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Not quite the 1930s;

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Illustrations: Black & White Photo: / Current economic circumstances hardly resemble those that preceded the Great Depression.

So we're in for another Great Depression, are we?
Don't believe it.

Now that the epic U. S. presidential race is over, a caffeinated press corps is in withdrawal, so hyperventilating about a new Depression is their new fix. Just to pick one newspaper at random, Toronto's Globe and Mail used the phrase "Great Depression" over 300 times in December alone -- or about a dozen times each edition. And that's restrained compared to U. S. cable news shows.

It's not just bored reporters exhibiting their twin traits of hyperbole and economic illiteracy. There's a dose of wishful thinking at work, too. When the U. S. stock market started to tumble last fall, European commentators -- who had yet to have their own stock markets pulled into the undertow -- cackled with glee that it marked the end of U. S. economic supremacy. Igor Panarin, the dean of Russia's academy for diplomats, even opined that America would disintegrate into six different countries, with the mid-West falling under Canadian "influence."

Even to U. S. pundits, a failing economy is a useful story -- it's the mainstream media's preferred choice for George W. Bush's presidential legacy, as opposed to liberating and pacifying Iraq. And for Barack Obama, who once gave a speech suggesting his presidency would mark the "moment when the rise of the oceans began to slow and our planet began to heal," lowering messianic expectations of him, by exaggerating the economic troubles he's inheriting, is a political priority.

Of course, there are real problems in the U. S. economy, the most significant of which is the subprime mortgage fiasco. Hundreds of billions of dollars of "ninja" mortgages have been issued -- "no income, no job, no assets," with no down payment. That worked well enough when real estate prices kept going up -- which also allowed the ninjas to keep refinancing their homes at higher values. When the bubble finally burst, U. S. banks were left holding overpriced homes.

That's a real problem for the financial industry, which has since had its worthless assets backstopped by taxpayers. And the U. S. real estate

bubble, while small compared to that in Europe, has been popped. But a Great Depression?

True, unemployment in the United States is ticking up, approaching 7%, and some economists think the figure might crest at 8%. For the millions of people this affects, that's bad news -- but it's hardly

comparable to the Great Depression of the 1930s, when more than 25% were unemployed, over 50% in some regions. If 8% unemployment is considered a Great Depression, then Canada has been in a Great Depression for most of the last 30 years.

The IMF predicts that U. S. GDP will dip by 0.7% in 2009. Again, not good news. But a Great Depression? The U. S. economy shrank 12% in 1930, another 16% in 1931, a whopping 23% in 1932 and another 4% in 1933. That's a Great Depression. A 0.7% dip is America taking its foot off the gas for a moment.

Speaking of cars, the apocalyptic cries of the auto industry represent an opportunistic piling on. The decline of North American auto makers isn't a sudden crisis. It's the free market doing what it should: penalizing companies that pay domestic auto-workers six-figure incomes to do what Japanese automakers do for five figures. Canada's Big Three have 27,000 unionized autoworkers building cars -- and 40,000 more retirees collecting pensions. That's why they're in trouble.

The Great Depression just isn't here. In fact, the recession we do have is already remedying itself. The decline in the cost of oil, from a high of US\$147 a barrel to US\$40, represents a massive stimulus to oil-consuming countries such as the United States; and though it takes the sparkle off Canada's oil patch, that sector was doing just fine with oil in the US\$30s, where it was until 2004. (On the other hand, countries such as Russia and Venezuela, where oil exports account for 50% of the government's revenues, and Iran, where they make up 80%, are in for big recessions. That's actually good news -- it'll be tougher for them to finance their rogue foreign-policy schemes.)

Canada will do just fine. We're entering 2009 with nearly the lowest unemployment rate in 30 years, with lower debt, no structural deficit and an enormous stimulus in the form of tax cuts already working through the economy. The real threat is fear-mongering politicians looking to grow government, and opportunistic businesses happy for a new excuse to ask for handouts. - Ezra Levant blogs at ezralevant.com.