

Supply

I believe that we must work together. For example, the private sector should support us in all this, the other governments too, as you said, and I believe that if all governments worked together, it would be easier.

Finally, there are all the consultations to find out what we really need. Of course I would like the situation to be otherwise but I also know that it is not possible.

[English]

Mr. Mike Scott (Skeena): Madam Speaker, first I would like to apologize for missing my rotation and I am grateful for having the opportunity to come back on. I would like to begin by saying that I probably would agree with the intent of the motion of the Bloc Quebecois although we are probably going to come at it from a different angle.

• (1645)

I come at it from the angle that government does not create jobs. Every time I hear this term job creation by somebody in government it is almost like running a fingernail down a chalkboard as far as I am concerned. Government does not create jobs. What government can do however is facilitate the creation of jobs.

I have lived in the northwest of British Columbia for all my life and for many years I was the partner in a construction business in northwestern British Columbia. It was a successful business. We started in 1981-82 with five employees and when we sold the business in 1990 we were employing up to 200 people at various times of the year.

We did this without any government grants, any handouts, any subsidies. As a matter of fact, and I say this with all sincerity, we did it in spite of government, not with any government help.

I have also been involved in the business community in Kitimat for many years with the Chamber of Commerce and many of my good friends and acquaintances come from the business community. Of course as a community we often associate and we talk about the various problems we face in our businesses and the various things that hinder or help us.

I can assure everyone that virtually all of the business contacts I have do not look at government as being some kind of boon to their existence. As a matter of fact they share the feelings I have that if government would only get off their backs and leave them alone they would have a lot better opportunity to create jobs or expand their businesses, to be profitable, to grow and to prosper.

I have some examples of the failure of government policies, some anecdotal evidence, that maybe some of the members here would be interested in.

Back in the early 1980s we contracted on the construction of a road that the federal government had put out for tender. In the contracting business when you submit a tender you are locked in. Your price is fixed. If your price is accepted then you are obligated to complete that job or project for the price you tendered.

At the time we were bidding the job there was no federal sales tax on explosives. Historically it had not been included. For whatever reason it had never been a part of the federal sales tax regime.

We bid the job. We got prices for explosives because it was a major component of the job and subsequent to submitting our tender and being awarded the job, but before we even got started on the project, the finance minister of the day came along and imposed a federal sales tax on explosives. We immediately went back and said to the minister that we were working for him, the government. We fixed the price to do this job, and after we fixed our price he had come along and increased our costs by \$50,000 and we thought we ought to be able to get that back.

Do you think the government would do it? This was a Liberal government I might add. It was not the Conservative government. We never had any success.

These are the kinds of problems businesses come up against. Let me give you some more examples of government intervention in the marketplace.

For many years there was a successful ready-mix business operated in my community and that ready-mix business as part of its operation had a small block plant. On rainy days when there was nothing else to do the employees, rather than being sent home, would manufacture masonry blocks.

There was a fellow in a neighbouring community who got the bright idea that he should be in the block business. He secured a \$700,000 loan or a loan guarantee from the federal government to put his business into operation, to create a huge block plant that could not possibly ever sustain itself for the market area it was trying to service. He drove the fellow in Kitimat out of business. His block plant had to close down. The employees lost the benefit of employment on rainy days when there was nothing left to do. In the end the new business failed simply because it was not a good business idea in the first place. If it had been a good business idea I suggest that he would not have had the problem in coming up with the funds.

Any time the government gets involved with funding these kinds of operations it is generally because it is a bad business idea. It is generally destined to fail. Not only are the taxpayers hurt but usually the competitors of that business are hurt. They are the ones that are contributing to the tax base. In effect their tax dollars are being used to support these businesses that are built up to compete against them.