

The Grain Growers' Guide

Winnipeg, Wednesday, December 25, 1918

Firing at the Farmers' Platform

By way of contrast with the abusive method of the Financial Times, of Montreal, there is the calm assumption of judicial gravity with which the Financial Post, of Toronto, handles the Farmers' Platform. Says the Financial Post, as soberly as a judge on the bench, delivering judgment:—

Aside from all the economic arguments in favor of the policy of moderate protection under which Canada has been so prosperous and which has been the means taken by practically every young country to secure the greatest benefit from the development of its national resources and to prevent raw materials from going to foreign workshops for the benefit of foreign labor, there is the very practical point that Canada's national income is largely secured through duties on imports. How will this income be derived to meet our huge war debt if the tariff is materially reduced or abolished?

The farmers have made no practical suggestions in this direction.

The foregoing deliverance from the Financial Post is like a smoke screen blown out to cover the actual situation, disguising it, if not concealing it. In reply to that passage there are several things to be said. A few of them will be said here briefly.

First, the protectionist system in this country is not "moderate."

Second, it is an unjustifiable assumption that lowering the tariff will lower the revenue from the tariff; experience has proved that it is more likely to increase the revenue (and without damage, it may be said incidentally, to the just rights of any wideawake, energetic Canadian manufacturer.)

Third, it is not a question of raising revenue in such volume as was raised in the time before the war by the tariff; a vastly greater national revenue will be needed.

Fourth, it is not true that "the farmers have made no practical suggestions" for raising that revenue. There is set forth in the Farmers' Platform a constructive policy of direct taxation, the practicability of which has been proved, both in Great Britain and in the United States.

The needed war revenues in both those countries were raised mainly from income taxpayers and profit-payers. In this country they have been raised mainly by taxation upon consumption, which weighs heaviest on the poor. Ottawa was slow in getting round to profit-taxing, and income taxes will figure in a budget at Ottawa for the first time next year.

Canadian taxation has been very tenderly considerate towards the wealthy, but not at all solicitous about the poor, whom it has burdened unjustly.

A Voice from the East

Among the voices in the eastern choir of propoganda for protectionism and high finance, which are now raised in a sustained anthem of maledictions against the Farmers' Platform, there comes borne on the breeze with special distinctness the voice of the Hamilton Spectator roaring that "the appetite of the western grain growers is shown to be so insatiable that a shovel would be necessary to satisfy it, no matter if the rest of Canada starved."

All that the Farmers' Platform demands is a square deal, instead of the protectionist system which robs the many for the profit of the privileged few, increasing the prices the farmers must pay for everything they need, but adding nothing to what they get for the things they have to sell.

The Hamilton Spectator was among the

loudest of the anti-Reciprocity roarers in 1911, when the forces of protectionism and high finance prevented the farmers from having free access for their products to the United States market. And of course, needless to say, the same roaring voice is now demanding lustily that the order-in-council of February 8 last, doing away for one year with the 27½ per cent. tariff tax on farm tractors costing less than \$1,400 each, which are not made in Canada, be rescinded immediately, and that the robbery of the farmers for the benefit of the Canadian makers of more expensive tractors be resumed.

The Farm Tractor Tax

The facts and figures about the tariff on farm tractors have been fully set forth in The Guide. They are an unanswerably plain object-lesson, proving that the so-called National Policy protectionism means organized industry to the agricultural industry. How insolently powerful that privileged system of injustice has made itself at the farmers' expense is shown by the manner in which the protected interests are massing their strength for a siege of Ottawa to compel the government to deprive the farmers of the measure of relief they have at present by order-in-council from this tractor tax injustice, and to resume the 27½ per cent. hold-up in respect of tractors costing less than \$1,400.

A news dispatch in the papers the other day said:—

Toronto, December 18.—The Toronto branch of the Canadian Manufacturers' Association today decided to ask the Agricultural Section of the Canadian Manufacturers' Association to recommend to the government the restoration of the duty on tractors.

There is only one thing to be said about this iniquitous demand for a re-imposition of the tax on light tractors. It should be as a trumpet call to the farmers. It should bring home to them forcibly the need of increased organization and co-operation so that they make the most of their political power as a means towards equal rights for all and special privilege for none.

How To Get Results

The various express companies of Canada have presented to the Board of Railway Commissioners a united demand for permission to increase their rates. Their complaint is that they are not able to carry on business and make a profit at present charges. If they are permitted to increase their rates, all dealers who ship by express will increase their prices to cover the increased express charges. All these increases will be passed along to the consumer, who can pass them no further, but must pay them out of his own pocket. This is one of the plainest and simplest lessons in economics, and illustrates to the farmer just exactly where he stands in relation to the cost of living.

When the railway companies are not making enough money they go to the government and get an increase in freight and passenger rates, and consequently become prosperous, because the people of Canada foot the bill.

When the manufacturers are not making enough money they go after and usually get from the government an increase in the tariff, which allows them to increase the selling price of their goods. When the banks are not making enough money they have it in their own power, without even asking the government, to increase their charges, and the additional charges are paid by the peo-

ple. When the steamship lines want more money they increase their freight rates without asking anybody's permission, and the increases are added to the cost of the goods which they carry and are paid by the consumer.

It is the simplest and the easiest matter in the world for all these great commercial organizations to get on to a basis of prosperity by simply increasing their charges, either with or without permission of the government. All increased costs are eventually paid by the consumer and enter into the cost of living. This increased cost of living is paid by every consumer, whether he lives in the city or lives on the farm.

By no means now known can the farmer in Western Canada increase the price of grain or livestock, no matter what it may cost him to produce it. He must place it upon the world's markets and take whatever he can get for it. If the price is low and not profitable, the only way the farmer can live is by lowering his standard of living. He will be compelled to eat cheaper food, buy cheaper clothes (and wear them longer than usual), and buy less of the luxuries and comforts of life for himself and his wife and his children. There is only one hope for the future prosperity of agriculture, and that is to bring down the cost of producing his crops to the lowest possible figure.

The methods by which this can be done are set out in the Farmers' Platform. They comprise reductions in the tariff, which will reduce the cost of practically everything the farmer has to buy; public ownership of railways and steamship lines which will reduce the cost to the public of the service rendered by these utilities. Other planks in the Farmers' Platform aim directly or indirectly at reducing the cost of living and improving the social life of the country.

But none of these reforms will be accomplished unless the farmers are organized and well organized, so that they can present a united front and have laws enacted which will give them a square deal.

For Justice in Taxation

Comparison between Canada's fiscal policy during the war and the policies of Great Britain and United States reveals an extraordinary contrast. While Great Britain and the United States, like every other country involved in the war, except Canada, have raised their taxation revenues during the war mainly from taxation of property and income, war-time taxation revenues in Canada have been mainly raised from taxation on consumption. In other words, as was said in an article of The Guide of last week, while it is true that direct taxation has been introduced in Canada to some degree, the fiscal policy of this country has spared capital and its earnings at the expense of the great mass of the producers and consumers.

This state of affairs is one which demands the close attention and consideration of every Canadian who is concerned in the national welfare, and who is awake to his duty as a citizen of giving thought to the question of Canada's future fiscal policy. For nothing can be plainer than that the necessities of the after-the-war period will require that the principle of direct taxation be put into operation in Canada in a decidedly larger measure than that in which it has been put into operation thus far.

A contrast of monumentally massive proportions is disclosed to view when the figures of taxation in Great Britain and in the