

There's an economic storm brewing

by FRANK STRONACH

No one likes being the bearer of bad news, but I truly believe, with every bone in my body, that we're headed for some severe times in the years ahead.

How severe?

Depression-era levels of unemployment, for one. The large spike in joblessness will be brought about by many factors all taking place at once, including the digital and AI revolution, which will wipe out a large number of white-collar jobs, and the disruption to global trade brought about by increased regional strife and armed conflict.

I also foresee food shortages coming to our shores, and food will continue to become more and more costly.

A new poll published last week by the Financial Services Regulatory Authority of Ontario (FSRA) revealed that more than 44 per cent of residents in Ontario said the high cost of living is taking a big bite out of their cashflow, leaving them with less dollars for retirement savings. In other words, while it's getting harder and harder to put food on the table, it's also getting much more difficult to sock away savings for our retirement years.

I lived through the Great Depression as a young boy. People got by. They made do with what they had. In our house, that meant eating cornmeal three times a day. I don't think the downturn we're going to experience will be as bad or long, but I do think it will be more severe than any recession we've had in nearly a century.

For many small business owners in Canada right now, we're already in a period of deep economic turmoil. A report published last week by the federal Office of the Superintendent of Bankruptcy showed that business bankruptcies were up 75 per cent over the previous year.

On top of that, according to Statistics Canada there were over 200,000 business closures between June and October 2023, which means the owners simply closed up shop rather than file for bankruptcy. That's a sad commentary on the business environment we've created in this country.

As with everything in life, major disruptive events like economic downturns are sometimes beyond our control. But it nevertheless makes you wonder: to what extent have we been the authors of our own economic misfortune?

Regardless, there are still many steps we can take right now to make our economy stronger and more resistant to the economic storm that is brewing.

One of the surest ways we can bolster our economy is through the implementation of an economic charter of rights that will get our government finances and economy back on a solid footing. I believe it would completely regenerate Canada by raising incomes and living standards and reining in the damage currently being done by government debt and spending that has gone completely off the rails.

Small business owners, who are being battered right now from all directions, would especially benefit from the economic charter since it would eliminate business tax on these companies and dramatically reduce the number of regulations currently strangling small business.

But small businesses and besieged Canadians can't sit back and hope for better days. They need to fight for change. The national coalition I've formed to push for an economic charter of rights is one of the best ways we can restore sound economic principles and

place our country in a much better position to weather the economic downturn that is inevitably coming.

To learn more about the economic charter and how it could generate economic growth and prosperity, email me at info@economiccharter.ca. Or to learn more about the economic charter, 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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