

## The Tyranny of Taxes

By S. E. GREENWAY

JOHN BUNION had a job from which he received in exchange for services rendered the sum of \$1,000 a year. He didn't know where in heck the money all went, but had he stopped to figure it out it probably would have resulted in a statement something like this:

Rent, \$240; bread, milk, etc., \$408.17; clothes, \$212 (including John, Jr., \$37, Alice \$52, Ted \$24, Mrs. Bunion \$13, and J. B. himself \$86); fuel, \$69; lodge, church and amusements, \$50; life insurance, books, etc., \$20.83.

With the balance Mister Bunion purchased a motor car. Query: How did he pay for the car? The answer will throw a lot of light on many pressing problems which confront citizens and governments at the present time. It is the fundamental problem.

This fundamental of economics which, like all fundamentals, is quite simple, which, like all fundamentals again, is lost in the complexity of modern practise, should be brought out of its obscurity and placed prominently before public view. It is that man cannot spend more than he earns. The main concern of economics is to see that man as a unit in an organized state is enabled to get all that he earns and no more, or in other words economic law is concerned with economic justice.

The function of government is to carry on the collective interests of the state which the individuals cannot efficiently handle as units. The cost of government is too great or too small according as it exceeds or falls below the amount required to secure efficient service. What efficient service is depends upon the standard of life, and in this connection economic law is again beclouded in obscurity.

It is generally assumed that the higher standard of life requires a greater income to maintain it. This is not necessarily true. It is possible for both man and government to increase efficiency and elevate the standard of service without increased outlay by readjustment in the budget. For that matter it is possible in most cases to get better service and a higher standard on a decreased outlay.

The man who received a specific sum for his services can and will, if he is wise, budget his outlay. Governments are forced to do this. Within the limits of his income

man will provide for shelter, food, clothes and such other necessary requirements as contribute to his well-being. He may have numerous other calls on his income which may properly be regarded as luxuries or non-essentials. He cannot increase expenditures for clothes, food or shelter without curtailing outlay in some other direction. If his standard of life demands an increased expenditure in some one department a sacrifice must be made in some other if he would remain solvent. This is true also of national economics. The standard of life in the nation should determine the apportionment of its outlay. The public purse is subject to the same law as the private purse. Economic justice in the nation demands that transportation shall not have more than its share of the public purse, that the mining industry shall not have more than its share; that agriculture shall not have more than its share; and that government shall not have more than its share. There is a limit to the public purse the same as there is to the purse of the individual, and it is an unsafe policy to rob Peter to pay Paul.

Economic law is unerring in its operation. Its justice is determined by a simple test. Where and what is the increment? Transportation interests are getting theirs; industrials are getting theirs; governments are getting theirs; but agriculture —? The farmer meekly submits to legalized corporate tyranny, to force dividends; he submits to the beneficent tyranny of his government in getting taxation, while he goes deeper and deeper into insolvency.

The average farmer is, in the very nature of the case, unable to budget his income. After providing for the extreme necessities of his life he is unable to pay his taxes. But taxes must be met, and when they are they are met at the expense of shoeless, under-housed and under-nourished women and children. Where taxes attack the standard of life government ceases to be the servant of the people and becomes tyrannical and the enemy of justice.

The paramount necessity in this extremity is the curtailment of taxation. To determine the limits within which revenues for government may be levied and expended is no more difficult than to determine what proportion of the individual's income

shall go to any particular department of his maintenance. Governments are apt to overlook the fact that they are only one, and in the sense of their economic relation to the whole a relatively unimportant part of the national economy. Governments are peculiarly subject to the most grievous of all economic errors, viz., that the incidence of taxation is necessarily upward. They are in the habit of levying taxation to meet the growing demands of a service largely devoted to party interests and political ends. Instead of creating an organization to efficiently administer necessary taxation, they levy unnecessary taxation largely to meet the needs of unnecessary organization.

The simple truth is that there are few departments of modern government which could not be wholly dispensed with in an emergency such as exists at the present time, with less dislocation than would accompany curtailment in any other branch of the national economy.

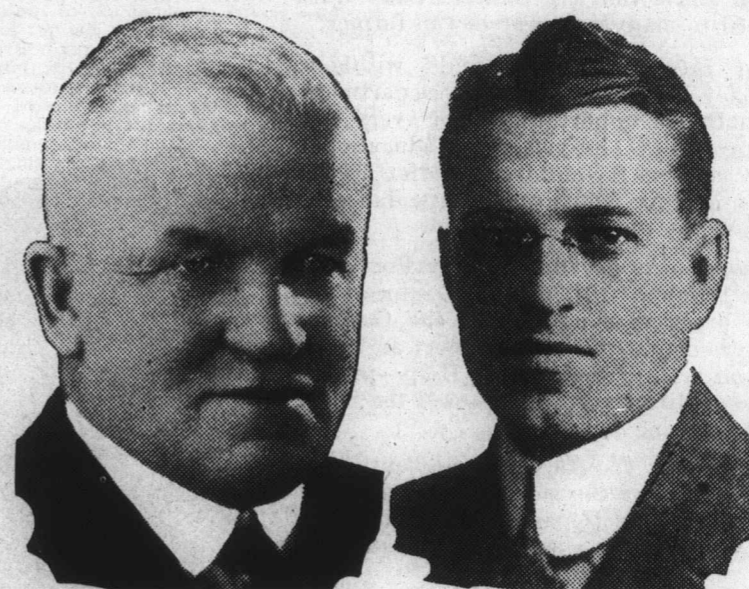
The deplorable fact which confronts us today is that the sacrificial spirit is demanded solely of the people on the land and others who toil with their hands. The obvious thing to do when taxes oppress as they now do is to cut deep into the ma-

chinery of government and into corporate rapacity and to dispense with services temporarily which may be beneficial in prosperous times, but are redundant and oppressive during periods of depression. A careful study of this principle and its embodiment would vastly decrease public discontent which is the direct result of lowering the standard of life. Always remembering that this standard must be based on the proper allocation of income to life's necessities, which are the inalienable right of every citizen.

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