

Subject:**Date:** Sat, 12 Jun 2004 10:50:07 -0700**From:** "Ernie Crist" <ernie_crist@dnv.org>**To:** "FONVCA (E-mail)" <fonvca@fonvca.org>, <Cagebc@yahoo.com>, <gmac@marineworkers.ca>**CC:** "Mayor and Council - DNV" <Council@dnv.org>, "Senior Management Committee" <managecomm@dnv.org>

A MESSAGE FROM ERNIE CRIST

While the big media continues to befuddle the Canadian public and is making a big to do about government waste, something which is hardly news in Canada, that same corporate controlled media is utterly silent when it comes to government handouts to big corporations.

Conservative Leader Stephen Harper recently announced that if elected, his government would eliminate \$ 4 billion dollars of government grants to corporations but would make up for this by reducing corporate taxes in the same amount.

This would be much fairer and would be more transparent, he said, than is the case at present. However in a recent interview on CKNW, a representative of the small business community, asked why corporations should get grants in the first place. " I employ 13 people and I am working very hard, he said, but I do not get a single penny from the government in either grants or tax concessions" he said.

Stephen Harper, is far too modest of course when he infers that the total government handout to mostly American controlled and owned corporations is a mere \$ 4 billion a year. Much closer to the truth was none other than Preston Manning, erstwhile leader of the Reform Party, when he was in North Vancouver some time ago. After telling him that my research suggested government handouts were in the neighborhood of \$ 28 billion a year he corrected me by saying it was closer to \$ 32 billion.

He suggested that I read the "Politics of Public Spending in Canada" published by the University of Toronto Press - I did. I phoned the Ministry of Finance in Ottawa to receive confirmation to that effect as they have a special office for that purpose paid for by the Canadian taxpayers. I explained my request to the head honcho and he promptly promised to call me back which needless to say, he never did. No wonder Preston Manning could never become Prime Minister of this country.

Government grants to their corporate sponsors take many forms. They can be direct or indirect, they can be tax write offs or tax deferrals, they can be loans, or loan guarantees with many variations, but none of them are available to small business, not to speak of ordinary wage earners.

The issue is of more than passing importance in British Columbia. In a recent news release, George MacPherson of the BC Shipyard General Workers' Federation, called David Emerson, a Liberal Candidate in the upcoming Federal Election, a "hypocrite". Why would George MacPherson a cool and humble man be so impolite to such an important person? Well take this. David Emerson, until recently, was Chair of BC Ferries and, as such, he promoted building and refitting BC Ferries ships in foreign shipyards like those in South Korea, China, Finland and Germany.

MacPherson said that that under Emerson's Leadership , BC Ferries rejected the lowest bid from Vancouver Shipyards for construction of a new Bowen Island ferry replacement in February 2003. More recently, BC ferries excluded Vancouver Shipyards from bidding on two Super -C ferries worth \$220 million dollars that would have created 1,300 jobs in BC over three years.

The reader may ask what this has to do with corporate tax write-offs in Canada? It has this to do with it. Many of the corporations who receive tax benefits in Canada, courtesy of the Canadian taxpayers, are, in many cases, the same corporations, who take this money and invest it overseas. They even go so far as to use their influence in government to disallow local business, against all rules of free enterprise, from even competing in the market as was the case with local shipyards, for instance.

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