

fought the battles of the British Empire; that he is already naturalized by instinct and that, whatever else he may do he will never become anything else but a British subject ready as ever to fight for his King Emperor.

We allow the Chinese to bring his wives so long as he pays the head tax. I know rich Chinese who have six wives in Coast cities. No one interferes with them; they are even then quite as monogamous as some of the Europeans who would legislate them into monogamy. The Japanese may bring his wife—or what is quite different—any kind of a Japanese woman and no one says him nay. The Sikh who is essentially domestic wants to bring his wife—not wives—and children and set up a hearth stone in his adopted country. The Sikhs are not polygamous.

No student of Indian domestic relations will affirm that of any Hindu excepting Mohammedans, and I do not know of any of these though there may be a few in the country. Polygamy is against our laws and it will surely be no more difficult to control the Mahommedan Hindu than it is to control the Mormon.

The Hindu will, in time, displace the Chinese if he is given equal opportunity and an impartial chance in this country. Why, then, the strenuous objection to his admission? Because it requires a relaxation of a rigorous law and any relaxation of the laws making difficult Asiatic immigration is impossible of tolerance by the labour organizations. These proceed upon the theory that, if the wives of Hindus are admitted, a precedent will be established

and ours will no longer be a "White Canada." With a determination to make and keep it such their eyes are blinded to every semblance of right or justice, their perspective is strabismussed and their sense of human brotherhood—much more their sense of Imperial solidarity—is entirely numbed.

It is not a question for politicians; it is a question for statesmen. It is wholly an economic question and as such can never be dissociated from its ethical features. But I must add yet this last word—the Eastern press which stigmatizes the Sikhs by stating that they are polygamous, thieves, libertines, drunkards, lawless or dangerous to society are doing them an injustice which is inspired only by an utter ignorance of the facts. They are no more so than men of white skin and European blood.

Who Pays The Taxes?

Second of a Series of Three Articles

BY

Stephen Leacock

At various times since confederation the question has been raised whether it would not be possible to make a larger use of direct taxation than is at present the case. Let us see in what way the national revenue of the Dominion is raised. In the last fiscal year which extended from April 1, 1910, until April 1, 1911, the total revenue of our federal government was \$117,780,409. A certain part of this—such as the receipts of the post office and of the government railways—is to be set off against the special expenditure incurred in connection with the service in question. Of the remainder about \$3,000,000 was collected in the form of casual revenue and fees of various sorts (patents, inspection, fisheries, etc.), and about \$3,108,000 received from the sale of government lands. But nearly the entire amount of what might be called the tax-revenue was derived from customs and excise duties which brought in \$72,965,394 and \$16,869,837 respectively. Income taxes, property taxes and inheritances taxes are conspicuous by their absence. This contrasts at first sight very sharply with the British national budget in which over one-half of the public revenue appears as the proceeds of the great direct taxes. Very naturally, therefore, it is sometimes argued that it would be sound policy to alter our system by removing something of our tariff charges and instituting direct taxation. The plea, on the face of it, is a fair one and merits very careful consideration. Unfortunately much of our public discussion is so entangled in the conflict of politics that fair consideration is very difficult to obtain. Let us see how the case stands. In the first place attention must be drawn to the fact that, although the federal government employs indirect taxation almost exclusively, direct taxes are widely used in the other parts of our public administration so that our system as a whole presents a much more balanced appearance than is generally supposed.

MUNICIPAL DIRECT TAXATION.

This is seen in the revenue raised by our municipalities where direct taxation is being pushed almost to the danger point. Here the great source of annual income is found in a tax levied on real property—land and buildings—in the form of a percentage of the assessed value. Those who are apt to laud to the skies the system of direct taxes as a substitute for the tariff revenue which at present supports our federal administration, would do well to consider the existing situation of our municipal finances. Take, for example, the Province of Ontario. The latest returns of the Provincial Bureau of Industries show that within the last generation municipal direct taxation has increased by leaps and bounds. In the year 1886 the total taxes raised by all the municipalities of Ontario amounted to \$9,009,385. In 1909 this amount has risen to \$22,386,619. While population has increased from \$1,828,000 to \$2,289,000, or 25 per cent., the direct taxes had risen about 150 per cent. The rate of the tax stood in 1886 at 12.97 mills on the dollar, and by 1909 had reached 17.85 mills. At the same time the municipal debt which was put at a total of \$29,924,863 in 1886 went up to \$94,092,117 in 1909.

TOWN TAXES AT THE BREAKING POINT.

The statistics of direct municipal taxation in Ontario become more striking still if we distinguish the rural municipalities from the cities and towns. The latter, of course, spend more money and raise a greater revenue than the country districts. Thus in 1909 while the townships levied taxes of only 11.77 mills on the dollar, the cities (which levied over \$10,500,000 in taxes) had a tax rate of 23.24 mills and the towns a rate of 24.30 mills. In a good

many cases the tax rate approached or even exceeded 30 mills on the dollar or 3 per cent. of value. The rate in Toronto was 22 mills; in Hamilton 21; in Ottawa 26; in Collingwood 27; in Dundas 33; in Brampton 29; in Cobourg 27; in St. Catharines 25.

BRITISH RATES AND CANADIAN TAXES.

There is every reason to believe that this form of taxation is being pushed to the danger point. We can see this by comparison with England. There the local rate is reckoned in the form of a *percentage of annual rental value* stated as so many shillings in the pound. This makes it appear at first sight vastly greater than the Canadian local tax which is reckoned as a *percentage of full capital value*. The rates in the largest boroughs in England at the present time (Birmingham, Liverpool, Sheffield, the boroughs of the county of London, etc.) run from 7 to 8 shillings in the pound. Competent authorities reckon the average net return of English real estate at 4 1/4 per cent. per annum, which would mean that a rate of 7 shillings in the pound of yearly value is the same as a tax of 14.89 mills on the dollar of capital value. On this basis the *direct taxes of the Ontario towns and cities are about double those that are paid in England*. Yet everybody knows that the greatest alarm is expressed in the latter country lest the growing burden of the rates should prove more than property can bear. We may very well argue, then, that if the Federal Government of Canada were to enter the field of direct taxation and add its charges to the enormous levies exacted for local needs, a very serious situation would be created.

LLOYD GEORGE IN SASKATCHEWAN.

We must not, of course, for a moment deny that the tariff taxes of the Canadian system press with considerable weight upon the consumer, or in other words, upon all classes of the community. But we have to remember that just in proportion as we alleviate the burden in one way, we are forced to increase it in another. We must not regard the immunity of the English consumer from the general import tax without taking into account the fact that he pays various taxes from which we are entirely free. Take, for example, the land taxes introduced in the budget of 1909 and commonly called, after the Chancellor of the Exchequer, the Lloyd George taxes. The chief of these is the Increment Value Duty, or a tax of 20 per cent. on the increase of land values (apart from improvements). The tax is levied whenever the land changes hands by death, or sale, or by lease for more than 14 years. Now in Canada, especially in the West, where towns spring up, as it were, in the night, there is nothing unusual in a piece of land (quite apart from its agricultural value) increasing in a year or so from, let us say, \$1,000 to \$4,000. The figures, as every one will admit, are modest enough, and it is just such increases of value that form the fondest hope of the purchaser. Yet the Lloyd George tax would in this case take away \$600 of the increase. Many of us no doubt consider the principle of such a levy an excellent one, but it is important to observe that after all we can only escape one kind of taxation by becoming liable to another.

THE BRITISH INCOME TAX IN CANADA.

Similarly let us note the way in which the English income tax would work if applied in Canada. Under the present arrangement the first \$800 of in-

come is exempt, and beyond that sum there is a partial exemption up to \$3,500 per annum. For incomes that are classed as "earnings" (as opposed to incomes that result from investment), the rate is 9 pence in the pound or \$3.75 in every \$100 of income. Unearned incomes pay 1 shilling in the pound or 5 per cent. Under this plan a business man with yearly profits of \$2,000 would pay a tax of \$45.00. The same tax would apply to a farmer working his own land with annual receipts of \$2,000 over and above the cost of hired labour and similar out of pocket expenses.

Income and property taxes of this kind undoubtedly possess many features of advantage. *Theoretically* they fall with indiscriminating rigour on all classes alike. But in practice, unless the administration is so severely conducted as to be almost inquisitorial in its character, certain kinds of income and property may readily escape, whereas other kinds are so obvious and hard to conceal that the tax collector is able to gather the uttermost farthing, sanctioned by the law. The income of a salaried government official, or of a teacher in a public school, is accurately known; the annual revenue and the property of a farmer are more or less clearly indicated by evidence that cannot be concealed. But the income of a professional man, a business man, and still more of a speculative promoter, may very largely escape the meshes of the law. This, however, may be more fully realized by considering the public finance of the intermediary governments—the state and provincial—that lie between the national and municipal governments of which we have spoken hitherto.

"The Unfortunate Mother"

The following letter from a lady who has had wide experience in social work in Montreal, introduces again a subject which is worthy of discussion by women's clubs and organizations.

Montreal, Jan. 20, 1912.

Editor Canadian Courier:

SIR,—For a long time "The Courier" has been a welcome guest in my family circle. In each issue of "Reflections" I find something to endorse and admire. This week a paragraph, "The Unfortunate Mother," is particularly pathetic, and appeals in its truth to society at large. In our local French press I have, as one-time English secretary of the "Misericorde Hospital," had occasion to place this very question before our readers, and advocate the claims of the unfortunate mothers before the audiences at our quarterly meetings.

You ask "Why not invite the confidence of those erring girls, why not give them a second chance?" In so far as it can be done, in spite of the world's cruel branding of our poor Magdalens—here in Montreal we have such homes, where after her child is born, the girl-mother is looked after and helped onward, not only by the Sisters in charge, whose sphere of usefulness is of necessity limited, but by a number of lady patronesses, who spare neither time nor trouble to place their proteges in homes where, if they so will, they are beyond reach of temptation. Unfortunately, it is often love's labor lost. Statistics prove that the large majority of the girls sheltered in the various homes, for one reason or another, return to their former way of living. The scorn of their comrades, the heartless prudery of their neighbours—and perhaps a vague sensation of heart-hunger, remorse or discouragement are among the reasons to which we attribute "The Unfortunate Mother's" ostracism. Can the press—"mightier than the sword"—we are told, do anything to wipe away the effects by removing the cause? With this query I leave you, in hopes something may be done for the outcasts of our day.—Yours cordially,

MARIE.