

The Façade and Reality of the Canadian Economy

Posted by Joan Russow
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By Alan Danesh

The Conservatives claim to be true custodians of the economy. Yet as the figures below from Statistics Canada and International Monetary Fund clearly document, Canadian economy was being rapidly hollowed out in the last six years of the Conservative rule. The Total Balance of Payments **deficits** for 2009, 2010, 2011, 2012, 2013, and 2014 are listed below: They represent a dramatic reversal of the massive the Balance of Payments **surpluses** of earlier years that the Conservatives inherited:

2005	\$+21,910 x million
2006	\$ +17,953 x million
2007	\$ +11,307 x million
2008	\$ +3,470 x million
2009	\$ -40,341 x million

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2010 ██████████ **\$-58,419** x million

2011 ██████████ **\$-47,195** x million ██████████

2012 ██████████ **\$ -59,911** x million

2013 ██████████ **\$ -56,254** x million

2014 ██████████ **\$ -41,480** x million

Sources: Statistics Canada, CANSIM, tables 376-0101.

International Monetary Fund Balance of Payments Statistics Yearbook and data files.

Two of the largest deficits are in the categories of Services (**-\$22,997 million**) and Portfolio Investments

(**-\$20,342 million**). These are where any balance of trade surpluses gained through Canada's export of goods are lost.

In reality Canadians' standard of living has been maintained through a process of **reverse mortgage**,

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whereby

**Canada has been losing between
\$40 billion**

and \$59.9 billion worth of its national economic assets each year in the past 6 years.

Any claim that these deficits are the result of international economic recession has no validity, since during the same period of massive Canadian balance of payments deficits many other countries from Algeria to Zambia, and many others in between, including the poverty-stricken Bangladesh, have been accumulating vast balance of payments **surpluses**.

International Balance of Payments is **the nation's "budget,"** and is far more crucial in its impact on jobs and the economy than the government budget. Data generally available show that for every billion dollars which is taken out of the economy between 28,000 and 40,000 jobs are lost in Canada, depending on in which area of the economy the funds would have been spent. If we multiply even the lower estimate of 28,000 jobs by the average \$50.6 billion annual balance of payments deficits, the average number of jobs lost to Canadian economy in each year is more than 1.4 million. The façade of prosperity is maintained through the sale of Canadian national assets to foreign investors.

Alan Danesh is a political scientist trained in law. He lives in Victoria, British Columbia, Canada.