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Public Ownership of Railways Up to Date

By MR. W. F. MACLEAN, M.P.*

AT a regular meeting of the Club held on the 13th November, Mr. Maclean said:

Gentlemen of the Canadian Club,—I am here to-day to say a word for the public ownership of the great public services more or less joined up with railways: travel, freight, express, postoffice, telegraph, telephone, wireless, public communication of any kind, whether by land, by water, by current or wave, above or below. The French try to make the word "communications" include the idea; "transmissions" is another embracing word; perhaps "carrying" is our simplest, and our everyday term, "common carrier," is the most in use, and takes in most. Railways and ships "carry"; telephones, telegraphs, waves of all kinds "carry"; things and forces "carry" for the many, whether by land, by water, by air, by light and the like. Whatever "carries" for the many, serves the many, ought to be owned and handled by the many, or the public. Public ownership of railways means for me public ownership of the common carriers in the wide sense above set out. By public ownership I mean the ownership of all those common carriers, whether they be telephones, telegraphs, railways, aerial waves, or anything of that kind, and I include under public services anything that should be publicly owned.

One of the ends of government ought to be to enlarge the number, to widen the use, to cheapen the cost, of the common every-day services, the every-day needs, the every-day conveniences and comforts of life. This can best be done in most cases by public ownership or by public distribution, or by public regulation. Now this is my point: these great public conveniences of life, in which all are concerned, and especially those ones which we call public carriers, should be owned and controlled by the people, and not by private corporations.

*Mr. W. F. Maclean, M.P., has for years been the leading exponent in Canada of public ownership of railways and other services. Both in Parliament and through his newspaper, *The World*, he has advanced the policy which is here developed.

The welfare of the many is more than the wealth of the few. In other words, I take my departure from many political economists heretofore who have relied on statistics that show wealth. Welfare is greater than wealth, and the welfare of the community is the object of government, and therefore public services should be under public ownership and public control.

Public ownership seeks only the welfare of the many, private ownership strives for the wealth of the few mainly, and that at the cost of the many. We have worshipped wealth rather than welfare.

Public ownership: how many of the people can be served at the lowest cost; private ownership: how few can be served with the greatest profit to those who may hold a franchise therefor, or a control thereof. All this means that under private ownership they are looking for profit, and they are not looking—they don't regard it as their duty—to give service; and yet they like to give service. I know Lord Shaughnessy and Sir William Mackenzie and they are just as fit to shine in this new day in giving public service as they are in seeking to make money in their "cribb'd, cabin'd and confin'd" position at present, trying to get profit for their shareholders; and that is the difference between the two propositions. One seeks to give service to the people; one to make profits for a few private owners. Service and profit make in most cases an ill-matched team. If you try to put these two together—welfare for the many, profit for the few—the team won't work together. But you can get service and you can get profit, and sometimes they may go together, but I have hardly ever seen them do so; they diverge.

Welfare of the many is everything; wealth of the few may be a menace.

Statistics that show welfare mean much; figures that show wealth accumulated by a few at the cost of the many may sum up unmeasured misery to men and women untold. There have been men going around the world now for years, especially in the last seventy years, who have measured up human progress by statistics as to wealth; where is the man showing statistics as to the welfare of the people? And yet that is everything, and until you come to statistics that show the welfare of the many rather than statistics showing the profit for the few, I can't accept the proposition you present.

The New Day will be more and more for service, less and less for profit. For welfare rather than wealth, for service rather than profit.

This life at best is an everlasting struggle for the many; State ownership seeks to lighten the struggle by public service whenever it may be worked out.

Life is more than property; welfare more than wealth; democracy more than the rule of the few; common comfort more than accumulated reserve in the hands of the few.

So much for your standing ground, or, as our sophists might say, for the philosophy of it. Now, let us come to the application of it in certain well known services in the way of the trade and the talk of the nation; let us deal with what we make and seek to sell; with what we need and wish to buy; with trade and communication, with talk and travel, all of which services have to do with our common carriers, and, for this discussion, our railways.

Public ownership gives you co-operation in its widest and best meaning. The railways when public-owned fit in with one another, can be made to fit in with one another, work together. The one organization can run them all—railways, telegraph, telephones, express, postoffice, etc.—all common carriers. You can put them all under that one service, "common carriers," and you will get better service, more articulated, more improvements, and you can put them all under one management, and I contend better management at that.

Public ownership does away with all unnecessary duplication of lines, with unnecessary competition. Look at the passenger and freight and express services, say, between Montreal and Toronto, carried on by three or four lines, where co-ordination and co-operation by one would give a better and cheaper service. Did you ever see that service? Now, I go week after week between Hamilton and Toronto, and I see all these passenger and freight services, this unnecessary duplication, and unnecessary switching, to bring that traffic into Toronto. Public ownership would co-ordinate the lines, and would give better administration, better service, and cheaper service. And I don't know that you will get this tangle straightened out until this city of Toronto takes hold from the point of view of service to the people and not profits to shareholders.

Public ownership makes railway service and water service complementary one of the other. Where the service is cheaper by water than by rail use it, and give it by the one organization. Water and rail make a well-matched team. The private-owned railways are always hocking the other horse. Our railways have blocked our canal development, our railways have tried to put navigation out of business; failing that,

have sought to get control of it. There are miles of docks in America that the railways have got hold of in order to let them go to rot. The United States has had to pass a law to compel the railways to go out of water transportation because of the blight they put upon it. I have heard a Minister of Railways confess that the railways palsied or tried to palsy his arm in the building of our public canals; so with river and harbor improvements. Toronto by its Harbor Commission is at last breaking these bonds to-day.

The railways in this country—I charge them with it, and the proof you all know,—have combined among themselves to kill and destroy water competition. Never has there been a harbor or canal development proposition without the railways having their representatives at Ottawa, trying to paralyze the hand of the Government, because it might be in the interest of the people to improve their water transportation.

Public ownership makes all terminals, sidings, wharves, approaches, for the use of all, not for limited monopolies. The Grand Trunk owns the sidings at the front of Toronto; the Canadian Pacific those uptown. The Canadian Pacific largely owns the harbor of Vancouver. These things make them masters. Public ownership will end all these abuses.

Public ownership gives equality of treatment to all shippers in the use of all services. No discrimination to the big shipper over his smaller rival; the big miller over the small one. Equality to all towns and districts with preference to none. The Grand Trunk gives a suburban service with commutation tickets to Montreal, and almost denies the like treatment to Toronto. A railway or a ring of private railways have it in their power to blight a community. There are a lot of instances of that all over America, where a railway has had it in its power to blight a community, to blight even a province, and to hold back great interests in which the people are concerned. But public ownership will never be used against a community, against a locality or a great geographic section of the country.

Public ownership can raise the capital for public service at less cost than can private companies. Capital in public service is never in default in its interest, nor are its shareholders plundered by private exploiters like in so many cases in the States. Mr. Dunn didn't tell us, when he spoke of what the railways had accomplished in the United States—about the over-exploitation of European people who put capital into the United States. Public ownership has never cheated capital out of its investment.

Public-owned railways are consecrated to giving public service at the lowest cost; private-owned railways seek to make profits for the shareholders or owners at the expense of the public. One is for the most service to the public; the other for the most profits to the owners.

Public ownership would give Toronto terminals, sidings and street crossings the best possible. Public ownership would let all the railways leave Toronto to the east by a four-track line on a half of one per cent. grade; the three go out now on a one per cent. grade at three different places. The half per cent. grade can be got and might cost a little more, but once got it would quicken the service, reduce the cost, improve the whole layout of the city.

Public ownership of terminals and sidings should fit in with all harbor improvements and industrial layouts, not antagonize one another.

Public ownership of railways and telegraphs, telephones and express, post office and radials, would make a public centre in every village and town. These would have their headquarters in one fireproof building that was open for public service every hour in the day; instead of as now being out of commission, many of them, more than half the time. You go into many of these villages and towns where so much money has been spent on railways, telegraphs, and other services, and do they serve the people? In the smaller villages of Canada what is the situation? For one public building that is open all the time, how many you find that are not? But if you had one building for the railways, express, post office, and money orders, that would regenerate more than anything else the whole of this country. Canada is a hard country to live in, the struggle to live is more than usually severe. Regeneration lies in the creation of a civic centre in each little community, by a combination of these things which should be under one head in one building, and by the improving of communications by a centre of communication in that district. This would do more toward building up this Province of Ontario and the Dominion of Canada than anything else I know. And you will never get this improvement in connection with these services unless by public ownership.

Lastly, where you have public ownership you have absolute freedom to do whatever you like, whenever you like, with what is your own; once you part with a public franchise you have lost your freedom. A nation that is free can take up any and every improvement that comes along; private ownership tries to oppose all advance.

A private-owned monopoly becomes, in nearly every case, a public enemy. The private railways fight our post office in parcel post and cheap express service just as the private-owned banking institutions of Canada fight the postal money order, and the rate of interest in deposits paid by the postal savings banks. Why should a nation create unfair dictation within its own border?

This great war has brought into the forefront the idea of public service before anything else. A State must own its railways for purposes of national defence, if for that alone. Had it not been for our State-owned railway, the Intercolonial, we could not have sent a man to the front, except in summer, from Montreal and Quebec. Canada, today, has no absolute control of her three private-owned railways. The control may be in the States; that of the C.P.R., was at one time in Germany. We must own them ourselves. Bonds issued to build State railways may be held out of the country; stock that controls them should never be allowed to go out of the country. Lord Shaughnessy is bound to think more of his shareholders' interests, no matter where they live, than of the Canadians who are served by that road. Germany controls our nickel mines, and she could buy up our railways to-morrow by way of agents in the United States.

Now I want to tell you Canadians, these railways which you have built with your own money, which gridiron the country, the control of them could be in a foreign country;—the control was, I believe, at one time in Germany. And no country can afford in this war time to allow its railways to be controlled outside its own country, and outside the whole Empire, when its future might be menaced.

When I speak about the national reason for public ownership, let me say that Boston telegraph and telephone interests control the cable, telegraph and telephones that serve Canada. The Empire must own the cables. Our great Canadian Pacific has its closest allies in Wall Street, not in Canada. A State that owns its railways can assist therewith in promoting foreign trade; in giving the best freight charges on her exports, and on her raw products from other countries needed for her manufactures. Germany uses this to the great advance of her wealth and interest. National railways have made Germany able to defy the world.

Our National Policy was good, so we are told, for our national industries. Germany has used her State roads for the development of her manufactures, for getting cheap rates on the export of products, and cheap freights on raw products

brought in to aid Germany by her railway policy before the war, and by her industrial development. We talk about our industries and trade, but Germany is far ahead of us because she has gone into it in a systematic business-like way and used it for the advance and the upbuilding of her industry. And now let me apply what I have said to the situation at home, and make myself up-to-date in regard to public ownership of railways in Canada.

I would take over all the railways in Canada by the State, and thereby follow the example of most of the countries of the world. Great Britain will never let her railways pass into private hands again. She will never let the King's Highway pass into private hands. Now the railways, to my mind, and to the minds of those who are studying this question, are nothing but the King's Highway. Even in the old days the King's Highway was the property of the people; surely it is in this modern day, for the people to go up and down on it and get all possible out of it.

Our friend who spoke here a couple of weeks ago just touched on this aspect of the subject. Those ancient rights are something above this interest of money, and statistics of development that is supposed to come with it. We have let the King's Highway pass from us. On that ground a leading man should be able to stand up in any community and say he is in favor of public ownership of railways, if he has seen the King's Highway in the past and in the present, owned and controlled, by the people.

I would take over all the railways in Canada by the State, and thereby follow the example set by most of the countries of the world. Most of all I would follow the example of our sister Dominions, Australia and New Zealand, where they have always had State ownership of railways. As a war measure we should long ago have followed the example of Great Britain and taken over the railways in this country as she took them over. The clear-cut position taken by the Australians in the war was made easier for them by their advanced legislation in the past, especially in regard to railways, and they dealt with the metal question in a settled and striking way because they had already learned the art of putting the public interest before everything else. Great Britain will never let her railways pass into private hands again, and it was the mistakes of Great Britain at the beginning of the railway building that led to the United States and Canada following a bad example. Great Britain let, and we let, the "King's Highway" pass into private hands. So the States.

I would take over the Canadian Pacific, the Grand Trunk, the Grand Trunk Pacific and the Canadian Northern, all at once, and link them all up with the Intercolonial. If I had to take any one first before the others I would take the Canadian Pacific. We could afford to guarantee all the commitments of the Canadian Pacific and pay the shareholders 8 per cent. on their shares, provided we got all the assets; and the organization of the Canadian Pacific, linked up with the Government railway staff, would be competent to administer the consolidation.

Next I would take over the Grand Trunk and the Canadian Northern, assume the liabilities, and pay the shareholders some reasonable compensation for a transfer of their holdings. I have very little sympathy with the proposal that the Grand Trunk or Canadian Northern should be put through the hands of a receiver. A way can be found to take them over on terms fair to all. The Canadian Northern, notwithstanding all that has been said about it, in many respects has the greatest potentialities of any road in Canada, and those who have made it are worthy of a reasonable compensation for their services, and for the surrender of their prospects. The Grand Trunk is the best road we have in Eastern Canada, and could be taken over by some reasonable compensation to the shareholders who now get little or nothing.

But take them over I would forthwith, and consolidate them all into one system, under one administration, absolutely removed from politics, and put them in charge of a commission of one or three men of the highest ability, and free of all interference. It would be their duty to consolidate and coordinate all the present systems; to cut out unnecessary and duplicate lines and services, to use the unnecessary rails and equipment for portions of Canada now without railroads and in need of them; to save unnecessary expense, to unify the whole, and to make the united railway system of the country complementary of the water transportation of the country, even to the extent of taking over the ocean steamship lines that the railways may now own. You can't settle the transportation problem by railway unless you also settle it by water, and there must be the one owner of both means to that end.

Now anyone who has listened to the discussions and complaints of the farmers of the West knows that they complained in regard to the small share they had out of the bushel of wheat, and the large amount for ocean transportation which the railways got out of it, and every concession the railways gave by reason of pressure was immediately grabbed by ocean

transportation. You can never solve this question until you settle the question of water transportation along with that of railways. They talk about my proposal sometimes as half-baked, that I am talking about something where we have no jurisdiction, that we haven't any jurisdiction over ocean lines. I wish I had a say—I would soon find a way, to bring them under supervision and compel them to give reasonable rates for their service. Sir George Foster is going around the Empire to see if there is a way to bring these ocean lines under the jurisdiction of the various parliaments. But there is a way if we have the disposition to do it, and you begin by associating railway and water transportation; this must be by public ownership. That way is there, and you can apply it.

And even before I did this from a Federal point of view, I would take over by the province and by the municipalities all the radials and street car lines in Ontario, link them all up more or less, and also take over the main water powers of the province, and use them, first of all, for the local railways and industries, and next for eventually supplying the motive power for the Federal railway system.

I would not allow a single water power in any part of the Dominion to be hereafter alienated to a private company if it were needed for the railway services of Canada.

We have not coal, but we have the greatest store of water power in any country, sufficient to drive every railway and every mill, and to give cheaper industrial power and transportation than any other country, if we had these things for the people and had not alienated them to private owners.

There is the secret of railway transportation, not only public ownership of the railways, but also of the water powers, yet we are letting them pass away every day, and making a great fight to get them back. Let us, at least in this Province of Ontario, forbid forever any alienation of our water powers and keep them for the people. The hour I believe will come some day when economical electric energy will be used for heating our houses; but if we let it go into private hands we will have electric energy barons, as they have coal barons in the United States. Therefore, now is the time to deal with this thing. No matter that there may be some objections to it; the main course is on the lines I have taken.

Now I am going to delay you just a moment to refer to the excellent speech we heard two weeks ago, by Mr. Dunn, under your auspices. He said a great deal in favor of the private-owned system of the United States, and with all its faults

it has merits, as you all know. It has done a lot in the way of competition, but it has ruined an innumerable number of shareholders; it has made enormous waste in unnecessary duplication, in unnecessary overhead expenses that can be eliminated; and it stands adjudged in the awful discrimination it has exercised against individuals, against communities, against interests.

And Mr. Dunn gave his whole case away when he said they now had public regulation. But this public regulation was attained and secured by the people as against the railways, and forced out of them; Mr. Dunn now makes a virtue of what he not long ago regarded as a crime. There was not a railway in the United States that did not say public regulation was a crime. Now it is not fair of Mr. Dunn when he comes over and tells you of the great virtue in the railways of the United States that are under public regulation. But whoever justifies public regulation must be prepared to go the whole distance and justify public ownership. Public ownership is but the completion of public regulation and control.

And one thing said by him do I wish to discuss, and that is the introducing of politics and political corruption. I was sorry to hear him, an American, and therefore a republican of the United States, declare his lack of faith in the democracy of the United States. He was afraid of the people, most of all of the corrupt people! I take full responsibility when I say that the railways have been the greatest source of the widespread corruption that has prevailed in the United States. They are not able now to do so much in Congress, but they have demoralized nearly every legislature in the United States. The source of political corruption in nearly every case has been the man who found the money, and not the man who took it. And the railways are more or less blameworthy in this country. The Canadian people are not the source of corruption that prevails here, and once you remove the source of corruption the corruption itself must largely disappear.

I could talk for two hours on that one subject. But I never yet saw that the source of corruption in this country was in the people, it is in somebody who goes to the people like the devil went as a tempter to Adam and Eve. And now about Mr. Dunn—when he says he has no confidence in the American democracy, in the American people, and that public corruption would stalk through the land if there were public ownership of railways,—well, I don't quite agree with him!

Nor does it follow, as Mr. Dunn says, that politics must necessarily get into the administration of public-owned railways. They can be absolutely separated and kept as a business proposition, just as it has been done in Australia and New Zealand and in the countries of Europe. Give men like Lord Shaughnessy and his assistants, or men like Mr. Chamberlin of the Grand Trunk, Mr. Hanna of the Canadian Northern, or Mr. Gutelius of the Intercolonial, full control, and back them up with legislation taking our railways out of politics, and I have no fear of public ownership in this respect.

Now, gentlemen, in a word, this is my argument. There is no way of dealing with this problem of transportation, whether by land or by sea, on river or canal, except by taking jurisdiction over all, and changing the old phrase, "the King's Highway," into "the People's Highway," which the people shall own, use and control, to make life more livable for the people who have to live in this country.