industries at specific times. This patchwork does not fully reflect either the dramatic changes in technology of the past half century nor the parallel changes in the structure of competition..."

One does not have to go outside Canada to find the same view being expressed. The point was well and eloquently made by Dr. J.J. Deutsch, the Chairman of the Economic Council of Canada, in a talk to the first annual meeting of the Canadian Transportation Research Forum last September. He said "Our country's transportation policies and systems have been forged and shaped by the necessity of building a nation that occupies half a continent. However, in spite of the importance of the role of transportation in such a vast land, our studies of its role and of its problems in its many forms have been sporadic and piecemeal. Over and over again, during the past 100 years when difficulties became critical, Royal Commissions were appointed to make hurried inquiries and to suggest quick solutions. Frequently, the results and implications of the work of these inquiries went unheeded and were not followed up in time. Very often economic factors have not been given sufficient weight in the formulation of policy. There continues to be less than a satisfactory understanding of the impact on the Canadian economy of the costs and contributions of the various elements in our transportation system...."

### NEED FOR RESEARCH CENTRE

It seems to me that a great obstacle to the achievement of a truly efficient, low-cost transportation system in Canada is the lack of a vigorous, continuous and co-ordinated programme of transportation research. We need urgently, I suggest, an independent, university-based transportation research centre or institute which will provide, on a consistent basis, the body of up-to-date information and analysis that is necessary to underpin decision-making and develop national transportation policies appropriate to the times in which we live.

We at Canadian National are very conscious of this need and, therefore, we are very interested in the current efforts of the federal Department of Transport to set up and support a transportation research unit at a Canadian university.

I am not aware at the moment of how far along this project is nor of its exact nature and scope. I can say, however, that we at CN heartily support the principle behind this effort, will do everything in our power to make it a success and urge everybody else in the transportation and allied industries to take a constructive interest in it...

...In this country...there is an immediate need for scientific and engineering research in transportation. We are not, of course, entirely lacking in such research now. Canadian National has a very efficient Research