

FARMER JONES AND THE TARIFF

OR

A FRIEND IN DISGUISE

Farmer Jones sat on his back verandah watching his crops grow under the gentle influence of a May evening. His feet were up, his pipe was going, the smell of the new spring earth was in his nostrils. Out in the harrowed fields the grain was showing in long green lines, while on the rolling hills across the river the season's hay crop was standing in tangled richness. Mingled with the songs of birds, his eager ear caught a sound quite as attractive—the insidious something which told of abundant and progressive plant life. It was his hour of pleasure, and he enjoyed it to the full. But on this particular evening he was doomed to become the prey of a foreign influence which threatened to turn his contented brooding into a fit of melancholy. As he watched his fields he began to estimate his profits, subtracting expenditures from receipts and calculating how the former might be reduced. The things he had to buy, the wear and tear on the things he already possessed were duly taken into account.

The Agricultural Scare-crow.

At this point, that agricultural scare crow, the tariff, stalked into his soliloquy. He recalled fragments of the pamphlets and newspapers he had read, wild words from the inaccurate orations he had heard on the subject, all of which claimed to have proven that the tariff was the yoke upon the Canadian farmer's neck that chained him to perpetual slavery on the land. If these allegations were true, the tariff, and those corpulent monopolists who were represented as profiting by its existence, would take their toll of every broad acre he possessed. This was the reason, then, that there was not a larger margin between his annual debits and credits.

Farmer Jones put down his feet. He leaned anxiously forward and scanned the fields already disappearing in the twilight as though capitalists, with giant hands, were snatching them bodily away. He could easily imagine that he saw stout little men, with seal rings and heavy watch chains scurrying over the fences, carrying bushels of wheat, sheaves of corn and baskets of fruit. Depressed by his vision, Farmer Jones put away his now tasteless pipe.

"Blast them!" he remarked, referring to the absent tariff makers, "I wish I had them out in the hay field on a hot day. I'd take the humps off their stomachs and put them on their backs."

Mr. Jones Consults the Customs Returns.

This remark showed that the genial Jones was in an extremely pessimistic mood, which compelled him to turn his back on his fields, enter his house, and sit down before his great old-fashioned

desk with its quaint pigeon holes full of musty books and papers.

Mr. Jones' intention was to reduce himself to a state of absolute depression by reading anti-tariff literature, but his attention was arrested by a blue book which had just arrived that day from Ottawa. It contained the returns of the Customs Department. Mr. Jones glanced through the orderly array of figures and terse significant statements, so different from those which had threatened to undermine the cheerfulness of his disposition a few minutes before. He noticed, that the duty collected on spirits and wines imported into Canada during 1910 amounted to \$5,955,645.40, which went into the Dominion treasury and helped to make up the total revenue of the country.

Taxes the Farmer Doesn't Pay.

"Who pays that six millions?" asked Farmer Jones of himself.

"I don't drink spirits. No one on this concession drinks. Practically no one in the township touches liquor. We have had local option for three years and it has not been sold in the county for that time.

Clearly the farmers about here do not pay any of that six millions. Who does then? Temperance statistics show that most liquor is consumed in large cities, where there are at least two distinct classes of people, the very rich and the very poor. A duty on liquor is a tax on a luxury. It tends to place it beyond the reach of the poor and takes a little of the extra pocket money of the rich. Therefore, it has a moral effect on the poor at all events. Moreover, it does not tax a necessity such as bread. Therefore, it seems that without injuring anyone, a great sum is added to the revenues of the country. Where is the harm in that bit of the tariff?"

Over Six Millions of Revenue on Spirits.

Farmer Jones, after arriving at this stage of his argument with himself turned over more pages of the customs returns. Having started with one kind of intoxicating liquors he determined to find out how much other kinds were adding to the national pocket of Canada. He found that the duties on ale, porter and lager beer amounted to \$211,733.83 in 1910. Ale, porter or beer had never touched his palate, or those of his four sons. Wine was a more mysterious stranger. He had read about it in the Bible, and fully believed in its powers as a mocker, but had never seen it to his knowledge; and he would have staked his farm that Mrs. Jones had never gazed on it when it was red or any other color. Yet, these intoxicating liquors, which were unfamiliar beverages to him and to all his acquaintance, furnished over six millions of customs duties.

Even Rivals of Farmer Jones Help Him.

Mr. Jones knew that all the national revenues are "pooled," that is, put into one vast account from which all expenses are paid. His taxes went in with the rest. It was quite clear, therefore, that his taxes would be lessened in proportion to the amount of national

revenue derived from other sources than a direct tax on land. Consequently, these six millions collected in duties on intoxicating liquor lessened to some degree the taxes on his property. Mr. Jones was perplexed. He had been taught that the tariff was his enemy. In this case, at any rate, it was his friend. He continued to run over the items in the schedules. The duty on animals imported into Canada during 1910 amounted to \$167,350.38; on butter, \$15,702.08; on eggs, \$20,305.42; on grain and its products, \$273,424.17; on green fruits, \$267,937.94, and on vegetables, \$350,661.85.

The effect of this duty was two-fold; \$1,095,381.84 was added to the national revenue, and his competitors were placed under a handicap in competition for the Canadian market. He had all these articles on the market himself. Therefore, this much abused tariff was conserving a selling field for him and making his rivals help pay his taxes.

National Expenditures of Use to the Farmer.

Mr. Jones, being a man of ingenious turn of mind, looked at the problem as it affected him in another way. He knew what few realize—that out of the special revenues of the country the majority of the great public works are financed. He thought musingly of the outery which would be raised by some of his tight-fisted neighbors if a levy was made upon them directly to build the Grand Trunk Pacific Railway. Yet this great transcontinental would benefit their agricultural community. Farmer Jones began his calculations again. Rock-cut, fill, timber land and open prairie averaged, railway construction costs about \$35,000 per mile. The duty on spirits for 1910 would build 170 miles of the Transcontinental. The combined revenue derived from the duty on animals, butter, eggs, cheese, grain and its products, green fruits and vegetables, would build 31 miles. The consumers of intoxicants and his rivals who had farm produce to sell were actually paying for the railroad which would transport his produce to a wider market than it had enjoyed before the advent of the line.

More Taxes Paid For Him.

The next item upon which his attention rested was "Electrical Apparatus," on which the revenue collected through the duty in 1910 amounted to \$909,482.72. There was not a cent's worth of electrical apparatus used within a radius of ten miles of where Mr. Jones lived. Dwellers of towns and cities used electrical apparatus, and consequently paid all or part of the duty on it. The amount collected through this duty went into the national treasury and eased the financial burden of Farmer Jones.

All Parties Benefitted.

The electrical apparatus duty might have another interest for Mr. Jones and his neighbors. There was a river near them which needed a short canal. The river connected with a city on the lake. The city needed a new dock on its harbor dredged so as to permit the entrance of ships of average tonnage. If the canal were built and the harbor made accessible Mr. Jones would be one day nearer an ocean port, an important consideration in matters relating to

commerce. The sum needed for the whole work of improvement would be about a million dollars. Some day the Government, "for the general advantage of Canada," would spend the electrical apparatus revenue upon that canal and harbor, and once more the tariff would be the friend of Farmer Jones. While it would be true, in a sense, that the buyers of electrical apparatus would build the canal and deepen the harbor for the partial benefit of the agricultural country in the vicinity, it does not follow that economic laws would grant them no compensation for the extra price paid for the electrical goods by reason of the duty. They would have better communication with the agricultural districts and would get their produce quicker and cheaper. Thus, all parties would be benefited.

"It strikes me," said Farmer Jones finally, "that a moderately protective tariff is not so black as it has been painted."

Canada's Development Due to Protection.

He began to analyze the present period of Canada's industrial and commercial development. The Grand Trunk Railway was linking up two oceans. Would it have been built if a plebiscite had been taken in a country where the agricultural classes are in the majority in the absence of a system of moderate protection? Would the C. P. R. have been built out of the proceeds of direct land taxes? Farmer Jones was inclined to answer these questions in the negative. The Georgian Bay canal connecting Port Arthur and Montreal will be built some day; the Welland Canal will be deepened, the St. Lawrence Canals will be enlarged and a great waterway will be opened for ocean steamers to the head of the Great Lakes. What does the completion of these vast public works mean to the farmers of Canada, particularly those in the prairie provinces who have grain to ship across the Atlantic? The cost of maintaining the militia, the army, the great non-dividend-earning public services are direct charges on the national revenue. They must be paid. If a tariff surrenders part of the bill it lessens the inevitable burden of direct taxation on the land, income taxes, poll taxes or business taxes, imposed on all urban and rural communities.

Farmer Jones a Convert.

It was midnight when Farmer Jones, having smoked three pipes of home-grown tobacco made a statement to himself.

"I'll bring this thing up at the next meeting of the Grange," he said, "There is too much simless talk about 'bloated capitalists' and 'down trodden farmers' indulged in by the orators who visit us. I'll take the customs returns over and read a few hard facts and figures out to the boys." "Farmer Jones," he continued to himself, "is not paying all the taxes in this country as he has been led to believe, and he is getting a good deal of benefit from the money expended on the nation." "Even if I am paying taxes on a few things because of this protective tariff, it seems to me I am benefitting in part from it as well as from the taxes levied on all other classes." "And more, I am paying my own way as a self-respecting citizen ought to do," concluded Farmer Jones.