

Small business owners are being strangled by red tape

by FRANK STRONACH

Over the past month, small business owners have shared with me some of their personal stories and their frustrations.

Far too many small businesses in Canada are struggling and a growing number are simply throwing in the towel and closing up shop.

Why is that?

Many of these small business owners point to the costs and delays created by unnecessary regulations and red tape, a problem that is growing worse and worse year by year. In other words, we're shackling our small businesses with bureaucratic chains ? and we need to throw off those chains so they can succeed.

I received an email last week from the owner of a manufacturing company who agreed that red tape was choking so many small businesses like hers, and that she had written to government officials on many occasions to complain about the needless regulations and red tape, but never even received a response.

I also received an email from a small business owner in the Niagara region. Here's what he said: ?It has become increasingly challenging to run a profitable business in Ontario (I assume it is the same across all provinces), compete against overseas companies that export tariff free into our country, employ local labour, and then have to pay the tax rates we have to pay.?

He cited ?red tape bureaucracy and certification costs on products? as factors that contribute to an erosion of profits for many businesses. Ultimately, he said, ?there comes a tipping point where no further cost cutting measures or staff reductions are possible, and then closure follows.?

He concluded his email by noting that ?current political leaders don't seem to understand the realities on the street level for small businesses, and what will happen to the Canadian economy should the small business sector slowly evaporate as it becomes increasingly pointless to be a small business owner.?

These and other stories shared by National Post readers raise the question ? why do we keep placing so many hurdles and obstacles in their way?

Governments from across the political spectrum have talked about the need to cut red tape and reduce regulations. Some governments, such as the provincial government here in Ontario, even have cabinet ministers whose portfolio is focused on reducing red tape.

But progress has been painfully slow. And often times, whenever one level of government chops some needless regulations, another level of government imposes even more. We're spinning our wheels.

Most small business owners would agree ? we need to put an immediate halt to the introduction of any new regulations, and we need to start cutting the tangle of red tape that's holding small business back, eating into their profits, and ultimately making them less competitive.

The best way to do that is through the establishment of a new national Economic Charter of Rights and Responsibilities, something I've been advocating for quite a while now.

The Economic Charter would give important economic rights to small business owners while imposing on government the

responsibility to create the right economic environment so that small business can succeed, including removing all the red tape and bureaucratic chains holding business back.

To learn more about the economic charter and how it could help Canadians and Canada's small businesses, email me at info@economiccharter.ca. Or to learn more about the economic charter, please visit: www.economiccharter.ca.

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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