

The Grain Growers' Guide

Winnipeg, Wednesday, February 24th, 1915

On April 1 the price of The Guide will be increased to \$1.50 per year, both on new subscriptions and renewals. Renewals and new subscriptions will be accepted at \$1.00 per year for the next four weeks.

THE STAMP TAX

The new Dominion Stamp Tax, which will go into effect probably in two or three weeks, provides that every letter and every postcard going thru the mail must bear an extra one-cent "war stamp." Every express and post office money order must also bear a one-cent "war stamp," while every check and bank receipt must bear a two-cent "war stamp." One value of a stamp tax is that every person can tell exactly what he is paying, and practically all the revenue derived in this way will go into the public treasury. Judging by the past year's business, this new stamp tax will cost The Guide about \$2,500 per year. It is fortunate that arrangements were made to increase the subscription price of The Guide to \$1.50 on April 1, because this extra tax of \$2,500, added to the various other losses which we have mentioned in previous issues, would make it still more difficult to publish The Guide at \$1.00 per year. This Stamp Tax on The Guide must be paid by the subscribers to The Guide because there is no one else to pay it. This is a fair example of the method by which all corporations are able to pass on their taxes to the ultimate consumer, but the ultimate consumer must pay because he has nobody else upon whom he can shift the burden.

ADVERTISING PUBLIC SERVICE

The Dominion Department of Agriculture has inaugurated a widespread advertising campaign to assist farmers thruout Canada in solving a number of their problems, and placing within their reach authoritative information on all phases of production. Conferences are also to be held thruout the country to which speakers are to be sent to discuss with the farmers various farm problems. The title of these advertisements, and, in fact, of the whole campaign, is "Patriotism and Production." The "Patriotism" part of it had better have been left out, as we cannot see that it will accomplish any good purpose, and it is bound to be resented by many farmers who do not feel that they are less patriotic than other citizens. On the other hand we believe that the Department of Agriculture is decidedly on the right line in advertising the service which it can render to the farmers of Canada. For a great many years the Federal Department of Agriculture has been carrying on certain work and has been preparing valuable reports and other literature that is worth dollars and cents to farmers who are anxious to get the best returns from their labor. Simply advertising this literature and getting it into the hands of the farmers is worth a great deal to them, and advertising expenditure in this direction is well justified. The propaganda in favor of good seed is also commendable, as well as an organized effort to solve the

farm labor problem. The value of these agricultural conferences will depend almost entirely upon the practical knowledge of the men sent out by the Department. It will be no use to send out men unless they are prepared to talk to the farmers in a manner which shows that they have been in touch with the soil themselves and know whereof they speak. This advertising campaign by the Department of Agriculture, if properly conducted, will be very beneficial in its results and it is certainly a vast improvement upon the old system of Government advertizing, which has been largely a method of subsidizing the party press.

FARMERS' RESOLUTIONS IGNORED

The three Western farmers' organizations, representing at least 40,000 farmers, have on more than one occasion placed themselves on record as being in favor of the adoption of land values taxation as a means of raising at least a portion of the federal revenues. The Government from time to time has been informed of these resolutions and it is somewhat surprising in reading the full text of the budget speech of Hon. W. T. White to find that no mention whatever is made of this form of taxation. Mr. White, in his speech in the House of Commons on February 11, said:

"Many suggestions for supplementing our revenue have been put forward by members of the community, and in the public press thruout the country; some quite impracticable, others worthy of consideration and adoption, but, speaking generally, wholly lacking in adequacy to meet the situation which the war has so suddenly brought upon us. It is not a question of raising a few millions by stamp taxes, by income tax or other minor means of supplementing revenue. We must endeavor to raise additional revenue to an amount of at least thirty-million dollars, and when we have accomplished this we shall still be obliged to borrow heavily over the next fourteen months, that is to say, between now and March 31, 1916, to meet expenditures for purposes other than for war."

One would have thought that a proposal made by as large a body of taxpayers as the organized farmers of the West would have been entitled to at least a passing reference before being finally rejected by the Finance Minister. If Mr. White thinks that land value taxation as a means of raising revenues is quite impracticable, we might refer him to the fact that every rural municipality, village, town and city in the West is already raising the whole or a greater part of its revenues by this means, and there is absolutely no reason why the Federal Government could not make use of the same means of securing necessary funds. Mr. White points out in another part of his speech that financial conditions are already seriously reducing the purchasing power of the people and consequently the volume of imports from which the customs duties are collected. He seems, however, to have overlooked the fact that the increase of the tariff will itself cause still further reductions in the purchasing power of the people and, consequently, still further reduce imports and customs revenues. The increased duties, in fact, will defeat their own purpose and will raise the cost of living without increasing the Federal revenues to any considerable extent. The increase of the tariff will also most assuredly have the effect of discouraging agricultural production. If the farmers

are going to raise the large crops which the Government is asking them to produce, they will need to buy a good deal of new machinery, and erect new granaries and machine sheds, and they will also need to hire more men, and give them board and lodging, besides a reasonable wage. The Government, however, has increased the duty on all classes of agricultural implements with the exception of mowers and binders, has increased the duty on lumber, cement, clothing and many articles of food. As a result all these things must necessarily go up in price, thereby increasing the cost of production to the farmer and limiting his ability to procure new machinery, lumber and provisions which he requires in order to follow the advice of the Government and increase his production. The cost of production in all other industries will, of course, be increased in exactly the same way. The taxation of land values which the organized farmers have proposed for the raising of additional revenues required in the present emergency, would on the other hand reduce rather than increase the cost of production. It would make unnecessary the increases in the cost of living and production already enumerated, and it would have the very important effect of reducing to some extent at least, the price which the settler is required to pay for land. It is always necessary in considering the respective merits of taxes upon land values and taxes upon other things to recognize the fact that whereas the tax upon anything else increases its cost, a tax on land values always reduces the price that has to be paid. There are thousands of experienced farmers in the cities of the West at the present time, who would be on the land producing wheat, livestock and other food products if they could obtain good, well situated land at a reasonable price, but under present conditions it is impossible for these men to go back to the land, because the land on which grain can be profitably produced is held at too high a price by the land speculators. The organized farmers of the West have not asked that anyone else be taxed while they are allowed to go free. They are themselves large land owners, but they are prepared to bear their fair share of the cost of conducting the affairs of the country, and of prosecuting the war to a successful issue, and they have proposed to the Government that a portion of the revenues which are required should be raised by a tax on land values. The organized farmers of the West feel that their resolutions were worthy of attention by the Minister of Finance, and they certainly have a right to some explanation as to why their proposal was ignored by Mr. White.

A TIP FOR THE MANUFACTURERS

One development of the situation created by the increase of the tariff in which the whole country is deeply interested, is the action which Canadian manufacturers will take with regard to the prices on their commodities. Hitherto, with very few exceptions, the home manufacturer has taken advantage of the protection afforded by the tariff to raise the price of his own goods to the highest possible point. Protection is intended for that purpose, and while the