

The Brain Browsers' Guide

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The New Victory Loan

A people, like an individual, gives proof of character by behaviour in a crisis, and especially under the strain of a continuing crisis. Canadian manhood has proved, and is continuing to prove its valor and endurance at the front; and the Canadian men and women at home have not failed, and will not fail, to do their duty to the full. The new Victory Loan, to be launched this fall, will assuredly furnish proof of the staunchness of their loyalty to the men at the front and to the principles in defence of which the men at the front are fighting.

Every Canadian, worthy of the name, will do his utmost to help to make that Victory Loan a success surpassing the great success of the preceding Victory Loan. Every Canadian should prepare without fail to contribute every dollar which he can possibly contribute towards making the new Victory Loan successful beyond precedent.

The exemption of any national bonds from taxation is wrong in principle, holding out as it does an unjust special privilege as an inducement to patriotic duty; and so there will be wide regret at the announcement by the Minister of Finance that the new Victory Loan is to be tax free. The general public would have liked to see it made tax bearing, but, as this is not to be, every patriotic Canadian will make the best of it and do his best to make the loan a success and to reflect pride upon Canadian patriotism.

In Great Britain the principle of making war bonds subject to taxation is established beyond question. In the United States the first issue of Liberty Bonds was made tax exempt, but all issues since are tax bearing, as the forthcoming new Liberty Loan is \$5,000,000,000 is also to be. In Canada the war bonds already issued amount to \$750,000,000. They are all exempt from federal taxation. There is reason to believe that "expert" financial advice was pressed upon the Minister of Finance in support of the idea of making the appeal to patriotism by way of tax exemption. Advice of that sort, which takes no account of other than mercenary motives, was pushed aside by Bonar Law, Chancellor of the Exchequer, when he decided upon making Great Britain's war loan of 1917 bear interest at the rate of five per cent. instead of six per cent. He was more than abundantly justified in his faith that patriotism would rise superior to mercenary considerations. The result was the largest subscription ever recorded for a loan offering in Great Britain.

The Minister of Finance at Ottawa would have done well if he had likewise taken his courage in his hands against the "expert" advice which favored tax exemption. The result would in like manner have justified his faith more than abundantly. Such tax-free government issues relieve the man of surplus wealth from a definite duty he owes the country, enabling him to shoulder the burden of his just obligation upon the poor man who has to pay an indirect taxation on necessities. Tax exemption of national bonds has in it an element of injustice ranking with the most unjust form of tariff taxation; for it is a special privilege tending to concentration of wealth in a few hands—a privilege which once established cannot be done away with without a breach of public faith.

The men at the front are giving all without counting the cost, and with no exemption from the possibility of having to pay the full measure of their self-sacrificing devotion. Surely there is no Canadian patriot worthy of the name who has to be induced by ex-

emption from his just share of the national burden of taxation to do his duty of putting every dollar he can into Victory Loan bonds. Let us all bear in mind how our country has not had to suffer many of the cruel burdens and deprivations suffered with such heroism by other peoples, not for themselves alone, but for us as well. Let every one of us resolve not to fall short of doing the utmost in his power to make the new Victory Loan a crowning success.

The League of Nations

The progress of human civilization has primarily meant for the individual that he has had to learn that law is better than anarchy to settle his relations with other individuals in his own community. He has had to learn that it is to his advantage to live by law. Only thus has it been possible for civilized communities to be formed. The nations of the world must likewise learn that law is better than the anarchy of war to settle their relations with one another. Only thus can a truly-civilized world be formed. This is the idea of the League of Nations, which President Wilson has stated as the first essential, fundamental principle of the only peace to which the free peoples of the world can safely consent.

This idea that national liberty and peace and the true progress of civilization can be made secure in the future only by the nations uniting their strength to enforce international justice has met with widespread cordial acceptance among the free peoples engaged in the war. The principle finds wide acceptance; but the nature of the proposed league to be founded on that principle requires to be thought upon at length before the full significance of the idea is realized and the things necessary to its being accomplished are rightly understood.

Germany, of course, can be brought to see this idea in its true light only by being brought by force to see that the German militarist ideal of placing might higher than right is a disastrous one for Germany. The Allies must continue fighting until this has been thoroughly demonstrated to the German people. There is no other way of demonstrating it to them than by force, exercised upon them to make them understand that peace can never be secured in the world by the domination of one country, or group of countries, building its power and prosperity upon the submission and disadvantage of others, and that the German idea of "world peace" secured by the might of German militarism is impracticable, as well as unjust and abhorrent to other peoples of right mind—as intolerable and impossible in the world as despotism would be here in Canada.

The Democracies at War

In the fighting in France the men of the world's democracies are demonstrating that the soldiers of democracy can fight with a spirit and valor of which the soldiers of a militaristic system, based on a denial of democracy, are incapable. They are demonstrating it in a manner that can never be forgotten as long as human memory endures. The soldiers of democracy respond to the thrill of high ideals, and are inspired by the loftiest purposes that have ennobled human nature.

An English correspondent reported last week that the French soldiers at the front speak of the Canadians in admiring comradeship and recognition of their spirited

achievements in the field, as "Foch's pets." British, French, Americans, Australians, Canadians, they are all true brothers in arms for right and justice, all giving splendid proof of their enduring courage and determination against the legions of an empire whose people have had the instincts of democracy militarized out of them as far as it is possible to convert human beings into machines. No longer do the German generals and statesmen, vaunting themselves upon being the inheritors of great military traditions from the times of Frederick the Great and of Bismarck, sneer with lofty contempt at the idea of democracies being able to fight.

The good fight has still to be fought out enduringly to the end. The forces of freedom must continue to press forward resolutely. The civilian populations at home must nerve themselves anew to duty and sacrifice in loyalty to their brave men at the front. In this crisis no true citizen of freedom can fail in his duty. Soldiers and citizens must both carry on, and the wily machinations of German duplicity, plotting to sow distrust, if possible, among the Allies, and to lessen their fighting morale, and in every other way conceivable to work towards the securing of a "German peace," with the seeds of future German militaristic aggression in it, must be resisted with unfaltering determination to the end.

War Bonds and Democracy

In an article supporting the policy of making Dominion war bond issues exempt from federal taxation, the Financial Post, of Toronto, refers to "the stress laid by advocates of taxable bonds on the alleged iniquity of wealthy men salting down their resources in tax-exempt bonds." This, we read in the journal mentioned, "is only a temporary condition," which will not continue, for "there will undoubtedly be plenty of opportunities of investing at much higher rates." Exactly. Money needed for provincial and municipal purposes and for industrial enterprise will have to be borrowed at a rate made higher by such tax-free government issues.

However, when evils develop in a democracy, it is by the right working of the democratic system of government that they are to be cured. Injustice in the distribution of taxation burdens can be remedied by working towards a juster distribution of those burdens. As things are in Canada, not nearly a large enough proportion of the public revenue is raised by means of direct taxation.

For the securing of justice, democracy must be made safe in the world; and to make democracy safe, the war must be fought to a finish. No Canadian whose heart beats with true patriotism will fail to do his utmost in helping to make the new Victory Loan such a success as will let all the world see that there can be no question as to where the Canadian people stand in this fight to a finish for freedom and democracy.

Constructive Citizenship

Striking evidence comes from Great Britain of the working there of that spirit of constructive citizenship which Professor R. M. MacIver, in his article in this issue on the labor situation in Canada, shows to be the force needed for the co-operative solution of the problems of capital and labor in this country. Great headway is being made with