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Red tape to blame for economic paralysis

by FRANK STRONACH

The federal government turned on the spending tap last week in Thunder Bay, ON, as part of its Housing Accelerator Fund, a $4-billion initiative to fast-track the construction of new affordable housing.

It's part of Ottawa's action plan to deal with the housing crisis that's hit most of Canada's big cities.

Record-high immigration to Canada is one of the major factors that has led to the current housing shortage. But it's not the only reason for the lack of housing.

One of the biggest culprits is red tape, which has grown like algae over the past several decades and is choking off new economic activity across a wide range of sectors. In terms of the housing industry, excessive red tape has led to restrictive zoning by-laws, an overly complex approval process, and municipal foot-dragging when it comes to green-lighting projects.

An Ontario Housing Affordability Task Force report, published two years ago, blamed ?needless bureaucracy? for contributing to the housing shortage.

But have we made any real progress in cutting red tape? It sure doesn't look that way to most small business owners I talk to, regardless of which industry they operate in.

I've been waiting nearly three years now for a permit to open a little business selling organic vegetables grown at my farm. It's mind boggling that I still have not been able to open its doors and start selling organic vegetables to local residents.

Municipal governments, in particular, have made life exceedingly difficult for many small business owners through the need to obtain countless permits and pass inspections.

When it comes to small business, governments at all levels have actively obstructed and stifled business growth. They've gone from laying the ground rules for businesses to smothering businesses with a blanket of red tape and regulations.

I believe we're at a crossroads. If we don't start thinning out the regulations paralyzing economic activity, we're going to do irreversible damage to Canada's small businesses.

We need to establish a task force comprised mainly of small business owners from a wide variety of sectors together with some industry experts. The task force should be charged with creating a blueprint for the elimination of thousands of needless regulations. Every regulation on the books would be on the chopping block with the exception of those relating to workplace safety and the protection of our environment.

But the task force should only be convened on one condition ? that its recommendations must be enacted into law.

Our small business sector does most of the heavy lifting when it comes to creating jobs and contributing to our economy, but they routinely get shoved to the back of the line by wealthier, more influential special interest lobbies like big business when it comes to government policies and regulations.

That's why it's crucial that small businesses band together as part of a grassroots movement to bring about change.

One way to do that is to join the ?Regenerate Canada? movement, a non-political organization created by small business owners and entrepreneurs to give small business a voice and to help them fight for a level playing field when it comes to government

regulations.

Canada's small businesses are facing record-high levels of bankruptcy and closure. Those numbers will continue climbing if we don't act.

Small businesses need to fight back. We're at the point where this is no longer a fight to cut costs and reduce red tape ? for a growing number of small businesses, it's become a fight for survival.

To learn more about how we can ?Regenerate Canada?, email me at info@economiccharter.ca.