

## Swallow the tough medicine

BY TIM SHUFELT, FINANCIAL POST NOVEMBER 13, 2010



Student protesters' placards burn during clashes with police near Tory Party headquarters in London on Wednesday.

**Photograph by:** Dan Kitwood / Getty Images, Dan Kitwood / Getty Images

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The fiscal conservative voice, drowned out for years by the collective din of pro-stimulus advocates, has a new rallying cry: "We're here. We're austere. Get used to it."

Sensible fiscal management, long absent from national budgets and abandoned by even those world leaders who profess to embrace it, is creeping back into favour.

The failure of stimulus spending to accomplish much other than wracking up astronomical sovereign debt while prolonging the West's economic plight has some governments resorting to austerity programs. That is a wise move, say some economists who argue it's better to get the tough medicine down, the government out of the way, and the private sector standing on its own two feet and growing again.

With public debt in advanced economies expected to reach 100% of GDP by the end of this year, according to the International Monetary Fund, the highest level in 50 years, some governments around

