

can throw the burden of taxation upon other people. They forget that all taxes must, with exceptions which are not really important, be paid by the producers and consumers. The producers, in order to continue to produce, must throw the burden of such taxation on the consumers who ultimately must certainly pay. Sound reasoning should convince everyone that the burden of taxation caused by the prevailing extravagance will be seriously increased and that such taxation will inevitably increase the present high cost of living. This, however, will certainly appear by experience, and it may safely be stated that in a very short time extravagant expenditures of public money will not be popular in this country.

People have not yet sufficiently reflected on the fact that now, as in the days of the Municipal Loan Fund, as a general rule (of course there are exceptions) it costs a municipality or other public body from 30 to 60 per cent. more than a private company to do the same amount of work. One of the reasons for this is that a glib talker can often secure the management of public business without much regard to his competency.

An illuminating example of this occurred some years ago in Toronto. According to the opinion of an expert alienist, the speech of a candidate for the office of Mayor contained evidence of incipient insanity and the alienist predicted that the candidate would be in the asylum in so many months, and added that the speech containing the evidence of insanity would elect the candidate Mayor. The candidate was in an asylum within the time specified, and died there, but after the speech, animated by the undue optimism of incipient insanity, the voters elected him Mayor. The people of Toronto are still paying the penalty in the shape of burdensome taxation, and will continue to pay to the third and fourth generation.

Generally, people pay little heed to a waste of from 30 to 60 per cent., but do express some temporary alarm when there appears a waste of public money of from 90 to 95 per cent. of the amount expended. It is well, therefore, to emphasize that, as in the case of the Municipal Loan Fund, the grievous burden caused by such waste is largely borne by the small property owners and by consumers in general. Very few benefit by the waste of public money; but whether they realize it or not, the mass of the people ultimately pay and then wonder why the cost of living is so high. The cost of living must, of necessity, become higher and higher until the prevailing waste and extravagance are replaced by thrift and economy,* the excessive exodus from the farm to the city checked, indeed, superseded by a considerable movement from the city to the farm, and production, especially of foodstuffs, greatly increased. Sooner or later the majority of the people will discover that the plans of the agitators to throw the heavy burden of taxation on others are futile. We shall all, sooner or later, if not by logic, then by stern experience, learn that if we sow the wind we shall reap the whirlwind.

In the case of a private company the consequences of waste and extravagance speedily manifest themselves, and if competent management is not provided, insolvency ensues. There is no patient taxpayer to make good any deficits that may result from lack of foresight or energy, or from disregard of business principles. But economic laws are as inexorable as the laws of chemistry, and, after all, no more in public than in private matters

*This was written in May, 1919.