

NOT SANTA CLAUS AND C. N. R. IS NO CHRISTMAS TREE

Sir Henry Thornton Hammers
Home At Montreal Politicians
Can't Touch System.

SIR JOSEPH FLAVELLE SAYS
THAT RULE ISN'T WORKING

New Railway Chief Believes Lines
Will Pay—Discusses Some
of Difficulties.

MONTREAL, Dec. 5.—"Let it be emphatically understood, now, and for once and for all, that there is to be no political interference, direct or indirect, in the administration and working of the Canadian National Railways."

Speaking as the guest of honor at the banquet tendered by the Montreal Board of Trade here tonight, Sir Henry Thornton, newly appointed president of the Government-owned railways of Canada, made the above emphatic declaration, adding that he could not put his position more forcibly without transgressing the rules of polite speech, "and if I knew of any words that would make this point more clear I should unhesitatingly employ them." He stated that Rt. Hon. W. L. Mackenzie King, Prime Minister of Canada, had solemnly assured him that there was to be no political interference, and that it was with that distinct understanding that he had accepted the post which the Government had offered.

Sir Henry stated that he realized that the present objective of the board was to stop the drain on the public purse. To do this the National lines had to earn an extra \$40,000,000 annually. He had preferred the position in the belief that this could be done, and while he would not venture any prediction as to when the income and outgo would balance, and end Government contributions, he would go so far as to state his belief that it would be sooner than many people appeared to expect.

C. P. R. Will Aid.

E. W. Beatty, K. C., president of the Canadian Pacific Railway, and Sir Henry's railway rival, proposed the health of the guest of the evening, and said that in the larger problems concerned with the relationship of all companies to the public they served, "I am confident that the officers of the Canadian Pacific and National Railways can work in substantial accord to the mutual advantage of their respective companies and the public."

Mr. Beatty added that he would like to assure Sir Henry, and "to make the assurance now before he proceeds farther to portions of the country where the people are just as estimable but probably less free from prejudice than those of Montreal, and, therefore, more likely to endeavor to poison his mind with suspicion, that in the solution of common problems he may be assured of frankness and candor, and an honest expression of opinion and desire to co-operate on the part of the officers of the Canadian Pacific Railway Company."

Sir Joseph Flavelle, late chairman of the board of directors of the Grand Trunk Railway, referred to the announcement of Hon. W. C. Kennedy, Minister of Railways, that the national system should be operated without fear or favor, and without thought of politics, and in the general interest.

Sir Joseph remarked that this was satisfactory, but stated that frankly he had seen no evidence of its observance.

William Birks, president of the Board of Trade, was chairman.

Tribute To C.P.R.

Sir Henry said: It is with a feeling of gratitude that I rise, first, to thank Mr. Beatty for the generous and kindly words he has spoken with respect to the Canadian National Railways and myself, and, secondly, to thank you all for the cordial way in which you have received his statements. The fact that the president of the Canadian Pacific Railway has done me the honor of proposing my health is in itself a compliment which any railway man would appreciate, for we in the transportation industry regard the Canadian Pacific Railway as one of the best managed and most efficient railways. Its original conception was courageous and statesman-like, and its subsequent administration has reflected credit upon all who have been connected with it. If those of us who are charged with the responsibility of organizing into one entity and working as one unit the Canadian National Railways succeed in approaching the enviable record of the Canadian Pacific Railway, we shall have more than met our responsibilities. The Canadian Pacific Railway should be, and I am sure, is the pride of the people of Canada, and much of the prosperity of the Dominion is due to the efforts of its officers and staff. We shall undoubtedly be rivals, and it is good that it should be so, but I feel certain that our rivalry will only reflect itself in an effort to furnish to the people of Canada adequate and efficient transportation at a reasonable cost.

I have always envied the prophet Daniel when he appeared upon one occasion at a dinner, the result of which promised to be unpleasant to the principal guests; and with whatever delight the lions may have looked forward to the dish which was about to be set before them, Daniel, at least, as the honored guest, had the satisfaction of knowing that he would not be called upon to speak after the conclusion of the feast.

Apart from the pleasure of meeting those whom I hope will become my Canadian friends I should have preferred to make no public speeches until I had been in Canada for at least a year. At the expiration of that time my deeds, whatever they may be,

would have spoken with more accuracy than any statements I can make tonight. Let me frankly say that I have not the intimate acquaintance with Canada and its transportation needs which many of you possess, and it would be folly, in the absence of a detailed study of the position, to speak in other than somewhat general terms.

Pleased With System.

The amalgamation of constituent railways now known as the Canadian National Railways has for the last two years shown an improving financial position, although the position is not today what any one of us would wish. The fact, however, that the position is improving shows that it will yield to treatment, and reflects much credit upon those who, until the appointment of the present administration, were charged with the administration of the constituent properties. I should be wanting in observation and appreciation if I did not take advantage of this opportunity to thank Sir Joseph Flavelle, Mr. Hanna, Mr. Kelley, their officers and their associates on the former boards of directors for the excellent spade work they have already done, and the zeal and efficiency with which they executed their responsibilities. I hope that those of us who will follow the trail they have so ably blazed may still count upon their valued advice and support.

I am not concerned with the events and circumstances which brought the Government of Canada to take over the National railway system. We are confronted by a condition, not a theory, and I must accept things as I find them. Whatever the reasons may have been, the people of Canada have embarked upon an adventure which has not been conspicuously successful elsewhere; but I emphatically deny that this forms any reason for failure here, providing certain basic principles are unalterably maintained. There is a distinction, if not a difference, between the

Government railways of Canada and Government owned and operated railways elsewhere. In Canada, as I understand the position, the Government is the only shareholder in these various properties, or at least sufficiently controls the voting power to appear as the single shareholder; and the Government has elected to administer the National railways in substantially the same way as though they were privately owned.

Experiments in government owned railways elsewhere have taken the form of directly operating the railways by officers and men who were actually the servants of the Government, rather than the servants of the railway. Now this distinction is obviously important, as well as vital, and it certainly tends to make the elimination of undesirable influences from the administration of our railways easier than might otherwise be the case.

Political Interference.

Much has been said about the dangers of political interference with our railways, and this is at least one subject upon which I can speak with emphasis and authority. The existence of politicians seems to be the price which is paid for democratic form of government; and, generally speaking, there are two things in every country which, in the minds of at least 50 per cent. of the population, afford reasonable grounds for complaint. One is the weather, and the other is the Government. But, in a democracy, the people get the kind of government they elect to office; and if the weather is disagreeable the Dominion of Canada provides a great variety of climates, any one of which can easily be reached by those who avail themselves of the services of the Canadian National Railways. Perhaps I should be generous and inform you that the Canadian Pacific Railway has also a passenger service.

Politicians are much maligned. In earlier days they were designated as statesmen, just as 15 or 20 years ago anyone acquiring a fortune was considered a captain of industry, while today opulence is generally looked down upon as an indication of profiteering. However all this may be, we all recognize that politicians do exist, and presumably because they exist they are essential in our scheme of government, but let it be emphatically understood now and for once and for all that there is to be no political interference, direct or indirect, in the administration and working of the Canadian National Railways. I cannot put it any more forcibly without transgressing the rules of polite speech, and if I knew of any words which would make this point more clear I would unhesitatingly employ them. The Prime Minister has solemnly assured me that there is to be no political interference, and it was with this distinct understanding that I accepted the post which the Government has done me the honor to offer. This assurance is only the assurance that any Government, irrespective of political complexion, would be compelled to make under similar circumstances. It is vital to the success of our railways, and any other procedure spells inevitable disaster.

Hammers It Home.

From time to time the din of battle and the clash of political arms lead one at least to suspect that there are political disturbances going on in the land, and I have reason to believe that something of the kind is going on at the moment, or has taken place during the last few days. With these periodical political upheavals, neither I nor any officer of the Canadian National Railways have, nor should have, any concern, other than the interest which every patriotic citizen should take in what is going on about him. Our job is to devote ourselves entirely and with tranquillity to rendering to the people of Canada an honest and efficient railway service. I think I can speak with authority for my co-directors, and I shall certainly speak with authority for myself, when I say that, without fear and without favor, the Canadian National Railways are to be operated for all the people of the Dominion.

I know that political interference presents itself in many seductive disguises, and sometimes it tends to make itself felt in many unknown ways. Of all of this I am fully aware, but let me again repeat that there is to be no political interference or influence in the administration of the Canadian National Railways. And while I am on the subject let me go one step further. Con-

structive criticism, born of a desire to improve conditions, is helpful and will be welcomed. Other varieties, which are intended to be destructive, may be ignored. Any individual who can tell me how I can do my job better will be regarded as a friend. Every opportunity will be given for a full discussion before decisions are made, but made they must be with firmness, courage, and no undue waste of time. When once made, they must be maintained. Any other policy will reduce your railways to a spineless nuisance with no body to kick nor soul to damn. Therefore, the railway administration must be master in its own house, and in the interest of efficient management no interference of any sort can be tolerated.

Perhaps no less dangerous than political interference is what may be called pernicious sectional pride. The Dominion covers a wide territory, and the aspirations and desires of different sections are not always identical; indeed from time to time they may even conflict. It will be my conscientious effort to meet the reasonable demands of all sections of the Dominion and contribute to the utmost to their development.

Decisions will undoubtedly have to be made which will be distasteful to certain sections of the Dominion. I only hope that it will be possible to reduce decisions of this character to a negligible minimum. It must be obvious to anyone that, while recognizing in full sympathy the requirements of all sections of the Dominion, the National railways as a whole cannot be sacrificed to meet the wishes of any part of the Dominion.

There are four factors which constitute the sum of successful railway administration: First, adequate net receipts. Second, the development of the property to meet the burdens of future traffic. Third, the relations between the railway and its men. Fourth, the relations between the railway and its clientele.

The activities of any railway may be classified under one of the other of these heads. The first two are largely technical. Satisfactory net receipts involve a proper organization, capable and loyal officers, together with intelligent and enlightened administration.

The "Smiling Railway."

Given these things, and barring accidents, satisfactory net earnings will almost surely result. The preparation of the property to meet the development of the country involves wisdom and forethought. Any railway which finds itself unable adequately to meet its traffic responsibilities is hindering the progress of the community which it serves. The relations between the company and its men involve chiefly the handling of labor, and in this respect government-worked railways have always been particularly vulnerable. I believe that every employe of every industry, irrespective of its character, should receive that minimum wage which will enable him to live in decency, in comfort, and under proper sanitary conditions, and to educate and bring up his children as self-respecting members of society.

Any other policy makes for unrest, and if carried on long enough is likely to create political upheavals. The wage I have indicated represents the minimum to be received. How much greater the wage may be depends upon the condition of the industry, the value of the service rendered, and other similar factors. Labor troubles usually disappear if they are caught when they are young; that is to say, when they are in a plastic condition. The prompt and just settlement of complaints is an effective guarantee of tranquillity. If, on the other hand, attention is not given to such matters until they become festering sores, and both sides have delivered ultimatums, the solution becomes correspondingly difficult. It is my desire

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