

Should Canada adopt Argentina's chainsaw approach to government spending?

by FRANK STRONACH

Last month, voters in Argentina elected as their new President a political outsider who promised to inflict painful shock therapy to the nation's stagnant economy and who carried a chainsaw to campaign rallies as a dramatic symbol of his plan to slash the size of government.

Javier Milei was supported by fed-up voters who were tired of decades of government mismanagement and economic interference that resulted in growing poverty, out-of-control debt, and sky-high inflation running at about 120 per cent.

Last week, on his very first day in office, the gruff, straight-shooting Milei made good on his promise to take a chainsaw to the government bureaucracy by cutting the number of government ministries in half, from 18 to 9.

As part of his 'chainsaw plan' to shrink the size of government and reduce the country's suffocating bureaucracy, Milei also wants to make massive cuts to government spending during his first year in office that total about 15 per cent of the country's Gross Domestic Product (GDP), or tens of billions of dollars.

Could the same scenario ever take place here in Canada one day?

A growing number of Canadians worry that our country is on a fast track to becoming Argentina of the North on account of our own mushrooming debt and gorilla-sized government bureaucracy that keeps getting larger.

But the key difference is that Argentina was left with little choice but to enact extreme measures. Canada, however, still has time to get our spending under control, bring down our debt, and reduce the size of our bloated bureaucracy.

During the past year I've advocated for the adoption of a new national Canadian Economic Charter of Rights and Responsibilities. One of the key principles in the economic charter is a gradual reduction of government spending amounting to 5 percent per year over a 10-year period.

Instead of Argentina's brutal chainsaw approach, the method spelled out in the economic charter would be measured and would cause the least amount of disruption possible while still bringing down spending and reducing the size of our government.

The reduction would be achieved by imposing an immediate freeze on the hiring of any new government workers, as well as implementing a policy of not replacing employees who leave or retire.

But for this plan to work, we have to start downsizing now - not ten years from today.

The build-up of government bureaucracy is already clogging up the arteries of commerce and eroding Canadian living standards - and it will only grow worse in the years ahead.

The gradual reductions I've proposed to government spending over the period of a decade are doable, realistic and would cause minimal disruption.

But if we keep running deficits, racking up debt and expanding our government bureaucracy, we'll be left with no other choice than the same sort of desperate measures that Argentina is taking.

Argentina didn't become an economic basket case overnight - they got to this point after two decades of disastrous economic policies and reckless government spending.

If we don't sort out our country's financial affairs now, then a few years down the road we'll be the ones taking a chainsaw to our overgrown bureaucracy ? and it will be a lot messier and a lot more painful.

To learn more about the economic charter and how it could generate economic growth and prosperity, email me at info@economiccharter.ca. Or to learn more about the economic charter, visit: www.economiccharter.ca.

Author Bio

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