

National Affairs by Claire Hoy ? He?s emulating dear old dad

About 45 years ago, Prime Minister Pierre Trudeau ? father of our current Sainted Leader ? decided that the best way to deal with tax revenue was to spend as much as possible. And spend some more.

It took the country a few decades to crawl its way out of the fiscal hole built by Trudeau the Elder, but eventually ? thanks to both the Chrétien/Martin and the Harper governments' efforts ? young Justin was able to inherit a balanced budget when he took over the country's leadership late last year.

Alas, like father like son, the current Trudeau has apparently decided to emulate dear old dad and spend his way into economic disaster ? but, he hopes, electoral approval ? by firing off government cheques to virtually anybody who asked for one ? except, like dad, the military ? and even those who haven't asked.

The result, alas, will be a \$30 billion deficit, which, for those of you who are counting ? and are going to have to pay eventually, whether you're counting or not ? is three times ? that's triple ??the deficit Trudeau promised when he was seeking office just a few months back.

It is true that \$30 billion is a difficult number to wrap your head around, but let's just say that the interest on all that borrowing ? assuming interest rates remain historically low ? is about \$1 billion a month, becoming the third largest single government expense behind just health and education.

That's money that will go to help the wealthy investors ? the ones Trudeau and Liberals in general claimed were gaming the system under the dreaded Tories.

Mind you, Trudeau has come by this fiscal wrecklessness honestly. Not only can he look back on his father's dismal economic record, but he has an even better (worse???) example of fiscal insanity just down Highway 401 to Queen's Park.

Indeed, it is not a coincidence that the Young Trudeau ? he of our new Sunny Ways ? has surrounded himself with a gaggle of eggheads who had previously advised both premiers Dalton McGuinty and Kathleen Wynne, advice that has seen Ontario being able to claim the largest sub-national debt in the world ? yes, the whole world ? gobbling up \$11 of every \$100 in revenue from your pockets.

It is true that for much of the Tory years, Stephen Harper, an economist by trade, seemed to have forgotten everything he learned about prudent fiscal management, but his spending increases were penny-ante stuff compared to the tornado of cash being tossed around the country by the Liberals.

Eventually ? ding, ding ? somebody will have to pay the piper. Guess who? Not Santa Claus. Not the Easter Bunny. Not even a modern day Robin Hood. Instead, it will be you, Mr. and Mrs. Beleaguered Taxpayer, who in due course will have to face the awful reality of repayment. And if interest rates ever go up, even a wee bit, then God help us, although even that might be a challenge for God.

While Trudeau did manage to dynamite his solemn promise about keeping the deficit to \$10 billion ? and even that is a ton of money ? he did honor other pledges he made, many of which make no sense whatsoever but were offered voters completely on the basis that it was something the Tories did so he was going to undo it, whether it was smart or not.

Take his plan to cut the OAS eligibility back to 65 from Harper's plan to raise the age to 67 by 2023, a move in keeping not only with prudent actuarial tables but with the U.S. and most European countries. Why did that make sense? Because by leaving it at 65, OAS payments will double in the next 15 years as the percentage of seniors continues to rise.

Look at it this way. In 1965, when OAS was launched, Canadian men lived 69 years on average, while women lived to 75. The comparable numbers today are 79 and 83, meaning that not only are we getting more seniors ? and we're not filling the gap with as many young people ? but the seniors we have are living much longer.

You needn't be an economist to understand the financial implications of having fewer people paying taxes and more people receiving government assistance.

And so it goes. There are countless examples throughout Trudeau's first budget of mind-boggling spending ? oh, sorry, governments like to call it ?investments? ? but the best summation came from veteran Tory heavyweight Jason Kenney, who tweeted, ?\$675 million for CBC; \$8 million for counter-terrorism. Those numbers say it all.?

Amen to that.

