

*Plant Closures*

The federal Government has put forward grants and loans to encourage regional economic development in northern Ontario. While this is a noble purpose, it has in fact assisted a foreign company to set up a plant in North Bay and compete with this company in my constituency that has been in business for many years. Allanson has been a profitable and taxpaying company for many years. It sees this as true Government intrusion of the highest order. It sees this as a very limited market for the kind of product it produces and that the Government has decided, in its wisdom, that there is a need for more competitors in this line than already exist, and is actually assisting another business with the tax money paid by Allanson in my constituency to get into business and compete with it.

I am sure you will agree that understandably they feel that this is a great injustice. This company, through its hard work and effort, through taking risks, investing capital and employing people is now paying taxes, and, through those taxes, is actually helping to fund a competitor at the decision of the federal Government. There are many people who would not agree with financial assistance to private industry in any way, shape or form, whether or not it be regional economic development, because they feel it is grossly unfair in light of the fact that they are taxpayers who are funding competitors. However, this is not an ideal world. While I am sympathetic and prepared to fight very strongly for my constituent, Allanson, I realize at the same time that there are other considerations the Government must take into account. I do not particularly agree with the considerations that applied in the Allanson case, but there are other considerations too.

During the great recession to which our friend from the Liberal Party referred a few moments ago, there were a number of instances of companies with many employees that would have gone under if there had not been some sort of government assistance through financing and loans. One example that flashes to my mind is Chrysler Corporation which apparently was on the verge of financial collapse, which would have put thousands of Canadians out of work at a time when the economy had been devastated and there were no job opportunities to compensate for a disaster of that sort. That is a case where, reluctantly, I would have to concede that some financial support would have to be given just to save jobs in a situation like that.

Another example that comes to mind, but where I do not think there has been any government assistance as yet, concerns the manufacturer of aircraft and aircraft parts in the Municipality of Metropolitan Toronto. McDonnell Douglas is engaged in producing major parts of the CF-18, as well as being a major producer and supplier of wings for McDonnell Douglas aircraft. The head office and main plant of McDonnell Douglas is located in California.

The wings for all those aircraft are made here in Canada, in Metro Toronto, by McDonnell Douglas Corporation. It is interesting to point out that the industry does not refer to them as wings but as tanks, since that is where the aircraft are filled with fuel.

The wings, or tanks, are made in Canada at McDonnell Douglas, and are then shipped by special rail cars to California where the aircraft are assembled in the United States.

As Douglas Aircraft in the United States reaches the end of its orders for its current line of aircraft, it is obviously designing new kinds of aircraft to put into production. McDonnell Douglas wants to make the wings, or tanks, for that aircraft here in Canada as well. Unfortunately, in this imperfect world, other countries are competing with us for the ability to make parts of that aircraft, including the wings. Therefore, McDonnell Douglas has to come to the federal Government for financial assistance in order to help continue to make those wings in Canada and continue to employ 5,000 labourers directly and continue to employ 10,000 who are in the supply industries. It is another case in an imperfect world where apparently government assistance is necessary, whether we like it or not, in order to save jobs. In this case, it is thousands of jobs.

• (1750)

That brings me directly to the second issue raised by the motion. I see I am running out of time. I actually had three points I wanted to raise and I am barely getting to the second point which has, of course, to do with the whole question of opening up the books of a company that has received these grants, then the employees having the right to make a bid or put in an offer in the event there has been financial assistance from the federal Government and in the event there will be a plant closure. I am one who is very sympathetic with this proposition, but just as the Liberal Member who just spoke, I too see some great problems. The greatest problem I see is how one determines a fair price in this situation.

Since you have indicated, Madam Speaker, that my time is up, I am going to have to leave it to some of my colleagues to debate and determine how in fact, in a situation of this sort, we could ever arrive at a price that was fair to those who wanted to buy and that was fair to those who, perhaps, do not want to sell but because they received federal assistance, would be required to do so by this sort of legislation.

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, I was very interested to hear my colleague, the Hon. Member for York East (Mr. Redway), taking rhetorical flight in a detailed analysis, not only of the anatomy of airplanes but of the anatomy of the airplane industry in the region of Toronto. That, of course, is not unusual for a Toronto representative, a city which colours the impression one has of southern Ontario—which my colleague from Essex—Windsor (Mr. Langdon) is trying to dispel—that all parts of southern Ontario are blessed with virtually full employment. However, I was pleased to hear the Hon. Member express some doubt, in contrast to his colleague who spoke earlier, who seemed to go off into a state of religious ecstasy over the purity of market forces, resorting to the Darwinian theory of the 19th century as applied to economics. I think one has to bring both spokesmen for the government side back to ground zero, which is the