

The Terrific Engine: Income Taxation and the Modernization of the Canadian Political Imaginary by David Tough

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Book Reviews Autumn 2019

The Terrific Engine

Income Taxation and the Modernization of the Canadian Political Imaginary

By David Tough

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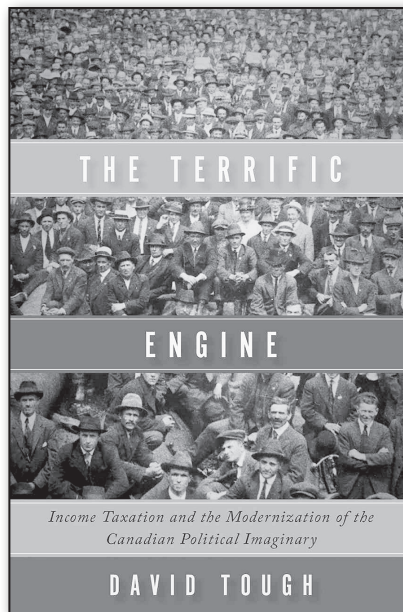
In recent years taxation has become the subject of significant public attention and debate, precipitated by present-day concerns about wealth inequality. In Canada the emergence of tax history has been an important example of this trend, and of renewed interest in the historical study of economic questions and political economy. Award-winning books by Canadian historians Elsbeth Heaman and Shirley Tillotson, both published in 2017, have moved tax history closer to the mainstream of the historical discipline. Reconstructing contested histories of taxation, these works revealed how political and economic life was constituted and understood through taxes.

David Tough's *The Terrific Engine* carries a similar ambition, connecting the history of taxation to fundamental changes in Canadian political life during the first half of the twentieth century. The book tells the story of the rise of income tax and its role in the making of a modern political imaginary, wherein the federal government's expanding capacity to tax and spend gave new meaning to left-right political divisions. Ian McKay's account of the "people's enlightenment" and Shirley Tillotson's concept of the "citizenship of contribution" structure the work's theoretical framework. Discourse analysis is central to the book's methodology. Tough is

especially interested in rhetoric about taxation. He argues that this rhetoric gave rise to political difference that eclipsed the old loyalties of the two-party system. An imaginative and innovative study, *The Terrific Engine* joins the contributions of Heaman and Tillotson in making the case for tax history as vital to Canada's "new political history."

The book is organized into two parts. Part I examines the crisis and decline of the old, tariff-based politics, characterized by the dominance of the two-party system. It begins in the Prairies with the campaign of organized farmers against the tariff in the period leading up to the 1911 election. Although Tory protectionism defeated the political campaign of the farmers in that election, Tough argues that the farmers' non-partisan rhetoric constituted a "new political modernism" that prioritized critical intelligence over partisan allegiance. Drawing upon the *Grain Growers' Guide*, Tough demonstrates the efforts of farmers and their political leaders to demonstrate and clarify the tariff's function as a tax, and the preference of some for direct taxation as a more transparent form of taxation. In so doing, Tough argues, Prairie farmers and their allies insisted upon honest policy differences that rose above the morass of overheated partisan exaggeration.

Chapter 2 moves the narrative forward. Drawing significantly upon parliamentary debates and the *Industrial Banner*, it examines the "conscription of wealth



rhetoric" during the Great War and its role in creating the conditions for the first federal income tax in the summer of 1917. Though the tax was miniscule, in the political imaginary it was major. Income tax was legible and facilitated "informed democratic debate" (85). The war income tax indeed targeted the wealthy, as parliament responded to the widespread pressure of working people and sympathetic politicians for shared sacrifice during a time of war.

The two-party system, Tough concludes, was undermined by new debates that emerged with the income tax.

Part II examines how the state's expanding capacity to tax and redistribute wealth generated a more abstract expression of political difference, rooted in the categories "left" and "right." Chapter 3 examines the constitutional debate during the interwar period that led to the formation of the Royal Commission on Dominion-Provincial Relations, better known as the Rowell-Sirois Commission, and its recommendation for an expanded federal income tax. Tough identifies regional protest in the Maritimes during the 1920s as a precursor to this development. The Maritime Rights movement succeeded in securing limited fiscal transfers to the region from Ottawa, and the Jones and White commissions revisited the subject of fiscal transfers amid the pressing circumstances of the Great Depression. By the end of the decade the Rowell-Sirois Report depicted federal income tax as an "equalizing instru-

ment” that would regularize fiscal transfers in a new constitutional arrangement, echoing the aspirations of reform-minded intellectuals during the Depression such as Norman McLeod Rogers, a central figure of Chapter 3, for a more powerful redistributive role for the federal state.

Chapter 4 examines the consequences of the dramatic expansion of federal income tax in political life during the period of the Second World War. The growth of the federal government’s role in taxing and spending, suggests Tough, became the “basis for new left-right political differences that people were using with increasing sophistication and confidence” (139). Put plainly, a party’s position on taxing and spending played a decisive role in orienting its place on the left-right political spectrum. Yet, as Tough’s reading of *Saturday Night* and other sources suggests, the modernization of the Conservative party hardly delivered political clarity, and intentionally so, during a period when public opinion was deeply influenced by social-

democratic aspirations. Opportunism, obfuscation, and partisan difference was, it seems, recast in new language for traditional purpose.

The Terrific Engine is a stimulating book. By integrating diverse political histories into a single narrative explaining how the rise of income tax recast politics, the book delivers a new and original interpretation. Yet, the recurring claim that these politics constituted a dramatic break from past practices is an overstatement. And the monocausal link drawn between rhetoric and politics does not always deliver satisfying explanations of historical change. Readers might have also expected more on how race and gender operated in tax rhetoric, not least owing to the redistributive thrust of income taxation. Tough, nonetheless, has produced a thoughtful book that contributes to an important field of study.

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Broken

Institutions, Families, and the Construction of Intellectual Disability

By Madeline C. Burghardt

Montreal & Kingston: McGill-Queen’s University Press, 2018. 262 pages. \$110.00 cloth ISBN 9780773554825. \$29.95 paperback. ISBN 9780773554832. (www.mqup.ca)

Disability history, particularly in Canada, struggles to get outside of the institution walls. Large-scale residential institutions such as the Huronia Regional Centre in Orillia created records that are rich sources but focus on the experiences of inmates as viewed by medical professionals or staff members. The perceived “voicelessness” of people with dis-

abilities has removed their histories from the broader Canadian context and hides the socio-economic and political factors that led to many parents choosing to institutionalize their children during the 135-year history of Huronia. In *Broken: Institutions, Families, and the Construction of Intellectual Disability*, Madeline C. Burghardt bridges the spaces between