Slaying the American Dragon

Has anyone noticed that Canada faced economic collapse in the mid 1990s and now is a model of economic strength? At its nadir in 1995, Canada’s collective governmental debt was 120% of GDP and had lost its coveted AAA credit ranking. Canada was on par with today’s weakest European Union countries like Ireland. After implementing numerous highly painful public policy reforms, Canada’s federal budget was balanced within three years, and all provincial governments were operating in the black within five years.

In contrast, the U.S “debt held by the public” is around 60% of GDP, and with state debt the aggregate amount is about 77% (not counting Social Security and Medicare obligations). Despite the current global economic recession, Canada’s resurrection clearly shows that adopting tough deficit reduction measures can save health care and education priorities while fostering GDP growth.

Our country has imploded and emerged from the ashes previously, and will do so again. The 1960s and the 1970s were characterized by expensive wars (Vietnam and the Cold War), runaway government expenses (The Great Society) and massive inflation. Yet, thanks largely to President Reagan’s leadership, the country entered into nearly three decades of (mostly) economic growth.

Economic collapse is not a consideration. The federal government will curtail expenditures because, simply, there is no other choice. We just need the collective will power to implement the changes. And leaders who can make the change happen. Who will be the next Ronald Reagan or Iron Lady Thatcher?

Dragon Slayers