

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World.

THE FINANCIAL POLICY OF CANADA.

(For the Review)

By W. A. DOUGLASS, B. A.

Canada stands unique among the nations. She is three sided. Nearly all the other nations have free access to the rest of the world, so far as their physical surroundings are concerned. But the Dominion of Canada is wholly baricaded along her Northern border by an everlasting barrier of snow and ice. It cannot be expected that we shall ever see a flotilla of merchantmen frequenting her Arctic border, as may be seen along the coasts of Britain or the United States.

Of all the markets for Canada, there is none which, naturally, is to be compared with that of the United States. Close to her border, often with populous cities such as Buffalo and Detroit within easy access, lies a country of eighty million people, endowed with all the natural advantages and the mechanical and mercantile skill needed to form one of the richest countries in the world.

But from the markets of this country Canada is separated by an artificial barrier in the shape of a tariff averaging about sixty per cent. It is a barbed wire fence, bristling with taxes.

What sixty per cent. of a barrier means we may learn by a few illustrations. The average cost of conveying goods across the Atlantic is less than ten per cent. The same rate will pay for their conveyance from the Atlantic to the Pacific, across the Rocky mountains.

The geographical line that marks the separating point of Canada from the United States, is the veriest figment of the imagination, invisible, very invisible, less than any possible human measurement. And yet, by a stroke of the pen, enacting a duty of sixty per cent, the government of the United States converts this line of imaginary existance into a barrier six fold as bad as the passage of the Atlantic, or six times as bad as that of the Rocky Mountains. For many commercial transactions Canada and the United States might just as well be situated at the antipodes from each other.

With the trade wholly paralyzed by a physical barrier on the North, with

trade partially paralyzed by an artificial barrier on the South, with her harbors along the lakes closed during the winter, what would common sense dictate to a group of people situated as are the Canadians? Should they increase the blockade, or should they take advantage of such access to other nations as nature offers it?

Suppose we were to select any group of five million people situated on the outer margin of the United States, as they are in Maine or California, and submit to them the following question; "Do you wish to be separated from the rest of the United States as Canada is?" would there be five people in the five million who would vote yea? Never have I found the man in the United States or in Canada, who would venture the assertion that there would be found five people outside the lunatic asylum who would vote in that way.

And yet if California or Florida or Oregon were separated from the rest of the Union as Canada is, any one of these States would still have access to the rest of the world from its other borders. Of all the five million people on the Northern Continent, the group that must suffer most by separation from the markets of its closest neighbors, is the Canadian.

And yet the people of Canada are committed to this policy of isolation. With her physical barrier on the North, with her artificial barrier on the South, she has added to these another barrier around her borders amounting nominally to thirty or thirty five per cent, but in reality to fifty per cent, after adding the profits of the wholesaler and the retailer. Nature places one barrier to her trade, the United States adds another, and then by her own act she adds still another, and crowns that with the title of the National Policy! With desolation on the North, there the citizens cannot trade; with the most ample abundance on the South, the law says there he shall not trade. Nature makes a desolation on the one side and the law tries to make another desolation on the other side.

Of all the achievements of the last century, perhaps that which most profoundly affected the economic condition of humanity, was the revolution in the methods of transportation. Compare the Mogul Engine with the pack-horse, and it stands as a thousand to one. Compare the modern steamship with the original "dug-out" and you have more than a thousand to one. The cost of transportation has been so reduced that five cents is a high rate for the conveyance of a bushel of wheat across the Atlantic and there are times when the freight charge is not more than half that figure.

Suppose a load of pen knives worth a dollar each were shipped as freight and sent around the world, they could be conveyed at a cost of a cent each—twenty-five thousand miles for one sent. For thirty cents one of those knives could be shipped thirty times around the world, seven hundred and fifty thousand miles, equal to more than three times the distance of the moon from the earth. The Canadian government charges its citizens thirty cents to convey that knife across the invisible and imaginary infinitude of narrowness that separates the two countries. By a fiat of the government a space of nothing becomes a line of such extent, that it requires the interplanetary spaces for its measurement. Physically, as God placed them, these two countries are

close together; commercially, for some articles they are thousands or hundreds of thousands of miles apart. What God joined together, man by subtle methods has succeeded in putting far asunder.

In this way Canada is fighting a great battle with herself. On the one hand she has lavished fortunes and given enough land to make a kingdom, to subsidize railroads and steamships so as to increase the facilities for freer trade, then she adds to the barriers to destroy that freedom. With her right hand she fights to get trade, then with her left hand she fights to get rid of it, as if it were a withering blight or a destructive inundation.

Canada gave away twenty-five millions of acres, more than all the assessed land of the Province of Ontario, besides cash and railroad worth seventy five million dollars, to the Canadian Pacific Railroad Company; then she put a tariff on the landing of goods in the country so that often the shipments from China can be placed cheaper in the heart of Britain than they can in the heart of Canada.

It is true that the United States has adopted a similar policy of isolation; but the United States has the full advantage of free intercourse among more than eighty million people, while Canada has free intercourse among less than six million people. The burden of protection is distributed over more than eighty millions in the States, while it is concentrated on about five and a half millions in Canada. The giant may not feel the burden which would crush the child.

The disadvantage of isolation for a nation is bad enough; but the internal effect in the unjust relationships between the classes and the masses is by far the worst effect. A country may be poor and yet it may be grand in its equity and in the nobility of its citizens. A country may be rich in the amount of its resources; but it may be blighted in all that constitutes the true nobility of manhood.

For years, not only has there been absolute free trade in foreign labor from the poorest countries in the world, except in the case of Chinamen, but in addition to that the government has imposed taxes amounting to many millions of dollars to encourage the importation of the cheapest possible kind of labor, thus subjecting the laboring classes to competition at high pressure. This enables the employers to get labor cheap, while the tariff enables them to sell their goods dear. To the employees the policy is reversed. The tariff makes the laborer buy dear, often compelling him to pay three dollars for two dollars worth of goods, while the immigration policy compels him to sell cheap against the full blast of intensified competition.

First, the Canadian Financial Policy separates nation from nation, then it does worse than that, it separates class from class, crushing the poorest and exalting and helping the richest. Between nations we follow the religion of the Jew and the Samaritan, between classes we beget the Rich man and Lazarus.

The manufacturers again and again assured the commission that the increase which they demanded in the duties would not increase the price of their

wares; but at the same time they requested that the duties be removed from the goods they wanted to buy, so as to make them cheaper. It is possible that they may have believed their own statements; but they can hardly expect other people to accept such contradictory doctrines.

Some time ago special legislation was enacted to prevent dumping of cheap goods in the Canadian market. At the same time large grants of money were voted by parliament to secure the dumping of cheap immigrants in the labor market. It is somewhat difficult to characterize this kind of inequality in the laws with appropriate language without stepping beyond the bounds of propriety.

I have been assured that the tariff rate of thirty five per cent. after the addition of the merchants' profits, easily amounts to fifty per cent. This means often that the farmer who works three hundred days in the year, must, in many cases, give up one hundred days product in consequence of this tariff charge. It means often the reduction of a thirty-bushel-to-the-acre farm to the status of a twenty-bushels-to-the-acre. In a country in which the very best resource for the settler is the cultivation of a farm, I have had special opportunity of knowing that this system of taxation has been the means of stripping thousands of farmers of their homes and their independence.

Can there be anything more beautiful and beneficent than the manner in which men, spontaneously under the guidance of divine law, divide themselves into special occupations, so that each man can give to his fellowmen the best results of his special skill and his special opportunities. Let any man observe, for a few minutes, what all this means to himself. With the advantages which an advanced civilization affords him, by the toil of a few minutes or hours, he can obtain benefits, which, without the aid of society, he could not procure in ten thousand years. Cut man off from his fellows, destitution or death is his fate. In isolation no animal so weak as man, in association no animal so powerful. The greatest economic blessing which God has ever conferred on man, is the impulse to separate into different occupations and then to exchange service for service. A slight examination shows that this relationship between men is a condition that is essential to the existence and development of our civilization. Destroy this exchange of benefit for benefit and the glory of our civilization disappears. Clime contributes to clime, skill exchanges with skill, abundance exchanges with abundance and all this method of specialization and exchange grows in the world as naturally as plants grow in the field. No human law ever decreed this. It is originated in the impulses which the Creator implanted in the hearts of men. This method of specialization and exchange is God's agency of civilization.

Production without exchange is starvation and barbarism. Production by specialization and exchange opens the way to the highest achievements of civilization.

Left free to produce when and how he pleases, man will try to adapt his production to his special skill, to his special surroundings, to the proper season, and to the proper place. In his way he does his best for humanity. If

any man selects the wrong place or time, the loss of his business will soon drive him to a wider course.

Without this natural impulse, leading men under all circumstances as producers, to use the best implements, to choose the best seasons and to work in the most suitable locations, our civilization never could have been. A Stygian barbaric gloom would be the inevitable fate of humanity.

There is in society another relationship, utterly opposite to the specialization of function and exchange of benefits. In every city there can be observed at the same time two distinct movements, distinct in their origin and opposite in their results. On the one hand industry is using its utmost skill and energy to make houses, food, clothing, machinery, etc., as abundant and cheap as possible. On the other hand increased population inevitably makes land more and more scarce. At one time in the history of New York there was one person to the acre. On some of its acres, especially among the large offices, there may be at times ten thousand to the acre. The one thing that must be economized more and more as population increases, is land. With its increased scarcity, its price advances till the best sites become worth millions of dollars per acre.

Where the people had at one time to pay a mere trifle per acre for the occupation of the land, afterwards as population increased they had to pay year after year more and more, till a thousand dollars per day per acre is now regarded in some cases as a moderate price. Therefore we witness this extraordinary condition, the more people pay the deeper they are in debt. And by an inexorable economic law, if the conditions continue as they are at present, the mass of the people will always have to pay so much for the occupation of the land, that no matter how much they increase their production, they must live close to the possible margin of existence.

This is not a relationship of benefit for benefit. One produces the wealth, the other appropriates it. One must do all the work and get but a fragment of his products, the other may revel in fortune which costs him no labor. This is a relationship of antagonism, the one despoiling and degrading the other.

In human society, therefore, we find two distinct relationships—one harmonious, doing its best to bring forth a civilization equitably balanced, developing all that is best in humanity, placing man in relationship of benefaction to his fellow, and placing him also in proper relationship to the forces of nature; the other relationship, malicious, because antagonistic, where one man reaps a fortune without effort and sinks his fellows into the degradation of the slum, that he himself may revel in the luxury of the palace.

How does the Canadian Financial System regard these relationships? It completely ignores them, or what is worse, does everything to encourage the antagonistic and to oppose the harmonious. The tariff is used as an agent to prevent the harmonious exchange of benefit for benefit, and it leaves the land values that grow to such heights in the large towns to allure men into the rapacity of land speculation, with all its baneful results. Let the settler or the laborer go where he will, and there he finds the speculator in advance,

forestalling the land, so as to saddle industry with an everlasting and irredeemable mortgage.

With this monumental contradiction, dredging harbors and then blockading them, fighting for trade and then fighting against trade, protecting the rich from competition and then overwhelming the poor with the most intense competition, seeking abundance and then imposing penalties to keep people from abundance, professedly protecting industry, while actually subjecting industry to the extortions of land speculation and the everlasting and increasing tribute of ground rent, Canada is developing as rapidly as possible, not a civilization of Christian brotherhood and equity, but a civilization after the style of the old world—palaces with their unearned luxuries at one end, and slums with their horrors of degradation at the other.

FABLES OF NOMANSLAND AND ITS SOCIAL PROBLEM

By AN INTELLIGENT CHIMPANZEE.

Translated from the Original Monkey Language by the Garner Method.

(For the Review.)

By J. W. BENGOUGH.

Continued.

Fable XII.

THE MISSING LINK AND THE ISLAND.

In the Community of the Monkeys there was a Missing Link, who gave himself airs on the ground that he was more Man than Monkey. To vindicate this claim he was in the habit of aping the manners and customs of Humanity, and in imitation of what obtains amongst men as the system of Landlordism, this Creature took possession of an Island not far off the coast. It was a fertile Island and well stocked with Cocoanut trees, and here the Missing Link took up his solitary abode. He had a very good living, though of course he had to work for all he got. Thus he continued for a time in the enjoyment of his estate. At length a great fire in the forest drove many hundreds of monkeys to the shore, and to escape the flames they were obliged to take refuge on the island. This calamity to the monkey tribes proved a rare piece of good fortune for the Missing Link. He was now a Landlord in the strictly human sense, and he accordingly quit work. It was no longer necessary for him to gather cocoanuts or do any other species of labor for his own support. As owner of the Island the new comers had to submit to his conditions if they desired to remain; their alternative being to go back to the mainland, which, however, was now destitute of food for them. The value of the cocoanuts on the Island suddenly went up and the Missing Link had nothing to do but gather in what in Human Society is called the "unearned increment"—