I got you this. I not only provided you with these dwellings at a rental or buying cost far below what you would have had to pay in the market, but in addition my vote gave employment to thousands of construction workers. The funds appropriated gave $264 million in increased purchasing power to so-and-so many people.

And so on. In fact, the politicians' claims probably will be even more sweeping than this. The Secretary of HUD who announced the foregoing project said her economists predicted it would stimulate about $6.5 billion in construction activity and create 500,000 new jobs.

Too many voters have come to accept such claims. Yet they could deflate them all if they asked their supposed political benefactors a single question: *Instead of what?*

You say you got us such-and-such benefits. Maybe. But instead of what? What was the cost? What did we have to give up for these benefits? In order to give Paul's family $1,000 worth of "free" housing, you must have taken $1,000 more away from Peter's family in taxes. In fact, you must have taxed the Peters a good deal more than you turned over to the Pauls, because a lot of the money never got into construction. It went (even disregarding possible graft) into salaries for extra bureaucrats to adminster the program.

We may add the probability that a good deal of the money was taken from the Pauls

themselves, and that they indirectly paid for at least part of their new housing.

So, we have to ask, what would have happened if this $264 million had not been taxed away to pay for this government program? The original earners would have kept it. They would have had it to spend on something they themselves wanted, instead of having the politicians force this expenditure on them.

The Seen and the Unseen

Let us say (assuming the average division reported by government figures) that the taxpayers would have spent 92 per cent of this taxed-away income, and saved 8 per cent of it. This "saved" money would, of course, also have been spent, but on different things. It would have gone, for example, into savings banks, which in turn would have lent it as mortgages to help build private housing, or invested it in bonds of industrial companies. The money would have been spent, in other words, to increase the machinery and plant that would have further reduced costs and increased the nation's productive capacity.

And the 92 per cent of the retained personal income that was spent directly on consumption goods and services would have bought more . . . What? Food? Overcoats?