

# The Grain Growers' Guide

Winnipeg, Wednesday, June 24th, 1914

## DIRECT LEGISLATION THE ISSUE

A Provincial General Election has been called in Manitoba, with nominations on July 3 and polling on Friday, July 10. Throughout the province the greatest interest in the contest is displayed, and the eagerness of the people of the cities to take part in the election is evidenced by the fact that no less than 40,000 names have been placed on the voters' lists in the three Winnipeg constituencies alone. The great issue of the election is Direct Legislation, including the proposal to hold a special Referendum on the question of banishing the bar, and while The Guide has no desire to support either political party, we cannot refrain from pointing out that the Grain Growers' Association at every convention during the past four years has affirmed and reaffirmed its belief in Direct Legislation. Premier Roblin, with characteristic energy, is at present touring the province pouring out his eloquence in condemnation of Direct Legislation and those who advocate that reform. He declares that Direct Legislation would destroy the British system of representative government and would enable the "rabble" to rule, meaning by the "rabble," we presume, the qualified electors of the province. The Premier's great objection to Direct Legislation, however, is that it will place the liquor interests and the other forces of organized vice on a level with the temperance and moral reform societies, and he has declared that if Direct Legislation becomes law it will be used to wipe out the Local Option law and enable liquor to be sold in every town and village in Manitoba. The Premier is undoubtedly correct when he says that the liquor men and the temperance people will be placed on an equal footing by Direct Legislation and that it would be possible under Direct Legislation to initiate a bill to repeal every line of temperance legislation on the statute books of the province. But there is nothing in this situation that need alarm those who believe in temperance. The temperance people of Manitoba can out-vote the liquor men anywhere and at any time. Let the liquor interests bring in a bill to do away with local option and the people will vote it down every time it is submitted to them. On the other hand, under Direct Legislation, the temperance people can submit measures to strengthen the local option law and eventually to secure total prohibition, and there is little doubt that within a few years the campaign of education that is being carried on will prepare the people of Manitoba for the most advanced legislation for temperance and moral reform. It is a remarkable thing, too, that while Premier Roblin appears to be so greatly concerned as to the effect of Direct Legislation upon temperance, the liquor dealers are frankly and openly supporting the government in its opposition to Direct Legislation. The proprietors of the saloons, drinking clubs and gambling dens of Winnipeg are all against Direct Legislation, while the Royal Templars, the Templars of Temperance, the Methodist Conference, the Trades and Labor Congress, the Political Equality League, the Grain Growers' Associations, and many other organizations seeking the moral uplift, are for it. The electors of Manitoba will have an opportunity on July 10 to show with which group they will ally themselves.

## MAINTAINING THE STANDARD

Recently we received an advertisement of a novel scheme for selling a farm in Manitoba. It was a guessing contest, or a raffle. Each contestant was to send in \$1.00, and whoever guessed the right number of grains in a package, provided there were enough

dollars received, were to be awarded the farm. We do not believe in raffles nor other similar gambling institutions, so we returned the check and declined to publish the advertisement.

A few weeks ago we received an advertisement for another guessing contest especially to catch children. It contained an absurdly simple puzzle which any child could solve at sight, but pretended to give a \$50 prize to each successful contestant. After the puzzle was correctly solved, however, it was necessary for the child to sell a number of practically useless articles to its friends, and then receive a cheap prize. This advertisement was also rejected.

A few weeks ago a real estate concern sent us several hundred dollars worth of advertising, and a full page article boosting their real estate proposition, which we were to publish free. We informed the advertiser that we did not publish free advertisements. The advertiser refused to give us his business, and transferred it to other journals that devote their columns to free advertising.

A manufacturer wrote us recently that he would not place his advertisement in The Guide unless we forced another advertiser to change the style of his advertisements. We informed the manufacturer that we were quite capable of doing our own business, and that we did not allow any advertiser to edit our paper. Naturally we lost his business. There are still a few manufacturers who have the idea that their chief duty is to edit The Guide.

A patent medicine concern sent us some of their advertising matter a little while ago, worth hundreds of dollars. The ad was written to make people think that they were ill, and could only be cured by using some of this useless medicine. We returned the advertisement.

These are but a few of the incidents illustrating what it costs to publish a clean moral and reliable journal, not only from the editorial but also from the advertising standpoint. The Guide loses thousands of dollars every year by the high standard which we have maintained in our advertising pages. We believe, however, that our readers appreciate the effort we are making to have a clean paper. We have had a large number of letters from our readers telling us that they appreciate our work, and will aid The Guide by buying from Guide advertisers whenever possible. This is the only policy by which The Guide can be developed into a journal that the farmers want it to become. There are not many journals that look upon their advertising pages as a part of their relationship and responsibility to their readers. Generally they allow an advertiser to advertise anything he likes so long as he pays for the space he uses. It rests with the reading public to clean up the press, both editorially and as an advertising medium. If the public will notify newspapers about unreliable advertisements and demand their removal it will soon be done. No journal has a right to publish unreliable or questionable ads any more than to publish false or tainted news.

## THE INCOME TAX

The advocacy of Free Trade is never complete and convincing unless it is supplemented by a sound and practical plan for the raising of the revenues which would be lost by the abolition of tariff taxes. Among the alternatives perhaps that which appeals most strongly to the majority of people is the income tax, which is the main source of revenue in Great Britain. The income tax was first introduced into Great Britain by the younger Pitt to finance the Napoleonic war, but at a later

date it was dropped. In 1841 it was revived by Sir Robert Peel and since that date it has remained as the chief bulwark of the British Exchequer. Peel used the revenue derived from it as a substitute for the tariff revenue which was lost by the Free Trade changes and abolition of the corn laws. In general, the establishment of an income tax has now come to be regarded as a necessary prelude to Free Trade in any country. It is for this reason that we think that it deserves the serious attention of the Canadian electorate.

The income tax was constitutionally illegal in the United States till its enactment had been ratified by the necessary majority of state legislatures, and this wearisome process was brought to a conclusion almost simultaneously to the advent of President Wilson and the Democratic party to power. They proceeded in the same year to make enormous reductions in the tariff and the loss of revenue, following out the lines of Peel's policy seventy years ago, was made up by the income tax whose revenues are proving more lucrative than was anticipated. And there is another instance of a similar development of economic policy. The South African Government for some years has been subject to severe pressure by high protectionists and their allies for large increases in the tariff duties. The latter have raised all the time honored cries beloved of our own Eastern manufacturers. In fact, they have pointed to Canada as an Arcadian land where manufacturers can always get what they want from the government. But it happened that in South Africa the mining industry, one of the great capitalist interests, strongly favors Free Trade, inasmuch as gold production cannot be protected and there were a number of sane, enlightened men of economic training in the Cabinet. As a result the Botha Government, except for a few minor alterations, has declined to raise the tariff above its present moderate basis and has also met the argument that new sources of revenue were required by instituting for the first time an income tax. There is an exemption limit of \$4,000, but all incomes above this amount pay a moderate annual tax.

The art of graduation of the income tax has been brought to a fine point by the British treasury in recent years. The rate of income tax payable increases proportionately as the amount of income rises, in fact, a millionaire pays almost double the proportion of his income that the average professional man does. There is a differentiation allowed between incomes that are earned and those which are not earned, the heavier taxes falling upon the latter. There are exemptions allowed for children under fourteen and various extra concessions. The South African Government has not shown the same finesse in its graduation, but it has introduced a satisfactory sliding scale which taxes people in proportion to their ability to pay.

Now, is there any reason under high heaven why an income tax should not be introduced in Canada? We have never heard it mentioned except in whispers at Ottawa, but if the progressive elements of the Dominion are wise they will advocate it with stern persistency from this time forward. In Canada there has now arisen a very large class of people whose capital is invested in banks, mortgage companies and industrial corporations and who derive very large incomes from these sources. The tariff fails to reach this class of people in any satisfactory degree. The average man pays the tariff tax mainly on food and clothing and the proportional expenditure of a man with an income of \$30,000 per year as compared with the expenditure on similar items by a man with an income of \$80 per month is not excessively greater. At least the difference in the amount of contribution made

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