

Trudeau Stimulus Plan Will Do More Harm than Good

There is growing opinion that the world economy will tank in the near future. A recent article on the ZeroHedge website (October 13, 2015) quotes the British bank HSBC and suggests that the world is already in a global recession.

If that is true, there is not much that any Canadian politician can do to counteract it.

The stock market adjustments we recently experienced are only a whiff of what is to come.

We need to maintain balanced budgets now, not deficits and not austerity.

Justin Trudeau intends to add \$125 billion to the current load of about \$1.2 trillion in accumulated debt.

Around 2020-2023, we will need possible deficit financing and stimulus in unison with other world economies. That is the expected time range for a global recession to start to end.

Moreover, should Mr. Trudeau enact his proposed deficit financing during this forthcoming electoral term of office, he won't be doing it alone. Typically, such plans are tripartite plans. Provinces and municipalities have to cover equal portions.

The stimulus scam that is being sold to the electorate comes with equal deficits for the provinces and municipalities.

Can Canada, as a whole, afford \$375 billion in additional debt? Can Canada afford the additional taxes at all levels just to cover the interest costs on that additional amount of accumulated debt?

The deficit spending will drag the Canadian economy down, not move it forward.

Consider also that the stimulus, generally speaking, won't work. The Boomer generation has an enormous economic effect. They aren't consuming. They are either de-leveraging (paying off debt) or are conserving their capital for retirement. Some are still working causing a dearth of job vacancies for younger Canadians. Economies cannot grow without consumption.

A Liberal government under Justin Trudeau will be short term gain with long term pain for multiple generations of Canadians.

If you want financial stability over the next four years, whether or not the world economy tanks, look to the Conservatives this time around.

~ Andrew Carson