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FARMERS AND THE TAXATION QUESTION

Farmers do not get a square deal under the present system of taxation, whereas thousands of wealthy people who have money deposited in banks, invested in stocks or bonds, or in other commercial ventures, largely escape taxation.

THE present system of taxation is unfair to farmers, in many ways. It was put into force many years ago when conditions were entirely different from those that exist to-day. At that time, the great majority of the people of wealth had their money invested in farms and in other real estate. It, therefore, was considered fair to place a uniform tax-rate upon all such property. It was recognized that such a tax would have to be paid by the great majority of the people of the country.

During the years that have intervened since this form of taxation was established, great changes have taken place. Our huge banks, life insurance companies, railway corporations and other similar aggregations of capital have sprung into existence. This means that now, instead of having their money invested in real estate and in farms, there are thousands and thousands of wealthy people who have their money invested in bank stocks and in other stocks and bonds. Thus farmers and others who still have their money locked up in farms and in other real estate, are still being taxed while the people who have many millions of dollars invested in commercial ventures, of one kind and another, are, to a large extent, escaping taxation.

Of late years attempts have been made to reach some of these people by the establishment of the income tax, the taxation of railways, the succession duties-tax and in other similar ways. The fact remains, however, that the present system of taxation is unfair. Farmers and others who own real estate are being taxed unfairly as compared with people who have their money invested in what is called intangible property, such as stocks and bonds, a very large mass of which is not being taxed in any way.

OTHER SECTIONS AROUSED

The farmers of Canada are not the only ones who feel that some more just system of taxation is needed. Farmers, in several States of the American Union, have been agitating for a change for many years. In the State of Ohio, the question of introducing a different system of taxation has been voted on, on three different occasions. The Grange, which, as our readers know, is an organ-

ization of farmers, is taking an active part in the agitation.

At a recent conference of experts on taxation, held in Toronto, Ont., Mr. F. A. Derthick, the Master of the Ohio State Grange, spoke on this subject. Mr. Derthick kindly gave a copy of his address to a representative of The Dairyman and Farming World, who interviewed him in Toronto.

It might be well for our farmers to agitate for the appointment of a commission to study this whole question of taxation, with power to take evidence, as Mr. Derthick states has been done in Ohio. We will be glad to hear from our readers

property, the general property tax became unsound, from an economic standpoint, and unjust as between individuals. When this system of taxation was embedded in the constitution of my State of Ohio, and the older States, it had less to condemn it, as the proportion of visible property was much greater. It was not a correct principle—however, then, and it is entirely false now.

WHY IT IS UNFAIR

"It is false economically for it attempts to tax representative property such as farms at the same rates as the things for which it stands. Through all the years since its adoption public opinion has in reality protested against this proposed double taxation and in consequence owners of intangible property such as money and stocks, have in an ever increasing measure withheld it from taxation.

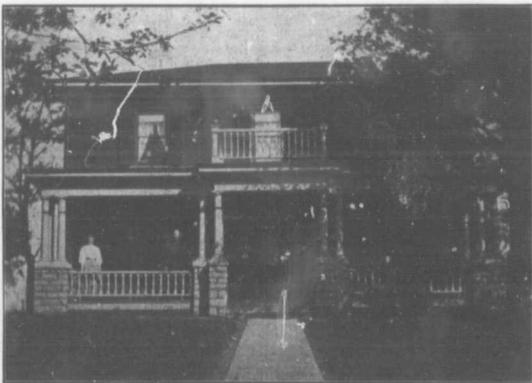
"This results in gross injustice to owners of visible property like farms, who not being able to conceal their wealth must pay any legal tax

paid upon it, and this amount is limited only by the needs of the public. Because of this economic fallacy there has gradually come about an unfortunate, as well as disastrous classification of property holders in every state and province; where the general property tax is in question. Upon one side are the holders of our intangible wealth, like stocks and bonds, who in large proportion resort, successfully, to every device to withhold their property, even though to do so may involve perjury. Moral fibre is broken down and otherwise good men, men who would die for their country will lie for their taxes."

"Upon the other side of the line are the holders of visible property, no more conscientious than the other class but compelled by the character of their investment to bear the burdens of society and the government. In this tax ridden class stands the farmer, perhaps suffering most of all from the injustices of the uniform rate, yet heretofore protesting against a change of system.

WHY THE FARMER IS HIT

"The farmer more nearly than any class of taxpayers has his property invested in things visible. In stock, herds, implements, land and improvements. Every dollar of intangible property, like stocks and bonds, that is taxed, lightens his burden. The line between the owners of tangible and intangible property is as sharply drawn as the line between two armies and the contest is equally fierce, but with this difference; the victor always goes one way—to the intangibles—and always will under the general property tax. There is not a city in Ohio, and but few in the country,



An Improved Farm Home in a Prosperous Community

The home shown above is owned by Mr. W. H. Kerr, of Brant Co., Ont. Several hundred dollars have recently been spent in beautifying this place. The neat cement walk, the well kept lawn and the spacious verandah portray both comfort and beauty. Mr. Kerr farms 150 acres of land. He grows a large acreage of corn, which he uses to advantage in feeding export beef. A specialty is made on this farm of producing red-clover seed, with which crop Mr. Kerr has been particularly successful.

on this question. They are requested to make their letters brief and to deal with only one phase of the question at a time.

Mr. Derthick's address was in part as follows: "For two generations the farmers of Canada and the United States have cherished the belief that a uniform tax-rate upon all property, at its true value in money, was the highest conception of fair and just taxation. It sounds fair but experience and all history prove that it is not. For it to be fair we must go back to a period when all property was visible and equally productive.

"So soon as property became diversified, yielding different incomes, giving rise to intangible