

Government bureaucracy is out of control and Canadians are paying the price

by FRANK STRONACH

If you asked most Canadians if this country needs more bureaucrats, they'd probably say no.

Unfortunately, Canada's bureaucracy continues to mushroom in size, regulating and micro-managing more and more aspects related to how we live and work.

New figures published last week by the Public Service Commission of Canada show that the federal public service now stands at about 275,000 employees ? an astounding 40 percent increase from a decade ago ? and that doesn't include another 85,000 civil servants working in affiliated government agencies.

If you then add in all of the civil servants working for provincial, regional and municipal governments across Canada, the total number of government employees in this country is around four million.

Why is that a problem?

It's a problem for two reasons. The first is that more bureaucrats equals more government spending ? and that, in turn, leads to bigger deficits and more taxes.

But the other problem, which is perhaps even worse, is that more bureaucrats also means more regulations, permits and licenses. All of this red tape is strangling economic growth and progress, particularly for small business, and is one of the major reasons why our living standards are falling.

When I was CEO of Magna International Inc., I could always tell if one of our factories was struggling financially by the number of white-collar workers in the offices above the factory floor. If you've got way too much administration up top, it doesn't matter how hard the employees on the factory floor work, your business simply won't be profitable. The same principle holds true for countries.

The fact is, we can't continue hiring more and more government workers year after year.

Government spending as a percentage of national GDP, or Gross Domestic Product, is closing in on 50 per cent. Back in the 1950s, when Canada's economy was booming, government spending as a percentage of GDP was just under 20 per cent. We had less government and a higher standard of living.

The government approach to small business in Canada back in the 1950s and 60s was also much more conducive to creating jobs and growth. Government would do whatever it could to get businesses up and running. Today, however, it seems that governments put more of their time and energy into hampering and blocking business.

Canadians are forking over more and more of their paycheques to finance a sprawling government bureaucracy that increasingly does not enhance the quality of our lives. On the contrary, it makes our daily lives more complicated and costly, and it makes operating a small business more difficult.

So, what's the answer?

We need to return to some bedrock economic principles that will get our country back on a solid economic footing ? principles like not spending more than we take in, eliminating our debt, and unleashing small business, the engine of our economy.

The best way to do that is through the adoption of a national economic charter of rights and responsibilities.

Think about this: there are approximately one million small businesses in Canada. If we dramatically reduced the mountain of regulations and red tape holding them back, these businesses would be free to expand and grow.

And if every small business in Canada hired just one single additional employee, we could create a million new jobs overnight. We would ignite economic growth on a scale this country hasn't seen in many decades.