

# Canada's economic pillars are on shaky ground

by FRANK STRONACH

Canadians are feeling increasingly pessimistic about their financial well-being ? and for good reason.

A new national survey from Pollara released last week confirmed that nearly one out of every two Canadians said they expect their household income to drop this year, with a majority of Canadians saying they are ?worried? about their personal finances.

What's keeping Canadians up at night?

According to the survey, it's the high cost of groceries, which is taking a bigger and bigger bite out of everyone's paycheque. Many mothers and fathers throughout the country go to bed every night worried about having enough money to feed their families. That should never happen in a country as rich as Canada.

But it's not just higher grocery bills eating into the take-home pay of most Canadians.

Higher taxes are also making Canadians poorer. A whole slew of new taxes are scheduled to take effect this year, including higher taxes for Employment Insurance and the Canada Pension Plan, as well as added taxes on gasoline and home heating.

If all those extra taxes weren't bad enough, we got news last week that the quarterly federal debt payment in Canada hit an all-time high. According to Statistics Canada, Ottawa spent over \$11 billion in the third quarter of the current fiscal year.

In plain terms, it means that ten cents out of every dollar of revenue the government collects is now going to pay interest on the debt. The national debt is a runaway freight train heading for the cliff ? and few people are sounding the alarm. The worst part is that we have no plan in place for tackling the debt.

When you add all of these factors together, on top of a chronically feeble economy, it's hardly surprising that Canadians are growing poorer and poorer year by year.

And the reason why is that Canada's economic fundamentals are all on shaky ground.

As we head into the new year, deteriorating consumer confidence and lower consumer spending will hurt small business the most. It seems that small business always gets the short end of the stick.

When it comes to taxation or regulation or economic policies, the rules are almost always slanted in favour of big business. And yet it's small business that shoulders most of the load when it comes to creating jobs and developing new products and technologies. It's baffling that such a large, fundamental chunk of our economy is routinely neglected.

We need to create a more level playing field that unshackles small business and gives them the opportunity to flourish. And we need to firm up the other pillars of our economy so that Canadians can enjoy higher living standards.

A national economic charter of rights and responsibilities would accomplish this. The charter would require government to pay down the debt over twenty years, reduce spending by a specific percentage each year, and cut red tape. It would also require the government to reform our tax system by making it simpler, more transparent, and fairer. In short, it would establish the strong, solid foundation necessary for our economy to grow.

An economic charter would also ignite our economy by giving millions of Canadians the chance to participate in profit sharing, by removing income tax and reducing the regulatory burden on small business so they can thrive and grow, creating new jobs and new

wealth that will benefit all Canadians.

Until we shore up our crumbling economic pillars, the vast majority of Canadians can expect living standards to continue to erode.

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#### Author Bio

Frank Stronach is the founder of Magna International Inc., one of Canada's largest global companies, and was inducted into the Automotive Hall of Fame.

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