

there must be added many other millions which will involve other heavy taxes for the country. The reason is that the deficits arising out of the operation of those railways are greater every year.

In 1920, there was a deficit of \$48,000,000. which necessitated a vote to that amount in the estimates. This year the Minister of Railways announced a deficit of \$70,000,000. which some financial expert has placed as high, in fact, as ¹²⁸~~160~~ millions. In consequence we have been asked this year to vote 50 millions as a loan to the Canadian Northern, \$89,687,633. as a loan for the Grand Trunk Railway, and \$26,000,000. as a loan to the Grand Trunk Pacific. To this must be added a probable deficit of \$100,000,000. for next year.

*No account
being taken of
large total of
deficits on
Canadian Notes
also since 1917.*

Therefore if you add 48, 90, 26 and 100 millions to the 272 millions, you reach the extraordinary sum of 536 millions, "with resultant heavy cost to the taxpayer of this country".

This is not the result of the war, and the people of Canada should not allow themselves to be fooled by this excuse that heavy taxes are the outcome of the war. It is not so. The present Government are responsible for the taxes which will result from those \$500,000,000. and over, which will appear in our railway accounts.

This was forecast by one of the Commissioners on the Royal Commission appointed to enquire into our railways and transportation, Mr. A. H. Smith, in his minority report, ^{of April 1917} when he said, ^{referring to} ~~saying of~~ the recommendations of the other two commissioners.

" Their plan would add a billion dollars to the direct debt of Canada. The interest on this is about forty millions, adding very largely to Government expenses. Judging from the experience Canada has had with its Government railways, it is fair to