

PRESIDENT BEATTY OF C. P. R. MAKES OUT STRONG CASE FOR UNIFICATION OF RAILWAYS

Winnipeg, Feb. 8.—Discussing Canada's railway problem in a speech here today before the Canadian Club, President E. W. Beatty of the C. P. R. urged the unification of the two great Canadian railways and replied to criticism of his proposal, as made in a speech at Toronto, a short time ago. He said in part:

Objects to Commission
"I have stated the objections of the Canadian Pacific to the commission plan. We are prepared to agree to all proper measures of co-operation but we cannot consent to our property being administered for us. But at our expense by others. We cannot agree to turning over to an arbitrary body the conduct of our enterprise and the shaping of our policies, when in the nature of things, the consequences must be borne by the shareholders. This is not regulation, it is the assumption of complete powers of administration without financial responsibility.

Those who hold extreme views state frankly that the unification proposed is aimed at the Canadian National Railways and is an attempt to injure or destroy the property of the people of this country. On the contrary it aims to preserve the integrity of both properties and the investments of their owners.

A Bumper Year
"The year 1928, from a railway earning standpoint, was the best year in the history of Canada. In that year the Canadian Pacific earned a substantial surplus over all charges and dividends, while the Canadian National fell short by \$29,800,000 of earning there interest charges due to the public and to the government. The combined gross earnings of the two companies decreased in 1932 from the level of 1929 by approximately \$267,000,000 or about forty eight per cent. Their combined operating expenses were reduced by approximately \$183,700 or 42 per cent. Their net earnings decreased by \$83,300,000 or 73 per cent.

Strove to Curtail
"That both companies strove to offset the enormous decrease in gross earnings by effecting economies is indicated by the fact that the decrease in operating expenses of the national railways of 1932 as compared with 1929 was approximately \$100,000,000 or a percentage decrease of 39 per cent. Decrease in the operating expense of the Canadian Pacific in the

same period was \$83,500,000 or 45 per cent.

"Neither company has escaped the devastating consequences of trade stagnation and both are interested in the financial integrity of the investment in their properties. The question of aggrandisement domination does not arise. We must make common cause against the effects of the unwise policies of the past, intensified by this protracted period of depression, and we can make it more effectively in union than in competition.

Monopoly Abuses
"The strongest and the most frequent argument, against unification is that it will create a railway monopoly and that that is not in the interests of Canada. To this feeling against monopoly no Canadian can refuse respect. The memory of abuses of monopoly still lingers. Admitting all that are we to disregard the passage of time, the course of legislation during the last 30 years and the adjustment of outlook forced on public utility executives by the progress of events?

Past Experiences
"The aversion of Canadians to railway monopoly has been due to certain experiences in the past. Portions of the Maritime Provinces for years were dependent on the service of the Intercolonial Railway only. It was satisfactory to the adherents of the political party in power at that moment, and profoundly displeasing to adherents of the party which happened to be out of office. Sections of Ontario and Quebec were in like manner dependent on the Grand Trunk Railway. Its long range administration from London failed to give satisfaction to the Canadian public. The western provinces for years had no railway service save that furnished by the Canadian Pacific, a flood of immigration temporarily overwhelmed it and in stress and excitement of the times the company no doubt adopted an attitude not always quite defensible. I am free to admit the mistake of that period, but to assert at the same time that they are impossible of recurrence in the light of modern views of the obligations of public utilities.

Had Broad Powers
A safeguard has been provided by law in the institution of the Board of Railway Commissioners. Since that tribunal was established in 1904, the tendencies of monopoly have been effectually curbed and the public interest fully protected. The board had control of rates of carriage and all essential forms of service, and its jurisdiction can be invoked by any citizen without expense or formality. If its powers are not broad enough, they can be enlarged. If the method of selecting its membership offers opportunities for mistakes that method can be altered. The power which created it can modify its structure and adapt it to any change in the national institution.

"The Royal Commission drew special attention to duplication of lines in many districts and triplication in some. Some of this mileage should and must be abandoned. Under competition, two services have been furnished where one would suffice. Luxurious standards have been set up which to a limited extent are entirely necessary and proper but if duplicated become wasteful. Some of these services must be consolidated and standards observed which will meet the requirements of the country and no more.

"No scheme of co-operation between competing companies, however far it may be pursued, will effect these essential economies without risk to the integrity of one prosperity or the other and corresponding damage to the Canadian credit. The necessary economies can be reached through some form of unified operation and control. It can be done without drastic impairment of the service necessary to our industries and to our economic stability. It is possible to do all this and yet to surround the operation with safeguards sufficient to relieve the anxiety of these most obsessed with the dread of monopoly.

Labor's Objection
"The next most important objection is that urged on behalf of labor. What railway labor wants is regularity of employment and the opportunity to earn a reasonably monthly wage and it can never be sure of these if the industry itself rests on insecure foundations. If the country is unable to carry its railway burden nothing can protect railway labor from the effects of disorganization and unsettlement. The division between two systems of traffic sufficient for one only has led already to short time, to unemployment, throughout the length and breadth of Canada. How much better it would be to have the industry organized on rational lines so that a permanent staff could normally rely on a fixed measure of work.

Can Be Adjusted
"The necessary adjustments cannot be made without some disturbance of staff. But, wisely handled these need cause no widespread discomfort or dislocation. The normal turnover of labor will absorb the majority of those displaced as the adjustments are made. The temporary inconvenience involved will not be greater than that resulting from our present situation and it will lead to a permanent cure for the worst evils.
"There is not the slightest reason to fear that a consolidated system, operated by men who have dealt fairly with employees in the past and who know the priceless advantages of esprit de corps, would show lack of feeling in working out the problem of reorganization. I believe that the advent of such a system would immeasurably improve the situation of railway labor in Canada.

Not a Pessimist
Mr. Beatty referred to charges that had been made that in calling upon the country to accept unification as the only way in which railway losses might be reduced and ultimately eliminated. He had presented arguments of panic or of fear and unworthy of Canadians having courage or confidence in this country. In reply he asked is courage born of unreason and heedlessness was an admirable thing. The answer to the problem was not to be found in that kind of argument. "I have never heretofore been accused of being a pessimist about Canada," he said, "I have too great a faith in the country and its people to feel that ultimately it will not be restored to reasonable prosperity, but I do think that prosperity is to be resumed by spending more than we earn by borrowing heavily to pay unearned interest, or by pyramiding our debts and mortgaging our future. What a tremendous deterrent that will be to the resumption of proper conditions. We should be able to evolve and regulate to an efficient transportation system for Canada, involving a minimum of waste but the maintenance of essential services to the public and I suggest to you that we should seriously consider the question of unification

from the sole standpoint of national economic interest and that we should live within our means, transportationally speaking.

"It will be conceded that taxes and freight rates are of great personal consequence to the majority of the people of this country."

A Heavy Burden
"The former have, unfortunately, increased until the burden has become heavy. The latter have not decreased with lower commodity prices and there constitute a relatively heavier load on shippers. You will probably be surprised to know, in these circumstances, that some witnesses urged before the Royal Commission that the remedy for the railway difficulties lays in a wholesale increase in freight rates. I entirely dissent from that view.

Others Suffer
"While the railways are suffering under present conditions so are the producers, wholesalers, and retailers. This is distinctly not the time for consideration of rate increases. While our rates are generally lower than in the United States and substantially lower on grain, the interests of the shippers and exporters of western Canada, competing in the world's markets, necessitate recognition of the fact that the handicap of distance shall be overcome so far as that is possible and permit the transportation companies to live.

A Big Saving
"I am unqualifiedly in favor of unification of these properties for the purpose of administration. Most careful and comprehensive enquiries have persuaded me that permanent economies of seventy five million dollars a year will be secured after a reasonable period has elapsed to permit adjustments to be made in an orderly way.

These economies are not of the temporary or distress variety which the depression has forced upon us and they are not designed to eliminate any essential service to the public or remove trackage where is already in existence another facility capable of adequately providing for traffic needs.

To Be Negotiated
The terms of unification must be the subject of negotiations and agreement between the representatives of the owners of the two properties. The attitude or the policy of the owners of the national railways has not yet been defined and until it is defined it would seem presumptuous and improper that I should attempt to outline what terms should receive the governments consideration or that would be acceptable to the Canadian Pacific shareholders. When the principle to be followed is more determined, details of the arrangements should be made the subject of fair and frank discussion so that all private and public interest will be adequately protected and it goes without saying that in any such negotiations the interests of the owners of the National system must receive every proper consideration.

Will Cut Expenditures
"It is only right that I should point out to you two things which will have a great effect on the wisdom or otherwise of this policy. The first is that unification, of necessity, will lessen the extent of all capital expenditures of years because the unified company will have for use all the facilities, trackage, motive power and rolling stock of both companies. "The second important question is that which arises from the fact that because of the heavy accumulation of debt and of the enormous losses incurred in prior years, we must not only restrict our expenditure in the future, but we must improve our revenue position to the extent of being able to replace gradually the money so lost. We must reduce the drain on the public exchequer, and with wise administration and normal conditions it is not too much to expect that in time not only will the full interest due the public be available to the owners of the national railways, but a substantial amount in addition this will go to provide interest.

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Notice of Legislation

Notice is Hereby Given that application will be made by the Municipality of York to the Legislature of the Province of New Brunswick at the next Session thereof for the passing of an Act to amend Chapter 36 of the Acts of 1922 so as to increase the amount of the Bank Loan under the said Act to an amount of \$60,000.

Dated the 24th day of January, 1933.

C. D. RICHARDS,
Solicitor
Municipality of York

Hornsby and Sisler Join the Baseball School Faculty

Muscataine, Iowa, Feb. 7.—Ray L. Doane was ready today to open his school for baseball players at Hot Springs, Arkansas, February 15, with the signing of four "professors."

The school for prospective big league and minor circuit recruits and others, will have as teachers Rogers Hornsby, Grover Alexander, George Sisler and Leslie Mann.

Not only the fundamentals of baseball will be taught by these baseball luminaries, Doane, said, but the finer points will be available for baseball players, who already have accumulated a sizable knowledge of the sport.

Still, it takes two to nag—one to do the nagging and one too soft-hearted to use a club.

The millennium itself will be unpleasant if it involves being tossed by a lot of officials.

It takes as much energy to keep still as it does to talk

Assessment Notice

The Board of Assessors of Taxes for the City of Fredericton hereby require all persons liable to be rated for the 1933. Forthwith to furnish to the Assessors true statements of all their personal estate and income, which is assessable under The City of Fredericton Assessment Act 1926, and true statements of wages or salaries paid to employees, and Hereby Give Notice that Blank Forms on which such statements may be furnished may be obtained at the office of the Chairman of the Board of Assessors, and that such statements must be perfected under oath and filed in said office on or before the Fifteenth day of February, 1933.

Dated this Fourteenth day of January, 1933.

PETER FARRELL,
Chairman of the Board
of Assessors and Taxes

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