

## Editorial ? Nice budget, but how do we pay for it?

One lesson that seems to be coming through from the federal budget that came down last week is there's one way to make people like what you're doing.

Give them money, and they'll say all sorts of nice things to and about you.

That appears to be the message that Prime Minister Justin Trudeau and his backers are hearing.

It's not too surprising. governments always want to be popular. It might not be terribly important for Trudeau and company right now, as there is no election in their immediate future. But they will be gearing up for one in about three years. So should we anticipate the same sort of generosity with public funds then that we saw last week? People who will be getting the money will certainly be happy. But can Canadians afford to be that generous?

The fact that the budget brought down by Finance Minister Bill Moreau calls for a deficit should not be a surprise. Trudeau, to his credit, warned Canadians during the fall election campaign that he planned to run deficits for the first couple of years to facilitate infrastructure spending. MP John McCallum, now Minister of Immigration, Refugees and Citizenship, was in Bolton the day the announcement was made. He said the deficits will last no more than two years and amount to less than \$10 billion annually. He added their plan was to still see a balanced budget in 2019.

Well, the deficit announced last week is a lot more than \$10 billion ? like on the order of three times that. And does anyone out there really think this government is going to have a balanced budget by 2019?

This is going to see another \$29.4 billion added to the national debt, which is already in excess of \$600 billion. And we expect a lot more is going to be added to that over the next couple of years.

That's money that's going to have to be paid, one of these days, and let us not forget that interest is going to be charged on that debt. Fortunately, interest rates are at historic low levels, meaning the payments to service that debt are not as high as they might once have been. But the figure is considerable, and growing.

What happens if interest rates increase? It could happen.

We keep hearing economists and others keep track of the national debt as a ratio of Gross Domestic Product (GDP). Somehow, that's supposed to supply some comforting thoughts to those of us who look nervously at rising debt numbers.

What we're really looking at is just how large this debt is and what plans are in place to get us out of debt.

As we have stated before, there is nothing wrong with being in debt, as long as there is a plan to get out of debt, and we don't believe this government has such a plan. Comparing debt levels to GDP might sound nice, but having an exit strategy would sound a lot better.

It's going to have to be addressed eventually. Maybe this is time for some vision on the part of Trudeau and company.