

The Grain Growers' Guide

Winnipeg, Wednesday, February 16th, 1916

THE MAIL ORDER TAX

In the light of the present discussion on taxing mail order houses, a very timely article appeared in the current number of the New York Outlook, a magazine of very high standing. The article is written by a special investigator employed by the Outlook to examine into the newer business developments in the United States. On another page we reproduce the article for the benefit of our readers. The longer the discussion continues on taxing mail order houses the more unjust and iniquitous the proposition appears. There is absolutely no sound principle upon which the Government can levy a tax upon one line of business for the benefit of another line, and if the farmers of Manitoba are not on the alert they will find a new and additional tax placed upon them. Some persons have assumed that The Guide is taking a special stand in favor of mail order houses, but such is not the case. The retail merchants have for years, particularly in the city of Winnipeg, been protesting against the special business tax levied upon them, and we are heartily in accord with their demand that this unfair tax be lifted. There is no just reason why a business tax should be levied upon retail merchants, because to that extent it interferes with their business and places an extra tax upon the consumers. When the retail merchants, however, are protesting against the business tax upon themselves as unjust, it is inconsistent for them to advocate an equally unjust tax upon their competitors. The Guide is also prepared to help the retail merchants in this country in any possible way to adjust their business so as to perform their necessary function in the community in which they are located. Last week on the editorial page we asked for letters from our readers and also from country merchants discussing both sides of this most important question. We believe that the retail merchants will find it necessary to get together and purchase in larger quantities and at lower prices, by which means they will undoubtedly be able to meet all competition and at the same time to render better service to the people in their own community. We hope that there will be a large response to our request for letters on this subject, and that the retail merchants will write quite as freely as the farmers. The result of such publicity will no doubt be beneficial and will assist towards working out the solution of this problem which is of vital interest to all people in this country.

THE KINGDOM OF GRIEF

In this issue of The Guide we produce a facsimile of a full-page advertisement which was widely published in the New York daily newspapers recently, appealing to the people of the United States to continue and increase the humanitarian work they are doing to save the suffering people of Belgium from starvation. It is literally that. If large sums of money had not been contributed from this continent, thousands of Belgian women, children and old men who have been despoiled of their homes and property by the German invaders, would have starved to death, and if these contributions do not continue, that fate will overtake them in the near future. The story of what the people of Belgium have suffered for their heroism in resisting the Germans in their march upon Paris is familiar to most of us, but no one who has not witnessed their distress can really comprehend it.

The appeal of course is equally strong to Canadians and citizens of the United States, and Canada has contributed generously to the Belgian Relief Fund.

Readers of The Guide have given thru this paper more than \$6,500. We believe that

during 1916, out of the proceeds of a bountiful harvest, our readers can give at least as much again. We shall be glad to receive subscriptions, large or small, and will acknowledge them in The Guide and hand the amounts to the Belgian Consul.

MEN FOR FARM AND ARMY

A problem which has become serious in many districts already and will be even more felt when spring work commences, is the great scarcity of farm labor caused by the enlistment of so many young men in the army.

We received a letter a few days ago from a farmer who is nearly 70 years of age, and who, with one son has to care for 60 head of cattle and melt snow to provide them with drinking water. He finds it impossible to obtain a man, and many other farmers throuout the country are in the same position. The problem is equally acute in Ontario, where cattle and farms are being sold because the owners cannot get help to carry on farming operations.

It is evident that if the drain from the farms into the army continues, production will be curtailed and food supplies will be lessened, indeed it may already be regarded as a certainty that Western Canada cannot in view of the scarcity of help and the small amount of fall plowing done, hope to produce anything like the crop of 1915. Apart, therefore, from the individual problem of the farmer and the personal loss which will be suffered by those who cannot secure sufficient help, the situation presents a grave military and economic problem. In Great Britain, where the problem has been dealt with systematically, men are not now being taken from the land to the army, the authorities considering that a man is more useful producing food than in fighting in the trenches. The question is whether or not the scarcity of farm help has yet reached the point where the same is the case in Canada. It must be remembered that the same problem has to be faced in connection with manufacturing, transportation, financial and business concerns. It is announced that Canada is to raise an army of 500,000 men of whom less than half have so far been secured. Where are they coming from? Munitions, clothing and equipment for the troops must be manufactured, crops and merchandise must be transported, and business must go on, and those engaged in each industry are just now pointing out how their men are being taken away and suggesting that the ranks should be filled up from other walks of life.

The Government must look at the problem from every point of view, and weigh the importance and needs of each branch of industry. We believe, however, that the men required for Canada's army can be secured without crippling any of the forces that are necessary to the successful prosecution of the war. If Canada is to put her full strength into the struggle, it is necessary that a vast amount of luxury and extravagance should be given up. While farmers, manufacturers, railways, banks and grocers have difficulty in obtaining help in work that is absolutely necessary to the effective carrying on of the war, large numbers of men and women are being employed in the provision of luxuries and vanities which are totally unnecessary. When a man spends a thousand dollars on a piece of beautiful jewelry, or his wife the same amount on a couple of unnecessary dresses, or in entertaining people who are not hungry at an indigestible dinner and a foolish dance, they are setting labor to work in the production of luxuries which might otherwise be diverted to some useful occupation such as making uniforms and rifles for soldiers, or the growing of grain and feeding of cattle.

Abolish the liquor traffic, close the theatres and picture shows, do away with valets, and

lady's maids, expensive clothing, extravagant entertainments and all kinds of luxuries, and let the people uselessly employed go into the necessary occupations and there will be enough men and women in Canada to produce crops and ammunition and transact the necessary business of the country, and set free those who wish to serve their country in the fighting ranks.

To put such measures into force would require real sacrifice. But if we really want to do our utmost in this war, what sacrifice is too great? The soldiers are making great sacrifices, are those who remain safely at home prepared to do the same?

ONTARIO'S WAR TAX

The advantage of direct taxation over indirect methods such as the customs tariff is well illustrated by the war tax which has been collected by the Ontario Government. Hon. T. W. McGarry, the provincial treasurer, at the last session of the Ontario Legislature, estimated that the province would have special expenditures in connection with the war amounting to about \$2,000,000 during the year 1915. To meet this he proposed a direct tax of one mill on the dollar on all property assessed by the municipalities, which he estimated would yield nearly \$2,000,000. Up to the 20th of January Mr. McGarry had received \$1,585,000, while sums totalling \$400,000 were still to be collected from cities, counties and townships. It is expected that the outstanding amounts will be paid within a very short time and the provincial treasurer will get almost exactly the amount he requires. The new tax was collected for the province by the municipal councils along with the municipal taxes and was based on the regular municipal assessment. No new machinery was therefore necessary, practically no expense was involved in the collection, and each taxpayer knew to a cent how much "war taxes" he paid. He also had the satisfaction of knowing that every cent which he paid went into the provincial treasury. But if the \$2,000,000 required by the province of Ontario had been raised by means of the customs tariff, how differently it would have worked out. The minister would not have known what rate of taxation to impose in order to secure the amount required, no taxpayer would have known how much taxes he had paid and besides the amount which went into the treasury a much larger sum would have been paid by the people in increased prices for home manufactured goods. The customs tariff always costs the people a great deal more than it produces in revenue and the more home manufactured goods the people buy the greater is the discrepancy between what the tariff costs and what it produces.

The federal finance minister would be well advised to profit by the experience of his provincial friend. Sir W. T. White and Hon. T. W. McGarry are both Ontario men and both belong to the same political party so that it would be quite appropriate for them to advise each other. There is an impression in some quarters, which has been spread by those who benefit by the tariff, that the federal government has not the power to impose direct taxation. The British North American Act, however, is absolutely clear on this point, conferring upon the Parliament of Canada, in section 91 (3), authority for "the raising of money by any mode or system of taxation." It is true that the municipalities and provinces also have the power to impose direct taxation, but if that is the best method, and of that there is not the least doubt, it would be good policy for all the taxing bodies to employ that method. If the best way to get water from a well is by means of a pump, and three per-