

Unfortunately we have not gone so far on the wrong road that our steps cannot be retraced, but the matter is already serious. In 1913 the taxes paid by railways to the provinces and municipalities amounted to a total of \$2,444,960, or \$244,433 over 1912, and nearly a million dollars more than in 1909. These provinces and municipalities have simply copied the practice of the United States and England, and this form of self-deception is one of the resultant evils of private ownership. Under the illusion that they are merely raising revenues out of a corporation, they are in reality levying tribute on each other and artificially raising the general cost of transportation. This will be clear from an illustration. Suppose Ontario decides to raise the taxes on railways from the million dollars she imposes this year to a round \$50,000,000. As it costs money to run a railway, whether owned by a private corporation or the state, the taxes become a part of the railway's operating expenses. It is obvious that it is not possible to declare a dividend or lay by a surplus or reduce freight or passenger rates till this \$50,000,000 has been accounted for. If we further suppose that no other province imposes the tax, then it becomes clear that Ontario is taking a part of this money out of all the other provinces, since practically all our railway systems are transcontinental, and the whole country is paying for the service. As regards Ontario's own share of the \$50,000,000, she is simply taking the money out of one pocket and putting it in another, since her own people are paying the tax in the form of transportation. Under private ownership, these facts are obscured by the notion that the money is taken out of the companies; but when the day of government ownership comes the provinces will realize that they started on a career of mutual pillage, and the trouble will be all the harder to remedy if these taxes become earmarked for special purposes, as they are now in the States. There ought, therefore, to be an agreement between the Dominion and the Provincial Governments to save further trouble.

#### The Only Way Out

Now, which way are we to turn in dealing with the railways? To attempt to wash our hands of the whole matter would be as unavailing as the act of Pilate, because our hands are already in it. The transcontinental railway already exists and it will be cheaper to operate it at some present loss than to tear it up at a greater loss. Neither is there any good purpose served by throwing blame on the promoters of the Canadian Northern, for if parliament had not authorized them to build their lines they could not have gone this present length in raising money. It is just a political lesson in the folly of giving away a state function and a state right without state control. One thing is plain and that is, if the horse is allowed to run further without reaching for the reins both driver and horse will suffer, because the financial men of Europe have put their money on the horse because of the authority and responsible character of the driver. The best thing for the promoters of the C.N.R. to do, therefore, is to make a clean breast of everything, and for their own sakes and the financial standing of the country submit to government direction without reserve. While this control was maintained, the government could appoint a strong commission of men outside the houses of parliament to start an immediate investigation of state ownership in other lands, with a view to

adopting the best form applicable to Canada. Meantime, no railway should be allowed to increase its capital, but if any new lines are shown to be urgent, they can be built by the government.

The possession of at least one transcontinental line will enable parliament to reduce rates to satisfy the reasonable demands of the West, for there could be no greater financial calamity than a process of depopulation of the Prairie Provinces. No one need fear the effect of a rate reduction on the C.P.R., because the credit of that company is not synonymous with the credit of Canada, much as stock operators would like to make it appear. As long as the people remained in Canada, and a merciful Providence gave us good harvests, the reduction of rates to the lowest point could only at the worst mean a loss to the individual shareholders in C.P.R. stock, which might happen to them if their money were invested in any other private venture. It is only when, by uncontrolled high cost transportation, a whole people fall into depression that the credit of the nation will suffer, and then the company which levies the tribute will suffer, too, as, in fact, the holders of railway shares have in other lands done from the same mistaken notion of their true functions.

If, along with the immediate assumption of control of the Canadian Northern, the Canadian parliament would take half of the \$18,000,000 put in the estimates this session for military and naval purposes, and apply the amount in a systematic plan of placing colonists along the line of new railways, the country should pass thru the crisis safely. This was the same policy laid down by Sir John A. Macdonald, George Brown and Sir George E. Cartier when at confederation they united to declare that the best defence of Canada, and the best means of maintaining her financial credit abroad, was to people the new northwest with settlers, whose production would enable the country to pay its way.

#### Our Ottawa Letter

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the world. He does not have enough of it to improve him physically," said Mr. Carvell. "All you get in the militia of Canada is that you teach about twenty-five per cent. of the men of Canada how to get drunk. I have been with the militia for a good many years, and I would not dare to tell the minister my real experience, because I would be reading a chapter out of the book of the life of some gentlemen to whom I would not care to refer particularly. My experience with the militia has been very bitter, and I had twenty odd years of it. It did not affect me personally, I am happy to say; but I have seen man after man go down to practical drunkenness thru the militia. The militia force is a necessary evil, and the important thing to do is to make it of as great value as we can and to cut down some of this enormous expenditure. The minister tries to make the people of this country believe that one-half of the men of this country are simply lying awake at night to devise some scheme to get their names on the militia roll. When he speaks about having 75,000 of a force, he knows it is simply on paper. He admits that altho the total strength of the militia is now 75,000, from fifteen to twenty-five per cent. fail to turn out for training. The trouble with the minister is that he is living in a fool's paradise. I believe he is sincere about it; that is the difficulty. He lives in this thing; he is dreaming over it and he believes all these fairy tales he is telling us. There are gentlemen sitting around him who know they are fairy tales."

End of C.N.R. Debate

This week saw the last of the discussion and the final vote in the Commons on the C.N.R. aid measure. On the third reading a couple of amendments were moved by members of the opposition, including the following by Sir Wilfrid Laurier: "That under existing circumstances no assistance should be given to the Canadian Northern Railway Company, unless at the same time it is provided that the government have power, within a reasonable time, to acquire the ownership of the entire stock of the

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**Prince Albert (Court House) Friday, June 19**  
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DATED at Regina,  
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CHARLES H. IRELAND,  
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