

No sharp boundary line can be drawn, either theoretically or practically, between this class of charges and what are called taxes. All imposts are for the purpose of enabling government services to be performed, but where a charge is for a specific service and is fixed in some relation to the estimated cost of that specific service it is not ordinarily called a tax.

For all general services of governments, including the making good of deficits, if any, on specific services, governments raise money wherever they think it can most conveniently or with least social disturbance be obtained. These imposts are classed as taxes.

Between 75 and 80 per cent of all government revenues, as appearing in their accounts, are derived from taxes, and the percentage has not declined despite the great extension of special service charges. As in some cases governments take into their accounts all details of cost and income of their special business undertakings and in others only the net balances, no exact percentages could be worked out until all accounts were recast to the same form.

After users of government utilities had paid all that was charged for postage, water, light, power, transportation, money loans, etc., etc., the taxpayers in 1929-30 were required to pay \$772,969,645, as against \$238,036,485 in 1913-14.

It may be said there is the war debt. But there are also the war taxes. Deduct the war taxes for 1929-30, \$134,086,005, and the balance is still \$638,883,640, or 270 per cent of the tax bill of 1913-14.

Per family, exclusive of war taxes, \$150 more was required in 1929-30

than in 1913-14, or \$294.29 as against \$144.14.

What general services, what deficits in special services, have caused the increase?

Whether existing taxes are wise or tolerable, it is for the public to determine. The decision is a public responsibility. If in the negative, the question will be, What is to be done about it?

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Tax levy, or tax yield, even on a per capita basis, is not quite the same thing as tax burden. Ability to pay varies from time to time with changing business conditions. Since 1929-30 tax yields have declined, although rates have been increased in many cases and the burden has been heavier than before. Some enquiry into the course of ability to pay may later be made.

As for the years selected for discussion in this chapter, which are not in all cases even periods apart, 1913-14 was the peak year of tax yield before the war, the next peak being reached in 1921-22, and after a decline in the period of deflation, a new peak appeared in 1929-30. It seemed fair to compare these peak years. Of the earlier periods, 1895-6 marked approximately a turning point in general business and 1904-5 the beginning of a new spending policy in governments.

The figures of taxes for 1895-6 are in good part an estimate, but the figures for subsequent years have been specially compiled for this study by the Citizens' Research Institute.

Classes of taxes and their relative yields will next be examined.