

**The Acting Speaker (Mrs. Champagne):** I thank the Hon. Member for that information. I think it is time to resume debate.

**Mr. Les Benjamin (Regina West):** Madam Speaker, I want to speak on the Bill because it raises fundamental issues, partly concerning philosophy and ideology, but also concerning the commitments of political Parties in Canada in the course of trying to be elected to Government.

In his statement of August 27, 1984 the Minister of Finance (Mr. Wilson) stated that as taxpayers we had a large investment in Canadair and de Havilland. He also indicated that the objective was to get our money's worth for this investment in terms of employment, sales, and development. That statement is true, and we agree with its objective.

Canadians have massive investments, through their Government and through the tax system, in a host of enterprises. That has been the case for decades. However, it is very difficult for Governments to run something in which they do not believe or to keep something in their possession which they do not want. That has been true of Liberal and Conservative Governments since the 1860s. They did not become involved in Crown corporations because they believed in them. They did not take over industries or put taxpayers' money into public enterprises because they thought it was the proper thing to do. In almost every instance investments of taxpayers' money since the 1860s were made because the private sector failed or refused to carry out essential public services and fulfil national goals.

The Conservative mythology, a mythology peddled by both the Liberal and Conservative Parties, is that it can be left to the private sector, to free and open market forces, to do this. They believe that Government should get out of the private sector, that it should play a minimal or no role at all. However, experience over the decades has shown that the first to run to the Government of Canada with its hands out is the private sector which failed. We have a 120-year history of bailing out the private sector. A former honoured and respected Member of the House was perfectly right when he spoke in 1972 and 1974 about corporate welfare bums. We paid for the CPR and do not own it. We created CN out of five bankrupt railroads. The taxpayers made an initial investment of over \$1 billion in the early 1920s. That was quite a bit of money then. Over the next several decades the bond holders and shareholders got their money back. They were safe. The taxpayers paid and paid and paid.

● (1220)

When CN finally turns things around and starts making money, and while I am only guessing I think I am close when I say that over the last few years CN has paid around \$40 million or \$50 million in dividends to the shareholder, namely the taxpayer of Canada, that shareholder is just as much entitled to a return on that investment as you or I or any other person who invested in the stock or bond markets. However, for some reason or other, when the taxpayer invests through

his Government he is not supposed to get a reasonable return on that investment. He is only supposed to get stuck. If it is a private investor in a bank, for instance, we have to look after them when the bank goes belly up. If it is the aircraft industry that fails, it is the taxpayer who bails the private investor out; some \$48 million initially to take over Canadair. I forget what it cost to take over de Havilland. Why did we do this? There were two laudable objectives to preserve jobs and retain research and development already in place. However, I submit that those objectives took second and third place to the objective of bailing out private corporations at the taxpayers' expense.

Every time public funds are put into these kinds of enterprises the taxpayer must retain equity ownership. I make the same argument now as I did when we were dealing with the Western Grain Transportation Act. When the Government of Canada puts up \$650 million a year, divided roughly evenly between Canadian Pacific and Canadian National, we maintain, then and now, that what CN gets increases the equity of the people of Canada in CN by that amount. For the amount of money given to CP the people of Canada should receive common voting shares in CP. Do not just hand them the money and let them do what they darn well please with it.

However, even where we have billions invested there is little or no concern about the right of the taxpayers collectively to have the opportunity to get a return on that investment. Instead, those investments are looked upon as Government interfering with the private sector—whether it be was the private sector that failed and came to Ottawa on its hands and knees begging to be bailed out, whether it is the aircraft industry or the financial institutions, or a host of other kinds of operations in which the private sector had been bailed out time after time after time. In this instance the taxpayer gets to keep the \$1.2 billion of long-term debt owed by Canadair. I thought normal business practice was that when you took over a company you took over the assets, the goodwill and the accounts receivable, but you also take over the accounts payable. Not in this case. That is strange. If that is not a double standard I have never seen one.

The same thing has applied in other instances. We relieved CN of billions in debt and it was only in the last refinancing that we took increased equity ownership. In the decades prior to that the debt was removed from CN and placed on the books of Canada.

About the same time as the CDIC started the bidding process for Canadair the Government of Canada all of a sudden fattens up Canadair. The company was fattened up with \$31 million in immediate financial assistance, plus \$20 million for a joint venture with West Germany, plus an unspecified amount of export financing which is still to come. As I read it, we have already put up \$51 million, and you can knock that off the \$120 million Canadair is supposed to pay the people of Canada.