

TheStar.com - comment - Low-tax past was no golden age

Aug 30, 2007 04:30 AM

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The other day I received one of those ubiquitous forwarded emails that some acquaintance thinks I will find a) funny, or b) illuminating. Rarely are they either. But this one was at least interesting.

The writer (a pure-wool American) started by decrying a recent congressional allocation of \$70 billion. We never find out what this money was to be used for; to this writer that is irrelevant. All that matters is that these billions are coming from the pockets of the long-suffering American taxpayer.

The writer proceeds to lecture us at some length about just what a "billion" means ("A billion minutes ago Jesus would have been alive"), and goes on to list 15 or 20 of the most reprehensible taxes (a "well permit tax"?). Then he delivers his crushing conclusion:

"Not one of these taxes existed 100 years ago," he moans. "And there was prosperity, absolutely no national debt, the largest middle class in the world, and Mom stayed home to raise the kids. What the hell happened?"

How many times have we heard some version of this fairy tale? A quick review of the conditions Canadians lived with 100 years ago tells quite another story:

The child mortality rate was 120 per 1,000, nearly 20 times what it is today.

No public health care meant people died in their 40s and 50s (if a person was lucky enough to make it to 30, he or she had a life expectancy of 25 more years), often from sanitation diseases such as dysentery, typhus, tuberculosis and diarrhea.

Most rural children were riddled with worms and other parasites.

Medications were largely unavailable and, when they were, too expensive for most people to be able to buy anyway.

By 30, most people had few teeth left.

More than half of all children dropped out of school by Grade 8.

The average Canadian mother had 5.5 children so they could work the farm, where two-thirds of the population was located.

The adjusted per-capita GDP was less than \$1,000 (versus almost \$35,000 today).

With almost no public transportation infrastructure, mobility was limited and expensive; most people were born, lived and died in the same community.

Workers laboured under dangerous conditions for low wages; put in a six-day week; had no paid holidays; and no pension, health-care plan or other benefits.

University education was available to only a tiny elite, about 2 per cent of the population, and virtually none of them women. As late as 1939, only 5 per cent of the population attended university.

It is easy to romanticize the past and forget that a century ago "prosperity" was for the very few, and "Mom stayed home with the kids" because she had few other options and had to work the farm in any case – where the "kids" were also working. Nor could she vote.

Taxes do not fall into some enormous black hole.

At their best, they are used to create the decent, humane and prosperous society we all value and benefit from.

While how those taxes are spent can (and should) be debated, those foolish enough to attack the principle of taxes, an essential part of all modern societies, are reacting with no historical or social context.

We often hear Canadians gnashing their teeth over their enormous tax burden. In fact, relative to other developed countries, we get off fairly lightly.

While our highest rate of income tax is about 48 per cent, in many European countries rates can be over 60 per cent.

Interestingly, those countries whose people regularly report being the happiest (e.g. Sweden, Norway, Denmark, Finland, Netherlands) have the highest tax rates in the world.

Having said that, if my government was squandering nearly \$1 trillion (forget billion) on idiotic wars overseas, a system of extraordinary rendition (read

torture), an illegal concentration camp, and general military mayhem, I, too, would have second thoughts about where my taxes were going – and raise hell about it.

Don Sawyer recently retired as director of Okanagan College's International Development Centre. He is an educator, writer and development specialist and lives in Salmon Arm, B.C., with his wife.