

The Brain Growers' Guide

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CORPORATION TAX INCREASED

Finance Minister White in his budget speech at Ottawa last week announced that the tax on corporation profits would be greatly increased. At the present time corporations capitalized at over \$50,000 are taxed 25 per cent. on all profits over 7 per cent. of their paid up capital. The new tax will be in addition to the old one and will take one half the profits earned by corporations over 15 per cent. and up to 20 per cent. All corporations making more than 20 per cent. profits will pay three-quarters of their excess profits into the public treasury. No distinction is made between manufacturers of munitions and any other corporation, which is hardly just and fair. The new tax will undoubtedly produce a considerable increase in revenue and it is very easy to collect. A tax on the profits of corporations is a sound principle and is a splendid step in the right direction. The chief criticism is that it is two years overdue. Munition manufacturers have been making as high as 500 per cent. profit and have been getting away with most of it. The farmers' platform advocates the corporation tax and the farmers' companies will pay very heavily under the new system. The farmers' companies are all honestly capitalized and have not one cent of watered stock. There will be a large number of corporations in Eastern Canada earning immense profits who will pay very little if any of the corporation tax because their stock has been watered to such an extent that their profits will not show at large percentages. True the government is supposed to squeeze the water out when collecting these taxes, but we imagine that the squeezing will be merely a polite fiction.

No tariff changes were made by the finance minister and the protected interests will still be allowed to retain all the tariff privileges which they have been enjoying in the past. It is quite plain that the only method by which the tariff can be reduced is for the farmers of Canada and others who object to the high cost of living to poll their votes in favor of candidates who will stand for a lower tariff.

Sir Thomas White declined to consider an income tax because it would be too expensive to collect and those with big incomes had already subscribed to the war loan and were thus exempt from income tax. This is one of the iniquitous features of the war loan. The wealthy men of Canada are subscribing to it very largely and under the terms of the loan the income derived from it cannot be taxed for any purpose whatever until the expiration of the loan twenty years hence. The men with big incomes in Canada will be well pleased that they are not to be compelled to part with any of it during this time of national sacrifice.

The finance minister did not mention the organized farmers' proposal to place a direct tax upon land values. Hundreds of millions of dollars worth of idle land throughout Canada is paying not one cent of taxation for war purposes, yet this war is being fought for the protection of that property as well as for the protection of any other property. The speculators who are holding this land idle are not paying their fair share of this country's taxation. This tax would be very easy to collect and the cost would be practically nothing as the same municipal machinery now in existence could collect the taxes.

Neither was any provision made for taking an inheritance tax from large estates. This would have provided some additional revenue and would cost nothing extra to collect because each province has the machinery already in operation. It would also help to break up those big fortunes in Canada which are rapidly becoming a great menace to democratic de-

velopment. It is only by educational work among the people that the government can be forced to tax those people who have large fortunes accumulated through special privileges. Equitable taxation in Canada has been unknown in the past, but it must come if there is to be developed a general prosperity throughout the land.

MANITOBA'S NEW ELECTION LAW

It is difficult to keep elections honest and straight. As long as government by the party system prevails crooked elections will prevail. The crookedness may vary in amount from the wholesale debauchery of the electorate to isolated cases, but it will still be evident. That will not deter lovers of good government, however, from continuing to fight for square dealing at the polls. Unfortunately election laws are not always drafted with the object of assisting them in that fight. They are too frequently made by politicians to serve party ends and so constructed as to make prosecution for election crookedness difficult instead of facilitating it. There is an outstanding exception in the case of the new Manitoba Elections Act. The old statute has been amended to embody the results of the work of a commission appointed by the legislature during the session of 1916 and which held nine meetings during the recess. The result is that Manitoba has now the best election law in Canada. Several features of this law, a synopsis of which appears on another page, are worth noting. Voters must be identified by their signature before casting their ballots. Individual expenditures and general campaign funds are strictly limited. No donation for campaign funds shall be received from sources outside the province. Registration by proxy is confined to members of the voter's family or his employer or business partner. The disfranchisement of voters by eliminating their names from the register is made impossible. The conveyance of voters to and from the polls, except in specified instances, is prohibited. The half holiday on election day leaves every voter free to exercise his franchise. Experience will probably show that there are places where the law can be improved, but the electors of Manitoba have now in their hands an instrument by which they can practically eliminate political duplicity on election day if they will but see that it is rigidly enforced.

INSURE YOUR CROP

It is a pretty well demonstrated fact that no district in Western Canada is immune from hail. Whatever doubt there was about that was rather well dispelled by last year's experience. The line insurance companies operating in Saskatchewan last year lost nearly \$1,000,000 over and above the premiums received, while the premiums of the Hail Insurance Commission fell very far short of the tremendous losses sustained. Alberta fared better, but there too the line companies lost about \$150,000 and the Hail Commission a very large sum. Indeed very few companies made any money. No one dreamed of such hail losses. They were unprecedented. No farmer can really afford to take the risk of doing without hail insurance this year. With seed wheat that cost \$2.50 a bushel, oats 70 cents and barley over \$1.00 the loss would be too great. For many farmers this may mean the year of finally clearing up debt and getting on an independent basis. The crop should be insured for enough to cover seed, labor, interest and other fixed charges at least. Banks advocate the carrying of such insurance to avoid gambling with the weather, and no

farmer should feel any diffidence about approaching his banker to arrange for the credit necessary for this purpose.

FARM LOAN BOARDS

The new farm loan board for the administration of the government mortgage system in Manitoba has been announced. The chief commissioner, Lachlan MacNeil has had long experience in the loaning business and is well acquainted with Manitoba conditions. The government was wise in selecting a practical man instead of a politician for such an important post. Another member of the board, J. S. Wood, vice-president of the Manitoba Grain Growers' Association, will command the respect and confidence of the farmers throughout the province. He is the only farmer on the board, which is unfortunate as it would have been very advisable to have had at least another practical and representative farmer connected with an institution which is designed solely for agricultural betterment. The new system is organized and ready for operation and should produce very much improved conditions in the farm mortgage business throughout Manitoba.

The Saskatchewan farm loan board comprises Colin Fraser, manager of the loan department of the Mutual Life Assurance Company, as chief commissioner, and J. H. Grayson, Moose Jaw, and J. O. Hettle, Saskatoon, all of whom are financial men. Mr. Fraser is a man of considerable experience and is well in touch with the mortgage business in the province. Apparently there are to be no farmers on the Saskatchewan board. Probably this matter in both provinces will be remedied in the future. It is announced that no loans will be made in Saskatchewan until after the election, which will be held in a few weeks. The Alberta board has not yet been announced nor whether loans will be made before the Alberta election, which will probably be held this summer.

WAR IN REAL EARNEST

The British and French on the west front are driving the Germans back step by step and the heavy casualty lists received daily show the enormous sacrifice of life that is necessary to accomplish this great purpose. Reports from Germany show great unrest among the people and a very decided food shortage. If the Germans will follow the example of the Russian people and depose the Kaiser and the Hohenzollern family it will be possible to make peace on reasonable terms, but if it is left for the allies to settle with the Kaiser and his war lords the war will undoubtedly last for some time yet. There has been considerable uneasiness over the possibility of Russia concluding a separate peace with Germany, but the latest pronouncements by the new Russian government are to the effect that they will fight to a finish. The Russians have plenty of men, but are short of munitions and transportation facilities. If the other allies can supply this deficiency they can increase the pressure on Germany and Austria and consequently shorten the war. The American commission now on the way to Russia is to aid in this work. The United States is preparing to take a real part in the war. General Joffre, the great French military leader and really the biggest figure in the war, is now in Washington conferring with President Wilson. At the same conference is the Right Honorable Arthur Balfour, representing the British government. What plans will be laid will no doubt be kept secret, but we may rest assured that when these men get together the Kaiser has good reason to be worried.