

The Brain Browsers' Guide

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Union Gains Strength

There are unmistakable signs that the cause of Union is daily gaining ground in Canada. So clear has it become in many constituencies that the Laurier-Liberal candidate has resigned and given the Unionist candidate an acclamation. The confusion caused by the exemption tribunals in the west has happily been cleared up by the government. The result is that farmers are relieved from the ambiguous position in which they were placed and are more strongly than ever supporting the Union government. The government, the minister of agriculture and the minister of militia have made it clear that farmers are to be left on their farms to produce the food that is needed as badly as men on the firing line. Farmers have been urged as a patriotic duty to produce food and they are doing it. They may rest assured that they will not now be drafted into the army. If the exemption and appeal tribunals refuse to recognize the need for food, the government has announced that such farmers as are drafted will be discharged from the army and sent back to their farms.

In this election campaign as in all others there are many who have no argument except misrepresentation and falsehood. They seek only to confuse the mind of the voter. There is only one big issue at stake. The campaign in Quebec is that Canada has done enough. The policy of the Union government is that Canada is in honor bound to remain in the war to the finish. If the Allies are defeated nothing else matters much. If Germany is victorious the Iron Heel will be placed upon Canada. Germany wants Canada as a part of the German empire. What Germany has done to Belgium is known to all. God alone knows what would happen to the world if Germany comes out of the war victorious. All that our fathers have fought and bled for in ages past would count for nothing. The sacrifices that our boys today are making in France and Flanders would all be unavailing. The war is not won. The enemy is still undefeated. To save our homes and safeguard democracy, Canada must remain true to the pledges given in 1914 when Parliament unanimously declared to stand by Britain, France and Belgium to the last. It is no time to debate small things when the issue is life and death. The sacrifice of our soldiers must not be in vain. They must not be deserted in the hour of their greatest need. If the Union government is returned to power Canada will be in the war to the end. If the Union government is defeated Canada will do but little if any more to carry on the war in which she has done so nobly to save mankind from the power of German autocracy.

High Cost of Living

The cost of high living was never more apparent in Canada than it is at the present moment. A few light restrictions have been made and there are large numbers to whom every increase in the cost of living means a reduction in consumption. But there is still a great waste of productive power. Retailers state that there never was a time when the demand for extravagantly expensive wearing apparel was so great as now. Fashion and not the need of the hour is still the dictator of much of our purchasing. Take shoes for example. The more imperative the demand for the conservation of leather the longer fashion decrees the tops. The more necessary it is that labor should be economically employed the more of it is squandered on elaborate trimmings. A simple analysis of the list of articles exposed to tempt purchasers reveals

the enormous maladjustment of our whole industrial system in view of the need of economy both in consumption and in the utilization of labor resources. An enormous amount of labor is being frittered away in unnecessary and even harmful production, while such an important industry as the production of food stuffs, which is laboring under the greatest strain that was ever thrust upon it, is altogether inadequately manned. It is not so in Germany. The industrial efficiency of that country is what is making it so difficult to resist her aggressions. More and more it is becoming apparent that similar organized industrial efficiency will be necessary in order to win the war and this is simply a question of having each man and woman working where the results of their labor will increase the necessities of life and of war. The first step in national thrift should be the placing of a ban on personal extravagance.

The New Income Taxes

The system of taxation in use in this country has been wasteful and unscientific, to say nothing of its other faults. It has put the burden of providing revenue on to agriculture and the basic industries while favoring the big interests. At last a new principle has been recognized. The taxation of incomes was authorized by the last Parliament and will be enforced early in 1918. Thus the ability of citizens to pay rather than the amount of their purchases or of their consumption will for the first time be considered in relation to national revenue.

The income tax has long been utilized in Great Britain. Introduced at first as a war measure and long so regarded, it has gradually grown into a permanent instrument of taxation. Since the outbreak of the war the amount of the British income tax has risen enormously, together with the supertaxes on large incomes, and in the last financial year it produced more than a billion dollars of revenue. The tax begins with incomes of \$650, all below that amount being exempt. Incomes above that figure up to \$3,500 are subject to abatements varying from \$350 to \$600, with an allowance of \$125 for each dependent child. Incomes above \$3,500 are taxed on the full amount and incomes in excess of \$12,500 bears further carefully graduated supertaxes. In the result an income of, say, \$250,000 pays 25 per cent. on \$12,500, higher rates on successive portions up to \$50,000 and 42½ per cent. on all income in excess of that amount. There is a differentiation between earned incomes and those derived from investments, the lowest rate on the former being 11¼ per cent. and on the latter 15 per cent. An income of \$4,000, to state a case, pays 12½ per cent. if earned and 17 per cent. if unearned.

The details of the British income tax system are too complicated to give more fully. But enough has been said to enable comparison to be made with the new Canadian tax, bearing in mind that conditions and the purchasing power of money vary in the two cases. The Canadian income tax will fall upon the incomes enjoyed during the present calendar year, subject to certain minor deductions and exemptions. It will be payable, wherever possible, at the source of the income. The base rate of the tax will be four per cent., which will be levied upon all of the income exceeding \$1,500 in the case of unmarried men and widowers without dependent children, and exceeding \$3,000 in the case of all other persons. Incomes in excess of \$6,000 up to \$10,000 will be subject to an additional tax of two per cent.; those of \$10,000 to \$20,000 to five per cent. supertax; \$20,000 to \$30,000 to eight per cent. supertax; \$30,000 to \$50,000

to 10 per cent. supertax; \$50,000 to \$100,000 to 15 per cent., and those over \$100,000 to 25 per cent. supertax. Corporations will be exempt from the supertax and all taxes imposed on them under the Special War Revenues Act of 1915 and under the Business Profits War Tax Act of 1916 may be deducted from the payments due as income tax. Such profits as these corporations distribute in dividends will not escape income tax; they will be taxed as part of the incomes of the persons receiving them.

Simple addition of the supertax to the base rate of taxation will determine the full rate at which any given income will be normally taxed after February 28 next. The highest rate of taxation will be 29, and the lowest four per cent. This compares favorably to the taxpayer with the British rates, especially when it is borne in mind that 80 per cent. of excess profits is now taken by the exchequer in Britain. The provisions of the Canadian law which permit the excess profits taxes to be deducted from the amount payable as income tax clearly need consideration. Most of the statutory returns should have been received by the time the new Parliament gets down to business next year. From the information then available the whole question of taxing excess profits in addition to income ought to be reviewed and the tax on both must be increased.

No More Titles Needed

In the older countries of the eastern hemisphere, with their historical traditions and associations, some justification may be found for the perpetuation of peerages and orders of knighthood. In the less conventional atmosphere and less stratified society of the western hemisphere, with its newer civilization and its progressive tendencies, there is no excuse for the introduction of such expedients. Those whom the citizens of the democratic communities on this side of the Atlantic desire to honor neither look for nor appreciate honors which are empty and titles whose significance is faint and blurred. Already the sturdy growth of knights and the seedlings of the peerage planted in the soil of Canadian independence present a grotesque contrast to the prevailing characteristics of the people. Where merit has ordinarily been rewarded with the respect and spontaneous confidence of the citizens, freely extended to men and women in all other particulars neither socially better nor socially worse than their fellows, arbitrary distinctions of rank are beginning to be established. And not satisfied with the existing facilities for the creation of these social inequalities, the authorities now propose to introduce a new complication in the "Order of the British Empire."

This organization is to include five classes, of which two will confer knighthood, corresponding rank for women consisting of the title "Dame Grand Cross." The membership of this order, it is understood, will be recruited throughout the Empire from among those who have rendered notable service in connection with the war. Thus the attempt to create an Imperial aristocracy proceeds, having its origin in a mistaken notion of imperial organization and feeding upon the vanity of those whom it is sought to honor.

Few Canadians desire these honors for themselves or wish to see their public men and women wearing them. In this handing out of titles there is danger to the Empire and to the maintenance of the spirit of true democracy. Such honors will fall inevitably to the commercially successful or to the politically ambitious. In either case they will fail of the slender justification of birth elsewhere sup-