(March 28, 1927)

Confederation

By E. W. Beatty, President,
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Mr. Sedgewick: Gentlemen, I am sorry that you have been kept waiting, but you can see the reason. The career of our guest today has a fascination for people. I think there is, indeed, something of what Sir William Harcourt wrote to Disraeli when he left the House of Commons and became Earl of Beaconsfield. He said that every youth looking at Disraeli's career might view in it the possibilities of the future. The career of our guest today is one other of those examples of success and of achievement which are, theoretically at least, an example which shows the possibilities there are for all Canadian youth, that the heights are free to all Canadians of ability and integrity and industry. I have very much pleasure in introducing to you Mr. E. W. Beatty.

Mr. Beatty: Mr. President and gentlemen, it has fallen to my lot to have had to appear before members of Canadian Clubs in Canada, Boards of Trade and other commercial bodies, and as you can imagine I have been introduced in different ways; but for flattering inaccuracy I think the introduction of your President takes first prize. His kindly words, therefore, are very much appreciated because thoroughly undeserved, and I can only hope that he has had an opportunity, as I have had, of reading a very delightful sonnet, "Prize Fighters has Feelings"; and if these shy and sensitive gentlemen "has feelings", he no doubt assumes that a railway official would meet an audience of this kind with some trepidation and misgivings. His words of encouragement and observations have reminded me of a remark made some time ago by a railway President

in the United States. He had grown gray in the service of his country—fifty years' experience. He said to me in New York. "I often say to my directors that I am almost ashamed to take the salary that they pay me because it is the easiest thing in the world to be a railway President. All you have to do is to satisfy the public." Now, wherever I have mentioned that incident and no matter where in Canada, his remark has been greeted with much mirth because the irony of it being easy to satisfy the public is apparently appreciated by the public themselves. Indeed, the time was when corporations were regarded as being soulless and the railway official a man, uncouth of manner, gruff of speech, callous to any other interest but his own, and an apostle of that school of public service whose motto was, "The public be damned." Time and the march of events have changed all that, if it did ever exist, and we all know now that corporations are not only able, but willing to make a contribution to community benefit, and there is no man more alive to the necessity of having the feeling of public goodwill than your railway officer. That conclusion has been more or less forced upon him because he has found that it pays. He knows, as you know, that the burdens of his duty and his office are appreciably lessened if he can obtain the goodwill, co-operation and support of the public he is attempting to serve. He is not cussing the public; he is just acting with wise business instincts. I am one of those who believe that perhaps the pendulum swung a little too far in the other direction. Instead of being men of sound business judgment, frank of speech, you are determined to turn us into a species of super-diplomat. I think if I had my way I would like to see a close season for speeches from railway officers, and a reasonably close season would be from January 1 to December 30 each year. That would allow us one day and one evening for these statements of modest self-glorification over achievements for the past year, and the usual over-optimistic prophecy for the coming year. Having relieved ourselves of that, I think we might profitably retire to our offices and allow the business of Canada to develop without being subjected to these opinions by our officers or encouraged by our

hopes. I don't know who it was that first invented the practice of railway officers making public speeches, but he has earned my undying hatred.

Now, gentlemen, this modern development that seems to require observations from us on all subjects imposes a very great responsibility on the railway officers of this country, men who as they have under their control property valued in excess of three billion dollars, who administer, to put it another way, property exceeding in value the national debt of this country by seven hundred millions, cannot afford ill-considered views on the problems that are vital to Canadians. They cannot afford to indulge in propaganda not founded on reason. They cannot do other than to give their own considered views in the hope that they will be of value to the community they are endeavoring to serve, and it is the knowledge of these limitations that leads me to advise the close season; and if the members of this club will petition to Parliament, as they no doubt will at the conclusion of my remarks, that a proper amendment to the Railway Act should be made at the present session of Parliament to prohibit railway officers from speaking on more than one day in the year, I would like my name to lead all the rest.

This is the year in which we celebrate the anniversary of Confederation. Anniversaries are supposed to bring a retrospect that is valuable. Even New Year's morning brings resolutions, and as they are supposed to relate in some way to the events of the evening immediately preceding they have not the same significance as has the anniversary which marks the end of another decade in the history of a country; and may I suggest to you in a word, perhaps at this particular time it is an occasion when all of us in Canada should lend our best efforts, our best ability, to co-ordinating, if we can, the many different elements which are now being introduced into the population of this country.

In my official duties, which take me from one end of the country to the other, I have met the members of many clubs, including community service clubs, and I have found few of them aware of the fact that the formation of these clubs was not an entirely modern invention.

The first club of this kind was established in 1600 odd by Champlain at Port Royal, Nova Scotia. He called it "The Good Times Club," and he formed fifteen members into that club for the purpose of mutual understanding and support. It seems to have been a very successful but peculiar club. It did not lunch once a week or once a month, but every day it met at night and had picnics and various pastimes, and the President of the club was changed every day. His particular function was to find food for the members of the club during the day he held office. And so it happened that he usually disappeared a few days before his accession to office, and with his rod or gun endeavored to carry out the duties that devolved upon him. If he failed, he did a little bartering with the Indians, just as we call on the fishmonger on our way home. That is, I think, what the Chinese call saving your face. At the end of the day the President pledged the health of his successor in a glass of wine, which would prove that the club was established in Canada, not the United States. It seems to have been a very happy club. The good fellowship of the members was remarked on by the historians, and they never had to listen to any speeches.

Now, gentlemen, I find it very interesting when going around the country to interview the business men of Canada and visit their industries. I do not enjoy this for the mere reason that we all enjoy or take pleasure out of seeing other people work, but because I find these men deeply conscious of this country, its needs, its problems and its advantages. They do not expect from me speeches which are lengthy. They know that our mutual friends, the politicians, are always with us, prepared to tickle your eardrums with glowing appreciation of one party and an equally strong condemnation of the other party. They know that I don't know anything about politics, and that I cannot expose that little in public.

The late Governor-General of this country, in that direct way which was characteristic of him, once asked me if I knew anything at all about politics, and the only answer I could think of that was proper was that given by the willing gentleman to a lady at a garden party. "Are you mar-

ried?" she asked him. "Unfortunately, no," he replied, "Thank God."

Now, gentlemen, it is many years since Joseph Howe stated in Halifax that the men, or some of the men, in that room would live to hear the whistle of an engine in the Rocky Mountains. It is many years in the life of an individual since D'Arcy McGee visualized the needs of this country and the future. Their prophecies have become realities. Instead of one rail linking the east and the west we have three, and two of them have been joined together in a very large system. The ten million bushels of wheat that were grown at the time of the construction of the Canadian Pacific have mounted to over eight hundred and ten millions. The one ship which was comfortably able to carry all the grain from the Head of the Lakes has been increased to 200 actively employed during the season of navigation. On November 29 of last year twenty vessels cleared with an aggregate cargo of five million five hundred thousand bushels of wheat, or in one day alone half the grain grown in the West at the time the last spike was driven in the Canadian Pacific.

The country has marched, though its progress has been met with some setbacks. The cataclysm of the Great War was followed by a period of artificial prosperity, and it in turn was followed by a time when the burdens of the people seemed to drive out every other consideration. We were inclined to be querulous. The period of inflation was upon us, and we did not like it. The tax gatherer was among us, and by reason of the debts contracted during the war, we had to take from 10 to 60 per cent. of our income, and we were annoyed about it. Our geographical disparities were emphasized and our grievances were emphasized. For a few years we temporarily lost the vision of our fathers, and the complete faith in this country which we should have had. In the words of Sir Joseph Flavelle, whom I have always regarded as one of the wisest men in Canada, probably never more than when he was attempting to enable the citizens of this Province to obtain a means of assuaging their normal thirst—in the words of Sir Joseph while we were exaggerating our grievances things were

happening that must happen when men must struggle, we worked harder, produced more and gradually created liquid assets. We found that we were able to bring back from England many millions of dollars worth of securities which had been purchased and had rested there prior to the war. We added six hundred million dollars to our savings bank account in the last twelve years, and while we were doing this we were able to spend on the automobile another six hundred millions and the great amount of money necessary for its upkeep. We found that while our grievances were foremost in our minds plans were being evolved that led to development, that large expenditures were being contemplated; our water power, our pulp and paper, and our mineral developments were proceeding apace; the Western farmers were producing more grain and livestock; and we woke up one day to find things were better and we became more tolerant. We found our taxes were being reduced, our railways were hauling more, and that our liquid position was more satisfactory and that we gave another example of that characteristic of all humans, that when things are better with us the world is better and Canada is a better country when we are prosperous than when we are not.

And so we got from a period of inflation, and we got to a state when we turned our minds to our own difficulties and the methods to be taken to alleviate them. We began to consider whether or not we could not do something to assist those parts of the country which felt that the difficulties of geography bore most heavily upon them. We all know that this country divides itself into four parts—the Maritimes, the central Provinces of Ontario and Quebec, the Prairies and the Pacific Coast, and we know that they have their own problems of production and markets, and we know too that these problems cannot be satisfactorily solved except by the assistance of other parts of the country, and that assistance must have as its forerunner an appreciation and knowledge of what these problems are. And so, when we became a little more affluent, we became a little more considerate of others, and we are doing perhaps what we might have done before we devoted our means and

energies to improving conditions in the country, especially in those parts which are operating under special handicaps.

The greatest contribution perhaps that we can make in this year of anniversary is a decision to help to understand the other parts of the country in which we ourselves do not live. It is not remarkable that we should be, in part, shut off from complete appreciation of what those problems are because we are not personally acquainted with this country or the people in it. I do not know any greater contribution than a steadier movement of people from the east to the west, and from the west to the east, because it is inconceivable to me that we should have the foundation for this understanding without knowledge, and we cannot have knowledge without appreciation and very great personal application. And so when we turn to this problem we must remember that nothing short of national effort, of a sentiment created and supported by the constructive, the moderate, and the conservative Canadian, will bring about the support and policies designed to bring to the full force and effect the unity which was the vision of those men of sixty years ago.

We often speak of this country in terms of great confidence, and sometimes I feel we do not sit back and contemplate what the basis of that confidence is. If I were to summarize the reasons in a very few words, I would say they are these:

(1) We have a good, sound system of democratic government.

(2) We have a people who, in the main, are noted for their liberal view of things, their sanity in grappling with their own problems. Back of this we have natural wealth and natural resources of very great value.

What are they? We must put first the vast areas of good agricultural land, capable of producing the finest wheat in the world; and possibly not less in importance, the equally great area of land which has not yet been touched by the plow. When you consider that reliable Government officials estimate that less than one-tenth to one-eighth of the agricultural areas are yet under cultivation, you will appreciate the value of that asset. And then you have our water

powers. I doubt if there is any country in the world so bountifully supplied with water power. And we have our forest wealth that enabled us to produce last year $145,000,000 worth of lumber and $203,000,000 worth of pulp and paper. Then we have our minerals, and we have scarcely scratched the surface, and yet we were able to produce to the value of $113,000,000 worth.

And may I say a word in appreciation of our climate as an element in our national wealth. We all know that humans can accommodate themselves to almost any climate, but there are health-giving qualities in this northern climate of ours which are very valuable and contribute to the physical and mental alertness of this country. The company which I am associated with has capitalized both the climate and the scenery in this country, and one of the tests of its value is in the very few who don't enjoy it.

As you know, there is very little place for anyone who is not willing to work. We have little use for a leisure class. And then we have our own needs, and first and foremost among these needs I would put that need of greater understanding between the different parts of this country. Whether we like it or not, geography and distance play a large part in the attitude of our people, and also in the possibility of misunderstanding. The war against geography is in Canada a real problem by reason of the sparseness of our population. I think it was Stephen Leacock who advocated the death by slow torture of the man responsible for near beer on the ground that it was such a tame beer judged by distance.

And secondly among our needs may I place before you the need of more people and more capital to realize upon the natural wealth of this country. Now, it is many years since some of us had the temerity to advocate increased immigration, and you will remember there were strong objections, that it would be unwise to bring in more agriculturalists or farm laborers when those who were here were not enjoying prosperity. And industrial labor urged likewise. Whether or not those who advocated those policies of restriction had great weight with the Government I am unable to say, but it would be unusual, to say the least, if

these urgings were not heeded in the formation of Government policies or the lack of them. But whatever may have been said at that time could not be said today with equal truth or equal force. We are facing a new condition which has brought about practical unanimity as to the absolute need of more people. To me it is unthinkable that a country equal in area to that of the United States with the population of the City of London can adequately realize upon its natural wealth with its present population, and so we have urged and it has been accepted that this need must be supplied; and the Government have undertaken to bring in more people, assisted as they will be by the transportation and other agencies. And may I say that we are not facing anything unusual. Years ago the United States faced almost identical conditions. They put forth special efforts and prosperity followed; and they are aware of the position in this country, and they have lost neither hope nor faith in this country. They have acquired in securities and investments purely Canadian two and a half billion dollars worth, so that in the short space of thirteen years, of the total so-called foreign investments in Canada, the United States now possesses 53 per cent. instead of 17.

The actual figures of what we are doing are impressive, or at least informing; if we deal in percentages they are impressive, but percentages are not a safe guide. Two is 100 per cent. greater than one. Percentages are not a test. The test is the number of people we succeed in bringing to this country compared to the number we need and can absorb. Now, what happened in 1926? We brought in from foreign lands 135,984 people. That includes all immigration from the British Isles and the continent. Canadians who left for the United States during the same period numbered 104,808; Canadians resident in the United States for more than six months who returned to Canada, 61,193; leaving a total net increase in our population for the year of 92,369, which I suggest to you is quite inadequate for a country the size of Canada.

Now, gentlemen, if my time permitted I would be glad to give you a tabloid history of the transportation changes which have taken place since this Confederation was formed.

It would be the story of men of courage, of vision and resources. It would also be the story of mistakes, political and other; of success of policies, and of near disasters, ending in a situation which is quite unique, the position of practically the whole of the mileage of the country in two large systems, one Government-owned and the other privately owned and operated. I do not need to tell you that such a situation involves fundamental inherent unfairness to the private corporation. It costs the Canadian Pacific $5,000 a day in taxes for the privilege of being in competition with the Government of its own country. We try to meet it as best we can. I know you will not misjudge me or misunderstand me when I say that the policy of the company with which I am connected has been to give the best service it is possible to give; from time to time to explain in a dignified way its problems to the people whose interests it is endeavoring to serve; to extend its facilities as public necessity requires. And they are doing these things for two very simple reasons. The first is that we believe the country is entitled to the maximum direction to its development that the company can give; and secondly, the directors of the company have the same explicit confidence in Canada and its future as their predecessors, and propose to back that confidence to the full extent of their resources. I could probably indicate to you with a great deal of truth that the transportation system in this country is much more satisfactory than it has been at any time since the war. It is true that some of the improvement is due to our own effort. There are certain things transportation officers can do, and there are certain other things that they cannot. They are continually striving for great efficiency. They must of necessity improve their physical situation and improve their personnel. Most of these require money. The latter requires managerial or executive action. These problems we will always have with us, but when you consider what these problems reflect, always keep in mind that the major operation is due to Canadian agriculture, industry and general development. The most satisfactory condition a railway company can find itself in is to have traffic extensive enough to give it the means of financial

solvency, and that is the assistance we are now getting from agricultural and industrial Canada toward the end we are all striving for.

"We do not like to take credit where credit is not due, and we realize it is the business men of Canada and the development of the country in its many phases that are contributing to our improved conditions. I may say in closing that I know of no country whose major problems are more simple than this country's. I do not know of any problem, whether it be financial, physical or the development of our natural resources, that cannot be assisted by most people. Given that support, with the wealth we are now endowed with, the future of this country is much more certain than that of any other country in the world. During times of depression men's minds, even business men usually keen of perspective, are sometimes diverted and when we hear criticism and charges and countercharges we are all apt to think that that evidences some lack of confidence in the country itself. Nothing could be further from the fact. There is nothing wrong with Canada except at times some of the people in it. And when I have any misgivings, I like to turn to the utterances of one of the Fathers of Confederation, Thomas D'Arcy McGee, and with this reference to this eloquent, broad-visioned member of Confederation, with your permission, I will resume my seat.