

of 1845-7. The panic could have been avoided by sane action, but every country which places its taxing power in the hands of private individuals must be prepared to pay the price, and the right to construct a railway carries with it the right to exercise the power to tax the people who are compelled to use the railway—fundamentally that power rests in the State. Taxation should be the prerogative of the State alone. It should be the first and most elemental principle of taxation that the taxing power should not be given to any private individuals, to any corporations, or to any party outside of the State.* Yet this is precisely what takes place when a railway is constructed by private means under the present system of financing. It takes place in two ways—a railway charge sufficiently high to make railways pay profits, and a land charge as well. Take for instance the extensions which are now being made by the Canadian National Railways through different parts of the West. Supposing a line goes into a new territory and a townsite is established at a certain point. Eventually a town is built there. The farm becomes a townsite. It is

*A few years ago a number of wealthy merchants went to the General Manager of the Midland Railway in England and on the ground of being heavy shippers insisted that he aid them in their competitive struggle with the co-operative societies. Accordingly a general order was issued that all employees must withdraw from the co-operative societies. The bulldozing order would have been carried out had not the Co-Operative Union threatened to withdraw all its freight from the road—and to block the railway in every possible way. Only the possession of a big stick made the railroad withdraw.—*The Railroads, The Trusts and The People*, by F. Parsons, pages 281 to 282.