

Taxpayers association gets to problem's root

Making people think can be an unpopular occupation. the north bay taxpayers association is performing a valuable public service by presenting views that may be unpopular but are at least courageous and at least perceptive.

In its latest attempt to stir the public pot, the association has issued a dire warning that the cost of compensating public employees in north bay will soon go through the roof.

The association predicts that in a few years when the ordinary taxpayer pays his annual levy for municipal services 77 per cent of it will go to wages and benefits to municipal employees.

The taxpayers association may be in a peculiar position as Mark King is its president and he serves on north bay council. this criticism is unfair as King might be a member of any one of a dozen community organizations. Membership in any one of them would not disqualify him from making a contribution as a municipal politician.

The taxpayers association is probably right, but its concerns can be reflected in the national and provincial political and economic environments.

The fundamental problem is inflation. the economy has been discussed to death in the current federal election but the politicians run for cover when inflation is raised as a national problem.

Inflation at two per cent seems to be the bank of canada's target. simple math dictates that this is 20 per cent in 10 years. this is considerably more when the interest is compounded.

There are now two classes in canada. the minority is protected from inflation and the majority have to suffer it. the protected minority is largely composed of public servants and private groups with strong unions.

Creeping inflation is largely responsible for damages to the middle class, which the politicians are so anxious to protect and enhance. It is also dragging down the working class and the poor.

Mortgages are becoming more expensive and so are groceries. home ownership is becoming difficult for the middle class and an impossible dream for the rest.

The taxpayers association is on the right track when it raises important issues. In this instance it goes to the root of the canadian economy. the alternative is deflation, which economists view with horror.

Deflation is said to produce economic stagnation in which no one buys anything today because it will be cheaper tomorrow.

This is a prospect which some suffering inflation may find in writing.