



FARM AND DAIRY



It's Welcome Practical Progressive Ideas

& RURAL HOME

The Recognized Exponent of Dairying in Canada

Trade increases the wealth and glory of a country; but its real strength and stamina are to be looked for among the cultivators of the land.—Lord Chatham

VOL. XXXV

PETERBORO, ONT., SEPTEMBER 28, 1916

No. 38

Taxation—Its Potentiality For Good or Evil*

A Fair Adjustment, by Which it Falls With Equity on Every Citizen, is Necessary to Social Justice

By W. A. DOUGLASS, B.A.

PROBABLY no function of government is so important and so fraught with momentous results as that of taxation. By this agency men may be encouraged to do their best to enrich their fellow-men, or by it they may be led to despoil and impoverish them. Taxation may give us a civilization of goodness and prosperity, equitably divided, or it may give us a civilization of palaces and slums, of millionaires and tramps. It may be so adjusted as to encourage industry to convert the desert into a garden or to lead the speculator to reverse this process, and convert the garden into a desert. Taxation can be arranged so as to fall with equity on every citizen, or it may be so misplaced as to fall exclusively on one part of society, not merely as one tax, but as a double or a treble tax, while the rest of society may enjoy all the benefits of civilization without any of its burdens. History has shown on more than one memorable occasion that taxation may be imposed, so as to drive people to rebellion, with its fratricidal cruelty and horrors.

Our Affluent Resources.

Our resources are of the most ample character. With an area equal to Europe, where there is a population of 500,000,000, we have less than 8,000,000 people, so that, if the whole of this country were as suitable for occupation as that continent, we could easily accommodate sixty fold our present population. If we allow one-third for Arctic and mountain waste, we still have no more than three persons to the square mile, while there are upwards of 600 to the square mile in England. With this abundance of resources there should not be the least difficulty in any one getting employment.

And yet what has been the financial history of this country? Has it been any better than that of the countries of the old world? Did we try to avoid their blunders? When Moses adopted a constitution for the government of the Promised Land, he did everything to insure to every man his right in the land, so as to avoid the injustice and rapacity of land speculation, and to prevent the growth of a landed aristocracy. When we came into possession of the Hudson Bay Territory and opened it to settlement, and especially after the building of the railroads, the land was thrown open to the wildest dreams of speculation and so many fortunes were lost therein that many people would have rejoiced if they had never heard of that country. Twenty-five years afterwards a depression of so serious a character swept over the land, that a host of farmers and builders lost their property, which passed into the hands of the mortgagees. Instead of that treasure of land, with its forests, its mines and water powers being a blessing to every one in the coun-

try, it brought fortunes to millionaires and misfortunes to a host of bankrupts.

Wasted Resources.

The building and equipping of the Canadian



Mortgage Sales in Ontario

THE following is a list of the mortgage sales in Ontario from 1887 to 1914, inclusive. The figures were compiled from the returns of trust companies and loan companies only, and are therefore much below the actual figures:

| Year. | No. of sales. | Am't of debt. |
|-------|---------------|---------------|
| 1887 | 688 | \$1,419,012 |
| 1888 | 735 | 1,870,733 |
| 1889 | 716 | 1,746,794 |
| 1890 | 738 | 1,778,796 |
| 1891 | 845 | 1,956,845 |
| 1892 | 798 | 2,007,059 |
| 1893 | 1,037 | 2,823,059 |
| 1894 | 1,061 | 2,792,891 |
| 1895 | 1,197 | 2,516,890 |
| 1896 | 947 | 2,013,581 |
| 1897 | 1,005 | 1,912,883 |
| 1898 | 919 | 1,770,551 |
| 1899 | 620 | 1,453,452 |
| 1900 | 601 | 1,188,727 |
| 1901 | 389 | 760,929 |
| 1902 | 293 | 537,982 |
| 1903 | 296 | 418,165 |
| 1904 | 212 | 345,937 |
| 1905 | 248 | 292,419 |
| 1906 | 307 | 558,082 |
| 1907 | 543 | 912,757 |
| 1908 | 459 | 769,601 |
| 1909 | 347 | 477,920 |
| 1910 | 342 | 579,872 |
| 1911 | 314 | 303,665 |
| 1912 | 353 | 546,291 |
| 1913 | 912 | 912,605 |
| 1914 | 1,097 | 1,923,249 |
| Total | 18,019 | \$36,052,568 |

Pacific Railway cost fifty thousand dollars a mile. Through the prairie region the construction of this road increased the value of the land to the extent of twenty-five miles on each side, a total of thirty-two thousand acres a mile. Had a tax of two dollars an acre been imposed on that land, it would have realized sixty-four thousand dollars, a sum more than sufficient to pay the cost of the road. The Government did not impose this tax, but the speculators collected from the settlers a great deal more than an average of two dollars an acre. The public had to contribute a large portion of the expense of building and equipping the road, and they had to pay the increased price of the land to the speculators besides, a double, triple or quadruple tax. The first railroad reached Winnipeg from the States in 1878, and the Canadian Pacific arrived there in 1882. These constructions should have been of enormous benefit to that country, and yet in 1882 there came a financial collapse in that city, which carried a host of people to bankruptcy.

Similar conditions and similar results followed the close of the Russian War and the building of the Grand Trunk and other railroads. Peace should bring prosperity and railroads should do the same, and yet in 1887 there came such a crisis that the large majority of the banks on this continent were compelled to suspend payment. For a few years there was severe stagnation of trade.

Mortgage Sales in Ontario.

The figures of the mortgage sales in the Province of Ontario as given on this page have never received the attention they deserve. The numbers do not give the total of these sales, being only those reported by the trust companies and loan companies. If to these were added the number offered for sale by the insurance companies and by private lenders, it is quite possible that the amounts would be doubled. Why is it that many a farmer finds that in spite of his utmost toil, long hours and strict economy, the interest on the mortgage will grow more rapidly than the crops, so that after a struggle of years to gain freedom from the toils, at last he finds himself stripped of land and home to enter the labor market, where competition to get employment is at the highest pressure? Why this is the case is far too little considered.

The city of Winnipeg advertises with much pride the rapid advance of its population from 215 in 1870 to 225,000 in 1913 and the consequent rapid advance in land values. Examples are given of increases in the value of lots tenfold, twentyfold and thirtyfold in the course of eleven years from 1890 to 1913. The investor is assured that investments can still be found which offer at least absolute security for principal and interest, and very likely a handsome return for money

* Concluded in a succeeding issue.