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OFFICIAL REPORT
(HANSARD)

Thursday, March 1, 2007

—

Speaker: The Honourable Peter Milliken

CONTENTS

(Table of Contents appears at back of this issue.)

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HOUSE OF COMMONS

Thursday, March 1, 2007

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)
[English]

RCMP ACT

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, pursuant to subsection 20(5) of the RCMP Act, it is my pleasure to table, in both official languages, 80 Royal Canadian Mounted Police First Nations Community Policing Service agreements for communities across Canada.

Through these agreements, RCMP members will provide dedicated police services to first nation communities across Canada. These agreements send a clear message that the Government of Canada is committed to making communities safer and working in collaboration with provinces and territories, as well as first nation communities.

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AUDITOR GENERAL ACT

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I am also pleased to table pursuant to subsection 24(2) of the Auditor General Act, the CSC sustainable development strategy, in both official languages, and the Correctional Service's fourth sustainable development strategy entitled, "Contribute to a just, peaceful and safe Canadian society, respectful of natural resources and ecological capacities".

Pursuant to subsection 24(2) of the Auditor General Act, it is my pleasure to table, in both official languages, the RCMP's fourth sustainable development strategy entitled, "Safe Homes—Sustainable Communities, 2007-2009".

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COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the second report of the Standing Committee on Environment and Sustainable Development.

In accordance with its order of reference under Standing Order 108(2), the committee has considered a motion calling on the government to bring forward legislation to strengthen the role of the Commissioner of the Environment and Sustainable Development and agreed to it on Monday, February 26, 2007.

CANADIAN HERITAGE

Mr. Gary Schellenberger (Perth—Wellington, CPC): Mr. Speaker, I have the honour to present, in both official languages, the 16th report related to the Canadian Television Fund by the Standing Committee on Canadian Heritage.

PROCEDURE AND HOUSE AFFAIRS

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I have the honour to present, in both official languages, the 37th report for the Standing Committee on Procedure and House Affairs concerning decorum in the House.

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CANADA LABOUR CODE

Mr. Omar Alghabra (Mississauga—Erindale, Lib.) moved for leave to introduce Bill C-409, An Act to amend the Canada Labour Code (illness or injury).

He said: Mr. Speaker, I am pleased to present a bill entitled, "An Act to amend the Canada Labour Code (illness or injury)". The bill would amend the Canada Labour Code to extend from 12 to 52 weeks the period during which an employee may be absent from work due to illness or injury without being dismissed, suspended, laid off, demoted or disciplined by an employer.

Extending this 12 week provision would have a direct impact on those federal employees who are covered under the Canada Labour Code who may fall seriously ill or incur a serious non-work related injury and do not have a benefit package that protects them. This would allow such employees to focus on their recovery with peace of mind knowing that their employment would not be in jeopardy.

I trust that members in the House will see the value of supporting the bill.

Business of Supply

(Motions deemed adopted, bill read the first time and printed)

* * *

• (1005)

PETITIONS

LITERACY

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I have a petition to table from my constituents calling upon Parliament to reinstate funding to literacy programs cut by the Conservative government.

The petitioners note the importance of literacy for social and economic development. They emphasize the need to help the 38% of Canadians who have difficulties reading and writing. They also recognize that illiteracy costs Canadian society \$10 billion a year and that eliminating illiteracy is a key component to ensuring Canadian competitiveness.

Together with my constituents of Etobicoke—Lakeshore, I call upon the government to reinstate literacy funding and to undertake a national literacy strategy to ensure that all Canadians have the opportunity to acquire the critical life skills of reading and writing.

AGE OF CONSENT

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I am happy to present a petition on behalf of people in my constituency. They recognize that it is the responsibility of the government to protect our children from sexual predators and that it must be a top priority of the federal government.

The petitioners believe that Parliament should enact and enforce the Criminal Code to protect the most vulnerable members of our society and they call upon the government assembled in Parliament to take all necessary measures to raise the age of consent from 14 to 16 years of age. I support this petition.

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QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—AEROSPACE INDUSTRY

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ) moved:

That the House denounce the laissez-faire attitude of the government that prevailed in its negotiations with Boeing, regret the fact that Quebec did not get its fair share of the economic spin-offs of this contract given the significance of its aeronautics

industry, nearly 60%, and call on the government to provide fair regional distribution of economic spin-offs for all future contracts.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, there have been discussions among all parties and I believe you would find unanimous consent for the following motion:

That, at the conclusion of today's debate on the opposition motion in the name of the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, all questions necessary to dispose of the motion be deemed put and a recorded division deemed requested and deferred until Tuesday, March 20, 2007, at the expiry of the time provided for government orders.

The Speaker: Does the hon. whip of the Bloc Québécois have the unanimous consent of the House to move this motion?

Some hon. members: Agreed.

The Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

(Motion agreed to)

• (1010)

Mr. Paul Crête: Mr. Speaker, you have read the motion. It surprises me that we should have to come to Parliament to ask the government to ensure the fair distribution throughout the aerospace industry of contracts paid for with taxpayer dollars.

I would like to reread the motion:

That the House denounce the laissez-faire attitude of the government that prevailed in its negotiations with Boeing, regret the fact that Quebec did not get its fair share of the economic spin-offs of this contract given the significance of its aeronautics industry, nearly 60%, and call on the government to provide fair regional distribution of economic spin-offs for all future contracts.

Given these investments in the aerospace sector, the Conservative government's laissez-faire attitude will result in Quebec losing 18,500 jobs per year. We all know that with the way the government is now doing things, the best Quebec can hope for is about 30% of the economic spin-offs from these contracts even though Quebec represents nearly 60% of the aerospace industry. If they had simply said that they would take into account the geographic distribution of the aerospace industry in Canada relative to territory, Quebec would be receiving between 55% and 60% of the economic spin-offs.

The Conservative government deliberately chose not to impose those kinds of conditions. Yet the government did decide, for example, to require companies to direct 50% of the spin-offs to the aerospace sector and 50% to other sectors. With respect to the 50% for aerospace, the government even identified nine such sectors in advance.

Business of Supply

There was nothing stopping the government from imposing these kinds of conditions, especially since it has the upper hand and can practically hand out contracts without a call for tenders and decide which company gets the contract. It was in an excellent position to ensure that Quebec would get its share. The Conservative ministers from Quebec failed dismally in this respect. That is why we have brought this issue before the House today. We hope that the members of this House will support this motion so that we can achieve satisfactory results. The government must change its position so that Quebec can get its fair share of aerospace investment.

Quebec is not looking for charity. Quebec's aerospace industry accounts for between 55% and 60% of the Canadian aerospace industry. It is only natural that Quebec should get its fair share, and that is what we are asking for. We want this House to tell the Conservative government that it did not do its homework and that it should have required that Boeing invest specific percentages in the regions, according to the existing distribution. That would have been truly fair.

When the Minister of Industry tells us that this is a private contract and he cannot intervene, he is clearly mistaken. In fact, he himself did intervene. He set conditions about spin-offs, but he did not have the courage of his convictions, or else his proposal was simply refused. Publicly, the Prime Minister told Canadians that there would be no geographic distribution. Even though the Minister of Public Works and Government Services claimed that he was trying to get as much as possible for Quebec, the Minister of Industry took exactly the same position as the Prime Minister. In that sense, he is particularly responsible for the mess that is going to result.

It is not just the Bloc Québécois that is frustrated and angry about this situation. This morning, in an article in *Le Devoir* entitled "The aerospace industry is angry", Sue Dabrowski, general manager of the Quebec Aerospace Association, said:

The federal government has a responsibility. It cannot just wash its hands and say, "Sort this out yourselves". If it keeps on like this, it will have a fight on its hands.

Because she has been trying to meet with the Minister of Industry for months, in fact, since the election last year, she added this:

I am very disappointed. I still hope to meet with him and tell him that there are problems with the process. We have to work as a team.

This laissez-faire approach of the Conservatives is distorting the process.

The government claims to want to give everyone an equal chance, but that is not what it is doing. The company that will get the Boeing contract already owns businesses in Ontario, Manitoba and the west. Naturally, the company will turn to its subsidiaries and its usual subcontractors. This means that the Conservative government has knowingly, deliberately decided to move the aerospace industry in Canada. Because of the government's actions, the percentage of investment in Quebec will be lower than was hoped and expected and lower than Quebec deserved in all fairness.

●(1015)

The result of this situation is that this hurts the aerospace industry which is very uneasy about this decision by the government. We absolutely have to express our disagreement with that position in this House.

The government could have imposed all the conditions it wanted. Military purchases are exempt from trade agreements. There is therefore no problem in terms of the WTO or other international organizations. Governments may make their military purchases where they want and impose the conditions they want. In this case, however, the government provided that the spinoffs in Canada would be equivalent to the amount of the contract, but did not provide spinoffs for Quebec. They knowingly made the choice to sacrifice the Quebec aerospace industry for the benefit of other parts of Canada.

Unfortunately, we know that the automobile industry is concentrated in Ontario. The practice is the same in Canada for aeronautics because expertise and skills have been developed, not only in the big corporations but also in the SMEs in that sector. They are all going to suffer from this decision. The greater Montreal area is not the only one that will suffer. We have obtained the number of companies that have aerospace contracts all over Quebec and they are in every region of Quebec. Today, it is those companies that are being penalized by the position taken by the Conservative government. Ottawa has undercut the only real aerospace centre in Canada. In the aerospace industry, we have a few big companies that manufacture airplanes or engines, but there are also a large number of suppliers that work on contract and the only centre of aerospace industry is the one in Quebec. The government's present position is therefore very unfortunate.

Quebec is the loser, because, since the Quebec industry is a centre in itself, it is less integrated into the American industry than the Canadian plants, which are already within the American orbit. We know that much of the expansion of the aerospace industry in Canada was due to the industry paying attention to the needs of the private sector. A part of it is associated with the army, with the air force, but that is much less a factor.

Moreover, on December 31, 2006, the Conservatives ended the Technology Partnerships Canada program. You can go and look on the department's website; there is no longer a Technology Partnerships Canada program. The minister had told us for months and months that the program was being analyzed and that a new program was going to be announced. We have not seen that new program. Now, the message that is being sent to the entire planet is that in Canada, if you want to invest in aerospace, you will not have government support as you have in Brazil, the United States or elsewhere. This means that for investments that are decided several years in advance, there is now a glaring absence in the Conservative government's attitude. This reflects the same spirit as saying that they do not want to intervene in the economy in any way.

Under the three contracts, they will be paying out about \$10 billion, and it is a private company that will make the choices for the entire industry, and we know full well that there is no natural inclination at Boeing to invest in Bombardier. It is a competitor. There is therefore no natural inclination to do that. The government had a responsibility to rationalize the market in that respect and it decided not to take that opportunity. That is what we are criticizing it for today.

Business of Supply

The spinoffs in Canada should amount to about \$9.2 billion. As a result of the choice it has made, the government will be responsible for the loss of 18,500 jobs. This is undercutting the Quebec aerospace industry and the government is striking at the jewel in the crown of our economy. That is why no one should be surprised at the anger being expressed by all representatives of the aerospace industry in Quebec.

Not only is it happy to weaken the industry now, but the government is also casting a shadow over its future. There is a rule in the aerospace industry that the earlier a company gets involved in the development of a new product, the more it gets to work on technologically interesting things. Conversely, suppliers who come along later work on less important parts involving less technological research. That is what will happen in this case. We will get the crumbs rather than the main body of the research, the new products and the development. This too is a very negative effect of the Conservatives' decision not to intervene. It makes us wonder whether the Conservatives are pathologically opposed to Quebec's aerospace industry.

We used to see the vehement tirades of the Reform Party. We sure remember them. That is the spirit we see returning today, as if everything done in Quebec were bad and the fact that the government was helping the aerospace industry constituted an undue advantage for Quebec. Everywhere in the world, this industry is helped, assisted and supported by government.

• (1020)

In Canada, though, we are going backwards and in the other direction. That really is bad.

The Bloc Québécois has long been proposing a genuine aerospace policy. Unfortunately, what the Conservatives are doing is completely at odds with this. We need a major adjustment. The policy we want is the following. First, there should be a clear, predictable program to support research and development so that we can say to the world that if they invest in our aerospace industry, they will get assistance in the form of a research and development program.

We also need a solid and predictable commitment from the banks for financing, especially for export sales. There are already programs like this, but the government needs to do more.

Finally, we need a policy to support SMEs in the aerospace sector. In order for us to derive as many economic benefits as possible, small businesses, which are less able to penetrate international markets, must have the support they need to join forces and win contracts. Finally, we need a policy on military procurement that helps the industry develop. What we see before us now, though, is the very opposite.

I thought it was appalling to hear the Minister of Public Works state at a press conference that he was unable to say what percentage of the benefits would go to the various regions of Canada and especially Quebec. It was appalling to hear the minister say that the region would be Canada. Certain parts of Canada have worked very hard to develop this industry. Quebec is the heart of it. The Conservatives' attitude is totally frustrating and unsatisfactory for all Quebecers.

On Friday, February 2, 2007, the government purchased four C-17 cargo planes. In exchange for this high added value manufacturing, the federal government required the suppliers of the three projects to guarantee as many economic benefits as possible. But there was no way it wanted to say that Quebec's share of these benefits would have to be assured. So these projects do not include the important things that we would have liked to see.

The aerospace industry is mainly concentrated in the Montreal area, and it includes many small and medium sized businesses. Quebec is a leader in this industry, with 250 companies, 240 of which are small or medium sized businesses. Their production has a value of more than \$11 billion, and 89% of it is exported. This represents exactly what we have been told we should do for 10, 15 or 20 years, develop specialized sectors to be able to export. Quebec has developed expertise in this industry, it has developed products, and it has carved out its niche. Overnight, as a result of a decision made by this Conservative government, this stronghold will be shaken because an American company will be allowed to decide how the aerospace industry in Canada is to develop.

Jobs in the aerospace industry are high quality jobs which carry an average salary of more than \$58,000 a year. In this industry, Quebec has become a world leader ranking sixth, behind the United States, France, the United Kingdom, Germany and Japan. The Montreal area, where 95% of this industry's activities are concentrated, ranks fifth in the world in terms of jobs in the aerospace industry. The federal government gets \$2.1 billion in tax revenues from this sector which is crucial for Quebec and Canada.

It is very hard to find the reasons why the Conservative government decided to ignore the existing distribution of the operations of this industry, but maybe it is just a way to destabilize the aerospace industry in Quebec. We need much more help for this industry. A specific gesture was needed from the federal government. It should have told Boeing clearly that it would get the contracts and that it could invest in Canada, but that it had to comply with the existing distribution of operations in Canada and grant to Quebec companies roughly 60% of its subcontracts, a proportion that reflects its present share of investments in this industry. That way, we could forge ahead, and Quebec and Canada could be an important development centre.

• (1025)

Now Boeing has the possibility of deciding to spread its investments around according to its objectives. As a private company, it cannot be faulted for taking that approach dictated by its shareholders. I do, however, find it unacceptable that the federal government has abdicated what was, and still is, its responsibility by handing it over to a private company. Unfortunately, it will have to answer for the outcome.

But I am aware that every time the Bloc Québécois has raised this matter here in the House or in a press conference, it has resulted in frantic efforts to place contracts in Quebec in order to make the Conservative government look good.

Business of Supply

That is exactly what I want to see happen, for Quebec to get the best possible return on its investments. But the Conservative government's current attitude has held Quebec back and made it adopt an attitude that is not in keeping with its market position.

It is important for the House to make it clear to the Conservative government that we do not want to see its present approach continued, and that it ought to change its ways and move forward with investments respecting Quebec for what it is.

The Bloc Québécois maintains that the federal government needs to provide the aerospace industry with stable, predictable and substantial R&D support. The industry needs to be able to count on a federal government contribution in the 20% to 30% range for all R&D projects. The government must strike a program that is specifically tailored for the aerospace industry, and immediately inject the necessary funds.

We are nowhere near this at the moment. They favour that practice saying that this is a private market that needs to be allowed to play out, and that Quebec will, in the end, go after its share. This attitude, in my opinion, does not reflect market reality. Unfortunately, if the Conservative government does not change its attitude, within a few years we will be seeing aerospace jobs moving. There will be fewer in Quebec and more elsewhere in Canada, not necessarily because of the vigour of the industries in the other provinces, but rather because of the federal government's decision to give free rein to a company for the target areas of its investments. This approach must be rejected.

It is important, therefore, that this motion gain the support of the House. It is obvious that the future of some of the largest businesses in Quebec depends on it. In addition to such leading lights as Bombardier, there is also the small and medium business sector, which has also made its contribution and created considerable employment.

For all these reasons, we feel that the motion we have tabled today, for the House to denounce the laissez-faire attitude of the government that prevailed in its negotiations with Boeing, is important. It is equally important to us that the House support it because, given the present situation which we are defending, there is an absolute need to turn the situation around.

We have not been used to this sort of behaviour in the past from the governments here. The change we are seeing now represents a harsh blow which will result in a destabilized Quebec aerospace industry.

For all these reasons, I encourage the House to vote in favour of the Bloc Québécois motion.

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, the hon. member spoke of the laissez-faire attitude and said that this government does not care about the aerospace industry in Quebec and Canada.

I would like to say that this is entirely inaccurate, since we have required the aerospace industry and Boeing, which won the aircraft bid, to invest one dollar in economic activity in Canada for every contract dollar awarded. Those are the facts. We have required that Boeing respect Canada's industrial development policy.

In addition, we asked Boeing to ensure that the investments are made in key technologies, which are the technologies of the future for Canada's aerospace industry.

My colleague and member of the opposition said that we required nothing of Boeing, which is completely untrue. We required that Boeing invest in key technologies critical to the aerospace industry and based on a list developed with the help of the industry.

I would ask my colleague where he is getting his facts, and how he can say that this government is doing nothing, when we have invested several million dollars in our Canadian armed forces.

What more can the Bloc Québécois do to help the Canadian armed forces and the aerospace industry? In my opinion, in its platform, the Bloc Québécois is against military spending, which means it is against economic benefits.

• (1030)

Mr. Paul Crête: Mr. Speaker, I would have liked the minister to listen to my speech because, as I said several times, the federal government did demand Canadian spinoffs. The problem is that it chose to ignore the present geographic distribution of the aerospace industry and that will hurt the industry's development in Quebec. There was a conscious decision made to destabilize that industry and move it outside of Quebec.

With the extraordinary buying power that \$9.3 billion gave, it could very well have added to the conditions it imposed an additional one forcing to respect that geographic distribution instead of letting the Minister of Public Works and Government Services waste his energy trying to get some guarantees that he did not get.

What can the Bloc Québécois do on the issue? The Bloc has always been arguing and fighting for the interests of the Quebecers on issues like the aerospace industry. In the end, we succeed in securing investments, in spite of the federal government's lack of action. We do our work and Quebecers can very well appreciate the work we do on the issue.

The Deputy Speaker: Are there other questions?

Mr. Paul Crête: With regard to the purchase of military equipment, we think that we need a real policy to ensure that it will have the maximum spinoffs. That is the answer to the minister's question.

[English]

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, I listened with interest to the member's presentation. It sounded like a good, socialist, centralized planning regime. The North Koreans have the most extreme central planned economy. I guess Cuba would fit into the story. The old Soviet Union did.

For the life of me, Boeing is a successful company because it knows how to make airplanes. I think the member who spoke would have trouble putting air in the tires of an airplane, yet alone manufacturing one, but now he has become an expert on airplanes. The member is telling the House that we should be dictating to Boeing how to build airplanes. We are here to make laws in Parliament, not to get into the politics of directing successful companies on how to build airplanes.

Business of Supply

I am quite sure about this. Boeing is building aircraft for the Canadian armed forces, something that the Bloc is generally opposed to. The reason why this investment is going to be made in our country, and in all regions of the country, is that we have a government that supports the military, as opposed to the Bloc and so on.

Why does the Bloc believe that politics should be the driving force in determining how contracts should be procured? One would think, given some of the scandals that have occurred—

The Deputy Speaker: Order. I am trying to give the hon. member an opportunity to answer the question.

The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, if that is a socialist position, it is also the position taken by the Americans, who massively subsidize their aerospace industry. It is the position taken by the Europeans, who massively subsidize theirs. The Brazilians do the same thing and this is why Canada must do it, otherwise its industry will die.

Perhaps I am not an expert in manufacturing an aircraft. I do not have that expertise. However, my job is to make sure that Quebec is not swindled by decisions such as those made by the Conservative government, and it should also be the job of all the members of this House, be they members of the Bloc, of the Conservative Party or of the Liberal Party. Consequently, I hope that the House will today render justice to Quebec's aerospace industry by allowing it to obtain the investments it deserves.

When one awards \$9 billion worth of contracts without call for tenders, one is entitled to impose conditions ensuring the economic development of Quebec and Canada, and I will never be ashamed of the stance I am taking.

• (1035)

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, first I want to congratulate my colleague the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup for his very timely speech. The Conservatives were saying “Vote for us”. In some Quebec ridings, they were saying “Vote for us and we will give you a minister”. But the ministers they have given us in Quebec have quickly adopted Elvis Gratton's philosophy and think “There's no way like the American way”. This is more or less what they are telling us. However, these people have been elected, just like us, to defend all Canadians, but first of all the Quebec people, particularly when there are such important interests at stake.

What are we doing? We are shirking our responsibilities, leaving them to the Americans. We are telling them “We are going to give you all the space you need to tell us how much we will get and how you will invest it”. This is unacceptable. Quebec ministers should be ashamed to act this way and to defend such a position in this House. I would like my colleague to tell me if it is too late to turn things around as far as this contract is concerned.

Mr. Paul Crête: Mr. Speaker, there are among other things the contracts for the Chinooks and other contracts which have not been signed yet. In these contracts, the Conservative government could do

something and put in different conditions. It could reverse the present trend, which significantly penalizes Quebec.

It is one of the reasons why we are raising this question today. We will continue fighting until Quebec gets its share.

Obviously, if Quebec was fully in charge of this policy and had total jurisdiction over this sector, it would not have taken the kind of decision which the Conservative Party took in this case. In a sovereign Quebec, no matter the party in power, such a decision would not have been made. The decision would have protected Quebec and would have allowed Quebec to develop its aerospace industry.

The attitude of the Conservative ministers from Quebec is a crying shame. I find it rather embarrassing to see this kind of attitude in a debate such as this one. Quebeckers expected something else from the Conservative members and ministers.

I hope that today, or when the vote will take place, on March 20, the result will show that members were shaken by the position we have taken. I hope that they will change their attitude, that they will want to reinvest massively in the aerospace industry and that they will put an end to the *laissez-faire* that lets a company decide how \$9 billion will be invested.

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I would like to congratulate my colleague for his dedication to the industry and to the defence of Quebec's interests.

What strikes me in this decision is the lack of logic. I do not understand the logic of this decision, when 18,500 jobs will be lost in Quebec, when Quebec is supposed to receive 55% to 60% of the economic benefits, and when military procurement is not subject to any trade agreement. The only logical thing I see in this decision is that we are dealing with a dogmatic government that is against Quebec and that is driving wedges between the regions of Canada. I find this very serious. This is also a government that refuses to meet with aerospace industry officials in Quebec. I just do not understand that.

How does my colleague explain the lack of logic in this decision?

Mr. Paul Crête: Mr. Speaker, that is the question Ms. Dabrowski, general manager of the Quebec Aerospace Association asked. She said:

The federal government has a responsibility. Its decisions have an impact on the economy. Those spinoffs are something we see once every 30 years. This is big. We must seize the opportunity to protect the industry in Quebec, exactly as the government did to protect the auto industry in Ontario. We are not asking for too much. It is public money and it must be used wisely.

That is a logic that we can understand and that should be applied so that Quebec get its fair share. Why did the Conservative government decided not to recognize that fact? I think that that can be explained by its ideology where market forces rule without constraints and where governments no longer assume any responsibility.

I think that Quebeckers, like other Canadians, do not want such a government. They want a government that shoulders its responsibilities and does not let private companies reorient or change a complex and important industry like the aerospace industry.

Business of Supply

For these reasons, we absolutely must put the brakes on. It is in that spirit that the Bloc Québécois wanted to raise the issue in the House and hold a vote that will reveal the final position of each party.

● (1040)

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, my hon. colleague from the Bloc Québécois talks about the expertise and competitiveness of the aerospace industry in Quebec and Canada. I wish to tell him that we are quite aware of this.

The aerospace industry is a high-tech industry that has successfully positioned itself among the best in the world. I saw this for myself last spring when I went to Farnborough, to London, to meet with the people from the aerospace industry in Canada and Quebec, and their colleagues from other countries. I met many stakeholders during that stay. Even here, in Canada, I have had the opportunity to meet people from the industry and to observe their ingeniousness and expertise. That is why we granted this contract to Boeing, since it was the supplier that met and meets all the conditions stipulated by the armed forces so that we could provide the equipment the armed forces have to have to do their job.

Canadian suppliers will benefit from the economic benefits arising from the purchase of military equipment. We think it is important for them to occupy a long-term position in Boeing's supply chain. As you know, Boeing is a company that does both military and civil work. With their new plane, the Boeing 787, there are many business opportunities for companies. We want these companies to take advantage of the business opportunities that arise, instead of telling Boeing what contracts to give out. Economic logic being what it is, if we force Boeing to do business with a non-competitive player, Canadian taxpayers will all end up paying for these decisions and this political interference. We believe that Canadians and the Canadian armed forces should have the best equipment possible at the best possible price, while ensuring there are economic benefits for Canada. This is why we asked Boeing for these economic benefits to be high-level ones in nine technological sectors. We think that the Quebec aerospace industry will position itself well with regard to these contracts and will be able to position itself favourably in the Boeing supply chain for all these contracts on the world scene.

I am delighted with, and proud of, the investments that we have made in Canada in the aerospace sector, and of the investments to come. As I said in committee, these military purchases will generate over \$12.6 billion in economic benefits. This will help all Canada's regions. The aerospace industry sees very clearly that, under a Conservative government, it is treated well since it will benefit from these economic spinoffs.

Today I heard a most interesting story from my colleague about aerospace companies and the wonderful success of these companies in Canada. As I said, the industry is doing very well. Canada ranks fifth in the world with regard to production of aircraft and civil aircraft. The Canadian aerospace industry is an international leader, notably—and this is important—in leading sectors such as regional planes, small gas turbines, flight simulators, visual simulators, civil helicopters, landing gear for heavy planes, air-conditioning systems for aircraft and in-flight visual simulation. These are the areas of

expertise to be found in the Canadian aerospace industry and we can be proud of them.

The four large Canadian aerospace companies are Bombardier, Pratt & Whitney Canada, CAE and Bell Helicopter. All of those companies have major facilities in Quebec. About half of the employees in the aerospace industry in Canada are in Quebec, that is a fact. More than half of all sales in the aerospace sector come from the province of Quebec. Quebec is a real pillar of the aerospace industry in Canada. Bombardier, as we know, has just announced the launch of its CRJ 1000 series, its new 100-seat regional jet. CAE is investing \$630 million in research and development over the next six years. Innovation is essential in the aerospace industry. CAE is also continuing its successful expansion in the Middle East and Asia.

● (1045)

Also in Asia, it is establishing the global academy that bears its name.

Bell Helicopter celebrated the 20th anniversary of the opening of its Mirabel plant. The company is developing new, modular and affordable product line technologies that have already received more than 220 orders, unprecedented in the industry. These few examples clearly demonstrate that the Canadian and Quebec aerospace industry is a dynamic presence on the international scene.

The new government of Canada has done a lot to find markets for the Canadian aerospace and defence industry, both in Quebec and elsewhere in the country. This government is committed to building Canada's place in the international community, and that commitment includes honouring our obligations to our international partners, such as NATO, which means making wise purchases of military equipment.

Unfortunately, under the Liberals, military equipment was never replaced. The Liberals endangered the lives of our soldiers by their inaction. Our government has got things back on track. We did this by announcing military equipment procurement programs. Our government affirms its unwavering commitment to our brave soldiers who protect Canada, its people and its interests.

Our soldiers who are deployed abroad are defending our values, the values we hold dear, our Canadian values of integrity, free enterprise, individual liberty. Yes, we will never turn our backs on our soldiers, either here in Canada or abroad. First and foremost, we want to be sure that our military has adequate military transport equipment for their military deployments.

Whether here in Canada, on rescue missions and in disaster relief, or elsewhere in the world, we also want our military to have the equipment it needs, right here in Canada, for those kinds of rescue missions or for those operations abroad. That is why we have purchased the Boeing aircraft and have scheduled the purchase of other aircraft.

Business of Supply

Under the former Liberal government, our soldiers had to rely on the goodwill of our neighbours and allies to arrange their deployments abroad. The era of turning our backs has ended. We are making sure, now, that our Canadian Armed Forces have the equipment they need to perform their duties.

In addition to that, Canada's new government is also determined to build a prosperous and competitive economy that will benefit all Canadians.

Our government has taken the right approach to create a supportive environment and to encourage and reward hard work, stimulate innovation and foster the development of Canadian industry and more especially, the aircraft industry.

We are energizing the Canadian economy by giving our industries an opportunity to help develop future technologies and by developing new, quality markets for this industry. Our way of handling the Canadian industrial benefit policy is based on our commitment to strengthening the aerospace and defence sector and stimulating the Canadian economy.

Unofficial measures to ensure that Canadian industry benefited from military procurement and spin-off effects go back to the 1970s. The federal government turned this into an official policy barely 20 years ago under Brian Mulroney. The purpose is to ensure that Canadian industry benefits from the purchases that are made, regardless of the company chosen to provide the equipment needed by our troops.

That is what is called industrial participation or economic benefits or offset purchases, and this practice has been adopted by many governments, including this one. This policy will produce lasting economic benefits for Canada.

Every time the federal government undertakes major defence procurement programs—and I would like to say this for the benefit of my hon. colleagues—three departments are involved.

The first, of course, is the Department of National Defence, which determines the equipment specifications. The second is Public Works, which handles the procurement process and the awarding of contracts. My department, Industry Canada, develops the industrial benefits plan to ensure that Canadian industry derives real, specific, strategic benefits from military procurement.

On February 2, 2007, the government announced the purchase of four C-17 Globemaster III aircraft for a total of \$1.8 billion.

• (1050)

This sum includes the additional infrastructure required at National Defence, training and the administration of the program by the Government of Canada.

The modernized infrastructure, training and administration by the Government of Canada constitute direct investments in our economy right here in Canada. The industrial benefits policy does not apply to them, therefore, because these investments are made here in Canada.

Despite all that, the equipment that we are going to purchase for our armed forces will result in more than \$1 billion in economic benefits, as I explained earlier.

When the planes are purchased, the government will also have to award maintenance and service support contracts for them. A service support agreement worth \$1.6 billion was signed with the US forces. It has two parts. The first, worth about \$900 million, will be subcontracted to Boeing. Boeing is covered by the requirements of the industrial benefits policy so that we will see an equivalent amount return to us here in Canada. This means basically that \$900 million will flow back to Canada in economic spinoffs.

As for the second component, the services provided by the U.S. armed forces are not covered by the industrial benefits policy, since governments and foreign governments are not subjected to the requirements imposed on foreign companies. Therefore, our policy does not apply to a foreign government.

These benefits are similar to those that will be generated by the procurement project for aircraft, that we announced. These economic spinoffs for Canada will be spread over a period of more than 20 years.

Suppliers who will get contracts with Boeing can announce them as they win them, over the weeks and months to come.

In the past, it would take over two or three years to design similar procurement programs. However, in this case, with Boeing, I am pleased to point out that we were able to develop the transport aircraft procurement plan over a period of just a few months.

Our government succeeded in obtaining for Canada economic spinoffs totalling about \$869 million so far—this represents the acquisition cost of the aircraft—and even more in terms of procurement and service. As I said, this additional \$900 million in economic spinoffs is related to service and support for these aircraft.

Hon. members are aware that we also announced the acquisition of helicopters, ships, trucks and tactical airlift. I should point out that each procurement program will also trigger major spinoffs for the Canadian industry.

Under our industrial benefits policy, for every contract dollar awarded under our defence procurement process, contractors must commit a corresponding dollar in economic activity in Canada. This is a 100% return on investment for the duration of the contract. It means an investment of one dollar for each dollar, and that requirement is not negotiable.

We will ensure that this policy is complied with and that all its criteria are well understood by Boeing or by the other companies that will be suppliers for the Government of Canada. We will also ensure that all the businesses working in the aerospace and defence industry are aware of these business opportunities, as we have done in the past.

Moreover, we require companies that win these contracts to not only invest in Canada, but to do so in a significant fashion, over the long term, in leading-edge technology. The objective is to help Canadian companies become part of the global supply chain and continue to be. This means that the Canadian industry benefits from the government's procurement programs, regardless of where the successful bidder's head office is located.

Industrial benefits transactions have to meet three criteria to be considered by my department. The first criterion is that the work has to result from a procurement program. In the case of Boeing, it is a military procurement and we have made sure there are economic spinoffs for Canada.

The second criterion stipulates that the work has to be done over the period set out in the contract. It has to be new work for Canadian businesses.

• (1055)

The third criterion states that the work has to respect the principle of growth, by which companies can use existing business relationships, but only the new work counts for the purposes of respecting the economic spinoffs requirement. Quebec or Canadian companies can use their business relationships to get economic spinoffs, but only the new work counts for the purposes of respecting the economic spinoffs requirement, in other words, the new work done here in Canada.

Furthermore, for the C-17 procurement program, we specified that the aerospace and defence sector had to benefit from 50% of the industrial spinoffs and that at least 30% of these spinoffs have to target key technologies. The nine key technologies are the following—these are technologies we discussed with the Quebec and Canadian aerospace industry. We chose these technologies because they are technologies of the future for the Canadian aerospace industry and we want this industry to position itself favourably for future contracts. These nine technologies are the following: advanced manufacturing and emerging materials; avionics and missions systems; communications and control; propulsion and power management; security and protection; sensors; simulation, training and synthetic environment; space; and unmanned vehicle systems.

We are also requiring that small businesses benefit from 15% of Boeing's contracts that are subject to economic spinoffs. These businesses are critical for ensuring the growth and viability of the aerospace and defence sector. Generally speaking, they are the main drivers of our economy.

At the end of the day, the purpose of the industrial benefits policy is to allow companies in the Canadian aerospace and defence sector to demonstrate their capabilities and establish lasting business relationships with major corporations from other countries. Our government has obtained real strategic benefits for the Canadian industry.

For the first time ever, the Aerospace Industries Association of Canada and the Canadian Association of Defence and Security Industries have worked with the government, with my department, to develop the list of nine key technologies that I was talking about

Business of Supply

earlier. These are technologies that, in the eyes of the industry, are critical to the future of the aerospace industry in Canada.

We have also made it very clear to prospective bidders that we expect them to work with companies across Canada.

For instance, Boeing held four regional sessions for the industry, one in each region of Canada. In the Atlantic region, on September 7 and 8, 2006, during an air show in Halifax, Boeing met with Canadian stakeholders to ensure that they properly understand the business opportunities available to them. Similar sessions were also held in the western region, in Calgary on October 3 and 4, 2006; in the Quebec region, in Montreal on October 24 and 25, 2006; and in the Ontario region, in Toronto on November 7 and 8, 2006.

Thus, Boeing was able to meet with hundreds of Canadian businesses during these sessions and take stock of the strengths and capabilities of businesses from across the country. The procurement of strategic airlift is the first procurement strategy in a series of five, as I mentioned earlier.

For each of these projects, we will insist that Canadian businesses undertake quality activities and be able to reap the economic benefits.

Canadian benefits are a serious contractual obligation. My department requires annual audit reports and performance guarantees.

I would like to remind the House that I am very pleased with what we have done for the aerospace industry. Every year, businesses that are awarded contracts with the Canadian government must be accountable with respect to the Canadian industrial benefits policy. If those businesses do not meet their contractual obligations, there will be serious financial consequences.

I would like to emphasize that I will be very vigilant in ensuring that businesses respect their contractual obligations. The industrial benefits policy must be followed to the letter. Our approach to industrial benefits is based on the overall approach of this government. This is the approach taken by an honest, transparent government, a government that cares about its industries and cares about its aerospace industry.

I would like to remind the hon. member of the Bloc Québécois that his party is very familiar with the Quebec aerospace industry, as am I. I am certain that this industry will be able to position itself well in future contracts with Boeing and with other bidders for the other military procurement contracts that this government is planning in the months to come.

• (1100)

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened intently to my colleague's speech, and I have three short questions for him.

First, will he accept the invitation of Quebec Aerospace Association, which has been trying for months to meet with him?

Business of Supply

Second, will he announce a new program to replace Technology Partnerships Canada in order to ensure that our aerospace industry is supported by an effective government program? He had said there would be one. This program has been under evaluation for quite some time, and we are waiting for an answer.

Third, can he ensure that, with all the contracts and the spin-offs—we all want our soldiers to get the best equipment possible, let us not play politics with this—Quebec will get its fair share, that is 60% of the economic benefits? This is very important for Quebec.

If these three short questions were to be answered in the affirmative, it would have a definite impact on the development of Quebec's aerospace industry in the coming years.

Hon. Maxime Bernier: Mr. Speaker, I would like to reassure my honourable colleague with regard to meeting with stakeholders in the Quebec aerospace industry.

I met with them in Edinburgh and London at a well-known annual air show where the world aerospace industry was present. I was able to speak with all players and representatives of the various industries, the Quebec association representatives and Quebec aerospace businesspeople. I met them again in Montreal at the Winter Aviation Ball held a few weeks ago. I am well aware of their expertise and their requests.

If I am asked to meet with them, I would be pleased to do so once again. I would like to say that, in my role as Minister of Industry, meeting with stakeholders in various industries is a priority for me.

As for my colleague, the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, I am somewhat surprised by his position on military equipment and the purchase of said equipment because, on October 26, 2004, he voted against the Conservative motion to guarantee that the Canadian forces would be adequately equipped for war missions and peacekeeping. That was a motion moved by my colleagues and not supported by the Bloc Québécois, including the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup. It is somewhat paradoxical because the Bloc Québécois opposes investing in the Canadian Forces and making military purchases, but it is in favour of economic benefits for Quebec.

I want to say that, on this side of the House, we support giving our Canadian Forces the best possible equipment so that they can do their job properly and we can meet Canada's international commitments. Furthermore, this is to be done with full respect for our industrial development policy, our policy on industrial economic benefits in Canada. That is a priority for us.

I am confident that all businesses in Canada working in the aerospace and defence sectors will benefit from these economic spinoffs.

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I too am surprised to hear the minister's response. I remember a certain election campaign when the minister promised to defend Quebec's interests and said that he could do something for Quebec, that he would make sure Quebec got spin-offs, and that he would be the main spokesperson for Quebec, whereas the Bloc Québécois was not doing its job, in his opinion. Yet the Bloc members were held up as examples across Quebec and Canada for

their calm manner during debates, their practical proposals and the social and economic gains they made for Quebec in nearly every field.

Today, the minister is saying that he refuses to fight. He is the minister for Quebec, yet he refuses to fight so that Quebec can get justice, not a privilege. If the automotive industry was involved, he would fight for Ontario, because that is where the industry is concentrated. However, 60% of the aerospace industry is in Quebec. It would make sense to direct this contract to the part of Canada where all the research and all the aerospace production capacity will go.

The minister also promised to consult the House regularly. When the Conservatives were in opposition, they complained that the Liberals did not consult enough on procurement, regardless of the field. Where are the consultations he held before making these military purchases? There were none.

A week before the House adjourned in June 2006, the Standing Committee on National Defence was asked to make a complete study of the army's needs. We supported that study, because we wanted the Canadian Forces to be well equipped. But we did not support the minister's decision to choose an American company he had worked for as a lobbyist for five years. That is what shocks us, that is what is not right, and that is why he has no credibility in Quebec. He is in third place in the polls, and he is going to stay there for a long time. The minister made a promise, but he has not kept his word.

● (1105)

Hon. Maxime Bernier: Mr. Speaker, I would like to make it clear to my colleagues that meetings took place with the industry. I met several times with Mrs. Sue Dabrowski. I will specify the dates. I had the opportunity to meet with her twice, as well as with several members of the aerospace industry last January 27 and August 14, in Montreal. Therefore, that settles it for meetings with the aerospace industry. If Mrs. Dabrowski wants to meet with me a third time, or even more, I will always be available, as I have been in the past.

As for the Bloc Québécois, we see that it is changing its position once again. After criticizing our government for buying military equipment for our troops, the Bloc Québécois is now asking us to get involved politically. I repeat that we have confidence in Quebec's aerospace industry. Indeed, my colleague from the Bloc Québécois said that Quebec's aerospace industry is competent, innovative and competitive on the Canadian and world stage. I am sure that this industry will be in a position to get contracts from Boeing as well as others.

Telling us that it will not be able to get contracts unless there is political interference is an insult to the aerospace industry. We believe that this industry is competent, good and competitive in Quebec as well as in Ontario and Manitoba. It is able to position itself so as to get these contracts.

Business of Supply

My role as the Minister of Industry is to ensure that the policy is respected, that there are dollar for dollar returns, that every dollar of military procurement brings economic spinoffs of a dollar, that this is done in high technology and that there are real economic spinoffs. When the Liberals were in office, hotel rooms were considered economic spinoffs. I am talking about real economic spinoffs that will be appreciated by the industry and will enable it to take its position in Boeing's world chain and that of other suppliers. That is the important thing. Economic spinoffs must be quality ones and we are ensuring that they are. I can assure the House that they will be.

Mr. Paul Crête: Mr. Speaker, I would like to follow up on a question I asked the minister and never got an answer for. Will he announce the implementation of a new program, similar to Technology Partnerships Canada, to help the aerospace industry?

The only message we are sending to the rest of the world today is that assistance programs do not exist anymore. Since investments are long term deals, this kind of message is certainly a very negative one for the aerospace industry in Quebec and in Canada. We were promised a new program.

Will this new program that should help the industry with research and development be announced soon?

• (1110)

Hon. Maxime Bernier: Mr. Speaker, I thank the member for his question. As he well knows, the budget will be tabled in the House on March 19 and the government will make a decision concerning this program in the next few weeks.

I have already told the aerospace industry that we are examining this program and that all the options are on the table. Once this review is done, in due course—in the next few weeks, I hope—we will advise the House and the Canadian industry on the future of this program.

[*English*]

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I will be splitting my time with the hon. member for Bourassa.

I will focus my comments today on the industrial benefit side of this.

Canada has the fourth largest aerospace industry in the world. Our industry employs 107,000 people across Canada. The sector grosses \$21.7 billion per year, providing a direct contribution of 1.85% to Canada's GDP. This sector contributes \$1.1 billion every year to invest in research and development and it creates thousands of Canadian jobs.

It is important to recognize the importance of that research and development. The research and development jobs are the ones that generate the most economic benefit, that create the most sustainable aerospace industry and that contribute to Canada's competitiveness the greatest.

I agree that the government needs to provide fair regional distribution of economic spin-offs across Canada. I also agree that it is important for the government to fight to get the best possible industrial benefit from defence and aerospace and government procurement in general.

Canada has a vibrant aerospace and defence industrial complex and it is one that is dispersed across Canada. There is an extremely strong industry in Quebec. We have in Nova Scotia, for instance, a significant infrastructure of small and medium size firms with expertise in military, aviation, defence systems, electronic assemblies, firms like IMP Aerospace, xwave, as well as Pratt & Whitney Canada which is located in Nova Scotia, employing over 3,500 people with over \$300 million in annual revenues.

In places like Newfoundland, to give an example, Peter Kiewit Sons Co. Ltd., PKS, in Marystown, Newfoundland, is a perfect example of a firm with the skills and expertise and is participating in a \$2.1 billion procurement bid through the Department of National Defence.

I know something about defence procurement because when I was minister of public works we were directly involved in defence procurement, working with defence, working with the then minister of industry and now the Minister of International Trade, and we fought for strong industrial benefits for the Canadian industry.

I have to say that the present government has failed Canadians in not finding the best possible combination of industrial benefits for Canada when it negotiated this deal.

It was the Liberal government in the 2005 budget that made the single largest investment in the Canadian armed forces of almost \$13 billion. It was the single largest investment in 20 years, spanning both the Liberal government and the previous Progressive Conservative government. It was during my time in public works that we were actually involved in implementing some of those investments.

During that time, we recognized the importance of in-service support. In-service support is the area that our aerospace industry and our defence industry have probably contributed most to the industrial sector and it is the area in which we probably do best across Canada. It is the area in which the government has failed Canadians the greatest in terms of the industry.

I want to talk a bit about why it is important. To provide the long term industrial benefit and in-service support, the government needed to negotiate up front with the original equipment manufacturer, Boeing in this case, to attain the intellectual property to allow our Canadian industry to participate in the service of these airplanes over their life. The government failed to do that. That was a significant departure from our tradition and the traditions of successive governments in demanding and purchasing that intellectual property, such that Canadian industry could participate in the long term support of the aircraft.

It was that vigilance of previous governments in purchasing the intellectual property that enabled a Canadian industry and in-service support to develop and flourish.

• (1115)

In a February 2007 article in *FrontLine* defence magazine, written by Ken Rowe, the chairman and CEO of IMP Aerospace, one of the largest providers of in-service support in Canada, made the following comments about the government's decisions on defence procurement and industrial benefit. He stated:

Business of Supply

Canadian companies will be denied the ability to directly and independently support DND on these programs.

Further on in the article he states:

The years invested in building this component of the Canadian industrial base are being jeopardized by the current ISS procurement strategy by placing Canada's world class Aerospace ISS industry under the control of foreign American companies.

Overall, this new process is not only a threat to thousands of Canadian jobs but also increases the sovereignty and security risks to Canada by reducing our independent capability to maintain our own military assets.

The fact is that we expect our defence decisions and industrial strategy to be made in Ottawa, not in Washington and not at the Pentagon. The government has eroded Canada's economic sovereignty by not providing the kind of vigilance at the negotiation stage to ensure we achieved the intellectual property that Canadian companies would benefit from for the next 20 years in providing the kind of support that has built a Canadian industry that is recognized internationally.

The government talks about standing up for Canada. It has failed to stand up for Canada. It has stood up for the U.S. aerospace industry. It is important to recognize that there was a stop production order issued by Boeing earlier this year for the C-17. According to the Boeing press release, this stop production order was "due to the lack of U.S. government orders for the C-17". We are buying the technology that the U.S. no longer wants and, in the process, we are helping support the U.S. industrial base.

The press release further states:

This action will ultimately affect the 5,500 Boeing jobs...directly tied to the C-17, and the program's nationwide supplier workforce that totals more than 25,000 people.

The government is talking about ISS support, in-service support creating 25,000 American jobs, when it could have negotiated more professionally to defend Canadian jobs and ensure, as the Liberal government and previous governments had, that we have intellectual property here in Canada and those in-service support jobs would be here in Canada.

The government dropped the ball because of its laissez-faire approach. It believes there is no role for a government in creating an industrial strategy for the country. It does not believe that defence procurement or government procurement can be used to create growth and opportunity for Canadians. It is actually failing to create the kinds of opportunities for Canadians that previous governments had the foresight and wisdom to do.

Furthermore, this deal is not ITAR compliant, which means that Canadian citizens with dual citizenship in the 25 countries that are currently ITAR listed in the U.S. will not be able to work on these contracts. Some of the members of Parliament in the House who were elected by Canadians would not be allowed to work on these contracts because of the government's failure to stand up for Canada. The families of these members of Parliament would not be able to work on these contracts because the government did not have the guts to stand up and defend Canadian sovereignty in a contract negotiation as massive as this one.

As I mentioned earlier, the member for Bourassa will be speaking in a moment and covering further points on this.

The notion of national defence is to preserve and strengthen Canada's role in the world and to defend its sovereignty. The idea

that we have a Conservative government and a Prime Minister that would actually diminish Canada's economic sovereignty as part of its approach to defence procurement is shocking.

● (1120)

We must recognize the importance of preserving and strengthening Canada's industrial base. Manufacturing jobs across Canada are being lost, whether it is in the auto sector or the food sector: 500 jobs lost at Hershey in Smiths Falls; the closure of the Maple Leaf plant; 300 jobs lost when Canard closed; and 2,000 Chrysler jobs lost under the government. It is because of its laissez-faire approach and the fact that it does not believe government has a role in helping create long term economic opportunities. The government is wrong and Canadians realize it is wrong and this deal was wrong.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I want to pick up on a point and ask the hon. member a question.

It is like the Conservatives made a deal and they are trying to negotiate afterward. Does the hon. member not agree that we are not just losing jobs, but we are losing skills, technology and Canada's future? Once we lose the brains of Canada, how do we get them back?

Does the hon. member not draw a parallel to this agreement with respect to the extension of the mission in Afghanistan and the so-called caveats where the Conservatives committed first and are now trying to negotiate afterward, which is a little bit too late? Is it not normal to negotiate first and then commit? For example, should we not negotiate a good deal on military procurement before we give out the contracts? Could he elaborate on that?

Hon. Scott Brison: Mr. Speaker, the hon. member is quite right. The principle of negotiation is that one does not try to negotiate after the deal is signed.

When I look across I see the Minister of International Trade who I worked with closely when he was minister of industry in the previous government which recognized the importance of defence procurement as part of a long term industrial strategy. At that time we were fighting to ensure that direct industrial benefits, not just indirect industrial benefits, would play a larger role in our defence procurement, and furthermore, that the research and development and intellectual property side of it would be more prominent than it is in this deal.

The fact is that these C-17 aircraft will be serviced exclusively by the original equipment manufacturer, Boeing. In the past, we always fought to ensure that Canadian companies and contractors would supply the in-service support. That decision and that approach helped build an internationally recognized global expertise sector here in Canada.

The present government has reversed that decision and has taken a laissez-faire approach that is hurting Canada's aerospace industry.

Business of Supply

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, is it not surprising for my colleague to see that a government gives \$9 billion in contracts, including a \$3.4 billion contract to Boeing, while letting the company decide on its own where to invest the money from the contract, as long as there are spinoffs for Canada? Is the government not surrendering its responsibility? Should it not commit to respecting the current distribution of aerospace industries in Canada?

Hon. Scott Brison: Mr. Speaker, when our government was in power we had chosen a very different approach because it is very important to make sure that the benefits are distributed throughout the country.

This government chose a *laissez-faire* approach. I find it strange that a government that is supposedly defending Canada and our sovereignty could act this way.

• (1125)

[English]

It is a complete departure from past governments. I would think that past Progressive Conservative and Liberal governments did work with regional agencies. We worked with regional industrial agencies in ACOA, the agency in Quebec and the agency in western Canada as we worked with Industry Canada to ensure regional benefits. That was part of the approach of successive governments, both Progressive Conservative and Liberal governments. They worked with a similar approach, using regional development agencies, to ensure regional benefits were distributed fairly.

The present government has thrown that away because it does not believe that government has a role in ensuring strong regional industrial benefits. I believe that departure will cost Canadians dearly in the future.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I thank my colleagues from the Bloc for choosing to discuss this matter on this opposition day.

[English]

I hear the member heckling, well the member can leave like the others. Nobody is here.

• (1130)

[Translation]

Today, we should talk about the branch plant policy of this government. What I find funny and pathetic at the same time is that barely a year ago, the Minister of Industry said at the Farnborough International Airshow that Quebec has 50% and that it is normal for Quebec to get its share. There is alternately the international air and space show at the Le Bourget airport, near Paris, and the Farnborough International Airshow. That was the first thing.

Today, we have “Boeing's employee of the month”. The Minister of Industry is now “Boeing's employee of the month” for me. I would like to wish him a quick recovery because, after negotiating like he did, his knees must hurt quite a bit. Because of his size, I know that his knees must hurt right now. He spent so much time on

his knees when he negotiated that they are now killing him. Therefore, I hope he will get well soon.

Today, we could be talking about several issues. There are many things we could be discussing. My colleague talked about ITAR, the International Traffic in Arms Regulations, that include all the safety regulations of the American government. Our government is but a franchisee, and the employee of the month did his job very well. He did such a fine job that even before the contract was signed, he travelled to Washington. I am not sure if he flew on a Challenger, but I know the Prime Minister likes to use it to go see a hockey game. People from Boeing and Lockheed Martin did not need bother coming here. He travelled to Washington. What did he negotiate? We do not know. But it seems things worked out just fine because both Boeing and Lockheed Martin will get contracts without any call for tenders.

I am ready to fight for the regions. I want to make sure Quebec gets its share, and the Maritimes and Western Canada should get theirs too. But the problem is we are fighting over a pittance, because they used a diversion tactic. If we want to make sure our aerospace industry gets its share, there has to be something to share to start with. I am talking here about intellectual property. I am talking about services and support. I am talking about maintenance.

This is the first time we are buying military equipment we will not own. We are buying, but we will not be the owners. What does that mean? For this equipment, there are three levels of maintenance. The third includes the integration of computerized systems, for example. The second includes motor maintenance. What we will get is the first level of maintenance, and that means we will top up the windshield fluid, change the oil and put gas in the tank. This is what Canadians got.

Not only did this government sell out Canadian sovereignty but, as a franchise, it is saying that it trusts us. ITAR is serious business. We do not own that aircraft, but we have a big heart. Let us suppose there is a disaster in Cuba and we need that aircraft to take food there but, unfortunately, it does not start. We turn the ignition key, but it will not start. We will phone Boeing and ask that they send us the necessary part. Do members know what Boeing will tell us?

An hon. member: Please, you have to say please.

Hon. Denis Coderre: You have to say please, but what is worse is that Boeing will not be able to go to Cuba. Why? Because the U.S. government has a foreign policy for Cuba. It will tell us that it is not appropriate to go to Cuba and we will not get the part. That is the number one problem and that is serious.

Earlier, we talked about ITAR and dual citizenship. I am disappointed, because the member for Abbotsford mentioned something earlier, referring to one of our colleagues who said he has dual citizenship and could be a member of Parliament, but could not work, and I would like to know what it means, because I am learning English.

[English]

He said that he does not belong here. That is what he said. So I want to know what that means later.

Business of Supply

[Translation]

We are talking about dual citizenship. Currently, there is a problem at Bell Helicopter. Venezuela and Haiti are on the list of 25. The Haitian diaspora is present in my riding. Haitian engineers are not allowed to work on these projects. We would like to work with China, but those who have dual citizenship that includes the Chinese citizenship cannot work on such projects. It is not just engineers. The janitor who works in the building, close to the aircraft, is not allowed. This is serious. This affects not only engineers and those who hold important positions, but even manual workers who work close to the aircraft. Things are just fine. Does he believe in multiculturalism?

There is an even more serious problem. It means that, ultimately, we have not only surrendered because we now have second-class citizens, but we have also sold out our sovereignty and our industry. Whether in Quebec or elsewhere, regardless of percentages, if we want the industry to thrive, if we want things to work, we must have intellectual property.

What are the next generations of engines being built on? What did Kenroad, what did IMP grow on? It was maintenance. I am all in favour of starting up windshield washer businesses, but maybe we could be developing synthetic oils. But we will not have a real aeronautics industry in Canada with this government that gives us peanuts or with a Minister of Industry whose knees hurt and who goes to negotiate in Washington. We want to be sure that our government is doing its job. This minister said that he could not intervene because this would be political interference and favouritism. What is this Minister of Industry good for if he cannot work for the interests not only of his province but of the industry? The situation is quite worrying.

We could also talk about intellectual property. I am happy today because, with the official opposition, we passed a motion unanimously. I have just come from the Standing Committee on National Defence. Let those who are listening take note. We just unanimously passed a resolution in which it was recommended that the Auditor General look at all the contracts. I am prepared to fight for the industry, but I am not interested in crumbs from \$3.4 billion and a blank cheque for \$1.3 billion when maintenance is going to take place in the United States. When money is given, it has to be given entirely to Canadians so that they can benefit from it. I want a competitive process that enables us to get our money's worth. Let them come up with their scenarios ensuring that every region will get what it deserves. But that is not what happens. I am very happy that the recommendation was made that the Auditor General look at the C-17 contracts. We might as well have simply leased these C-17s, given that we will not have the intellectual property, will not have the parts and will be unable to help our industry.

There was an alternative; Boeing could have leased them to us. We would have had the money to invest elsewhere. We could have invested in defence infrastructure. We could have invested in parts for which we know that we already have the intellectual property. Not only did the government abdicate its responsibility but, since we bought only four planes and we do not have the infrastructure, we are going to let the Americans have the jobs, too. They are going to get us excited with \$577 million out of a contract worth \$3.4 billion. That is what they established. Am I going to fight for 15% of 60% in

Quebec? I want to make sure first that we are not falling into this government's snare, that it will prove to us that we will get our money's worth and that Canadians and Quebeckers, people in the Maritimes and people in the West, will get their due, that is, that we will really get this percentage. Right now we are fighting for peanuts.

• (1135)

[English]

I believe in a fair share. I believe in this country and I believe in true sovereignty because we need to equip our forces. As a matter of fact, the marketing strategy was easy. The government just brought back its blue paint and just changed the label because we already announced at that time \$13 billion.

Nevertheless, I would say that the motion is appropriate. The government has to come clean and if it is not doing that then we still have question period. We have several questions, but I am pretty pleased that the Auditor General will now take a look at all those contracts because it smells.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I want to congratulate my colleague on his speech and on the motion that was passed by the Standing Committee on National Defence. In my opinion, this can really help us shed light on this matter.

With the contract granting system that we have, where the company can choose the location and the practical details, will we end up with less important contracts?

The Canadian or Quebec industry will not benefit from the greatest technological challenges in the end. On the contrary, we will get only the crumbs when Boeing decides to do business elsewhere with its own subcontractors or subsidiaries.

Hon. Denis Coderre: Mr. Speaker, I thank my colleague for this very relevant question. This is another issue that we have to tackle. This is what I mean by franchising. We will not have jobs, but only consolation prizes, because we do not get the intellectual property. They are going to tell us that other contracts are coming and that we have to look at it as a whole. I totally disagree. We have to look at it one piece of equipment at a time: *Deal or no deal*.

It is just like the television show *Deal or no deal*. As far as I am concerned, it should have been "No deal". We only get some consolation prizes. This is the first time I have seen us being forced to accept a consolation prize. It might not be your experience, but it is the first time that I see us settling for the consolation prize.

The government has given up its power and told foreign companies, "You take care of it and we will thank you for giving us peanuts". That is so nice. It is so worthwhile.

The industry will work well once we have the intellectual property. I do not want any consolation prizes. I want to make sure that we can have regeneration models that will give us the tools we need to achieve our full potential across the country.

Business of Supply

The reason we have an aerospace industry is that a government, which was our government back then, made some decisions. Remember what happened in Jean Chrétien's day, in 1974. The Challenger went to Canadair. It was normal, it was fine. Political decisions were made because a minister of Industry took a stand and said that from then on the aerospace industry would be important for us.

I look at what the Conservatives are doing now and I remember the Avro Arrow project under Mr. Diefenbaker, when we abandoned the technology.

We gave it all back and now we will once more be at the mercy of others. What a great foreign policy!

[*English*]

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, first of all, I would address an allegation made by the hon. member, which is really unworthy of him. He suggested that I made a comment that the member for Kings—Hants did not belong here and suggested that was referring to his dual citizenship.

Mr. Speaker, you were here. You did not hear that. I suspect the member for Kings—Hants did not hear it and I do not know where that kind of a smear could come from, from a member with so much experience.

Getting to the merits of the issue though, it is interesting. Our government was elected to ensure politics was taken out of the contracting process. We want to get away from the old days of Liberal pork barreling, Liberal interference in the contracting process, and that is exactly what this government is doing.

It is really interesting that when those members were on this side of the House, they would make statements that were entirely inconsistent with what they are saying now. I want to quote the member for Kings—Hants who spoke just a few minutes ago. This is what he said in the *Ottawa Citizen* on May 17, 2003:

I believe we need to replace failed regional economic development programs and corporate welfare with dramatic corporate-tax reductions, because the market can pick winners and losers better than bureaucrats.

Now he is singing a different tune. I would like to ask the member for Bourassa, how does he square those kinds of comments with the comments he has just made in this House suggesting there should be further interference with the contracting process?

• (1140)

[*Translation*]

Hon. Denis Coderre: Mr. Speaker, when I heard that remark by the member for Abbotsford, it was not about him. When we spoke about certain colleagues here with dual citizenship, he joked back—but it was not funny—“He shouldn't belong here”. That is what I heard. If he says that is not what he said, I believe him, but I heard properly. I am pretty far along in my English classes and am starting to understand properly. But let us move on.

I can say that we have indeed fulfilled our role properly. We have invested in the regions. We have worked to make sure that Canada is not just Montreal, Toronto and Vancouver, but also the rural and semi-urban areas. People, no matter where they live, are entitled to the assurance that the government is shouldering its responsibilities.

That is what we have done in industry, in the automotive sector, and in R&D in a number of scientific fields. This is the right approach, and not interference.

I would, moreover, encourage the hon. member to listen in question period when they are trying to accuse us of interference and politicking. There is a saying in French that if you spit into the wind, it only ends up back on your own face. He ought to be careful when he makes comments like that, very careful.

I like this job a lot and I keep finding out more and more things I could talk about. The Minister of National Defence is a seasoned lobbyist who had 28 separate contracts. He knew plenty about procurement. He even used to approach Defence directly with the suggestion about looking after Stewart & Stevenson trucks. This very same minister is now responsible for the specs for truck purchases. We will be talking about that. There are plenty of things we will be able to talk about.

I think, however, that he is confused about what a Minister of Industry does: he needs to do his job, not go off to Washington to negotiate on bended knee. He needs to do his job, working for all Canadians. If the member for Abbotsford thinks—and I believe he does—that regional development is important, and that the people in his region are also important, then he must agree that an industry minister has a duty to intervene. This is not interfering, it is just doing his job.

[*English*]

The Deputy Speaker: Resuming debate, the hon. member for New Westminster—Coquitlam.

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I want to ask my colleague, who also sits with me on the defence committee, a question about the issue of the national security exemption, which the government implemented on this contract. It negates the agreement on internal trade that was brought in after the CF-18 contracts left Winnipeg and went to Quebec, and that caused a political firestorm across the country.

Could the member respond to the—

The Deputy Speaker: Order, please. I did say resuming debate and then I called the hon. member's name. The time for questions and comments is over. The hon. member has the floor in which she is able to ask rhetorical questions of the hon. member for Bourassa, but he will be unable to answer.

Ms. Dawn Black: I apologize, Mr. Speaker. I thought we were still on questions and comments.

Just a few minutes ago, we were at the Standing Committee on National Defence. We heard testimony from Alan Williams, who was the former assistant deputy minister of National Defence responsible for procurement. We also heard from Douglas Bland, from Queen's University.

At that meeting we were able to adopt, unanimously, a motion to ask the Auditor General to look into some of the issues around the recent procurement. I think most Canadians would appreciate that there is civilian oversight to all of this, but a lot of it is in retrospect and not happening in the way perhaps it should, through a very strong and active defence committee having the opportunity to do that.

Business of Supply

It was been clear from the beginning of this procurement process that the government really did know what it wanted to buy before it started the process. For strategic lift, the government wanted the C-17. For tactical lift, it wanted the C-130J. For helicopters, it wanted the Chinook. It was not ready to allow the process to happen as an open and public tender. It used the ACANs, the advance contract award notices, and it used the national security exemption to get out of the agreement on internal trade. That is what I was referring to a few minutes ago.

The agreement on internal trade was meant to take out of the process the politics and the opportunity for political decisions being made about where these contracts would go and have a process that was based more on the industrial benefits for the country as a whole, without the suspicion of political interference taking place.

Canada has good laws available for tendering defence contracts. We are one of the only countries that has a mandatory system for the tendering of defence contracts. However, it is clear that the Conservatives took on this massive spending without thinking clearly about the implications on industry, and they brought in a very rushed process.

There are some key needs for the Canadian Forces now, and I think everybody in this House recognizes that. One of the needs is the fixed-wing search and rescue. Right now Buffalo aircraft, which are 40 years old, are doing search and rescue. When I raised this issue with the Minister of National Defence at our defence committee, he said the process was stalled.

The Government of Canada has been proposing new fixed-wing search and rescue planes for at least 25 years, but both the previous Liberal government and the Conservative government have failed to deliver.

All parties in the House should support new search and rescue. This is a huge issue for Canadians at home. It is a big issue in my province of British Columbia. It is one that neither government, the previous Liberal government nor the Conservative government, has addressed sufficiently.

I have proposed a motion in the House, Motion No. 283, which will allow the House to express its support for new search and rescue planes. Sadly, the Conservatives have not made this part of what they are presenting to the House. Nor have they made Arctic sovereignty a goal of their procurement strategy. That is contrary to all of their election promises in the last election campaign.

The Conservatives had promised that Arctic and Canadian sovereignty would be an important component of everything they did, in terms of defence. Instead the Conservatives have focused on the C-17s, which, as members said earlier today, are American built. Therefore, a big portion of the contract for service and maintenance will go to the U.S.

I have asked this question at committee, but I have never received a satisfactory answer from the government. What will happen when a number of American planes, U.S. air force planes, are lined up for important maintenance and servicing in the U.S., which is where our planes will need to be maintained and serviced? What will happen if six American planes and two Canadian planes are in a lineup for

maintenance? Logically thinking, which planes would be serviced first?

● (1145)

I will also talk about the manufacturing situation in the country, despite the kind of rosy picture that has been presented by the Conservative government and even the Liberals. There are some very disturbing trends in today's economy. We are losing a lot of good jobs in key sectors. Through the softwood lumber agreement, another mill went down in my community just within the last month. The loss of these good, family supporting jobs really hurts middle class Canadians.

A report came out today from the Canadian Centre for Policy Alternatives, which shows the prosperity gap is increasing in Canada. Canadian families are working harder and yet the income gap is getting larger. We are told that the rewards of a booming economy are going disproportionately to a select few in Canadian society. This is a very troubling trend. The majority of Canadian families are actually falling behind or simply treading water.

Across Canada, one-quarter of a million manufacturing jobs have been lost since 2002. More than one in ten jobs in the manufacturing sector has been lost due to layoffs, plant closures or the non-replacement of retiring workers. One in three of those jobs was held by a woman. Among the hardest hit was Ontario and Quebec. This is unsettling news for working Canadians because manufacturing jobs pay almost 30% more than the national average.

Despite occasional promises by both Liberal and Conservative governments, Canada has no concrete plans for the auto sector, the aerospace sector or the manufacturing sector. There is no long term R and D or skills training strategy and no blueprint to seize the massive opportunities that are available for the 21st century green economy. This is why the World Economic Forum has Canada falling from 11th place to 16th in global competitiveness.

The World Economic Forum and others have warned us that there is a need for Canadian innovation and more original products and processes. Adding value to existing products and services is something that those of us from British Columbia have talked about and pushed for in terms of our lumber industry and adding value to our logs.

The NDP supports ensuring that procurement stays in Canada where it can create jobs and build up our industries. What we need for the aerospace industry is the same thing we need for large industrial sectors like the auto sector. We need a comprehensive policy that looks ahead to where the industry can grow, one that addresses skills and financial challenges. Canada's aerospace industry did not fall into place without a plan. On the contrary, Canadian aerospace was actively developed through a strategy that included public and private investment and innovation.

There are opportunities in British Columbia for the aerospace industry as well. B.C. has about 10,000 jobs in the aerospace industry, and these are good jobs. These kinds of jobs are family supporting jobs. They allow families to purchase homes and to have a quality standard of life. My colleague from Abbotsford will be familiar with one of these businesses, Cascade Aerospace.

Business of Supply

One thing to note is the average industrial wage in British Columbia is \$35,000, but in B.C.'s aerospace industry the average industrial wage is \$50,000 a year. There are other companies in British Columbia that may be able to supply some of the military aircraft contracts as well, such as ACROHELIPRO Global Services Inc. at Vancouver International Airport and Delta's AVCORP Industries Ltd. and ASCO Aerospace Canada Ltd.

When decisions are made about how these contracts are awarded, I hope the people in charge will look at the country as a whole and that all regions of the country will have an opportunity compete for and perhaps win some of these contracts.

• (1150)

With the skills shortages that are upon us and with Canada slipping in global competitiveness under both the Liberal and the Conservative governments, the time for a comprehensive aeronautics strategy is here. In the past, many Canadian industries were not left to market forces, and there were strategic investments so we could prosper in key sectors.

That is what helped to build the middle class in Canada and to build Canadian prosperity. This is what provided families with jobs so they could support their families and so working Canadians could have some economic security to purchase a home, look after their children and look forward to a retirement with some dignity. The C-17 contract does not give us those benefits. It is effectively a sole source procurement to Boeing and to the U.S. Air Force.

However, we must look at the position of the Bloc Québécois. The Bloc members have been saying for years that they are pushing for a comprehensive aeronautics policy with predictable long term funding covering aspects of the industry. The members of the Bloc have to ask themselves how they are doing that with this motion.

The Bloc has been here since 1990. At times, the Bloc has had nearly 70% of Quebec's seats in the House. It was the official opposition in the House after 1993. The Bloc now has enough seats to keep a minority government in power. It used that power last spring to support the Conservatives' budget, a budget that gave nothing for employment insurance, nothing for Kyoto, only a pamphlet on equalization, and nothing for aerospace.

If the Bloc members were sincere in wanting a comprehensive aeronautics policy, why did they not use their power in this minority government to fight to get one in that last budget? The Bloc could have done what the NDP did in the Liberal minority government to secure overdue funds for cities, international development and the environment, but it did not, and the Bloc members will have to explain that to their voters the next time around.

In 2006, the NDP campaigned on developing industrial sector strategies in sectors such as auto, aerospace, steel, tourism, forestry and shipbuilding. We will continue with this economic vision. We hope other members of the House share our concerns.

• (1155)

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened with interest to the hon. member's speech. I think that she is disputing the value of the action

of the Bloc Québécois because we did vote in favour of last year's budget.

Let us remember that the main issue for Quebec in the last election was the fiscal imbalance. The Conservative government promised to remedy the situation with its budget and it did make some announcements going in the right direction. We will see this year if it delivers on its promise.

As for the protection of the aerospace industry, I was glad to see that the hon. member recognized the efforts made by the Bloc. We did propose policies and asked for intervention. Quebec has been developing its aerospace industry to the point where it has become the leader in that industry in Canada, as Ontario is more of a leader in the auto industry.

Does the hon. member not think that the motion we moved today is very reasonable since it says that the Conservative government should not have given \$3.4 billion in contracts for the C-17 and more than \$9 billion for the purchase of military equipment without getting any guarantee of spinoffs that would respect the structure of the Canadian aerospace industry?

The government, without assuming any responsibility, will let a private company change that structure on its own. That, in spite of the fact that \$9 billion of the taxes paid by Quebecers and Canadians will be invested in these plans.

Does the hon. member not think that the proposition we made today is very reasonable and that, in the end, if it were adopted, it would allow investments to follow the distribution of the industry in Canada and would do justice to the particular efforts Quebec made in that sector, as that has been done for the auto industry?

[*English*]

Ms. Dawn Black: Mr. Speaker, the New Democratic Party has been on the record for countless years in the House of Commons about an industrial strategy for Canada, a strategy that looks at all regions of Canada, promotes and helps industries in every region of the country to fulfill their potential, and meets the needs of Canadians from coast to coast to coast.

When I referred to the Bloc Québécois supporting the Conservative government in the last budget, my concern was about seeing an opposition party support a government that made no movement on and no commitments in this area of an industrial strategy for Canada. There also was no movement on the environment, nothing, and not even a mention of the word Kyoto in that budget. There was nothing about a comprehensive aerospace industrial program. In fact, there was nothing in that budget about an economic plan for Canada. That is why I was so shocked to see the Bloc Québécois supporting the Conservative government on the last budget.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I have two questions for the hon. member, who sits with me on the defence committee. I want to put forward the setting before I ask the two questions, one on the C-17 and one on the procurement process.

Business of Supply

Mr. Speaker, you will recall, as I know you were in the House, that about three or so years ago Canada's first central command was introduced by the military. At that time, the then Liberal government appropriated about \$13.5 billion for the acquisition of new equipment. The policy was put forward by the military. The government then put in its budget the money to acquire this equipment.

The hon. member has served on the committee, which I chaired, and at that time we commenced a process to evaluate our procurement system. We visited and wanted to hear from other countries. It was not that our procurement process was not good. It just needed improvement. Does she not agree that we should have completed this evaluation of procurement processes before the new government commenced procuring?

I will close with my second question, which is on the C-17. I think the hon. member is well aware that there are two proposals, one for leasing, which will eliminate some of the problems mentioned earlier, as opposed to buying. If I understood it correctly, there would be savings of almost half a billion dollars for Canadians. Maybe she can confirm that.

Could the member please comment on those two questions?

• (1200)

Ms. Dawn Black: Mr. Speaker, I want to thank my colleague, who also sits on the defence committee. I know that all of the opposition members on the defence committee share a real frustration that we do not have a defence capabilities plan. It has been talked about by the defence minister and others who speak for the government, but it just has not come forward. We cannot figure out what the delay is and why it is not coming forward. There must be something going on within cabinet where there is a competition around what eventually will be in that document.

One of my biggest concerns, which I have mentioned at defence committee, is the whole issue of the national security exemption being invoked on this contract, because it then leaves open the opportunity for, if not the reality of politics entering into the equation of how the contracts are awarded, certainly the appearance that it could be possible. We have in Canada an agreement on internal trade that was developed after a past fiasco when Canadians, or certainly western Canadians, became outraged when the CF-18 contract was not awarded to Winnipeg, which put in the lowest bid.

I share the member's concerns around that. I cannot speak specifically to what happened on the committee before I was a member. I do not have access to the memory that the member has, who has served on the committee much longer than I have.

I certainly hope that when we finish our study on procurement we will come to an agreement in committee, with some very hard and clear recommendations to government on defence procurement.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I would like to share my time with the member for Saint-Bruno—Saint-Hubert.

First, Quebec is not asking for a handout. The only thing it wants is its fair share. Quebec's aerospace industry represents, depending on the year, between 55% and 60% of Canadian aerospace industry.

It would be only natural for it to receive its fair share of aerospace spinoffs from federal contracts. Its fair share is between 55% and 60% of total spinoffs. The Minister of Industry speaks nonsense. He says that government contracts are not like private ones. Does he not know that a government contract is not a private contract? The minister goes so far as to say that requiring spinoffs for Quebec would be like patronage. We must believe it, we must also see it, and we saw it. We are only asking him one thing: to ensure that Quebec's industry gets its fair share. This is his job as the Minister of Industry.

Quebec's aerospace industry is asking him the same thing, as well as Quebec's chamber of commerce and large labour unions, that is everyone, except perhaps Mr. Charest, who is willing to bend over and to get on his knees in front of the Conservative government. For our part, we will stand up.

The government could have imposed all the conditions it wanted. Since defence procurement is excluded from trade agreements, it can do what it wants. However, it did not specify that there be spinoffs for Quebec. Ottawa is weakening the only real Canadian aerospace centre in Canada. This decision means putting at a disadvantage Quebec industries that, instead of all being integrated into the American industry, are excellent, I repeat, excellent enough to measure up to competitors all over the world and to create centres of aerospace development at home. For a Minister of Industry from Quebec to approve such a bad decision for Quebec is shameful and unacceptable.

There will be 18,500 fewer job-years in Quebec because of the Conservatives. The purchase of the C-17 planes from Boeing, Chinook helicopters from Boeing, Hercules planes and C130Js from the American company Lockheed Martin totals \$13 billion, including the maintenance contracts. The spinoffs in Canada should come to at least \$9.2 billion. The Conservative government will therefore be directly responsible for the loss of 18,500 job-years in Quebec, the equivalent of 1,850 jobs over 10 years.

At the same time, I believe the Conservative government is turning its back on industry in every shape and form. We need only think of the textile industry, softwood lumber, furniture, and now it will be aerospace. By countenancing this kind of horror, to please their bosses in English Canada, the Conservative members from Quebec have fallen to a new low. By weakening the Quebec aerospace industry, the government is striking at the jewel in the crown of our economy. Aerospace in Quebec means 250 companies, 240 of which are SMEs, whose production is over \$11 billion, 89% of which is for export.

Where I come from, in my riding, there are aerospace companies. In my riding, I have Air-Terre Équipement, Automatech Industrielle, Machine-Outils Henri Liné, Placage Granby, Produits intégrés Avior Inc., in Granby, and SIDO. Those companies should be getting economic spinoffs from these contracts, but they are really not sure this is going to happen.

Not only are they not supporting our industry today, the Conservatives are hurting its future too. The Bloc Québécois has long been calling for a real federal aerospace policy. In addition to the usual tax incentives, that policy must have the following objectives: a clear and predictable program to support research and development, a firm and predictable commitment to financing sales, particularly export sales; a policy to support aerospace SMEs; and a military procurement policy that encourages industry expansion.

The Conservative government can keep telling us that the Bloc Québécois can do nothing, but I can say one thing: when the time comes to put forward suggestions and plans, we are right there doing it.

• (1205)

That is when the Conservatives take our plans and ideas and put them to work. Then they realize that the Bloc Québécois does have some influence here, with the government, because it has the right ideas.

Let us talk about the Conservatives' military procurement. In June 2006, the Minister of National Defence, a former lobbyist for military manufacturers, announced the federal government's intention to increase defence equipment procurement by \$17.1 billion in order to implement his "Canada First" defence plan.

The aerospace component of the "Canada First" project announced came to \$13 billion: \$7 billion to procure new aircraft, planes and helicopters, and \$6 billion for in-service support and maintenance over 20 years.

The three aerospace procurement programs are: \$1.2 billion to purchase four new Boeing C-17 heavy tactical transport planes, plus \$2.2 billion for service and maintenance over 20 years. The total comes to \$3.4 billion. There is also \$3.2 billion to purchase new tactical airlift aircraft, of which the government might buy 17, plus \$1.7 billion for in-service support and maintenance over 20 years. The plane that is preferred for this contract is the Hercules C-130J made by the American company Lockheed Martin, for a total of \$4.9 billion. There is \$2 billion to purchase 15 new Boeing Chinook medium to heavy lift transport helicopters, plus \$2.7 billion for support over 20 years. All of that comes to a total of \$13 billion.

None of these aircraft has been or will be built in Canada. The search and rescue helicopters were, at least in part, developed in Canada, but no purchase has been announced.

The expression "maximum economic spinoffs" means that the prime contractor must spend an equivalent amount in the Canadian economy, either in purchases or in investments, for each dollar received from the government, but not necessarily in the aerospace industry.

According to the contract, Boeing was to purchase or invest for a total of \$3.4 billion, or the equivalent of the value of the contract, while complying with the following conditions: half of the spinoffs to be in aerospace and defence; 30% in technology-related areas, and 15% of spin-off generating contracts to small and medium sized businesses.

There is no specification whatsoever in the contract about the geographical distribution of these spinoffs. Boeing will purchase or

Business of Supply

invest where it pleases. The aircraft will be built and repaired in the U.S. Direct spinoffs from the contract will, therefore, be more or less non-existent. So will indirect spinoffs.

If, as one might well expect, Boeing depends on its existing supply chain, Quebec should get between 25% and 30% of the spinoff. Boeing has two western affiliates, in Manitoba and British Columbia, and its main suppliers are in Ontario, first and foremost a Mississauga company by the name of Magellan. And this when the aerospace industry in Quebec accounts for between 55% and 60% of the aerospace industry in Canada.

As for the loss of 18,500 jobs, had Quebec got 60% of the spinoffs, the contracts would have generated 37,000 jobs in Quebec. Since Quebec will instead likely see a mere 30%, the contracts will generate only 18,500 jobs annually.

I would like to give an overview of the aerospace industry, but since you are signaling that I have just one minute left, I will try to pick out the salient points I wanted to mention.

In connection with the military equipment procurement policy, the Bloc Québécois is calling for a new policy to be adopted which would comprise the following: give priority to Canadian suppliers; when a Canadian supplier is not in a position to provide the item in question, ensure that foreign contracts awarded generate worthwhile, positive spinoffs in Canada; ensure a fair distribution of spinoffs, i.e. in such a way as to respect the geographical distribution of the industry.

In closing, I would like to thank the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup and read the motion he has presented to us:

That the House denounce the *laissez-faire* attitude of the government that prevailed in its negotiations with Boeing, regret the fact that Quebec did not get its fair share of the economic spin-offs of this contract given the significance of its aeronautics industry, nearly 60%, and call on the government to provide fair regional distribution of economic spin-offs for all future contracts.

• (1210)

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I thank my colleague for his speech.

First of all, I must say that C-130s and C-17s are like apples and oranges. In my experience, the aerospace industry in Quebec is strong and capable. I have often used its products in the past.

Does my colleague from the Bloc think that Quebec companies are not able to hold their own in the marketplace? Do we have to stop competition between companies in all regions of Canada, including Quebec? I think that Quebec workers would be insulted if that was the opinion of my colleague and of the Bloc.

Mr. Robert Vincent: Mr. Speaker, I believe that Quebec's aerospace and aircraft industry can hold its own. Quebec ranks fifth in the world and is second to none. Let us not grant contracts to foreign companies when we, in Quebec, can do the job.

Business of Supply

If the member across the way wants to ask more questions, I think we can give him the answers he seeks, that is not a problem.

[English]

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I am sure the House is very aware how important it is for there to be economic value added that is equitably distributed, especially when there are procurement contracts in the magnitude of the contract with Boeing that has been alluded to in the House today.

The member talked about the maximum economic benefits and the difficulty in applying an equitable formula across the country. He cited Ontario where one firm, Magellan in Mississauga, is a prime beneficiary of this contract.

The legislative amendment the member has proposed does not really come to grips with the very difficult issue of what constitutes equity, what is the formula with respect to equity. I am sure that the people who work at the plant in Mississauga would feel that the small portion that the plant is getting is part of that equitable return that they have a right to expect.

I would ask the member how the legislation could be amended further to be more specific with respect to how to apply this concept of equity with respect to maximum economic benefits such that all taxpayers get a fair shake on these kinds of government contracts?

• (1215)

[Translation]

Mr. Robert Vincent: Mr. Speaker, it is simple. In the motion, we are already asking for 60% in Quebec. We can use the percentage of the production for each province or territory. If Quebec has 60% of the production, it should get 60% of the benefits. This is not just an approximate figure. There are 250 aerospace companies in Quebec. That is not one or two, but 250 businesses, of which 240 are small and medium-sized businesses with over \$11 billion in sales. This is big money.

Consequently, to be equitable, it must be according to the percentage of production in each province and territory. For Quebec that percentage is between 55% and 60%. I hope that answers the member's question.

[English]

Mr. Laurie Hawn: Mr. Speaker, my friend keeps saying that 60% of the benefits come from Quebec and therefore, 60% of the benefits should be in Quebec. If 30% of the business was in Quebec right now and 60% was in British Columbia and there was a very strong start-up capable company in the province of Quebec, should that company be excluded from participating in contracts like this just because he thinks there is some artificial magic to the figure of 60% that may or may not in fact be true?

[Translation]

Mr. Robert Vincent: Mr. Speaker, I would ask the member to check his allegations before saying such things. We know that it is 60%. We are therefore not budging and we will not bow down before the Conservative government, as other governments in Quebec are doing. We will stand up for ourselves. We are asking for 60%, we are sticking to it, and we will not move an inch on this issue.

Now, he asked another question: how will we ensure that this is distributed equitably? The other provinces may have something different to say. We cannot stick our heads in the sand. The automobile industry is in Ontario, and you do not hear us complaining like this. The automobile industry is there, and all the money from Ottawa goes to Ontario.

For years, we have been saying that the bulk of the aerospace industry is in Quebec. So, we would like our fair share in Quebec.

Another thing. Let it not be forgotten that we represent 25% of the population. So who is paying for one quarter of this \$13 billion contract?

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, my colleagues provided a brilliant account this morning of the importance of the aerospace industry to Quebec and the spinoffs we should be getting. They mentioned 55% to 60%. I am going to show the hon. member who just asked the question that it really is between 55% and 60%.

We said that the aerospace industry plays a major role in Quebec's economy. That is true as well of the South Shore, where my riding of Saint-Bruno—Saint-Hubert is located. I would even say that the aerospace industry is without a doubt one of the strongest sectors in the South Shore's economy. Longueuil Economic Development has done an excellent study of this, and I would like to share a bit of it with the House.

The pre-existing infrastructure in the South Shore, the concentration of world class companies and the tax incentives for research and development help attract new investors to the South Shore every year. Montreal's South Shore is also an export powerhouse.

Among the lead aerospace companies, we have Pratt & Whitney Canada, Héroux-Devtech and the Canadian Space Agency in Saint-Hubert. Unfortunately, this federal government has been reducing its contribution to the space agency's research year after year, in contrast to the other G-8 countries. There is also the Lemex Group. These companies all help to make the aerospace industry a pacesetter in greater Montreal.

The Montreal area is the only place in the world where, within a radius of 30 km or 19 miles, the main components of an airplane are all available. The Montreal area is the second largest aerospace centre in the world, after Seattle but ahead of Toulouse. It has a matchless concentration of companies that are leaders in their field—I already mentioned Pratt & Whitney Canada, Bombardier Aeronautics, the Space Agency, Bell Helicopter—and are supported by 10 research centres. The aerospace industry in greater Montreal employs 37,000 people, numbers more than 240 companies, generates more than \$10 billion in annual revenues, and accounts for between 55% and 60% of the Canadian market. One job in six in the Montreal area is connected to the aerospace industry.

In six years, this sector's sales have increased by more than 80%. More than 80% of its production is exported and it invests more than \$700 million annually in research and development in Quebec.

Business of Supply

In my riding of Saint-Bruno—Saint-Hubert, which is almost in the middle of the South Shore, many aerospace companies are to be found. There are about ten subcontractors as well as major companies. My riding even includes the Saint-Hubert airport, which I will talk about later, the Canadian Space Agency, which I mentioned, as well as the École nationale d'aérotechnique, a very important college in the aerospace industry.

The following businesses are in my riding: Aéro Teknik, Amphenol Air LB North America, Avtech, Beel Technologies, Brechbuhl, Lemex, Marinvent Corporation, Netur Usinage and Tecnar Automation. These are extremely important businesses and subcontractors with a few hundred employees. Officially, these nine businesses have 175 employees in all, but we also know that many men and women in the South Shore work for large companies. Thousands work for Pratt & Whitney, for Héroux-Devtech and also at the Canadian Space Agency. They have quality jobs—the average salary being \$60,000—and they expect to keep these jobs in the years to come. Just talk to Camille Larochelle, for example, from the aerospace workers union. He has a lot to say about this.

Not only are the South Shore, the greater Montreal area and the province of Quebec in need of spinoffs from the purchases this government is making and from the purchases of the C-17 from Boeing, they also have other needs regarding the airport. Not only is the government unable to manage the conditions of a \$3.4 billion contract, it cannot meet quickly and easily a very simple request from the people in charge of development at the Saint-Hubert—Longueuil airport, the DASH-L group, who need additional money and important subsidies to repair and lengthen the airstrip. We know that this work, which would cost \$70 million, would enable a large aerospace industry, Pratt & Whitney, to continue testing its engines in Saint-Hubert, just as it has done for the past 75 years.

• (1220)

Pratt & Whitney has delivered 55,000 engines to its clients in some 190 countries over the past 75 years.

We know that the competition from other countries is very strong and very keen. The large foreign companies are supported by their governments. It is not just a financial matter. This is the future of our industry, and especially the future of our workers.

The Bloc Québécois wants a real aerospace policy. Let us stop this piecemeal management, with a bit here and bit there, a little contract with Boeing for a few billion dollars with no conditions negotiated. It does not make any sense. No one here would pay billions of dollars for something without setting any conditions.

In the fall of 2004, Bombardier, Pratt & Whitney and Bell Helicopter expressed their intention to invest large amounts in research and development to launch some large-scale projects. In all three cases, the lack of a clear federal policy resulted in long and painful negotiations.

Since 2002, the Bloc has been asking the government to establish an aerospace policy that would provide the companies with reliable and predictable support thus enabling them to plan their development projects ahead. Faced with the federal lack of interest, the Bloc even submitted its own policy, which was very well received by the industry.

In the fall of 2005, exasperated by repeated pressure from the Bloc Québécois, the Liberal government presented a list of standards that it would take into account in the development of an eventual aerospace policy. It must also be said that we were on the eve of an election campaign. The policy never materialized and the Liberal government was not re-elected. Through sheer tenacity, the Bloc finally convinced the Liberals that such a policy was necessary after they denied it for years.

The Bloc will continue to push this file in order to get the Conservatives to bend. The Conservatives are doing Quebec a lot of damage with their denial of the reality of this vital sector for Quebec.

A real aerospace support policy would include the following: support for research and development, the restoration of a real technological partnership plan, financing of sales contracts, support and, finally, a policy on the procurement of military equipment.

With regard to support for research and development, the Government of Quebec has succeeded in creating an environment favourable to the development of the aerospace industry. In Quebec there are close to 40 training programs aimed at the aerospace industry—graduate degree programs—that provide the industry with quality employees.

Moreover, the government offers investment support and generous tax credits which reduce the cost of doing research and make Quebec attractive for high technology companies.

The federal government also offers tax incentives for research and development. Nonetheless, federal funding for research is clearly insufficient.

Federal support for research and development in the aerospace industry is vital because the industry in Quebec and Canada is competing with Boeing, Airbus and Embraer, which can all count on their respective governments for support.

In OECD countries, spending on research and development averages 2.3% of GDP. Among G-7 countries, the average is about 2.5% of GDP. In Canada, spending on research and development is stagnating at 2% of GDP. Canada is falling behind.

Quebec is doing well, spending considerably more on research and development than the average of industrialized countries, in spite of the paltry support it gets from Ottawa. Indeed, federal dollars account for only 15% of the funding for research done in Quebec, which is less than anywhere else in Canada. Quebec's successes are attributable to Quebec's efforts, despite the obstacles Ottawa is putting in its way.

In concluding, I will summarize in one sentence the policy proposed by the Bloc for the aerospace industry: the aerospace industry has to be for Quebec what the auto industry is for Ontario.

Business of Supply

• (1225)

[English]

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, my colleague had some good points about R and D in her speech. I hope the people at CAE will not feel left out, though, because she did not mention them, since they are the largest simulator company in the world.

I would like to ask a question about fairness. The Bloc members are hung up on the 60% number and that is their prerogative. I suppose that would mean they would also be hung up on 40% of the rest of the aerospace being outside Quebec.

If a company started up in Quebec to make a better whatever for the aerospace industry but it meant it would potentially win a contract from a company in Ontario and Quebec would get 65% instead of 60%, would the hon. member consider that fair or would she think that the people in Ontario would have an equal right to cry foul in that case?

Should business not be given to companies that are the most capable, in the best position to earn the business regardless of where they are located in Canada?

• (1230)

[Translation]

Mrs. Carole Lavallée: Mr. Speaker, we know that the Conservative government has a laissez-faire, "survival of the fittest" attitude, and as such it is not fulfilling its responsibilities. A responsible government must see to the economic development of each of the parties.

You of course know the intentions of the Bloc Québécois regarding the federal government. If we had purchased those C-17s, we would have purchased them as we saw fit, and would have made sure that all Quebecers profited.

However, let us go back to this 60% that seems to be getting my Conservative colleague rather excited. All I can do is repeat the figures and ask him to give me his figures to explain why it is not 60%.

In my view, the greater Montreal aerospace industry employs 37,000 people, in more than 240 companies, generates annual revenues of more than \$10 billion, and represents 55% to 60% of the Canadian market. One out of every six jobs in the Montreal area is connected with the aerospace industry.

I would ask my colleague to give me the figures that support his 40%.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): First, Mr. Speaker, I would like to congratulate my colleague for the excellent speech she delivered earlier on the Bloc's motion regarding the future of the aerospace industry in Quebec and the lack of will of the Conservative government in the attribution of contracts.

I would remind her that in my riding of Saint-Maurice—Champlain, the current economic situation is extremely weakened by all the forest industry problems, of which we have not seen the end yet. For several years now, there has been a diversification of the

regional economy in the form of subcontracting businesses in the aerospace sector.

Citizens have been asking me for a while now how it is that the current government does not intend to support Quebec's aerospace industry, knowing that there could be economic spinoffs, the same way it has supported and is still supporting the automobile industry in Ontario. Why is it that we are not able to benefit from the support that other regions of Canada have benefited from? Now should be the time for us to benefit from some sort of support, because this lack of will from the Conservative government could jeopardize the survival of those businesses.

Could my colleague tell me what answer I can give to my constituents about the economic future of my region?

Mrs. Carole Lavallée: Mr. Speaker, it is quite clear the Conservative government wants to keep or share outside Quebec the spinoffs from its \$3.4 billion purchase from Boeing.

In view of what is there to see and everything the government does, we have to realize that even if it is trying to woo Quebecers into voting for the Conservatives, when real things happen, in crucial moments when it should contribute to the economic development of Quebec, it is not by the side of Quebecers. Instead, it tries to share the spinoffs with the rest of Canada.

To conclude, I sympathize a great deal with the forest industry workers and people in the Saint-Maurice—Champlain area who do not have their share of spinoffs from government contracts. Even in the forest industry, the government does not grant them their fair share.

Nonetheless, I think this government—

The Acting Speaker (Mr. Andrew Scheer): The hon. Secretary of State for Agriculture has the floor.

Hon. Christian Paradis (Secretary of State (Agriculture), CPC): Mr. Speaker, I am pleased to have this opportunity to speak about the many stringent conditions this government set with Boeing for the purchase of strategic airlift planes.

The motion suggests the government was soft on Boeing during the negotiations. Nothing could be farther from the truth. Economic spinoffs must be high quality and involve high technology. Here are a few examples of acceptable projects: the production of mission avionics for helicopters; the installation of radars and other electronic material in fighter planes; the production of composite high-tech parts for large commercial planes; the establishment of a research and development centre; or investments in Canadian universities for research in aerospace engineering.

But if a company wants to buy raw materials like steel or iron ore, trade wheat, foodstuff or farm products, or goods and services with a low technological content, these proposals would be refused.

Business of Supply

Once a company has prepared a proposal for high quality and high technology industrial benefits, that proposal is evaluated according to three strict criteria. First, the work must be generated by the procurement program. Second, the work must be carried out during the period defined in the contract. Third, the work must comply with the growth principle, which is that existing business relationships may be used, but only the new work will count toward meeting the obligation.

Industry Canada then insists that the spinoffs be truly Canadian. To determine this, the department examines the precise value of the Canadian content of the transactions between the principal suppliers and the Canadian suppliers. In other words, officials examine the precise quantity of materials or work from Canadian sources that a transaction involves and award it points.

Consequently, if a contractor buys a product from a Canadian company and the product is entirely manufactured in Canada, it receives full points for that factor. However, if 60% of the product is manufactured in Canada, it will be awarded only 60% of the points assigned for that factor. That also means that the total value of contracts with Canadian companies often exceeds the amount that the government pays the principal supplier. Canadian companies receive that income, and the Canadian economy automatically benefits.

As well, half of Boeing's transactions in relation to industrial spinoffs must be in the aerospace and defence sector. Boeing operates primarily in the aerospace and defence industry, and so a majority of its activities in Canada should be in that industry. However, by imposing that minimum, the government has left the door open for other high technology industries. Boeing must also allocate 30% of its industrial benefits contracts to key technologies, as set out in the list drawn up for that purpose.

The list of key technologies was developed in collaboration with the industry. It sets out the nine main priorities for technologies that will help to preserve and expand the aerospace and defence industry, while ensuring its long-term sustainability. The list includes the following technologies: advanced manufacturing and emerging materials; avionics and missions systems; communications and control; propulsion and power management; security and protection; sensors; simulation, training and synthetic environment; space; and unmanned vehicle systems. Boeing has already identified a number of transactions that meet the requirements of the key technologies list. The company will be undertaking major projects that use technologies relating to composite materials, simulation and training, communications and control, and space.

Finally, 15% of Boeing's industrial benefits contracts must be awarded to small and medium sized businesses. These are vital to ensuring the growth and viability of the aerospace and defence sector and of the economy as a whole. These have proven their lead role in economic growth models. Boeing is a huge company with multiple divisions and it is often hard for small businesses to make a place for themselves in Boeing's supply chain. This is why it is important to ensure that these businesses will also be able to take advantage of this opportunity.

To date, the industrial benefits relating to the strategic airlift project have been solid in all these sectors and show promise as far

as potential long term impact on the Canadian economy is concerned. Through Industry Canada, the new government of Canada places strong emphasis on the importance of Canada-wide participation and showcasing the skills of Canadian companies. Our government is making every effort to ensure that international corporations are aware of the scope of Canadian industry and of its many and varied assets.

Industry Canada officials will be working closely with the regional development agencies, that is the Atlantic Canada Opportunities Agency, Western Economic Diversification and the Economic Development Agency of Canada for the Regions of Quebec. Together they will seek out Canadian businesses with a potential interest in the opportunities available.

•(1235)

In addition, departmental officials will work directly with Canadian businesses throughout Canada in order to draw attention to existing opportunities and to help companies interested in obtaining contracts, in order to underscore the importance of Canada-wide participation and to showcase these companies' abilities.

We also make it very clear to potential bidders that they are expected to work with companies throughout Canada. Boeing, for example, held four sessions with regional industries, one in each region of Canada. The one in the Atlantic region was held on September 7 and 8, 2006 in conjunction with the Halifax air show. They were in Calgary for the western region on October 3 and 4, 2006, in Montreal for the Quebec region on October 24 and 25, 2006, and in Toronto for the Ontario region on November 7 and 8, 2006. Boeing was thus able to meet hundreds of Canadian businesses and to gauge the strengths and abilities of companies all over the country. Boeing has undertaken to work with Canadian businesses in order to achieve 100% industrial benefits. This will be achieved through logical business relations leading to real markets and the forging of lasting and viable partnerships.

The spinoffs in Canada are serious contract obligations. Industry Canada requires annual reports, audits and performance guarantees. Each year, contractors must report on what they have accomplished in that respect. Financial penalties can even be applied in case of a failure to comply, but until now, it has never been necessary to impose such penalties.

I would like to sum up the strict requirements which I just described. Boeing must ensure that there are high quality spinoffs worth 100% of the eventual contract value. The company must work with businesses throughout Canada, including Quebec. At least 50% of the spinoffs must be for the aerospace and defence industry, at least 30% for the nine key technologies identified by the aerospace and defence industry and at least 15% for small and medium sized businesses. The value of the spinoffs in Canada must equal 100% of the contract value.

Business of Supply

The work must come from the acquisition program. It must be performed during the period defined in the contract. It must be in agreement with the principle of growth. Existing business relationships may be used, but only new work counts in assessing compliance with the obligation. These are rigorous conditions which define a serious contract obligation.

The government is very serious about its responsibility to negotiate firmly with potential suppliers and to obtain optimal spinoffs for all of Canada. The government has respected its obligations.

I will stop here in order to be able to share my time with the member for Beauport—Limoilou.

• (1240)

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened to my colleague outline the conditions imposed on Boeing, the 30% of spinoffs, etc. I am very shocked that, as a member from Quebec, he was not upset by the fact that there was no obligation to respect the distribution throughout Canada. Currently, more than 60% of aerospace benefits are in Quebec, and Boeing's main subcontractors, and the main people with whom it has contracts are outside of Quebec. Does the member not know that the federal government, which is giving out \$9 billion in contracts, could have set a condition that the current distribution be respected for Quebec? As a member from Quebec, will he stand in this House and vote in favour of the Bloc Québécois motion when the time comes?

Hon. Christian Paradis: Mr. Speaker, we have here some good news, on which the Bloc Québécois is trying once again to put a negative spin. We have to understand that there have been 13 years of Liberal negligence with the complicity of the Bloc Québécois. To illustrate this, I would say that the Liberals and the Bloc were satisfied our troops were going off to fight with slingshots. Now, we are allowing them to have access to adequate weaponry and technology. Today, we have 100% Canadian spinoffs, which was not the case before.

Then, the Bloc Québécois was against the softwood lumber agreement. Unions and the Quebec government said that it had to be passed, so the Bloc Québécois flip-flopped. Better still, let us talk about supply management. I read this morning a press release from the member for Richmond—Arthabaska saying that the Minister of International Trade was not clear on this issue. According to Laurent Pellerin, the president of the UPA, this is the most meaningful action that the federal government has taken for supply management in 15 years. When will the Bloc Québécois face reality and finally admit that there is a government that is working at the federal level in Quebec's interests?

[English]

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, my question for the minister is similar to the one I asked the Bloc.

The intent of the motion is to make sure there is an equitable distribution of value added coming out of the contract. I think we all agree that right across the country there can be a tremendous impact on small and medium size businesses, on their operations and creating jobs and employment activity. It is really important that

those percentages to which the member alluded are implemented through the contract.

What checks and balances are there to follow up in an auditing fashion to make sure that the government's intent for procurement is equally distributed according to those percentages that the government intends to see implemented? Could the minister give us a sense of what the follow-up will be to make sure there is value added equitably right across the country, especially to small and medium business?

• (1245)

[Translation]

Hon. Christian Paradis: Mr. Speaker, I thank my colleague for his question.

Indeed, this is a point that was picked up by the government, that is that small and medium businesses would be targeted by this project. As a matter of fact, Boeing was asked to provide economic spinoffs of 15% specifically for that sector.

What must be understood is that we never had to use this clause, never had to do a follow-up. This requirement has always been met in the past. However, and despite all this, the Department of Industry is quite aware of this risk. This is why, in my speech, I reiterated, on behalf of the Minister of Industry, that a large group of officials would be deployed to ensure a follow-up. This is a legal framework and we want it to be respected. It is strict and a team of officials will do this follow-up. That is why clear benchmarks have been established to ensure there is an adequate follow-up that would respect the very essence of the agreement reached by this government and Boeing.

Mrs. Sylvie Boucher (Parliamentary Secretary to the Prime Minister and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, I am pleased to take the floor today to discuss this motion by my colleagues.

The motion before us calls on the government to provide fair regional distribution of economic spinoffs for all future contracts.

I am pleased to give the House the assurance that the government intends to provide fair regional economic spinoffs for future contracts, just as it has been doing up to now. And I can say that with confidence because of the rigorous process through which all Canadian industrial spinoffs are developed and approved.

As you know, the government is deeply committed to asserting Canada's place in the international community. In order to do so, it needs to purchase important defence equipment. In the next few years, we will spend billions of dollars buying helicopters, ships, trucks as well as strategic and tactical aircraft.

These capital expenditures have to follow a very specific procedure. First, the national defence department identifies military needs. When that is done, it informs Industry Canada and Public Works and Government Services Canada that it intends to purchase new equipment.

Industry Canada's role, after that, is to establish the requirements that are necessary for Canada to benefit from industrial spinoffs under the industrial and regional benefits policy.

Business of Supply

This policy provides the framework through which the government levers large defence procurements to generate sound domestic economic activity. We demand that, for each dollar the Government of Canada spends for defence procurements, one dollar be invested in Canadian economic activity. We cooperate with potential suppliers so that Canadians can benefit from sustainable spinoffs based on high quality technology.

The investments do not have to be directly related to the equipment being bought, but we expect they will be linked to a line of products of similar technology or research and development that will improve Canada's innovative capacity. The government's role is to make sure all regions in Canada can derive some benefits from these procurements.

Industry Canada works with regional development groups, among others, in order to get advice on expertise and participation in outreach activities in the regions with the industry. We encourage the main contractors to engage in such activities in Canada as a whole, by travelling throughout the country to meet with potential Canadian partners and suppliers.

The final acquisition documents that Public Works and Government Services Canada will make public contain directives intended for potential bidders on the industrial benefit requirements.

When it gets the bids, the government does a three-part evaluation: a technical evaluation done by DND; a financial evaluation done by PWGSC; and an evaluation of industrial benefits done by Industry Canada in collaboration with regional development agencies.

Once the evaluation is completed, the government announces the name of the supplier that was chosen and starts negotiating the final general conditions of the contract. Industry Canada takes part in the negotiations and focuses on the main contractor's industrial benefits plan.

Furthermore, as I have already indicated, Industry Canada officials work closely with regional development agencies. They work directly with Canadian businesses across the country in order to point out existing opportunities and help businesses seeking contracts, in order to emphasize the importance of Canada-wide involvement and highlight the capabilities of these businesses.

The government encourages contractors to establish partnerships that make good market sense because that is how we can help create business relationships which will last long after the benefit requirements have been met. We also evaluate carefully the transactions being considered as benefits. These transactions must meet three criteria for Industry Canada to judge them satisfactory.

• (1250)

First, the work must be associated with the procurement program. Second, the work must be done during the period specified in the contract. Third, the work can be based on existing business relations but only the new work counts towards meeting the conditions.

Our government has tried to improve the spinoff process to integrate it more harmoniously into all procurement programs. In the case of aerospace projects, we now insist not only that the Canadian spinoffs have high value and be in high technology, but we require

that at least 30% be in the nine key technologies. That ensures that our industry is getting the maximum benefits from our procurements, now and in the future.

Canadian benefits are a serious contract obligation and Industry Canada requires annual reports, audits and performance guarantees. Every year, contractors must report on what they have done in that regard. Financial penalties can even be imposed in case of non-compliance, but we have never so far had to impose such penalties.

In general, the procurement process is the result of the collective efforts of a number of departments. Industry Canada takes an active part in the process to ensure that aerospace and defence industries are getting the best possible benefits from the procurements.

Our position on defence procurements is clear. All regions of Canada can benefit from the spinoffs. All Canadian aerospace and defence companies have the necessary skills, expertise and capability to act.

We have been working with contractors from the aerospace industry to get the maximum benefits from opportunities in the area. And we will continue to do so.

Our wise strategic approach will allow us to establish lasting long-term trade partnerships that will benefit Canadian businesses and the contractors with which they work.

As can be seen, our government's approach to spinoffs is based on the firm confidence we have in the strengths and the capacity of our aerospace and defence industries. Our approach is fair for all regions of Canada. We will use the same approach in future procurement programs.

• (1255)

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, does the member for Beauport—Limoilou admit—and this is my first question—that the aerospace industry in Quebec represents about 60% of this economic market? I say 60% to avoid any quibbling about whether it is 57.5% or 60%. Since she began her speech by talking about fairness—she used the words “fair spinoffs”—, why is it, talking about fair spinoffs, that her government is unable to target, in the case of a contract awarded without any call for tenders, spinoffs across Canada using known figures, such as that of 60% in Quebec? Finally, since she used those words, will she vote in favour of this motion?

Mrs. Sylvie Boucher: Mr. Speaker, I thank my friend from the Bloc.

Business of Supply

Contrary to the Bloc, the Conservatives recognize the existence of a wide aerospace market. It always makes me smile when members from the Bloc hold forth and get all worked up, when they are the first to protest against any military spending. You do not want any. Maybe you should read your own party stand on military spending before criticizing a government which Quebeckers are proud to be part of. We are in power to make decisions, something that you will never be able to do.

[English]

The Acting Speaker (Mr. Andrew Scheer): I would just remind the hon. parliamentary secretary to address her comments to the Chair and not directly to colleagues.

Questions and comments, the hon. member for Shefford.

[Translation]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, there are two points that I would like to address.

The minister was saying that he would not intrude by giving contracts to Quebec.

I would ask the member for Beauport—Limoilou to explain to me how it is that the Minister of Industry can say just anything, that government contracts are not private contracts. In the government, it is up to the minister to decide that these contracts are not private contracts. The minister can do whatever he wants. He can give the contracts to anybody he wants and he can tell Boeing where to do its work.

The minister took his point to ridiculous extreme by saying that requiring spinoffs in Quebec would be tantamount to showing favouritism. That does not make any sense. He knows that we have 60% and that this is what we want. We are not asking for charity.

I also heard the member say that the Bloc Québécois is getting all worked up. She has direct evidence that this is the case. Indeed, the reason why we are here in Ottawa is to defend the interests of Quebec and we will defend them right to the end. We want to have 60% of the economic spinoffs. That is what we want.

I refute the arguments that the minister cannot ensure economic spinoffs and tell Boeing where to make its investments.

Mrs. Sylvie Boucher: Mr. Speaker, in response to my colleague from the Bloc, I would remind him that as recently as last June 29, the national defence critic for the Bloc said that the purchase of four heavy lift aircraft was a waste of \$5 billion.

Now, he wants the benefits of these military purchases that the Bloc members are not interested in anyway. Could the member explain to me then why the Bloc is saying that we are not doing anything on this side of the House? We are doing everything for Quebec and for Canada, to ensure fairness throughout the country, because we are defending Quebec in a united Canada.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I listened carefully to the comments made by the Parliamentary Secretary to the Prime Minister and Minister for la Francophonie and Official Languages. I will be happy to explain fully to her the mysteries of life concerning the contracts we are talking about today.

First, I am very pleased that the Bloc Québécois has moved this motion, because I have been personally interested in this file for about eight months. I am also pleased that the Bloc Québécois has moved a motion in the Committee on National Defence to study the procurement process, and pleased as well that it is defending its territory, that is Quebec.

In this regard, I want to remind my colleagues—and I said so in committee—that only the Bloc Québécois will be defending Quebec here today.

The Parliamentary Secretary talked only about Canada. That is the problem with Canada, the problem with federal, federalist political parties: they are forced to defend the territory as a whole.

Liberals say this is an injustice for the Canadian industry, but why are they saying that? Because some of their members come from other regions, such as Winnipeg and British Columbia, where Boeing has facilities, and they are unable to say that they must defend Quebec, because 60% of the spinoffs should go to it. They say that it is not so bad if it does not get them. They use all the Canadian arguments: there must be Canadian spinoffs.

So I wanted to make it clear that only the Bloc Québécois is speaking up for Quebec's aerospace industry. I have heard no one else on this subject. Everyone is talking about Canadian spinoffs. We have nothing against that, as long as Quebec's share of the Canadian market, that is 60%, is taken into account.

I would also like to tell the House about the secret nature of all this. I was going on vacation in July when I turned on my computer. All the employees had left on vacation. That was when I saw on the Public Works and Government Services Canada website the Boeing bid submission for strategic aircraft, for the Chinook helicopters that also come from Boeing, and for tactical aircraft that come from Lockheed Martin. That is a lot of money. It was posted on the MERX site during the holidays, from July 5 to August 4.

So I phoned the big companies in Quebec. When we say that 60% of the aerospace industry is concentrated in Quebec, it is not small companies: Bell Helicopter, L3 Communications, Pratt & Whitney Canada, Bombardier, CMC Electronics, Rolls-Royce Canada, not to mention all the small and medium sized companies with aerospace connections. These are big players, and 60% of them are in Quebec.

I called them, therefore, and asked whether they had seen what was on the MERX site. They said that they had not seen anything. It was not only during the holidays but also during the Farnborough Air Show in Great Britain, a show like Le Bourget where the entire aerospace industry is present.

They wanted to put a fast one over on us. August 4 was the closing date. So I invited the companies and met with them on July 31. They told me then that something was wrong because they had not been informed that this was coming, they did not know anything about it, and their CEOs were all in Great Britain at the air show. They said that it was absolutely essential for me to defend the industry. In the middle of the summer, I sent out press releases saying that the industry was very concerned.

Business of Supply

So now our fears are confirmed. They are saying that the benefits will be distributed all across Canada and no special consideration will be given to Quebec.

I wonder, though, what Ontario would say if there were an incredible tender from the federal government in the automobile industry and it wanted to give a large part of it to Quebec.

Everybody here would up in arms, saying that since most of the automobile industry—the critical mass, 70% of the Canadian automobile market—is located in Ontario, it should get 70% of the contracts. It is strange that this should still be the rule in the automobile industry, but when it comes to Quebec, another set of rules apply.

They are also starting to talk about dividing it up across Canada. The term in English is regional investment benefits, but now they have been talking for some time about Canadian investment benefits.

● (1300)

It is not regional anymore, it has become Canadian and that is an excuse to do anything.

Let us look at the way those contracts develop. I looked at the process. First, supposedly because of a defence policy, National Defence says what it needs to conform to that policy. Usually, before giving contracts, the department is supposed to produce a defence capability plan. If the government is satisfied with that plan, it buys the equipment needed to ensure the success of that plan.

But it is not how things went. The Liberals adopted a defence policy in 2005 and the Conservatives just extended it. All of a sudden, without any defence capability plan, the government spends an incredible \$20 billion. Consideration must be given to the fact that parliamentarians are the true advocates of taxpayers but we have been completely excluded from the process. I will come back to that later.

When the Department of National Defence draws up its specifications or requirements list, it can get the aircraft it wants. It only has to say that it needs a plane that can lift 100,000 kg of cargo, knowing full well that only one plane can do that. With this requirement, it has eliminated all other planes.

Do the taxpayers get enough for their money when the Department of National Defence set its requirements according to the plane it wants? There is a first filter at that level and it has been applied. We can see that the department wants the C-17 and the Chinook by Boeing. In fact, the first contract has been signed.

Then, another department enters the game: Public Works Canada. That department has its own way of awarding contracts. As I saw last summer and as is being confirmed now, the department produces a draft contract award notice. That means that it wants a specific plane and a specific company to negotiate with, a specific company to service the plane and a specific company from which to buy the plane. That company name is written in the contract. That closes the door to all others.

This morning, the Auditor General appeared before the committee. She told us that she had already spoken out about the government's approach of using ACANs, which stands for advanced

contract award notifications. The taxpayers are not getting their money's worth with that system.

All of a sudden, they choose just one plane. I will repeat the story I told in committee about buying my first car. The first car I wanted was a Camaro. I told my dad that was what I wanted and he said that was fine and that he would go along with me to see what kind of a deal I could negotiate. When I got to the place, I told the salesman that I wanted the car that was in the show room, that one and none other.

That is just like the ACAN I referred to.

The salesman agreed and asked if I wanted to know the price. Of course I did. He told me the price and I replied that I was prepared to take it. My father then told me that was not how things were done and that he would show me the ropes as soon as we left the show room.

An hon. member: A Firebird.

Mr. Claude Bachand: The hon. member is familiar with the story. It does end with a Firebird. So, we leave the show room. My dad tells me that is not how to do things. When a person has a particular car in mind, he absolutely must not say so, because that will mean he will not get a good deal. He has to visit all the dealers and look at comparable cars, then come back to the first and look at another car before coming back to the first one. That puts you in a position to negotiate, and that is what I did. I did not buy the Camaro. I got a Firebird. It was just as nice and I got a good deal. I paid a lot less because I told the salesman that if he did not offer me a certain price, the other dealer might.

The same thing goes for the planes. It is the same thing in the contract clauses we have before us. They are talking about an aircraft. The minute a company like Boeing is told we want only them, and that after-sale maintenance will also be done only by them, there is no bargaining power left. That is what I think.

● (1305)

In fact, I wrote an article about this lately in the *Frontline Magazine*. To me, the way this is done is not acceptable. Canadian taxpayers do not get their money's worth when people act this way.

I explained the first step of the selection process, the first filter, when the Department of National Defence defines its specifications. Then, the Department of Public Works gives out the contracts the way I just mentioned. Finally, to top it all, the Minister of Industry comes in with his disappointing approach for Quebec.

Everybody thought: "Our Minister of Industry comes from Quebec. Our Minister of Public Works is also from Quebec." He sits somewhere else—I cannot mention where—in the other place. People thought: "They will speak up for us." But suddenly, we learn that, although we have 60% of the aerospace industry, things will not happen this way. The free market prevails. Since when do they have to play by the free market rules when they are the ones signing the cheques? Since when can the car salesman say: "That is not the car I want to sell you, I want you to buy another one"? I would tell him: "I am the one signing the cheque, so I get to decide what I am buying".

Business of Supply

This is completely illogical. We said to Boeing: "You can do it where you want, when you want and the way you want." I will explain later how I see this.

I cannot fathom that ministers from Quebec went to Trenton to sign a contract that was so unfair to Quebec, their native land. This is why we, sovereigntists, consider that the system is not working. This is why I say that the Quebec industry is better served by the Bloc Québécois, not by the Liberal Party nor the Conservative Party, who are stuck with a pan-Canadian vision and must satisfy people from British Columbia and Alberta.

We are having the wool pulled over our eyes. And the industry also told me that on July 31. The purchase is 100% aerospace product, but it is to have only 60% aerospace content. Why? What about the rest of the 100%, the missing 40%? Are we going to sell them northern spruce, or Atlantic salmon, to make high tech airplanes? We should have had 100% aerospace spinoffs, as the industry told me. Not only should we have had 100% aerospace for Quebec, but the geographic distribution of the industry in Canada, and the concentration of the industry in Quebec, should have been taken into account.

I went to the Ritz-Carlton when Boeing decided to go on a cross-Canada tour to decide whom it would be doing business with. Naturally, the president of Boeing Canada took me to the royal suite at the Ritz-Carlton to introduce me to the people from Seattle who are in charge of economic spinoffs. I told him: "We are not satisfied with it being only 60% aerospace, in terms of your obligation. Sixty per cent of the industry is in Quebec." So by my calculations, 60% of 60% would give us at least 36% of the contracts in Quebec. But that was not quite the case.

Looking a little farther, in my research, I learned that they have operations in Winnipeg and British Columbia, very close to Seattle where Boeing is located. So they probably said to themselves: "There is no point in doing business in Quebec, it is too far away for us." The company's interests came well ahead of geographic distribution, with the government's approval, which is even worse.

The government could have said: "We are the ones signing the cheque, so we are going to tell you exactly whom you will do business with. You are going to take Quebec into account, where 60% of the industry is. You are going to give them their rightful share." But it did not happen that way and it seems that the same will be true for the rest of the contracts.

Our two ministers from Quebec went to sign the contract in Trenton, and \$3.4 billion went up in smoke—\$3.4 billion in Quebec and Canadian taxpayers' dollars that is going to the United States, with no guarantee of spinoffs in Canada and Quebec.

There are other contracts planned for the Chinook helicopters, also from Boeing, also awarded by untendered contract. This means losing bargaining leverage. The contract is for \$4.7 billion. There is another contract for \$4.9 billion for tactical aircraft, from Lockheed Martin, in the United States.

•(1310)

There is a \$3 billion contract for search and rescue planes, as well. All this is in the works. Meanwhile, the minister steps into the lobby and tells the press that things are going to work just as they did for

the first contract. Boeing is told, "do whatever you want, wherever you want, whenever you want". I would also like to explain that. Why did I say "wherever, whenever and however you want"?

With regards to "however you want", there is a program in the United States called ITAR, International Traffic in Arms Regulation. The United States is telling Canadian companies they cannot fill production, support or service positions with anyone who comes from a list of 25 countries. These people cannot come anywhere near these machines.

Our response to these American companies is that we will tell our companies that if they have employees who come from Pakistan or Afghanistan, they will have to move them to another department because they cannot come into contact with the plane, even if they are accepted as Canadian citizens.

Thus, the expression "however you want" is exactly what Boeing is doing. As for "whenever you want," any delay in delivery is supposed to incur penalties. A few weeks ago, Sikorski, the company tasked with building the maritime helicopter that will replace the Sea King, said that because of a strike in one of its plants in the United States, they will be five and a half weeks late. The penalty, however, is \$100,000 per day the company is late. What did the government have to say about that? It said it was not serious and that it would turn a blind eye.

What signal does that send Boeing? "Whenever you want." This means that if they are late and the contract provides for penalties for delays, Boeing will say that it does not matter since Sikorski was late and did not pay any penalty. So no more penalties will be paid. And then it told Boeing "wherever you want". This is the equivalent of writing a cheque for \$3.4 billion to Boeing and telling it to do whatever it wants. I do not understand this. I am a sovereigntist. I have said so and explained why earlier. This type of issue reinforces my political position. Sovereignty is not just in Quebec. There is also Canadian sovereignty.

How can we give our aerospace future away to the Americans and tell them to do whatever they want, wherever they want, whenever they want and however they want? How can we say that this is right? This is what makes us think there was probably some political interference. There were probably some top-level agreements and of course no one wants to tell us about it. Maybe some matters were settled in exchange for purchases of planes, boats or trucks.

There are \$20 billion worth. This file is completely backwards. Not only is the process not being respected, but the Canadian and Quebec taxpayers are being had, the Quebec industry is being had and, for some reason that is hard to explain, everyone is a loser in this file.

Business of Supply

The Standing Committee on National Defence is currently working on breaking into the process. There is a select club. A group of individuals from National Defence and other departments have reached an agreement among themselves and parliamentarians are excluded from this group, which does not want anything to do with them. The Standing Committee on National Defence is currently working on this issue and will continue to do so, because such injustices are unacceptable to Canadian taxpayers and, in our opinion, the injustices for the Quebec industry are even less acceptable. I repeat, and will conclude on this, only the Bloc Québécois is currently defending the Quebec industry and it is proud to be doing so. This confirms us in our sovereignist position.

• (1315)

[English]

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, there was so much misinformation in that speech it is hard to know where to start, so I am just going to pick on a couple of points.

The Bloc is fixated on 60% and that is fine. CAE, which is the largest simulator company in the world, does about 10% of the aerospace business in the province of Quebec with about 10% of the employees. We are not buying simulators. A simulator is not needed with the C-17. Does that mean the other 10% could not possibly be spent in Quebec? Should it automatically go to some other sector in Quebec?

[Translation]

The C-17 contract is but the first of several contracts. The Bloc does not approve defence spending in general because of its ideology. Fine. But it is very happy to get involved when there is money going around.

• (1320)

[English]

I would like to point out a couple of things to people and I know my hon. friend will comment.

If it were up to the Bloc, there would not be any regional distribution of contracts because there would not be any military contracts. Under the concept of a sovereign Quebec, I would be interested to know what Quebec's defence spending would be and what industrial benefits that would generate. A lot of companies would very likely not stay in a sovereign Quebec because there would be no defence spending and there would be no business. Therefore, there would be no benefits for the people of Quebec like there will be under this government because we are rebuilding the Canadian Forces to the benefit of Canadians, and that includes the people and the companies in Quebec.

[Translation]

Mr. Claude Bachand: Mr. Speaker, first I must say to the member that, according to an article that I read, CAE will probably get about \$20 to \$30 million in spinoffs from Boeing.

Boeing is not only about aircraft. It also needs simulators. Granted, it is a large company. It is a large company and one of the largest aerospace multinationals in the world. Certainly applications made in Quebec could get into the Boeing constellation to bring about these contracts. Currently, Quebec companies are not given the opportunity to do so.

As for the alarmist talk that head offices and all aerospace companies will move out of Quebec following a "yes" vote, I think that this is false and I will explain why. One of Canada's best aerospace workforce is in Quebec. This is why the aerospace industry is concentrated in Quebec. In Quebec, there is the Canadian Space Agency, the Higher School of Technology and the Aerospace School in Saint-Hubert. Moreover, the aerospace critical mass is concentrated in the Montreal area.

It is not true that overnight these people will say that, since Quebec has become sovereign, they will move to China. Some are trying to settle in China and they have regrets, especially when they need a highly skilled workforce. I am quite indifferent to the alarmist talk of the hon. member. I do not think that this will happen. Quebec's critical mass must be respected. It is too bad that the Conservative government does not recognize this.

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, I thank my colleague for taking part in this debate.

He talked about the aerospace industry in Quebec. We all admit it is a great industry. The aerospace industry is also present in other regions outside Quebec. Although Nova Scotia's economy is modest, this province also has an aerospace industry. We have IMP, General Dynamics and a company that is part of EADS. For these companies to be able to participate, they need the economic spinoffs. They have been able to grow thanks to important Canadians investments over the last 10 or 15 years. Part of the projects was supposed to go to the regions. Technology Partnerships Canada has greatly helped the aerospace industry in Quebec and in other regions.

I would like to hear the member's comments. Does he recognize that these Canada-wide investments have had important economic spinoffs for Quebec and for the development of companies working in the aerospace sector?

Mr. Claude Bachand: Mr. Speaker, I would tell my colleague that we are both saying more or less the same thing. It is not because 60% of the Canadian industry is located in Quebec that we want to have 100% of the contracts. On the contrary, we are only asking for our fair share.

I do agree that other regions in Canada, like Winnipeg, British Columbia and the region that my colleague was talking about, have small aerospace or military concentrations. We are not trying to get all the contracts and leave nothing for the others. Not at all. The problem is that we have the largest part of this industry, but they do not want to give us our fair share. If we do not get it, it will go somewhere else in the country. This is why I am saying that the federal parties have a problem. They are unable to adequately defend Quebec's interests and to say that they care about Quebec because it has 60% of the contracts. Why? Because, the less we have, the more the other regions in Canada will have. I would suggest that we should consider the percentage of the aerospace industry that each region has and give every one of them their fair share, which would mean 60% for Quebec. If there is an aerospace industry in Nova Scotia, then its share should be proportional to the size of its aerospace industry in the Canadian economy. It is simple and it would be fair and honest for all parts of the industry.

Business of Supply

•(1325)

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, I have a question for my colleague. I thank him, by the way, because he made an excellent speech, which is not surprising for him.

The Minister of Industry and the Minister of Public Works and Government Services keep saying that establishing economic spinoff targets would be tantamount to interference.

I checked the definition of “interference” in the dictionary. It means intrusion. And an intruder is someone who forces himself on others without proper permission.

In this case, it is a government's duty to ensure the economic development of its territory. On the contrary, that is not interference. In my opinion, it is its business.

Consequently, I am asking my colleague to agree that what we are hearing repeatedly here is in fact the ideology of the Conservatives.

Mr. Claude Bachand: Mr. Speaker, I thank my colleague for her compliment.

I totally share her opinion. Whoever signs the cheque should be able to put conditions.

When you push the free market idea as the Conservative Party is doing, to the point where you tell a company like Boeing to invest where, when and how it pleases, in my opinion, you are shirking your responsibilities. It's the law of the jungle and we never believed in it.

A government does not have to control the economy entirely, but for ethical reasons and to ensure an equitable distribution, for example, it must make sure that things are done properly. Right now, it is not the case.

At the same time, I am pointing at the Quebec Liberals, not only at the ones in the House of Commons. Where are the Quebec Liberals? They will lose billions of dollars in contracts, but they are letting this government get away with it.

Most likely, the Liberal government of Quebec has the same ideology. The Premier and the Prime Minister have been bedmates for a while. Friends do not attack each other. However, they allow decisions that are unfair to taxpayers. In my view, this is also unacceptable.

The Acting Speaker (Mr. Andrew Scheer): There is enough time remaining for a very short question.

The hon. member for Lévis—Bellechasse.

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, our government has done one thing that previous governments never did and that the Bloc Québécois could never do: we asked that \$1 be committed for each dollar invested. That means that each dollar invested in a defence contract is a dollar invested in the Canadian economy and in high tech sectors.

My question is simple and is directed at the hon. member who sits with me on the national defence committee.

People are standing up and saying that we finally have a government that does not create rivalries between regions, does not make taxpayers the victims of domestic policy and does not make us pay more for the products we buy.

How can the hon. member explain the fact that we are paying more for a product that we are buying with taxpayers' money, although our first responsibility is to make sure that taxpayers' money is well managed?

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Saint-Jean can give a short answer if he wishes.

Mr. Claude Bachand: Mr. Speaker, currently, the money is managed very badly. The Conservative Party is spending it badly.

I explained the loss of bargaining leverage with these companies. The government will pay these aircraft a much higher price, because it could not negotiate properly.

That government must ensure that critical masses where businesses are located are being respected. Earlier, I gave the example of the auto industry in Ontario. Ontarians would certainly rise up if a large contract was given to the automobile industry and Quebec took a major portion of it at Ontario's expense.

We have been the victims of an injustice, and the Bloc Québécois intends to fight for justice.

[English]

Hon. Raymond Simard (Saint Boniface, Lib.): Mr. Speaker, I will be splitting my time with the member for Thunder Bay—Rainy River.

I am very pleased to rise today to speak on this important motion from the Bloc Québécois. The aerospace industry is something that I have always been very keen on and I actually have been the representative in Manitoba who represents those interests I think the best.

First, along with my colleagues in this party and with probably every Quebec colleague from all parties, we are all very proud of the aerospace industry in Quebec and elsewhere in Canada. I do not think there is one of us here in this Parliament who has not travelled to Asia or other parts of the world and heard about the success stories of Bombardier, for instance, and Bristol Aerospace or Standard Aero. We have been very proud of those enterprises. I would also like to say that specifically for Manitoba I will be speaking on those in particular, but I am also very proud of that industry and we will talk about its importance for the Manitoba economy.

I am also very proud of the previous government's investment in this industry and of the support we provided this industry. This is not a coincidence. I am sure that this support has played an enormous role in making our aerospace industry the fourth largest in the world.

Before I speak on the aerospace industry in Manitoba, I would like to express my frustration over the whole C-17 purchase and how the government basically sold out Canadians on this deal. It is important for Canadians to realize exactly what happened behind the scenes.

Business of Supply

That party always talk about being the party of accountability, but I do not think this is what Canadians are seeing. They are seeing exactly the opposite: the Minister of Industry flying to Washington and making side deals with the Bush administration. If we are going to talk about transparency, this kind of thing just cannot happen. The results of those dealings in Washington certainly were not to the benefit of the Canadian taxpayer.

For instance, the Conservatives did not ensure that the Canadian industry received the equivalent of 100% value of purchase and maintenance, which has become a standard in the world. My understanding is that the purchase price of these planes will be approximately \$1.8 billion. The maintenance contract, over a 20 year period, is somewhere around \$1.6 billion. But in fact, the return we are getting is \$1.1 billion. It should be \$3.7 million or \$3.8 million. It is extremely frustrating that again for the sake of expediency we are leaving a lot of money on the table in the U.S., a lot of money that could benefit our Canadian industries.

Conservatives also neglected a small thing called our sovereignty, which is very frustrating. Canadians who come from certain countries will not be able to work on some of these contracts here in Canada. As has been said quite often in the House, one of my colleagues, who can be a member of Parliament, would not be allowed to work on one of these contracts because of the contract the government signed with Boeing. It is absolutely unconscionable.

The Conservative government also purchased the strategic airlift planes against the better judgment of General Hillier, who was asking for tactical airlift. I guess the government thought it knew better. All these decisions the Conservatives are making one after the other, against all common sense, have certainly hurt the Canadian taxpayer.

After the Conservatives ignored General Hillier, they moved on and manipulated the requirements of the procurement process. Basically it ended up being a sole sourcing of the planes. Anyone who knows anything about the bidding process will tell us that sole sourcing does not lead to better prices. It would normally lead to higher costs. I think everyone in the House would agree with that. All of this is from a party that has bragged about its tough accountability law and how procurement would be a lot more competitive in the future. It is actually laughable.

The Conservative government also announced its military spending without having a defence capability plan and without the input of Parliament. When we are spending \$3.7 billion, when we are making that kind of investment, it would seem to me that Parliament should have input on this kind of decision.

Probably the most hideous thing the Conservatives have done is to not guarantee the regional economic spinoffs. Governments have a responsibility to set industrial policy and not to leave this to foreign private sector firms. As noted by some of my colleagues and by some people in the industry whom I have talked to, other countries are certainly looking after their companies. They have policies in place to protect and support their industries. Canada should be absolutely no different on that basis. Other countries also ensure there is a fair balance of work in their countries.

●(1330)

Everything the government does is politically motivated. The Conservatives are not concerned about the well-being of Canadians. They are concerned about how to get these planes here as soon as possible because they promised that in their election campaign. That is not governing.

I would like to speak briefly about Manitoba. We have heard a lot about the Quebec aerospace industry, but I would like to tell everyone that Manitoba has a very substantial aerospace industry, one that I am very proud of. I know that our Quebec colleagues from all parties are proud of their industry, but I have worked very closely with these people and Manitoba has the third largest cluster of aerospace firms in Canada. I have had the pleasure of working with representatives of these firms. They are very innovative and very practical. They are progressive people. Their industry has become indispensable to our province's economy.

This is a growing industry in Manitoba. We do not want it to stop growing. We want it to thrive. For it to do that, we need to be able to obtain our fair share of the contracts. I think that is what everybody is saying here. Let us ensure that the procurement contracts are distributed fairly. Let us not allow Boeing or a foreign company to make those decisions for us.

I want to tell the House about four companies that are world class players in the industry and that have changed the landscape of Manitoba in terms of technology. They have really added to our economy.

The first is Standard Aero. For people who do not know about this company, it is the world's largest independent small turbine engine repair and overhaul company. It is a huge company. I have visited the plant on several occasions. Its facility is one of the most modern in the world. The Winnipeg plant people have actually helped other people design their plants because of the phenomenal job that was done in Winnipeg. It is based in Winnipeg and also operates facilities in the U.S., Europe and Asia.

Bristol Aerospace is the largest of the Magellan Aerospace Corporation group of companies and is the only western Canadian company manufacturing space systems. Magellan actually has a satellite right now that apparently was supposed to die a couple years ago and is still going strong. The company is hoping it will last another couple of years. It is working on second and third generation satellites. I believe the company is the only one to do that in western Canada. We are very proud of those accomplishments.

Again, the company always talks to us about the importance of supporting its industry and making sure we are there. When it is competing against other countries like Germany or France for the satellite business, for instance, as those countries protect their industry, it is important for us to be there for our industry as well.

Boeing Canada has one of the most modern facilities in the country and provides parts for the new Boeing Dreamliner 787, plus the 777 and 747. It also is an amazing plant. Again, we are very proud of Boeing. These people have been second to none in terms of partnerships with the province, with the private sector and with our educational facilities.

Business of Supply

Boeing also has the largest composite manufacturing facility in Canada. For those who know anything about composites, they will know that composites are the future in the airline industry. The materials are lighter and stronger, which obviously will lead to certain fuel efficiencies. What Boeing Canada is doing in Winnipeg is very important.

Air Canada Technical Services is huge in Winnipeg and employs a large number of people who provide maintenance not only to its own airline but also to many other airlines that fly their planes into Winnipeg under contract to Air Canada. Again, we are very proud of this firm.

These are the big players in Manitoba, but it is also very important to note that there are 20 regional and national firms in Winnipeg. They are a fair size and they are growing. There are also some amazing training centres in Portage la Prairie. We funded that a couple of years ago. I think this is the largest in Canada, once again doing an amazing job.

The whole aerospace industry in our province is just blossoming. We cannot abandon it. We have to be behind it.

One of those smaller firms is Corner Group Industries. It is important to note this, because a lot of these smaller firms have a hard time competing for these huge contracts. When we are talking about a \$3.7 billion contract, in a lot of cases governments do not want to break it down to contracts of \$5 million or \$10 million. Corner now can handle contracts of \$100 million to \$200 million. It is absolutely amazing.

•(1335)

We are very proud of our industry. I will wrap up by saying that it provides an amazing boost to our economy in terms of education and training. Ninety per cent of the people employed in that industry are trained in Winnipeg. I am very proud of the industry there.

I think the government has been very lax in not supporting this industry. This was a bad deal. I think that for once everyone here is in agreement. The government has made a very bad move in purchasing these planes.

•(1340)

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I listened with interest to my colleague's speech and will point out one thing. The technology transfer provisions under ITAR have always been there.

The fact is that under the previous government and the disastrous relations we had with our biggest trading partner, ally and friend, the United States, Canada got no breaks. Canada had always had breaks before. I am happy to say that tremendous progress has been made in that area. Canada is once more becoming a more favoured partner, with the fine efforts of the Minister of Foreign Affairs and others, because of our responsible approach to our position in the world.

A little over a year ago I asked the Chief of the Defence Staff a question at the Conference of Defence Associations meeting at the Chateau Laurier. I asked whether he would like to have the C-17. It was a very simple question. His very simple answer was, "Sir, you bring us the money and we would love to have them". If we did not bring the money, he would have preferred to have the C-130. The

fact is that he is not used to a government that gives enough money to rebuild the forces as required.

The fact is that he is thrilled to have the C-17. The fact is that we are getting them early because it is a requirement of the Canadian Forces and a requirement of the people of Canada. I would like to ask my hon. colleague if he has spoken to the CDS lately about the C-17. Does he understand the benefits that the C-17 will bring to Canadians, not just for military purposes but for purposes like fighting floods in the province of Manitoba?

Hon. Raymond Simard: Mr. Speaker, my response to that question is that every expert I have spoken with seems to have very clearly indicated that the C-17 we have purchased will not be utilized to its fullest. A lot of them are saying that probably three out of the four will be parked on the tarmac most of the time. That is absolutely what I have been hearing in Winnipeg. I have spoken with some of our military experts there.

From all indications, people are telling us that we would have been better off leasing these planes. For some reason, the Conservatives have a problem with that. If it makes fiscal sense, it seems to me that we should have considered that option. If the military is moving troops once every month or once every three months and is paying a certain amount of money, maybe we should have considered leasing these planes instead of making this \$3.7 billion purchase, with a huge underutilization of this asset for Canada.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I want to thank my colleague from Saint Boniface for representing very ably the views of people in the west and of the people of Manitoba regarding the C-17 contract.

I am old enough to remember the scandal surrounding the CF-18, at which time Winnipeg was the low bidder on the CF-18 maintenance contract. Brian Mulroney's government gave it to Quebec for purely political reasons even though Winnipeg was the low bid.

I serve notice right now and right here that we will never tolerate an insult like that again. We threw out Brian Mulroney. We rejected his entire government based on that. It became the turning point in western Canadian politics for a generation to come. We will not tolerate the humiliation and the insult that contract represented.

Now we are faced with the C-17. Reason seems to be prevailing that Manitoba will get its fair share of the maintenance of these aircraft. If we see this reason turning or shifting for pure political reasons to give this as a gift to Quebec yet again, a bribe or blackmail or whatever it is called, we will not tolerate it. We serve notice that we will rise up in the west just as they did during the 1990s and we will denounce the government if it weakens in its resolve. We demand our fair share of those jobs as determined by the industry and we insist on that—

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Saint Boniface.

Business of Supply

Hon. Raymond Simard: Mr. Speaker, I am not sure if there was a question, but I understand my hon. colleague's frustration. People in western Canada are still talking about the CF-18. That is quite obvious. Once again, that was a politically motivated decision. It was very dangerous. We have seen the results. Western Canadians have felt alienated, if I can use that word, since that time.

However, at the same time, it is important for us not to mix up the two. Politically motivated decisions to move certain contracts specifically into certain areas are absolutely not allowable. That is an absolute no-no. At the same time, to have a policy where we allow industrial regional benefits is a different thing. It is very important for us to make sure there is a fair distribution of the work across the country. That is exactly what this Conservative government has not done.

• (1345)

The Acting Speaker (Mr. Andrew Scheer): Order. The hon. member for Saint Boniface sits rather close to the Chair and I had some difficulty hearing him as he responded. There is a lot of noise coming from the far end of the chamber. I would ask for some order, please.

The hon. member for Thunder Bay—Rainy River.

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, I am pleased to rise today to speak to the motion. My comments today will focus on the heart of the issue, ensuring that the government uses our taxpayer dollars to support Canadian industry.

It seems like a very simple concept, and it is one that most countries already wholeheartedly follow. Yet in Canada we are continually missing the mark. The concept is one I like to call “apply Canada policy”. The basic principle is this. When public dollars are being used to purchase any number of assets, the government should implement a policy that ensures that Canadian business and labour are given preference for the contract.

Most other countries have policies that encourage local content when awarding a government contract. These countries employ policies requiring certain levels of local content in projects that use public funding. These policies encourage the use of domestic based suppliers that in turn create jobs, tax revenues and other economic benefits in local communities.

The objective of these policies is to ensure that domestic businesses and communities experience some positive impact from public expenditures on infrastructure projects. Policies of this nature often provide in-country suppliers with a distinct competitive advantage over qualified suppliers from other nations.

Canadian manufacturers do not benefit from similar policies in force by their own government. There are no minimal requirements for Canadian content in publicly funded projects. This means Canadian manufacturers are at a distinct disadvantage pursuing contracts in other nations and they also have no particular advantage at home.

The reality is there is very little preventing foreign suppliers from winning Canadian government contracts and then taking the work offshore to benefit labour, business and regions in other nations. Canadian suppliers and manufacturers deserve to compete on an equal footing in the global marketplace. Our businesses, commu-

nities, and citizens deserve to enjoy some economic benefit from the projects funded from their own tax dollars.

Many countries around the world employ government policies encouraging or dictating local content levels. This is particularly true for transportation projects. For example, in the United States, which represents 90% of the North American passenger rail market, the buy America act imposes strict regulations for local content. In the area of rail rolling stock, for example, 60% of the components used to manufacture vehicles must come from the United States. Final assembly must also be performed there. In addition, state governments can impose their own local content requirements as well.

New York, one of the biggest rail markets in the world, imposes strict requirements for state based content. Requirements like these limit the ability of Canadian suppliers to access the largest rail market in North America. They also keep suppliers from using Canadian sub-suppliers on any contracts they win. There are no government policies, however, requiring local content when U.S. enterprises compete for contracts in Canada.

Most other countries have employed similar policies. Most of these policies provide for local content regulations for a mix of incentives and regulatory requirements. The Government of Canada currently has no incentives for local content. That is why I put forward a private member's motion for consideration by the House. The motion reads:

That, in the opinion of the House, the government should implement a policy, which is consistent with North American Free Trade Agreement and World Trade Organization policies and guidelines, to mandate Canadian content levels for public transportation projects, and to ensure that public funds are used to provide the best value to Canadians by supporting domestic supplier and labour markets.

I look forward to discussing this issue further when my private member's business comes forward for consideration.

• (1350)

With regard to the motion before the House today, I am very pleased to participate in this discussion, as it relates to the aircraft industry.

In my riding of Thunder Bay—Rainy River, we are privileged to have Confederation College's Aviation Centre of Excellence. Conveniently located at Thunder Bay International Airport, the 59,000 square foot ACE building brings together the programs of Confederation's School of Aviation all under one roof. The Aviation Centre of Excellence offers programs in aerospace manufacturing engineering, aircraft maintenance and aviation flight maintenance and will soon commence a program in avionics.

This centre of excellence makes Thunder Bay ideally suited as a potential candidate to take advantage of regional benefits and economic spinoffs from contracts for aircraft manufacturing and repair services on defence contracts. The Thunder Bay International Airports Authority has also been actively pursuing a variety of aircraft manufacturing opportunities to help diversify the economy of northwestern Ontario.

Business of Supply

January 2007 statistics show that northwestern Ontario has already one of the highest unemployment rates in the province. The recent announcement of 500 further job losses in the forest industry will continue to drive those numbers higher.

Whenever possible, Thunder Bay and area needs have to be included in industrial regional benefits on future large contracts to ensure that our highly skilled workforce can continue to find meaningful employment within the community. My region, and regions similar to it, can ill afford the loss of further residents in search of well-paying jobs in the west.

Regretfully, not only are 40-somethings losing their jobs in the forest sector, but this government, a government that has a \$13 billion surplus, is also cutting jobs and funding for jobs across the country. It is closing federal offices. The Status of Women was just closed in Thunder Bay. It has cut funding for economic development programs, such as the social economy program and FedNor, and now ACOA. It has eliminated the visitor GST rebate program, a cut that will not only hurt our struggling tourist industry in northwestern Ontario, but all across the country, which will cost us more jobs. It slashed \$55 million from the youth employment strategy, which means for small communities in regions of high unemployment it will be an extremely difficult summer for our young people.

All these cuts are hurting our regions and costing jobs for our citizens when there is no need to make the cuts. The money jar is full and overflowing, yet the Harper government continues in the heartless and shameful penny pinching.

An hon. member: You can't say "Harper".

Mr. Ken Boshcoff: Did I say that? I apologize immediately.

The Acting Speaker (Mr. Andrew Scheer): Order, please. The member should refer to colleagues by their riding names or by their titles.

Mr. Ken Boshcoff: When I do something wrong, I appreciate the chastisement. Thank you, Mr. Speaker.

I will take a moment to expand further on the effects of the youth employment service cut for my riding.

Launched in 1997, the youth employment program has been instrumental in developing Canada's workforce of the future by providing young Canadians access to programs and services that help them gain the skills, knowledge, career information and work experience they need to find and maintain employment. In the Thunder Bay—Rainy River riding, the program has provided assistance to over 250 youths each year.

In just a few months, youths across the riding will start looking for a summer job. Little do they know the extra challenge they will now face in this search. By cutting the summer work experience program in half, the government has eliminated funding for over 125 student jobs across my riding. Many of the businesses that participate in the funding program cannot afford to hire a summer student without this assistance. Because of this heartless funding cut, students will have an even tougher time finding a job this summer.

However, the bad news does not stop there. What if our youth are unable to find summer jobs? Will they be forced to take out additional student loans to pay for post-secondary education or,

worse, will they need to postpone their education plans in order to save enough to cover the costs?

• (1355)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with great interest to my colleague's speech. I was interested in his comments on youth employment, but I am more interested in the whole notion of regional sourcing and the role we can play to ensure that Canadian contracts are given to Canadian companies. I think people would notice the work that was done with the city of Toronto to ensure the streetcar contract went to Thunder Bay. That was a very good and wise move economically.

The question we are debating today, however, is that members of one party can throw a political hissy fit when they do not get the arbitrary numbers they throw out to a private Canadian company. They are insisting on 60% of a contract. What kind of role will we play when every contract that comes forward will have to go to our colleagues across the way for them to set the arbitrary standard of jobs? If the rest of the country gets its own little pittance, that is not so bad, but they want to ensure they can set the arbitrary numbers.

Does my hon. colleague accept the principle that has been put forth by members of the party opposite; that they want to be the ones who decide how industrial strategy in Canada will be developed, how job quotas will be set and who will be at the trough first before anybody—

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Thunder Bay—Rainy River.

Mr. Ken Boshcoff: Mr. Speaker, if that was a question, then I am certain I do not accept the premise.

When we talk about what government can do, which is the rational I have tried to use in to make my argument, if there is public money for infrastructure funding, particularly in public transportation, we have an opportunity to encourage and embellish Canadian technology, job training and the labour market. Indeed, by developing a public transportation buy Canada policy, it would allow everybody in the House to benefit. This would be something that we could export to the world. It would create manufacturing jobs not only in my riding of Thunder Bay—Rainy River, but for people throughout the country in other regions.

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, my question to the member for Thunder Bay—Rainy River will be very short.

First of all, what does he think about the fact that the Boeing contract was given without tenders, a decision that was taken by a government that brags about having almost invented the concept of transparency and accountability?

*Statements by Members**[English]*

Mr. Ken Boshcoff: Mr. Speaker, I hope the concern is shared by everyone in the House, that this is an export of Canadian technology. When we know it could be done in Canada, it hurts us even more. I agree with the questioner. Her case is very valid and I would certainly support her.

STATEMENTS BY MEMBERS

*[English]***GEORGETOWN HOCKEY HERITAGE AWARD**

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, Georgetown is a real Canadian hockey town. It is the home of the Little National Hockey League and Canada's second oldest continuously operating arena. Since 1978, the Georgetown Hockey Heritage Council has honoured people who have contributed to Georgetown's hockey heritage.

On Monday, March 5, Bob Hooper will receive the Georgetown Hockey Heritage Award. Bob began playing hockey on the Credit River in Glen Williams, Halton county, a quintessential Canadian experience. He has coached and served on many local and provincial hockey organizations and is currently the commissioner of the Ontario Provincial Junior Hockey League, the largest junior hockey league in the world. As commissioner, Bob sits on Hockey Canada's Provincial Junior Board of Governors.

I ask all members to please join me in congratulating Bob Hooper for his commitment to hockey heritage, not only in Georgetown but across this great country of Canada. I salute this very worthy recipient of the 2007 Georgetown Hockey Heritage Award.

* * *

• (1400)

VARLEY ART GALLERY

Mrs. Susan Kadis (Thornhill, Lib.): Mr. Speaker, recently I had the honour of attending the opening of an unique art exhibition titled "Canadian Artists Without Borders" at the Varley Art Gallery of Markham. The multimedia display features the work of artists who have been living in Canada for 10 years or less. This special exhibition launches the Varley Art Gallery's 10 year anniversary celebration.

I am very proud to support my constituent, Shamsi Sharokhi, as a featured artist in this exhibit. Shamsi has pioneered an award winning painting technique called heat drawing, where she creates images and shapes on thermal papers by applying heat to their surfaces. Her beautiful artwork as well as the creations of 22 other artists from 15 different nations are displayed in the show.

Art enhances the quality of our lives. I encourage everyone in the House to visit the exhibit which is on until May 13. Together we can support and appreciate the significant contributions new Canadians are making to our country in all areas, including art.

I applaud the participating artists who are sharing their remarkable talents and therefore are helping to strengthen the cultural fabric of our nation.

*[Translation]***SUMMER CAREER PLACEMENTS PROGRAM**

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, this government decided to make cuts to the summer career placements program that enabled our young students to become familiar with the workplace and made it possible for community organizations to offer their range of services during the summer months.

Every year, students and organizations count on this support program. They are now experiencing doubt and insecurity because they do not know if this support will be available next summer.

Since last December, the Service Canada website has said that the request form will be available in early 2007. It is still not available. Many organizations have contacted us to find out if the program has been cut or abolished by this government, which has sown seeds of doubt concerning the survival of this program.

Community organizations and students have the right to know. The Bloc Québécois condemns the current government's attitude.

* * *

*[English]***NATIONAL WATER POLICY**

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, today I introduced a motion that seeks to establish a national water policy for our country.

First and foremost, the motion calls on the government to recognize that access to water is a fundamental right. The issue of air quality has rightly jumped to the top of the political agenda recently but we must not forget about the importance of clean, safe water.

The motion also calls for a ban on the bulk export of water and strict restrictions on new diversions. It also opposes any move toward the privatization of water services. This would recognize that access to water is a basic human right and not a commodity.

As parliamentarians, it is our duty to ensure that water is protected for all Canadians. It is the government's responsibility to implement a national investment strategy that enables municipalities and aboriginal communities to upgrade desperately needed infrastructure.

The government must recognize the UN Economic and Social Council findings and the International Covenant on Economic, Social and Cultural Rights that access to clean water is a human right.

*Statements by Members***HUMAN RIGHTS**

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, in October 1998, the House gave unanimous consent to a motion that called upon the government of Iran to end its oppression of the Iranian Baha'i community.

The government of Iran has not done so. Instead, it is increasing discrimination and other human rights violations against the Baha'is. Not only are the 300,000 members of the Iranian Baha'i community prevented from practising their faith, but its government continues to imprison Baha'is on the basis of their religious beliefs.

One hundred and twenty-five people have been detained since 2005, many of them young people who have been denied the basic right to post-secondary education unless they recant their faith, and the Iranian government is also stepping up its efforts to identify and monitor the Baha'is.

In December, the United Nations General Assembly adopted a resolution on the situation of human rights in Iran that was sponsored by Canada. I encourage our government to continue working with the international community to denounce human rights abuses against the Iranian Baha'is and to encourage the government of Iran to respect its human rights obligations.

* * *

[Translation]

**ACKNOWLEDGMENT, COMMEMORATION, AND
EDUCATION PROGRAM**

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, in 2005, the Liberal government signed agreements in principle worth several millions of dollars with various cultural communities as part of its acknowledgment, commemoration and education program, the ACE program.

The program was designed to repair the damage caused in the past to members of communities that had experienced injustices. For example, some Italians were imprisoned and labelled enemy aliens during the second world war. Without warning, the Conservatives decided not to respect these commitments.

This agreement was signed in good faith with representatives of the Italian and Ukrainian communities. This government does not have the right to not honour it. Once again, these mean-spirited withdrawals are just one more example of this government's extreme arrogance.

I would also like to know why it thinks it can intimidate and betray these communities that have given so much to Canada, and sully the memory of victims of past injustices.

* * *

● (1405)

[English]

LEGION OF HONOUR RECIPIENT

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, it gives me great pleasure to rise in the House today to pay special tribute to my constituent and local hero, Fred Marriott.

Mr. Marriott is a World War II veteran and a member of the West Kildonan Legion. He served with the Queen's Own Cameron Highlanders Infantry Regiment. During his time of service in Europe, Mr. Marriott was wounded three times and received several medals and decorations, including the Canadian Volunteer Service Medal with Overseas Bar.

For the exemplary and outstanding service that he demonstrated during the fierce battles of the liberation of France and Europe, the President of the French Republic will be awarding Mr. Marriott with the Legion of Honour.

The Legion of Honour is France's highest civilian honour. Mr. Marriott is one of only 50 veterans in Canada who will be bestowed this most prestigious award.

I would like to extend my sincerest congratulations to Mr. Marriott for his service and dedication to our country.

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[Translation]

SHAWINIGAN VOLUNTEER CENTRE

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, last Saturday in Saint-Maurice—Champlain, a highly anticipated and important annual dinner was held. More than 440 people from various community organizations in the area attended the Shawinigan volunteer centre appreciation night. I would like to point out that this event, which acknowledges the exceptional contribution of volunteers in our community, was very well attended. The volunteer centre took this opportunity to circulate the Bloc Québécois petition denouncing the cuts to the summer career placements program.

Representatives of non-profit organizations attending the event are among the most affected by the unwarranted cuts by the Conservative government. More than 360 signatures were collected. This carries even more weight because these people work in this sector. These individuals are shocked by the 50% reduction in funding to a program that is vital to the training of youth in their communities. I am submitting this petition on their behalf.

* * *

[English]

INTERNATIONAL HUMAN RIGHTS

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, this week, Canada was named as a top defender of human rights in the international arena.

UN Watch, a respected NGO, released its assessment entitled, "Human Rights Scorecard: Canada at the UN 2006-2007". This is an assessment of Canada's record on human rights and democratic values at the United Nations Human Rights Council and the General Assembly.

Canada was singled out for taking a leadership role in the new 47 member Human Rights Council founded in June to replace its dysfunctional predecessor, the human rights commission.

Spokesman, Hillel Neuer, told MPs that “Canada led the resolution that holds Iran to account for its policies of torture, arbitrary arrest and suppression”. Canada spoke out about abuses in Belarus, Burma, North Korea and Uzbekistan but we were missing in action when it came to China's violation of civil, political and religious rights.

As a middle power, Canada can play a significant role as a voice for the suffering people of the world. We are making a difference but the continuing violence, hatred and suppression of political and religious expression remains a huge challenge to all nations and governments that value freedom, peace and democratic empowerment.

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AFRICA

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, the 1950s and 1960s brought about significant changes to Africa when many countries established their independence.

In sub-Saharan Africa, the first of these events started in the early months of 1957. As the result of a UN-sponsored plebiscite, a new country was formed in West Africa by the merger of the British colony Gold Coast and the British Togoland trust territory. On March 6, 1957, this territory became Ghana, and this month, March 2007, marks the 50th anniversary of its independence.

With a vibrant population of approximately 21 million, Ghana is a country known for its effervescence and is a model for political and economic reform in Africa.

On behalf of the Canada-Africa Parliamentary Association, I wish Ghana and its population peace and prosperity. I also take this opportunity to convey my best wishes to Canadians of Ghanaian origin who add, by their very presence, to Canada's socio-economic fabric.

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●(1410)

CANADIAN MEDICAL HALL OF FAME

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, today I would like to ask all my colleagues in the House to give special recognition to a colleague in the other place, Senator Dr. Wilbert Keon.

Senator Keon, who is also a cardiologist, is among five outstanding individuals for 2007 chosen to be inducted into the Canadian Medical Hall of Fame. These inductees have forever changed the world's health care landscape.

The Canadian Medical Hall of Fame is the only national organization dedicated to celebrating the accomplishments of Canada's medical and health science heroes.

Senator Keon was instrumental in the founding of the University of Ottawa's Heart Institute. Senator Keon, who continues his selfless efforts in the medical field and freely provides his expertise to many worthwhile health causes, is well-deserving of this special recognition.

Statements by Members

I urge all parliamentarians to offer Senator Dr. Wilbert Keon sincere congratulations.

* * *

ASBESTOS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, we would need to be crazy to put asbestos in children's toys. We may as well put razor blades in Halloween apples.

However, the new Conservative government thinks it is okay. Its new asbestos regulations say that it is okay to put asbestos in children's toys, drywall mud and spray-on fireproofing. This is stupidity beyond belief. Asbestos is the greatest industrial killer the world has ever known. More people die from asbestos every year than all other industrial causes combined.

The rest of the developed world is actively banning asbestos in all its forms and yet Canada is still one of the largest producers and exporters of asbestos in the world. The government is spending millions subsidizing and promoting asbestos. We call it corporate welfare for corporate serial killers.

Putting asbestos in children's toys is a spectacularly bad idea. We should ban asbestos in all its forms and shame on the government for promoting a killer and exploiting human misery.

* * *

UKRAINIAN CANADIANS

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, on November 25, 2005, under the previous Liberal government, an act to acknowledge that persons of Ukrainian origin were interned in Canada during the first world war and to provide for recognition of this event received royal assent.

The objectives of the statute include promoting a better public understanding of the consequences of ethnic, religious or racial intolerance and the important role of the Canadian Charter of Rights and Freedoms. The statute provides for negotiations to take place between the Government of Canada and Ukrainian Canadian organizations in respect of measures that may be taken to recognize the internment.

It has been well over a year since this important bill became law and the government has not lived up to its commitments. It is high time the government takes action and ensures that Canadians never forget what happened to Ukrainian Canadians.

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[Translation]

SPECIAL OLYMPICS

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, from March 9 to 11, 2007, Salaberry-de-Valleyfield will be hosting the Special Olympics Provincial Winter Games under the theme “My sport, my passion, my victories”.

This major sports event will bring together 370 athletes with an intellectual disability and over 350 coaches and volunteers.

Oral Questions

In Quebec, more than 3,600 athletes with an intellectual disability train and participate regularly in one or more of the 14 sports. For the Bloc Québécois, the Special Olympics are more than just a sports competition. This organization helps athletes realize their potential and gain the confidence needed to integrate into society.

It is with joy that I welcome the families, trainers, attendants, and particularly the athletes. I hope as many people as possible will attend and that everyone really enjoys the Games.

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[English]

MINISTER OF FINANCE

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, it seems that our finance minister, who was a central figure in the Mike Harris—Ernie Eves cabinet, is bringing back some of those old accounting gimmicks. I am talking about the alleged balance budget that turned out to be a \$5.7 billion deficit.

Only a Conservative thinks a \$5.7 billion deficit is a balanced budget. How do the Conservatives do it?

First, they promised to make program cuts, quickly spent the savings but then never cut anything at all. Today the government has done exactly the same thing to the tune of \$2 billion.

Second, they announced the sale of crown assets, spent the money, but forgot to sell the assets. Today we hear that the government plans to sell \$7 billion in federal buildings.

I hope this Mike Harris holdover will do a better job for the people of Canada than he did for the people of Ontario.

* * *

•(1415)

[Translation]

EMPLOYMENT INSURANCE

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, yesterday, the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities heard witnesses on Bill C-269, a Bloc Québécois bill that proposes significant and costly changes to Canada's employment insurance system.

This afternoon, the committee will do the clause by clause study.

When asked about the costs associated with specific clauses, the hon. member for Laurentides—Labelle, who is sponsoring the bill, could not provide any explanation. We asked her to explain the costs three times, and she dodged the question all three times.

Does the Bloc not understand? Perhaps it has so much trouble with public funds because it has never been in power, and never will be.

How can we support a bill if we cannot rely on the numbers put forward by the Bloc Québécois? The Bloc already introduced a similar bill during the previous Parliament. It was defeated. The Bloc has had over a year to do its homework, yet, it failed again. What a surprise.

ORAL QUESTIONS

[English]

GOVERNMENT POLICIES

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, Canadians wonder why the Prime Minister attacks the independence of our courts and imposes his ideological cuts on the most vulnerable Canadians. He gave the answer. He called Canada "a northern European welfare state in the worst sense of the term". He said that our courts were "biased".

Will he admit that when he boasted that he would change Canada into a country that we would not recognize, what he had in mind was his right wing republican agenda?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I would like to point out that I am a monarchist not a republican.

I would point out that this is the government that dealt with the Chinese head tax apology and redress. This is the government that launched the Air-India inquiry after 20 some years. This is the government that settled the compensation for hepatitis C sufferers. This is the government that finally signed a residential schools agreement. This is the government that cut immigration landing fees. This is the government that does things on social justice.

He did not get the job done.

* * *

IMMIGRATION AND REFUGEE BOARD

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the Conservatives did nothing for aboriginals, nothing for child care, and nothing for social justice.

[Translation]

Now at the Immigration and Refugee Board the president and the five remaining members of the advisory council have resigned. They are saying that the government is manipulating the system, and many monitoring and immigration agencies support them.

When will this Prime Minister stop manipulating our public institutions? When will he realize that it is his duty to respect the rights and needs of all Canadians?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, our government promised to put an end to the Liberal culture of entitlement at the IRB.

We have a report drafted by a non partisan and highly respected civil servant. He made nine recommendations for accelerating the process in order to make it more open and more accountable. We are in the process of accepting all the recommendations.

Oral Questions

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, when so many agencies are telling the Prime Minister that he is politicizing their agencies, the least he could do is listen to them. But that does not interest him.

[*English*]

The Prime Minister has shown how intolerant he can be toward those who do not fit within his neo-conservative agenda, including now Senator Segal and Senator Meighen.

When will the Prime Minister explain to Canadians why he is manipulating independent public institutions to reflect his narrow minded political agenda?

• (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I said, this is the government that is cleaning up the mess at the IRB. In fact, the minister has just named a respected individual to act as acting president of this organization.

We are putting in place a new selection system so we do not have what we had before like the member for Westmount—Ville-Marie appointing her former husband as a member of the board, like the husband of the member for Notre-Dame-de-Grâce—Lachine as a member of the board, and a number of members who were under serious allegations and criminal charges.

That is the mess we are cleaning up. That is the Liberal culture of entitlement and we are getting rid of it.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, if that is cleaning up the mess, then the Prime Minister will have to explain why six members of the immigration board, including a career civil servant, saw fit to resign rather than to serve further under this regime.

When the Prime Minister stacked the judicial appointment committees, the legal community rang the alarm bell, but he did not listen. Now members of the Immigration and Refugee Board have stepped down. Again, the Prime Minister will not listen.

This is not leadership. This is bullying. It is not governing. It is campaigning, campaigning to—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, Mr. Fleury, the chairman of the board, stepped down after 42 years of distinguished public service so that he could retire. I think he is entitled to it and we should thank him for his service.

As for other members, all I can say is that we are putting in place a process highly recommended by a highly respected non-partisan civil service. That is what we are doing. All the Liberal Party cares about is making appointments from the grave and that is not going to happen.

[*Translation*]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I will try again. The Immigration and Refugee Board is the last resort for those facing deportation. The qualifications of the members have to come before all political interests. This Prime Minister wants to control the board with his supporters.

Why does this Prime Minister not respect the independence of our institutions? Why is he trying to recreate them in his own image?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, under this government, the Immigration and Refugee Board will be presided over by a highly respected non partisan individual. Under the former government, the hon. member for Westmount—Ville-Marie appointed her ex-husband to the board. Furthermore, the husband of the hon. member for Notre-Dame-de-Grâce—Lachine was appointed and a number of members were under serious allegations.

[*English*]

It is this party that is cleaning up the mess.

* * *

[*Translation*]

AEROSPACE INDUSTRY

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Sue Dabrowski, general manager of the Quebec Aerospace Association, had this to say about the contracts awarded to Boeing and Lockheed Martin: “Economic spinoffs like these come along once every 30 years...We have to take this opportunity to protect the industry in Quebec, just like the government has protected the automotive industry in Ontario...This is public money. It should be used wisely”.

Will the Prime Minister do his homework and use taxpayers' money responsibly by making sure Quebec gets its fair share, 60%?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, we are rebuilding the Canadian Forces. There will be many contracts with economic spinoffs for all the industries connected with National Defence across Canada.

Quebec will see many real benefits. This is completely different from the imaginary economic spinoff from the Bloc leader's high-speed train.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, unions and companies are demanding exactly the same thing: that Quebec's aerospace industry receive 60% of the spinoffs.

Why is the Prime Minister so determined to go his own way on this? What interests is he defending at Quebec's expense?

• (1425)

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, we are defending the interests of Quebec and Canada. We are delivering 100% of the economic spinoffs, but the leader of the Bloc Québécois is unable to deliver economic spinoffs for Quebec.

The Bloc Québécois lost ground in Quebec during the last election campaign, and the leader of the Bloc Québécois has called that the “mystery of Quebec”. He should have called it his Quebec nightmare.

The Bloc Québécois has become the “Montreal Bloc”. Count on me in the next election campaign. We are going to be able to rename the Bloc Québécois the “Laurier—Sainte-Marie Bloc”.

Oral Questions

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, according to the *Journal de Montréal*, on July 17, 2006, the Minister of Industry stated that, "If the Quebec industry accounts for over 50% of Canada's aerospace industry, it should get its fair share of contracts".

Could the minister tell us what has changed since then to make him now refuse to get involved to ensure that Quebec does get its fair share?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I have always said that I am confident the aerospace industry in Quebec and Canada can position itself favourably following these military procurements.

In this House, which parties can get economic spinoffs for the aerospace industry? Certainly not the Bloc Québécois, because it will never be in office. Certainly not the Liberal Party, because it was in office for 13 years and it did not do anything. In fact, it cut the national defence budget. Certainly not the NDP, because it turns its back on our armed forces.

We are acting for our armed forces and for the aerospace industry.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the total spinoffs from aerospace military contracts represent billions of dollars and thousands of quality jobs.

With close to 60% of the aerospace industry located in Quebec, this means 37,000 person years of employment. However, Quebec may get only 30% of those spinoffs.

Does the minister realize that, by letting Boeing do as it pleases, it is depriving Quebec of 18,500 person years of employment? This is not political partisanship, it is about jobs in Quebec.

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, what we require from Boeing under our industrial development policy is economic spinoffs in Canada, to the tune of one dollar for each dollar. We want quality economic spinoffs. This is what we demand, and this is what we are getting.

I am asking the Bloc Québécois member to tell me what his party could demand for the aerospace industry? The answer is nothing, zero, *niét*. It cannot demand anything, and it cannot deliver anything.

* * *

PROSPERITY GAP

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the gap between the rich and the poor is becoming larger and larger. The Conservative government, like the previous Liberal government, is doing nothing about it.

A report released today shows that the average person's income has remained the same. According to this report, the majority of Canadians are not benefiting from the booming economy they have helped build.

Will the Prime Minister realize that the measures he has put forward have in no way helped diminish this growing gap?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the answer is yes.

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, that is an interesting answer. The Prime Minister apparently does not care that the prosperity gap in this country is growing and that it is growing under his watch. The idea that the rich are getting richer while middle class hard-working Canadians work longer hours and do not get any increased share of the economy that they are building is just fine by him.

Why will he not turn around and produce a budget that actually works for the hard-working middle class families of this country, that does something for their kids, for seniors, that delivers what communities need, instead of adopting a glib response like that in this House of Commons?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the leader of the NDP asked us if we would do anything that would make the income gap worse in this country. The answer of course is that we would not do that, that we will continue to produce policies that will benefit most strongly working Canadians and their families. That is what the Minister of Finance did last year and that is what we fully expect him to do this year.

* * *

● (1430)

[Translation]

GOVERNMENT PROGRAMS

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, the Conservative government is trying to impose its ideology on the lives of every Canadian. The government's actions are based on the belief that everyone in our society must fend for themselves. Nothing is further from the truth. Consider, for example, someone with a disability, someone forced to sleep in the street or someone who does not know how to read or write.

Why did the Prime Minister decide to slash services to the most vulnerable members of our society, while swimming in a surplus? Why will he not help all Canadians succeed in life?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the member is simply wrong. The Prime Minister and this government have delivered all kinds of services for people who are at the low end of the income scale. The universal child care benefit is one example. A cheque goes every month to 1.4 million families, benefiting 1.9 million children. In addition to that, we have cut the GST. We have provided a textbook tax credit for students. We have done a lot more. We are acting, where the previous government failed to get the job done.

[Translation]

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, the neo-conservative ideology that guides this government does nothing to help many Canadians in need. It is a fallacy to believe that everyone has the ability to thrive without help from the community.

Why cut support to volunteer initiatives, access to affordable housing and the court challenges program? Why make these systematic cuts to social programs that create equal opportunity for all? Why does the Prime Minister not understand that the government has a role to play in the lives of Canadians?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, that is a bit rich coming from the member across the way. After all, it was the previous government that targeted the most vulnerable people in society when the Liberals introduced their spending reductions, \$25 billion out of the social safety net. At the same time, the Liberals preserved the funding for subsidies and grants that went to their friends. That was the source of funding that led to the sponsorship scandal. The member should be ashamed for asking that question.

* * *

CHILDREN

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, the government's right-wing ideology is again targeting children. Some \$3.5 billion for early learning and child care has already been cut. Now we hear that the health department is preparing to axe the two programs that serve Canada's most vulnerable preschool children, that is, aboriginal head start and the community action program for children.

How can a government that inherited a booming economy and billion dollar surpluses justify targeting children for health program cuts?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I can certainly assure the House that the hon. member's facts, figures and assertions are completely incorrect. We support our funding for children. We support, in particular, the children at risk in aboriginal and Inuit communities.

All I can say is that after \$25 billion of social service cuts by the previous Liberal government, provinces found it more difficult to deal with social services issues. First nations communities found it more difficult. That is the Liberal record. Our record is considerably brighter for the future of Canadians.

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, those cuts were in response to the \$42 billion deficit that the Conservative Party left us.

We know that the finance minister has a history of cutting social programs. He did it happily in Ontario. How will he explain to parents who take their children to one of the 590 locations that provide these programs for vulnerable preschoolers that they no longer exist?

Instead of taking away from children yet again, why does he not do an about-face and do something out of character and actually invest in children in the next budget?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, the question is premised on a complete fiction. This government is supporting kids' services. We have done it in terms of our tax policy. We have done it in terms of our social

spending. We have done it in terms of our first nations and Inuit policy. That is the record of this government.

The Liberals' record is a record of cuts, a record of making sure that their friends were covered, but when it came to the delivery of social services for the average Canadian or for the at risk Canadian, they did not deliver. That is their record.

* * *

[Translation]

CITIZENSHIP AND IMMIGRATION

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, Nick Summers, one of the members of the advisory panel for appointments of immigration board members who has resigned, stated:

We were told by people in the government that the Minister did not like the makeup of our panel and that we were not submitting the names to him that he wanted to see.

How can the government explain its desire to go back to appointing people who think like it rather than basing those appointments on competence alone?

• (1435)

Hon. Diane Finley (Minister of Citizenship and Immigration, CPC): Mr. Speaker, Canadians elected us to put an end to the culture of entitlement. That is exactly what we are going to do.

I am therefore announcing today the appointment of Brian Goodman as the non-partisan interim Chair of the IRB. I am looking forward to working with him to ensure that all future appointments are based on merit and that the system is still transparent and is more accountable.

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, the government can keep on saying that it does not want to appoint people who share its ideology to be immigration board members, but the numbers speak for themselves.

How does the government explain that it is refusing to appoint new board members, despite the fact that the selection board has given her dozens of recommendations and that 52 out of the 156 positions are still vacant?

Hon. Diane Finley (Minister of Citizenship and Immigration, CPC): Mr. Speaker, this government does not intend to keep using a flawed process. The new merit-based appointment process will be more effective, more efficient, more transparent and more accountable.

What does the opposition have against an appointment process based on merit and greater accountability?

Oral Questions

HEALTH

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the ideology behind the change of direction the government wants us to take is starting to take shape. Judicial appointment committees are being stacked, the immigration board member appointment process is being changed, and efforts are being made to control Assisted Human Reproduction Canada, among other things by appointing to it known opponents of the right to abortion.

How can the Minister of Health explain that there is no embryonic stem cell research and fertility treatment specialist at Assisted Human Reproduction Canada, but there are avowed pro-lifers?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, as far as the composition of this commission is concerned, what is clear is the importance of having a diversity of opinions to represent Canadians. The people have a variety of skills in order to address complex issues. The agency can consult whomever it wishes for assistance with its research and responsibilities.

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, how does the Minister of Health think the members of Assisted Human Reproduction Canada will be able to perform their duties if their appointments are based primarily on their anti-abortion stand rather than their expertise in assisted reproduction? Once again, the government is surrounding itself with like-minded people.

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, that is totally incorrect. I have confidence in the competence of all AHRC members. I can state that they represent a wide variety of opinions. I can also say that there is, of course, far more going on there than there was under the former government. There is now more direction and more protection for women in this context.

* * *

[English]

NATIONAL DEFENCE

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, in a recent article in *FrontLine* magazine, Ken Rowe, CEO of IMP Aerospace, said that the Canadian industrial sector is being jeopardized with the government's defence procurement strategy. He said that this is not only a threat to thousands of Canadian jobs but it also increases the sovereignty and security risk to Canada.

The point of defence investment is to strengthen our sovereignty. Why is the government's defence procurement strategy actually weakening Canadian sovereignty?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I am a bit surprised that the Liberal Party is attacking us on defence procurement.

In December 2000, when the previous Liberal government signed a contract with Boeing for the CF-18, it asked for only 17% show of benefits. We are asking for 100% show of benefits for Canadian industry.

Once again, the Liberals failed. We are delivering on a job that the Liberals did not get done.

● (1440)

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the in-service support for that contract was provided by Canadians, unlike this new contract with Boeing which is going to be provided by Americans.

The American ITAR law dictates that Canadians with dual citizenship with any of 25 ITAR listed countries are banned from working on the Boeing contract. There are Chinese Canadians who need not apply, Haitian Canadians who need not apply, Sudanese, Rwandan and Vietnamese Canadians who need not apply.

Will the government explain to these Canadians why their tax dollars are being used to buy planes that they are not allowed to work on?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, it is very interesting to see the member standing up for his region.

When it comes to the subject of ITAR, we have acted with the greatest dispatch. We have taken this issue to the highest levels of the American government. We continue to have negotiations, including a working group that was set up here in Ottawa.

However, when the member speaks of protecting his own region, I would remind him of his own words when he said, "I'm an Atlantic Canadian MP who had the guts to say ACOA isn't working for Atlantic Canada".

Getting rid of it and replacing it with dramatic tax reform for Atlantic Canada, scrapping ACOA, getting rid of regional development, is what that member is about, no credibility in that party or when he was in this one.

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, speaking of no credibility, they do nothing for ITAR. That is for sure.

[Translation]

It seems—

Some hon. members: Oh, oh!

[English]

The Speaker: Order. We have moved on to the next question. There seems to be a general disturbance in the House today that does not seem to quell itself. We would like a little less noise.

[Translation]

The hon. member for Bourassa has a good voice, but we need a bit of silence in the House so that everyone can hear him. He now has the floor.

Hon. Denis Coderre: Mr. Speaker, it seems increasingly obvious that the Minister of Industry, employee of the month at Boeing, interprets his job description in many ways.

Oral Questions

He brags about not getting involved in these files because he considers that to be patronage and political interference, so, can he explain the coincidence between the contract that CAE will receive for training the crews of the future Hercules and Chinooks, and Derek Burney, Brian Mulroney's former chief of staff, CEO of CAE from 1999 to 2004 and head of the transition committee for the current Prime Minister—

The Speaker: The hon. Minister of Industry.

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I am once again surprised by the sudden interest of my colleague from Bourassa when we talk about economic spin-offs in Canada from military contracts. When he was at the cabinet table the first thing he did was cancel the contract awarded by the former government of Brian Mulroney for procuring helicopters to replace the aging Sea Kings. That was the first thing he did.

What was the fallout? Zero benefit for Canada, a loss of \$3.8 billion in economic spin-offs and \$570 million in penalties.

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I want to wish the Minister of Industry a speedy recovery because the way he is negotiating, I know he has chronic knee pain.

The Minister of National Defence has already admitted that, as a lobbyist, he met with an officer of his department to sing the praises of the Stewart & Stevenson trucks. The irony: do you know who has final say on approving the technical requirements of military procurements? The Minister of National Defence himself.

Can the lobbying minister give us the name of the officer he met with to sell his trucks? Why did the minister not withdraw from this file? Does he want to ensure that his former clients get the contract?

[English]

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, the member for Bourassa is always looking for a scandal. Perhaps he should look in the mirror, or perhaps he should look in the Gomery report, in which he is named. That person is one of these bottom-feeders who is always looking for a scandal. There is no scandal here.

* * *

• (1445)

THE ENVIRONMENT

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, *The Globe and Mail* reports that the Liberal environment critic has praised a carbon tax that would cost Canadian families \$100 billion, yet the Liberal leader has stated that he is opposed to a carbon tax. They flip and they flop.

Could the Minister of the Environment tell the House if he thinks that forcing Canadian families to pay \$100 billion in higher taxes is good policy?

Hon. John Baird (Minister of the Environment, CPC): No, Mr. Speaker.

The leader of the Liberal Party said that he was against a carbon tax. The deputy leader of the Liberal Party said that he was in favour of a carbon tax. Then the leader of the Liberal Party said that he was rejecting a carbon tax.

Now we learn that a big battle is taking place right within the Liberal Party caucus to bring in a big tax whack called a carbon tax on Canadian families. Let us be very clear. The only thing standing in the way of a large, mother of all tax increases, is the Conservative Party and the Prime Minister.

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CANADIAN WHEAT BOARD

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, representatives of Real Voice for Choice have come to Ottawa this week to speak on behalf of 70% of western Canadian farmers who support the Wheat Board's single desk.

The minister refuses to meet with them personally. The minister is also saying that the Wheat Board is supplying grain to Algeria at a low cost. The minister has the actual sales numbers, which he should not reveal, but if his published statements are opposite to the actual sales figures, opposite to the truth, will he apologize to farmers for issuing the slander and will the minister also commit to meet with representatives of Real Voice for Choice and hear their concerns?

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I heard about the real voice for change group. They met the other day. I think there were about 30 of them who got together. It was a completely non-partisan event. David Orchard introduced the Leader of the Opposition and it just went on from there.

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AFGHANISTAN

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, yesterday it was reported that Brigadier-General Tim Grant signed a new agreement for the handling of prisoners in Afghanistan. The agreement is reported to include a role for the Afghan independent human rights commission to monitor detainees.

I asked for a new agreement for detainees at the very first sitting of this Parliament, in question period, because the existing agreement did not live up to Canada's human rights obligations.

Will the minister table this new document in the House before the March break? When will he release this new agreement to the Canadian people?

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, the member sounds outraged that we actually have the human rights group involved in our handling of detainees. However, I will table a copy of the document as soon as I get it.

*Oral Questions***INCOME TRUSTS**

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, the finance minister has a \$25 billion hole in his budget. Thousands of ordinary, hard-working Canadians were devastated by the minister's bull in a china shop attitude toward income trusts.

Will the finance minister, before it is too late, adopt the recommendations of the finance committee and deal with these aggrieved Canadians and restore their hard-earned money in the budget?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, what we will not do is bring in a \$20 billion tax increase for Canadians, as suggested by the critic for the environment opposite. That would be a 20% tax increase for working families in Canada, or four points on the GST. The Liberals could increase the GST to 10%, if they wanted to raise \$20 billion.

We went the other way. We reduced taxes over two years by \$20 billion in budget 2006, one of the largest tax decreases in the history of the country.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, it appears that the bull is still loose. That is just precious. We get legislation but no compensation. This is typical of the bully government, the bully Prime Minister and the bully finance minister. Instead of being prudent and careful, they bulldoze everything in sight.

Will the finance minister help these devastated people and compensate them in the budget?

• (1450)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, there is a lot of bull going on. We took real steps to reduce taxes in budget 2006. We reduced the GST by a full percentage point, which in and of itself is a tax reduction, a permanent tax reduction year after year for Canadians of more than \$5 billion. We also took more than 650,000 working Canadians totally off the federal tax rolls. That is a true tax reduction for those Canadians. They are taxed zero.

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[Translation]

OFFICIAL LANGUAGES

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, a Senate report has warned us that the Olympic Games may be an embarrassment for Canada in terms of the use of French. The Commissioner of Official Languages tells us that the CRTC is not meeting its obligations in respect of official languages, and the Minister of National Defence does not even believe in bilingualism in the armed forces.

When is this government going to realize that in Canada, in our country, there are two official languages—not one, but two, and I can even name them if the minister wants?

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, our government is firmly committed to promoting the linguistic duality of Canada, whether through the transformation model announced by my colleague the Minister of National Defence or during the 2010 Olympic Games.

Now, how can the member justify a \$100 million cut to the official languages budget when the Liberals were in power?

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, how can she explain the brutal cuts to official languages in the case of the court challenges program?

The Commissioner of Official Languages finds it difficult to reconcile the minister's intentions with the actions of the government to which she belongs.

In other words, the minister says one thing and her government does another. She talks about linguistic duality, but her colleague the Minister of National Defence abandons francophones in the armed forces. She says she wants to support communities, but her Prime Minister cancels the court challenges program.

How does the minister feel, knowing that she has no credibility, no power and no authority in her own portfolio?

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, we have signed nearly \$1 billion in agreements with the territories and provinces: agreements on services for the minority communities in Canada, and agreements with the communities to enable them to promote their activities.

We are committed to official languages. We supported Bill S-3, and I am satisfied that my colleagues are going to fulfil their responsibilities in relation to official languages.

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AVIATION SAFETY

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, the Minister of Transport is in the process of implementing an aviation safety system that would have airline companies do their own inspections.

How can the minister say that his approach will not affect safety when airline companies will be the ones to decide for themselves what they are not doing correctly and to come up with their own requirements for changing the way they do things?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I had the opportunity to explain to my honourable colleague that the proposed changes will improve the aviation system and safety nationwide.

The new system is an add-on, an umbrella, that adds to the existing system. It is important to understand that we have not reduced the number of inspectors. On the contrary, we have raised it. We have also found that the number of accidents has decreased.

Oral Questions

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, we heard from the president of the Canadian Federal Pilots Association, and now it is the former aviation security commissioner, Mr. Moshansky's turn to sound the alarm.

In a statement delivered yesterday before the Standing Committee on Transportation, Infrastructure and Communities, he claimed that not only is Transport Canada preparing to make cuts to the current inspection system, the department is actively working to destroy it.

Does the minister understand that fewer inspectors means a greater risk of disasters, not greater safety?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I had the opportunity to review and listen to parliamentarians' deliberations that took place yesterday. This expert's testimony could not have been clearer. He said that the proposed system, the system that is now in place, will improve transportation safety. Personally, I think that safety is the most important thing. We will keep doing what we are doing.

* * *

• (1455)

[English]

THE ENVIRONMENT

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, today marks the beginning of the International Polar Year. Thanks to the Liberal budget of 2005, there are \$150 million this year for Canadian research projects in the north. However, the Conservatives have done nothing. They have abandoned Canada's polar regions. They eliminated the Arctic ambassador. They failed to invest in icebreakers and a deepwater port, as promised.

With global warming harming the north, why should Canadians trust the government to help northerners?

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I thank the hon. member for drawing to the attention of Canadians the commencement of International Polar Year and the initiative of this government in putting forward \$150 million of federal funding for 44 Canadian research projects. There are two priorities: climate change and improving and protecting the health of northern aboriginal communities.

This government will get things done. We will move forward in a way that the previous Liberal government never did.

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CANADIAN FORCES

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, in 1998 the House of Commons defence committee asked the government to put in place a real pension plan for Canada's reserve force. Nine years have passed and the reserves are still waiting.

Canada's reserve force is the last large federal public sector workforce without a pension plan. Our reserves are a key part of our defence team in our country. The Lincoln-Welland Regiment in my riding, as well as reservists across the country, deserve a pension plan.

What is the Minister of National Defence doing and what he has done to correct this injustice.

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, Canada's reservists do exemplary work both at home and abroad. We are particularly proud of their outstanding performance in Afghanistan.

It gives me great pleasure to announce today another step that the Conservative government is taking for our men and women in uniform. Reservists will now benefit from a pension plan effective today, March 1. In excess of 21,000 reserve force members will now be entitled to a pension. This change will improve the quality of life of our reserve members, encourage people to join the Canadian Forces and those members currently enrolled to continue their service.

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PASSPORTS

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, March break starts in a little over a week. Today I have three staff working exclusively on passports in my office, and it is not the only office. There is a crisis in passport service that has only become worse since early January.

We know that 500 new people have been hired and that Passport Canada staff are working flat out, but it is not improving the situation. Citizens are upset and angry. Our offices are not passport offices.

What is the minister doing to fix this?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, the member has already outlined part of what we are doing. We are hiring more clerical staff and more officials to ensure the security and integrity of those important passport documents. We have individuals, as he knows and has recognized, in the public service who are working extremely hard. Last weekend we had a major exercise to try to deal with some of the backlog. The same will happen this weekend.

We will continue to try to bring down the wait times. We are putting more Service Canada offices out there to collect and receive the passport documents. We are working very hard to deal with the effects of the western hemisphere travel initiative.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, this situation is going to get worse with the coming of the land crossing piece of the western hemisphere initiative next January. Northern, rural and remote Canada is being hit hardest as people drive 10 to 20 hours and pay for hotel rooms to access passport services.

Business of the House

Will the minister open up more passport offices? For example, there is no passport office in northeastern Ontario. He can open an office in Sault Ste. Marie, a border community with over a quarter of a million people within a three hour drive.

Passports are a government service and people are paying big bucks for that service. New passport offices would help clean up this mess.

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, as the hon. member knows, the passport cost has remained the same. In effect, it is done on a cost recovery basis.

We are looking at all options to improve the efficiency and effectiveness of how passports are currently handled. We are not going to sacrifice the security of these documents. They are highly sought after by international terrorists and others who use them for nefarious purposes. We will not sacrifice security for expediency.

Having said that, we will continue to examine all options, including looking at new office locations, new technology and new means to receive this information. I applaud the efforts of Passport Canada in its work.

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● (1500)

MULTICULTURALISM

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, on August 24, 2005, the Liberal government signed an historic agreement for \$12.5 million with the Ukrainian Canadian community for the acknowledgement, commemoration and education of Canadians of the dark episode of internment operations against Ukrainian Canadians. The program was to be administered by the Shevchenko Foundation.

The Conservative government outrageously cancelled the agreement and ripped it away from the Shevchenko Foundation. Will the government re-announce this Liberal initiative in its budget before Mary Haskett, the sole survivor of internment, dies?

Hon. Jason Kenney (Secretary of State (Multiculturalism and Canadian Identity), CPC): Mr. Speaker, this government did no such thing. This government will acknowledge and has acknowledged the injustice of first world war wartime internment measures.

That member should apologize to the community. He and I attended a Ukrainian event last week in Toronto where he stood up and said that the Liberals had “budgeted” \$12.5 million for the Ukrainian internment. That was a complete, blatant, and I believe deliberate falsehood.

* * *

SUDAN

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, in his latest report to the Security Council on Darfur, the United Nations Secretary-General reiterated that increasing violence has stretched the capacity of the African Union mission in Sudan. Canada has played a leadership role in supporting AMIS, but now it is clear that AMIS is desperately underfunded and under-equipped.

What is the status of Canada's support for this mission? Could the Minister of Foreign Affairs tell the House what our government is doing to ensure that the African Union's peacekeeping mission in Darfur is better equipped to protect the population at risk?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, I thank the member for his ongoing interest in the issues that affect Sudan and Darfur. I am pleased to tell him that Canada continues to support the African Union mission in Sudan and its efforts to promote the ceasefire and protect civilians. In fact, to this end, Canada has committed \$48 million to continue our critical support to the end of the AMIS current mandate of June 30, 2007.

We are among the largest donors, as he knows. In fact, my colleague from international development announced \$13 million just last week. We are a principal supporter of the African Union's mission in Sudan and our continued support includes 25 leased helicopters, two fixed wing aircraft, and money to the African Union to purchase fuel to fly this critical air support.

Canada continues to strongly support this mission. Can we do more? Yes, we will.

* * *

[Translation]

GHANA

The Speaker: As the hon. member for Ottawa—Vanier was reminding us, today marks the 50th anniversary of the independence of Ghana.

[English]

I want to remind hon. members that we are now all invited to join the Canada-Africa Parliamentary Association in Room 216 for a reception to celebrate the 50th anniversary of Ghana's independence.

* * *

BUSINESS OF THE HOUSE

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, I wonder if the government House leader would reiterate his plans for the business for the rest of today and tomorrow.

The next two weeks are a scheduled parliamentary break, so I wonder if the House leader could also specifically tell us what House business he is planning for that full week that we are back after the break, including all of the exact days that will be designated for the budget debate, the exact time of the budget votes, and the final supply day that he will designate before the deadline on March 26.

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, today we will continue the debate on the Bloc opposition motion.

Tomorrow I hope to start and conclude the debate on the third reading stage of Bill C-36. This relates to the Canada pension plan and old age security.

Next week and the following week will of course be constituency weeks and members will be working in their constituencies while the House is adjourned.

When the House returns on Monday, March 19, it is my intention to call the report stage of Bill C-10, the mandatory minimums penalty part of our agenda to make communities safer; Bill C-42, An Act to amend the Quarantine Act; Bill S-3, to do with defence; and Bill C-33, relating to income tax.

At 4 p.m. on Monday, March 19, the Minister of Finance will present his budget, as he has previously advised the House. Tuesday, March 20 will then be the first day of the budget debate. Wednesday will be day two.

I am currently asking that Thursday, March 22 be the last allotted day subject to any need to reschedule given that we are three weeks away from that day.

* * *

● (1505)

POINTS OF ORDER

STANDING COMMITTEE ON INDUSTRY, SCIENCE AND TECHNOLOGY

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I rise today on a point of order to seek a ruling with respect to a decision made by the Standing Committee on Industry, Science and Technology yesterday.

I want to say at the outset, Mr. Speaker, that I am raising this ruling to clarify rules with respect to committees, particularly as they pertain when there is a vote in this chamber.

I do want to acknowledge that all members of the committee, in my view, acted appropriately yesterday, as did the clerk. This is not to question any of their actions. The clerk of our committee was very helpful yesterday.

However, in my view, there are some rules that need to be clarified. I think you may help us in clarifying them.

The decision of our committee yesterday compromised the supremacy of the House and placed me and other members in a conflict between representing our constituents in the House and my responsibilities as a committee chair.

While we were debating a motion at committee yesterday, the division bells sounded to call members into the House for a vote. Accordingly, a motion to adjourn was moved but was defeated by the combined opposition.

The opposition wanted to continue the consideration of a motion that was proposed by an opposition member. After further discussion, a second motion to adjourn was attempted and also failed.

On page 857 of Marleau and Montpetit it is stated that the chair of a committee must ensure “that the deliberations adhere to established

practices and rules, as well as to any particular requirements which the committee may have imposed upon itself and its members”.

As the chair of the Standing Committee on Industry, Science and Technology, I have a duty to uphold the decisions of the committee and the measures it imposes on me and the other members of the committee.

This, Mr. Speaker, was in direct conflict with my duty to vote in the House of Commons. As you are aware, this House has first call upon the attendance and services of its members, and while committees are creatures of this House, they are in fact subordinate to it. If a conflict arises as to the attendance and services of its members, one would think the House should take precedence.

The rules and practices are not clear on this matter, which we are asking you to clarify. On page 857 of Marleau and Montpetit there are references to the chairman's authority to suspend or adjourn a meeting, but only in cases involving decorum.

The committee was engaged in a debate on a motion that was supported by the opposition and opposed by the government. The departure of government members from the committee would have had no impact on the quorum requirements and would therefore leave the committee operating without the customary safeguard balance between the opposition and the government. Staying out of the House for a vote compromised that same balance in the House.

The authorities on parliamentary process emphasize the great importance of the protection of this balance. As you can appreciate, Mr. Speaker, this is of particular concern in a minority Parliament.

If this decision had been brought about by unanimous consent, then I would have no concern, but it was brought about by a majority decision that compelled all members to stay at committee rather than return to the House to represent their constituents at the votes.

I therefore ask you, Mr. Speaker, to give a ruling clarifying the rules so that all committee members, and particularly committee chairs, may be guided by it in the future.

The Speaker: Is the hon. member for Windsor—Tecumseh rising on the same point?

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Yes, Mr. Speaker. I believe this has happened on one or two other occasions. It may very well be good that you be given the opportunity to clarify this if you are so inclined.

However, this came as a surprise to us. I would like the opportunity to make argument. I am not prepared to do so at this point and would reserve that right at some point in the future, either tomorrow or when we return from the break.

The Speaker: I will not make a definitive ruling today, but for the benefit of the hon. member for Edmonton—Leduc, the member for Windsor—Tecumseh and all other hon. members who are interested in this point, the Chair has in hand a ruling given by Mr. Speaker Fraser on March 20, 1990, on this very point. Perhaps I could quote just a little bit of the ruling. I do not want to bore hon. members. It states:

Committees sitting at the same time as bells are sounded to call members into the House for a recorded division continues to be a problem in the eyes of some hon. members. On January 25 and again on January 30, first the hon. member for Ottawa Vanier and later the hon. member for Esquimalt—Juan de Fuca raised this matter.

Business of Supply

This is not the first time this matter has been brought forward. Last May 31, for example, the hon. member for Hamilton East complained that the Standing Committee on the Environment was sitting at the same time as division bells were ringing in the House to call the members in for a vote.

Mr. Speaker Fraser went on. He referred to previous incidents from rulings from the Chair in 1971, 1976, 1978 and 1981. Clearly the Speaker had done a significant review of the situation. He concluded:

I am concerned about the matter raised by hon. members but, in my view, it is neither a point of order nor a question of privilege. It is rather a grievance but a serious one and in light of the many instances where the matter has been raised on the floor, it is one that merits some attention by the House. Perhaps the Standing Committee on Elections and Privileges might consider the situation to decide whether or not to recommend changes to our rules.

Evidently if the committee did consider the matter, changes were not made in the rules. The committee on procedure and House affairs, which has replaced that committee and did so many years ago, could consider this matter and come back with suggested changes to our rules that might deal with the grievance that is raised by the hon. member for Edmonton—Leduc.

It appears, and I say appears because I am only hearing this now and have not done any more research than to dig out this particular ruling, that the issue raised by the hon. member for Edmonton—Leduc is, as Mr. Speaker Fraser called it, a grievance and not a point of order or a question of privilege, and it may be that there is nothing I can do that will clarify the matter for the benefit of the hon. member or for the benefit of the House.

But certainly it is a grievance. In my view, the House ought to be the place where members should be able to come for a vote. When the bells summon members, they should come here. Indeed, in the old days committees had to have permission from the House to sit when the House was sitting, as is still the case in the other place down the hall.

If members want to consider such a change in the rules of our House so that committees cannot sit when the House is sitting, without permission, or if they must adjourn or suspend their sitting when bells are ringing to summon members here for a vote in the House, that is a question that could be considered by the committee on procedure and House affairs. The committee could make a report to the House that would result in either a directive or a change in our rules that would require committee chairs to act in accordance with that directive or those rules.

I will look at the matter. If the rules have changed any since the decision in 1990, I can assure the hon. member for Edmonton—Leduc that he will be on firmer ground than the members who were arguing the case then, and I will come back with a decision. But if it appears that things have not changed since then, I think he has a good idea of what I am going to say when I do get back to the House on this point. I will look forward to that, as I am sure he will.

GOVERNMENT ORDERS

● (1510)

[*Translation*]

BUSINESS OF SUPPLY**OPPOSITION MOTION—AEROSPACE INDUSTRY**

The House resumed consideration of the motion.

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, first of all, I would like to advise you that I will be sharing my time with the member for Verchères—Les Patriotes.

I usually say that it is a pleasure to address the House. Today, I will add that it is a pleasure to address the House on this motion presented by the Bloc. However, I would say that it is really unfortunate that we have to do it. The reason why we have to do it is that the Conservative government, which is now in power, has not done anything in this regard.

For the benefit of those who are listening, I will first read the Bloc Québécois motion, since the debate was interrupted for question period. To refresh our memories, here is the motion again:

That the House denounce the *laissez-faire* attitude of the government that prevailed in its negotiations with Boeing, regret the fact that Quebec did not get its fair share of the economic spin-offs of this contract given the significance of its aeronautics industry, nearly 60%, and call on the government to provide fair regional distribution of economic spin-offs for all future contracts.

I feel it is essential at this point to describe the context in which this motion was presented.

First, Public Works and Government Services Canada recently awarded a \$3.5 billion contract to Boeing without any call for tenders and without even demanding or negotiating with this giant American company specific conditions regarding regional economic benefits in Canada and, incidentally, in Quebec.

Second, Public Works and Government Services Canada is preparing once again, at the request of the Department of National Defence, to purchase 16 Chinook helicopters for \$2.7 billion and 17 Hercules transport aircraft, this time for \$5 billion, but still without any tender call and without any conditions regarding regional economic benefits.

What is both unacceptable and incomprehensible is that, once again in just the last few weeks, the Conservative government will not intervene to protect the interests of Canadian and Quebec companies. Although this government had an opportunity and will have another one in the near future, it will not do anything to ensure regional economic benefits in Canada.

We should look at this a little more closely. These contracts, the one given to Boeing for \$3.5 billion and the ones that soon will be awarded for the princely sum of \$7.7 billion, did not use the well-known, transparent, very fair method known as a tender call.

As I said during the debate on the motion of the Standing Committee on Government Operations and Estimates on the use of tender calls when major buildings are being purchased, it is a matter of great concern when the government fails to proceed in this way.

Business of Supply

Why is it troubling? The government is responsible for ensuring the best cost-benefit ratio. It is responsible for guaranteeing taxpayers that it is providing the best possible financial management of public funds. It is responsible for showing citizens that it is optimizing the use of every tax dollar taken from the pockets of the people to whom it is accountable and must report.

This means that the government must have a way of doing things, an approach to governance, that follows best practices, not just in theory but also in practice, in order to move from the realm of ideas to a reality of transparency, honesty and accountability.

This is all the more important in that Public Works and Government Services Canada manages purchasing and the provision of goods and services on behalf of its clients, the departments and agencies, and it is therefore nothing less than the fiduciary of the government's spending power.

Now that I have sketched out my views on the government's responsibilities and obligations in regard to what should be transparent, healthy, responsible governance—and we should remember that this was the government that wanted to bring forward the accountability act—I want to move on to the Bloc motion and regional economic benefits.

• (1515)

I had the opportunity to ask the following question of the minister, Michael Fortier, when he appeared before the Standing Committee on Government Operations and Estimates just a few days ago, on February 15. My question was as follows, "For what reason did you not require that there be economic benefits throughout Canada, and in particular in Quebec? ...Does this mean that in all future contracts, regardless of their nature, the current Conservative minority government will no longer ensure that the regions benefit fully from the economic spinoffs of these transactions?" The answer was, and I quote, "That is correct". Minister Fortier added, "With respect to regional spinoffs, Boeing or the other countries that get contracts will negotiate contracts privately with Canadian suppliers".

So this minister has no intention of doing anything differently. That means that this Minister of Public Works and Government Services, like his colleague, moreover, the Minister of Industry, has no intention of acting in the interest of Canadian or Quebec companies. We know, though, that Quebec accounts for 60% of the aerospace industry in Canada.

It is this shameful *laissez-faire* that the Bloc Québécois is criticizing, and it is not alone, because the Liberal minister from Quebec, Raymond Bachand, has also stated that Quebec should have its fair share, and that, "It is not up to Boeing to dictate the economic spinoffs, the federal government has a responsibility".

Representatives of the Quebec aeronautics industry, along with the workers' unions, used similar language. How horrible that the Minister of Industry and the Conservative government should hide their inaction behind the mask of non-interference. We are talking here about public funds, billions of dollars. A responsible government, concerned about economic growth, the redistribution of wealth and its citizens, should become involved and dictate conditions concerning regional economic spinoffs on its territory.

The Minister of Industry has the nerve to say that he is organizing trade fairs with Boeing and Lockheed Martin, among others, to provide an incentive to Canadian and Quebec companies to find out about business opportunities that are opening up for them. That means they would go and advertise themselves, as if they needed to do this when we know how well known they are in Quebec. It is quite simply insulting. Although Minister Fortier and his colleague, the Minister of Industry, truly have the opportunity and the power to watch over the country's economic interests, in this case, Quebec's interests, our people's interests, they think it is enough to talk to us about trade fairs. It is absolutely ludicrous.

Moreover, the American companies have 20 years to reinvest the economic benefits in Canada or in Quebec. How will the government monitor this? Most of us will no longer be here in 20 years. Quebec accounts for almost 60% of the Canadian aerospace industry and deserves the same level of economic benefits, not the 30% Boeing offers, which the current minority Conservative government is willing to accept.

In closing, the fact that the Canadian industrial policy only requires that the foreign companies make a commitment that is commensurate with the value of the initial contract in terms of economic benefits is far from sufficient. The industrial policy must set specific targets for regional economic benefits. In the case of Quebec, it is 60%, nothing less.

• (1520)

[*English*]

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, a number of comments have been made today about our sole sourcing the contract and as a result we must have paid a lot more for the airplane. I am talking about the C-17. That is absolutely not true.

Due to our improved relationship with our biggest friend, ally and trading partner, and our strong negotiating approach, we are taking four spots in the C-17 production line at the same prices that will be paid by the United States air force for the same spot in the production line.

The really good news for the Canadian Forces, all the deserving companies in Quebec, and the rest of Canada who will share in the industrial benefits, is that they will be getting those aircraft a year early.

I wonder if my colleague and the rest of those who like to spread falsehoods for political reasons would stop misleading the House about what they perceive as the relative cost of these airplanes because what they are saying is flat out not true.

[*Translation*]

Ms. Louise Thibault: Mr. Speaker, first of all, regarding the comments made by colleague from Edmonton Centre, I would like to say that the member should be careful when he talks about falsehoods. In my speech, I made no mention whatsoever of the price tag of the planes that were recently bought from Boeing. I did not mention that at all. I spoke of a system, of a well established process we call competitive tendering.

Business of Supply

Last June, someone wanted to buy the JDS Uniphase building. It was not deemed necessary to call for tenders on that either. We see a growing number of mutual agreement contracts where the government can look like it is discriminating in favour of one partner over others. Even if that has not been proven, the government ought to use the competitive tendering system. It is a well established, clean and honest process, particularly as this government, as I said earlier, prides itself on almost inventing the concepts of accountability, transparency and honesty.

• (1525)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I congratulate my colleague on the clarity of her remarks even though our Conservative colleague opposite does not seem to get what it is all about.

There is something that I do not quite understand and I hope my colleague can help me with this. This government—a very temporary government because it is walking a tightrope and I am convinced it will make a false step—protects different industries such as the automobile industry in Ontario. However, in the case of the aerospace industry, which is mainly centred in Quebec, it does not follow through with what I would call the tradition of protecting the industries where they are located. What motivates the government to act this way? I simply cannot understand it, unless we are dealing with pure political partisanship. I wonder if my colleague could elaborate on this.

Ms. Louise Thibault: Mr. Speaker, every time the name of my riding is read out, it seems to me that we are losing 10 seconds. However, although it is long, it is a beautiful name.

I wish to thank my colleague from Sherbrooke for his question. I will be clear. There is more to this than perceptions. We have witnessed this elsewhere. It is a matter of ideology. This is the same party that has drastically cut women's programs, literacy programs and others. It is purely driven by ideology. This comes from the fact that the government wants us to believe, as it does, that the market will regulate itself. When we are talking about protecting a well-known percentage of a Quebec industry, a niche where Quebec excels, the government will obviously go out of its way not to help us. I am, however, quite sure that the government would help the automobile industry.

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Mr. Speaker, today the issue being debated in this House is the awarding of contracts to Boeing, which is not guaranteeing Quebec its fair share of economic spinoffs. The problem, unfortunately, goes much deeper than that. That is why I decided to rise today in this House and be a true spokesperson for the people in my riding, companies in the aerospace industry that are based in our riding, working people who live in Verchères—Les Patriotes, who live in Montérégie, and who depend on the aerospace industry for their livelihood.

Montérégie and Verchères—Les Patriotes are not isolated cases. In Quebec, there are 240 SMEs operating in the aerospace industry. Those companies have tremendous potential for expansion. Today, those company owners and those employees are wondering what they might have done to be abandoned. They cannot even count on help from the federal government. Those companies are being left to make their own way when they should be getting encouragement, they should be urged on and supported, because they have enormous

potential, they have know-how and knowledge and skilled workers. We should really be giving them the resources and tools they can use to take their place on the global stage, in an economy where it is precisely the knowledge of these people that could make a difference, where Quebec could take a prime position in this niche at the international level.

And more than that, the companies in Verchères—Les Patriotes, the companies in Quebec in the aerospace industry, the workers in that industry, are wondering—and this is crucial, this is the key—whether they will be among the 18,500 workers who, ultimately, are going to lose these good jobs.

I wonder how we are to interpret the neglect exhibited by the government. What interest is it championing, at Quebec's expense? These are troubling questions.

Seeing that Ottawa is undercutting the only real aerospace centre in Canada, what are the members in this House from Quebec doing? As soon as we heard this disastrous news, the Bloc Québécois members got together, joined cause and put clear questions to the government. They stood up for this extremely important industry. Right up to the moment before the contract was signed with Boeing, the Bloc Québécois members stood as ardent champions. What did the Conservative members from Quebec do? At best, they said nothing, and at worst, they were like the Minister of Industry, who has hurt this industry in word and deed.

I wonder how the Minister of Industry managed to say, without batting an eyelid, without being struck down, that a contract awarded by the federal government could be regarded as a private contract, when it is paid for out of taxpayers' money. Is that really how this government intends to manage the public purse, by giving the laws of the marketplace free rein? That is laissez-faire, and laissez-faire is turning your back, it is abandoning an entire segment of Quebec society.

And what is the minister, Michael Fortier, doing? My colleague from Rimouski-Neigette—Témiscouata—Les Basques made it clear in her speech. He said that clauses that guarantee regional economic spinoffs were a thing of the past.

When the Prime Minister appointed Mr. Fortier to be a minister, he made him his representative for the Montreal region, his Montreal champion, to stand up for the interests of Montrealers. This is how he has decided to do that job of representing the people of Montreal, where 95% of the aerospace industry is concentrated.

• (1530)

A fine job, that.

Business of Supply

What a responsible government needs to do instead is to encourage successful sectors. Quebec is a world leader in aerospace. In the case of concern to us here, the Conservative government had a right and duty to set conditions, particularly since military procurement is not covered by trade agreements. But no, it decided to take the path of hastily made announcements, somewhat along the same lines as with the changes to the language policy. Parliament was never consulted. The Commissioner of Official Languages has described the previous legislation as a dismal failure. Given that dismal failure, it ought to have consulted the colleagues in this House far more, as well as the communities and the military. But no, it decided to act precipitously, somewhat along the same lines as its approach to the Boeing purchases just days after the House adjourned.

I hardly need remind hon. members that Parliament acts as a guide. It would have been worthwhile to consult it. Huge purchases cannot be made without calls for tender, without assurance that the spinoffs will be fairly distributed. The Conservatives have already been more critical for less. I imagine there are some areas in which the government might want to be a bit more critical, and others a bit less. The proof of this: its total lack of scruples about continuing to help the Alberta oil patch.

Where high tech is concerned, we cannot just go with the flow. We must take the lead. This means providing R&D in the aerospace industry, particularly the aerospace industry in Quebec, with the support it deserves.

Another thing that is difficult to fathom is that, in late December of last year, the Conservative government announced the abolition of the Technology Partnerships Canada program, which provided support to the Quebec aerospace industry. We still do not know what will replace that program. That decision gave rise to a great deal of uncertainty and delayed development projects. Once again I ask: where is the consistency here? This sector is already successful, but could be even more so. Yet the federal government could not care less. What are we to make of such indifference?

What the Bloc Québécois is calling for instead is a true aerospace policy which would include, among other things, a clear and predictable program of R&D support and a support policy for small and medium businesses. Thousands of jobs in Quebec are at stake, quality jobs.

In closing, I can only regret that the Charest government, the Government of Quebec, has chosen, for the sake of getting along well with the federal government, to grovel and remain silent in spite of the disgraceful way the Conservative members from Quebec are doing the dirty deed against their own province, just to please their colleagues from Ontario and the west. As Canada is undermining the flagships of their economy, Quebecers would certainly need a Quebec government which stands up for Quebec. Let us quickly elect a government in Quebec City that will stand tall.

• (1535)

[English]

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, my colleague has asked some questions.

First, what can the Bloc Québécois members do in the House? Frankly, not very much.

Second, what has the Conservative Party of Canada done for Quebec? In the context of the debate we are having today, the C-17 contract is the first of \$17 billion worth of contracts, the benefits of which will go to all Canadians, including a very large portion to workers in the province of Quebec.

Third, does the Quebec industry not deserve some of those contracts? The answer is clearly, yes, it does.

I have particular experience with some of the big companies in Quebec, such as Bombardier Aerospace and CAE Electronics. There are other great companies in Quebec, such as Pratt & Whitney Canada, Héroux-Devtek, Bell Helicopter, Minicut International and many more, companies that can compete very well on their own right. They do not need people sitting in the House, who have no power to enact anything on behalf of their people, telling them that they are not good enough, that they cannot compete and win on their own.

My hon. member says that they have a great plan for the sovereignty of Quebec. What will the defence budget be of the new sovereign country of Quebec? How many billions of dollars of contracts will it be letting to companies like Boeing or any other company that may bring business back into the province of Quebec? What will its defence budget be?

[Translation]

Mr. Luc Malo: Mr. Speaker, I am pleased to note that my colleague opposite was able to identify a good number of competitive companies from the aerospace industry in Quebec. These companies are capable of obtaining good contracts, and this is what makes them what they are, one of the flagships of the Quebec industry. Need I remind that 60% of this industry is located in Quebec? This is exactly why we must ensure that there are fair and equitable regional spinoffs for our businesses. I very much like hearing my colleague say that they do things differently. We have heard the government say that it is respectful of provincial jurisdictions, but we have also seen a few examples in the House where this principle was unfortunately ignored.

Take for example the creation of the Public Health Agency of Canada when there already exists in Quebec an agency that does the same work very well. I think the government did not recognize the true value of that agency. If the government does not respect Quebec in an area like that, how could it do so when it must support Quebec's industry effectively and efficiently? Such a support would help keep these specialized skills in Quebec and workers would not have to expatriate themselves because their quality jobs would remain in Quebec where they could provide for their family. That support would allow the industry to remain competitive and Quebec to remain a world leader in the industry.

If the Canadian government does not want to give that kind of support, let it say so clearly to Quebecers who would then understand and would know what to do at the polls. In the end, they would understand that the best thing for Quebec is to become a country, period.

Business of Supply

• (1540)

[English]

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, I listened with interest to my hon. colleague's remarks and to the debate.

Since the hon. member's party has chosen never to run for national government, essentially it has a choice to make every time a bill comes before the House. Does it take the position of the Conservative Party, which is one potential governing party in the country, or the position of the Liberal Party?

The position of the Liberal Party, when it comes to defence spending and to the procurement of aircraft, is that we do not need to procure these aircraft. The Liberals say that we need to rent a plane. If we are to have the rent a plane program from the Liberal Party, the economic spinoffs, the dollars, the benefits, would be absolutely zero.

When I listen to the hon. member criticize the Conservative Party, when I hear him say that he does not like the plan and the good work that has been done and the benefits that flow to the aerospace industry of Montreal, I can only conclude that he supports the position of the Liberal Party.

If my hon. friend is not prepared to support the Conservatives, why then does he implicitly support the Liberal position, which does absolutely nothing for Quebec?

[Translation]

Mr. Luc Malo: Mr. Speaker, I wonder what the member opposite would have us do. Were we supposed to remain with our armed crossed and our mouth shut, like his Quebec Conservative colleagues? No, that was not the way to go. The issue had to be debated here, in the House. Otherwise nobody else would have done it, the matter would have gone unnoticed and people would have been had without even knowing it, which would make it all the more revolting.

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we are well acquainted with the Bloc Québécois expertise in the matter of railways. As you know, the Bloc wants to build a high-speed train service linking Quebec and New York. It would definitely be a light rail system because there would not be very many passengers on board.

The Bloc is now giving advice to the government about the aerospace industry. I imagine that it is just as pertinent. Not so long ago, for example, the House Leader of the Bloc Québécois said in this House, "...we will no longer have to pay for Canada's planes, we will buy our own and have them made where we see fit". That is a very unequivocal comment.

So, I wonder where these Bloc Québécois planes will be built: in Roberval, their House leader's riding, or in Laurier—Sainte-Marie, the Bloc leader's riding? Perhaps I should add Montmagny—L'Islet—Kamouraska—Rivière-du-Loup to the Bloc Québécois's list of imaginary aerospace centres, to please the member who has moved the motion that is before us.

That is the beauty of being a Bloc Québécois member. You can say whatever you like, promise whatever you like, knowing that you

will never have to make good on anything. It is also, at the very least, surprising—and I am being generous—to have the Bloc, whose main objective is to separate Quebec from Canada, place in jeopardy the economic security of all Quebecers and claim to be the arbiter of regional development in Canada. That would be quite generous, thank you very much.

So, the pyromaniacs want to play firefighter. I would no more entrust the economic development of Canada to the Bloc than I would entrust the blood bank to Dracula. By the way, what economic spinoffs has the Bloc Québécois brought to Quebec City and to Quebec since it was founded, 17 years ago?

Everyone knows the answer: none. This is the economic record of a party that claims to represent the interests of Quebecers: nothing accomplished, no investments made, and no jobs created.

We recognize those who contribute to the advancement of Quebec society based on their achievements. Quebecers want action and tangible results, not just words and proclamations. The Bloc has done nothing because it can do nothing but talk.

Sure, it can start big debates like this one, but did it get a single bill passed or make a single project happen? No, of course not, because the Bloc is not the government. It will never be the government. Unlike them, in just a few months, the new government has addressed almost all of the major priorities it announced during the election. Most importantly, we have laid the foundations for a better future for the Quebec nation by defining a new open federalism that is already bearing fruit.

We are working to correct the fiscal imbalance, which is something the Bloc Québécois has been talking about a lot for years. But will the Bloc correct the fiscal imbalance? No, the current government will correct it. The Bloc's position, as articulated in the motion before us, is all the more absurd because it completely fails to acknowledge why we are making these military purchases.

We are not purchasing military equipment as part of an experiment in regional economic development. After 13 long years of Liberal neglect, we are buying strategic airlift to give the Canadian Forces better equipment so they can do their work at home and abroad more efficiently and safely.

• (1545)

The four planes we are now buying will, first and foremost, allow the rapid transportation of a large number of passengers or quantity of equipment over great distances in case of a national emergency or an international crisis. That is what we promised during the last election campaign and that is what we will deliver, because we keep our promises.

The Bloc's military policy, as articulated by its leader, deserves to be restated here in this House. The leader of the Bloc Québécois told party supporters that he wanted Quebec—an independent Quebec—to have a pacifist army. Imagine: a pacifist army. What about terrestrial aviation or a dry navy? Surely that would be less dangerous.

Business of Supply

The contract announced today is not the first step in a procurement process whose industrial spinoffs will benefit all regions of the country. Future contracts will be awarded for tactical airlift, medium to heavy lift helicopters, joint support ships and medium sized logistics trucks.

Altogether, the military procurement initiatives that stem from the “Canada first” strategy will create some \$13 billion in industrial spinoffs for Canada over the next 20 years. The commercial opportunities for Canadian businesses, and the aerospace and defence industry are therefore unprecedented. The joint strike fighter program, which our government signed on November 20, 2006, for example, gives Canadian businesses access to \$8 billion for their industrial contribution to the program. Our government’s investments in research and development projects will allow businesses to continue to innovate and benefit from the commercial opportunities presented to them.

• (1550)

[*English*]

Our primary objective with these procurements is to rebuild the Canadian Forces. We have worked with the aerospace and defence industries to make the best of the opportunities from these procurements.

In the case of some procurement projects, the government may specify minimum percentages of benefits for certain regions, for example, 10% each for the west, Atlantic Canada and Quebec. This provides the government a safeguard to ensure the contractors consider the excellent capacity that exists across all regions of the country.

It also emphasizes to bidders the importance of cross-Canada involvement when they undertake these projects. The minimums are set so that they will not interfere with market forces, meaning the companies only undertake commitments that make good business sense to them.

Our goal is to foster long term sustainable business relationships that will benefit both the Canadian industry and the prime contractor.

[*Translation*]

I would also like to mention that Boeing and Pratt & Whitney, the companies that will carry out the contract in question, have made a significant commitment to Canadians.

For every dollar these companies receive in acquisitions, an equal amount will be invested in Canada. Thus, this means a 100% return on the investment. This translates into new opportunities for our aerospace and defence industries, as well as for our workers throughout Canada.

Our policy ensures greater industrial competitiveness for Canada, greater access to markets, better marketing and more investments in advanced technologies. My hon. colleague, the Minister of Industry, specified that this policy is non-negotiable. As he recently said: “We insist that every dollar that companies receive from our defence procurement is matched by a dollar of economic activity in this country—in other words, a Canadian investment that delivers dollar for dollar.”

All regions of Canada will be able to benefit. Of course, Quebec, and especially the Montreal area, where the core of our aerospace industry is located, will benefit from our policy to modernize our military equipment. The members of the Bloc Québécois have no fear of being ridiculed. With this motion, they are telling this House that Quebec industry can only succeed if they are supported specifically by the Canadian government.

If I am able to attend the major meeting of the aerospace industry next year at Le Bourget, France, I think I will bring along my colleague opposite. He will see that Quebec aerospace companies are among the most dynamic, the most respected and the most efficient in the world. Given that our companies are so successful internationally, there is absolutely no reason why they cannot continue to succeed in Canada.

Even Aéro Montréal, which represents only Quebec companies, was realistic enough to congratulate the Canadian government for equipping the armed forces with equipment appropriate to its national and international obligations.

According to the chairman of Aéro Montréal, “In our opinion, the related program of industrial and regional benefits is an excellent instrument for economic development in the strategic industrial sectors of aerospace and defence”.

But it is too much to hope that the Bloc Québécois recognizes the rationale for our purchases and the resulting spinoffs. Naturally, that is very naive thinking because the Bloc Québécois does not believe in Canada. It does not believe in the mission of our armed forces. But Canada’s new government will defend Canada and will support the men and women who are prepared to fight to defend our values and our interests. We will continue to take concrete action in the interest of Quebecers.

• (1555)

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I have a comment for the Minister of Transport, Infrastructure and Communities, who I knew in another context, in the municipal setting. I see that power is going to his head. I have a big problem with what he is saying. Maybe this will be short lived, because being in power and controlling these files is new to him. In fact, I much prefer to be sitting where I am and defending the interests of Quebecers who are paying 25% of the bill that the Conservative government is racking up in the army, without initiating a single discussion in this Parliament on the plans for the army.

There was never a debate in this House on what type of army we wanted to have. Since Lester B. Pearson was elected Prime Minister of Canada, Canada has had a peacekeeping tradition, always ready to provide help abroad. The Conservatives have an attack and war waging attitude. This attitude has never been discussed in this House. In the meantime, can the minister respond to the following question. Since Quebecers are paying 25% of the bill, are they not entitled to have the investment they expect in an industry they developed? They are world renowned leaders and they represent 60% of the industry in Canada.

Business of Supply

Does the minister understand that since Quebeckers are paying 25% of the taxes that go to the bill for his party's war, they are entitled to expect spin-offs in the industry they are proud of and in which they dominate on the world stage?

Hon. Lawrence Cannon: Mr. Speaker, I think my colleague's question gets to the heart of his interpretation of the Bloc Québécois' role here.

As we know, I sat in the National Assembly. I defended the interests of Quebeckers and I represented the taxpayers. I have been in politics for 40 years, and I certainly do not need lessons from my hon. colleague.

However, I just want to say the following. The whole time I was in the National Assembly with my colleagues, I defended the interests of Quebec within Canada. We defended the interests of Quebec because we believed that Quebeckers could and should develop within Canadian federalism.

Why did we make that choice? We made it because the Quebeckers made it as well. They said no the first time, they said no the second time and they said yes to Canada. They effectively decided that they wanted to continue to pursue their development within Canada. The result is that we have an extremely strong and vigorous industry that competes on a world scale, and that, today, is not afraid of facing this competition.

That is why I am confident these companies will be able to fully obtain what they need to keep going. They will be able to compete, unlike my hon. colleagues in the Bloc Québécois, who see humiliation as the main principle and common denominator of their political activities. The more Quebeckers are humiliated, the happier the Bloc Québécois. But I feel differently. I think that Quebeckers are able to take on the roles and meet the challenges. And in this particular case, they will continue to do so.

• (1600)

Mr. Mario Laframboise: Mr. Speaker, I thank you for giving me the chance to ask more questions of the Minister of Transport, Infrastructure and Communities.

The members of the Bloc Québécois are not overly taken with themselves. Their sole purpose in the House is to defend the interests of Quebeckers. I will quote, for the benefit of the minister, today's *Le Devoir*: "The aerospace industry is up in arms—The government has a duty to consolidate the industry in Quebec".

He has the right to dream. In order to keep his job, the minister has the right not to defend the interests of Quebeckers. He can dream and, as he has said, hope that the industry gets its fair share of the market. However, he knows full well that it does not work that way.

He knows full well, as did his government the day it selected Boeing, that the investments in this company in Canada are principally in Ontario and western Canada. It is their choice. Moreover, the C-17 is a plane approaching the end of the line.

For that matter, it was after the discussions between the Prime Minister of Canada and the President of the United States, which were aimed at supporting the American aerospace industry, that Canada agreed to award these contracts for a plane approaching the end of the line. That is a choice made by the government.

The minister can, of course, defend himself, but he must also, once and for all, defend the interests of Quebeckers, who pay 25% of federal taxes. For once in his life, he should fight for the interests of Quebeckers, to ensure that their industry gets its fair share. I am not the one who said: "The aerospace industry is up in arms". What answer does the minister have for the industry today?

Hon. Lawrence Cannon: Mr. Speaker, throughout my political career, I have noticed that the approach and dialectics of the Bloc Québécois have not changed at all, whether it was about the Tricofil fiasco during the 1970s, the Gaspésia company and all the other incidents. Indeed, whenever the Parti Québécois government decided to get involved in an industrial initiative, it brought about a fiasco.

An hon. member: Oh, oh!

Hon. Lawrence Cannon: Mr. Speaker, if the young member on the other side of the House has questions to ask, he should do so, but when I have the floor, he should keep quiet.

I want to tell my colleague that, indeed, they always play the pessimist card. It is always the defeatist card.

We on this side do not espouse such a view. On the contrary, we are convinced that Quebeckers have a better place within Canada, both economically and for quality of life. I will conclude on this.

Mr. Mario Laframboise: Mr. Speaker, that gives me an opportunity to discuss with my colleague. If there is one region that is in a position to talk to the Minister of Transport, Infrastructure and Communities, it is the one I represent, Mirabel. Talking about fiasco, we can certainly say that Mirabel was a federal fiasco. What the government of Quebec did with the international trade zone was to create a technological development cluster in the aerospace industry. The Government of Quebec did it. Today, the minister is trying to destroy this aerospace cluster that was built in Mirabel to make up for the Mirabel airport fiasco.

I am asking him again to stand up and defend the interests of Quebeckers and to respond to what the industry is telling him today. The aerospace industry is enraged. What is the minister doing to protect the aerospace clusters in Quebec, especially the one in Mirabel?

Hon. Lawrence Cannon: Mr. Speaker, indeed, my colleague is absolutely right when he says that industrial clusters have been created. I remember it very clearly. Gérald Tremblay, the mayor of Montreal, worked very hard to create industrial clusters in Quebec. Obviously that was done against the recommendations of the Parti Québécois which, at the time, strongly opposed it. Similarly, everyone here in the House will remember the PQ was clearly opposed to hydroelectric development in Quebec. The member must remember that.

Business of Supply

Today, there he stands trying to tell us that all the wrongs in Quebec, all the problems are caused by the federal government. I do not agree with that assertion, in fact I dispute it. He is right about Mirabel being a fiasco, however. We know that. The previous government had invested hundreds of millions of dollars in it. We acted. The member knows it, he congratulated us on it. We were able to restore those 11,000 acres to the farmers of the region—the riding he represents in this House—because we acknowledged that it was a fiasco. And here the member is trying to tell me that we do not defend Quebecers' interests?

He should look at the Parti Québécois's track record, not now, but when it was in power. We could have a very interesting debate on that subject.

• (1605)

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, this gives me the chance to speak about the excellent motion from the Bloc Québécois, who only wants to defend the interests of Quebecers here, in Ottawa. The aerospace industry is one of the flagships of the Quebec economy. Today, there are headlines stating that “The Aerospace Industry is Angry”. The members from the Bloc Québécois are also angry. Of course, our aim is to defend the interests of Quebecers. What is disappointing is that some of our colleagues from Quebec were sent here, but do not share our goal.

I will take the time to read what representatives from the aerospace industry were saying this morning. I am quoting from an article from the March 1, 2007 issue of *Le Devoir*:

The Quebec aerospace companies simply cannot fathom the attitude of the Prime Minister's government regarding the economic spinoffs from military contracts. According to the Quebec Aerospace Association, the province should receive 55% of the \$9.2 billion spinoffs announced by the Minister of Industry. Jobs are at stake if the government does not protect the Quebec industry, says the association.

“The federal government has a responsibility. It cannot wash its hands of it and tell people to fend for themselves. If it continues along this path, we will have to fight”, said Sue Dabrowski, general director of the Quebec Aerospace Association, which represents the 230 businesses in this sector, as she was interviewed by *Le Devoir*.

I will read other excerpts from that article, but this gives a good indication of the Conservative Party syndrome, which wants to invest in the military at all costs because, as a minority government, it cannot do as it pleases. It does not understand that Canadians and Quebecers wanted to monitor its actions. That is the purpose of electing a minority government: to put it under close scrutiny. The Conservatives took advantage of the situation, not to listen to the public but, rather, to put forward their warlike, aggressive, American inspired, George W. Bush type and Republican oriented program. They tried to quickly award all the military contracts. They are buying aircraft, helicopters and tanks as quickly as possible. Other announcements will surely be made, because they are swimming in money. These announcements will not be about solving social and economic problems, or about health issues affecting Canadians and Quebecers, but about achieving their warrior's objective, about creating one of the world's biggest military force, when we never even had a debate in this House to define the Canadian army's objectives.

As I mentioned earlier, since Lester B. Pearson, Canada has been much more involved in peacekeeping missions, in assisting

communities, than in fighting at the front, as is currently the case in Afghanistan. This is the direction chosen by the Conservatives and it forces them to invest quickly, to award contracts to friends of friends, instead of calling for tenders. We know, and this is no secret because it was in the media, that the C-17 is at the end of its useful life. In order for Boeing to develop a new aircraft, contracts should have been awarded to the industry, to allow it to continue its work until a new technology is developed. Instead, it is Canada that will support Boeing's industries and the U.S. industry. The problem is that there was no call for tenders. What is tragic here is that, because of this warlike eagerness on the part of the government, the Quebec aerospace industry, which accounts for about 60% of the whole aerospace industry, is not getting the spinoffs to which it is entitled, because Boeing's investments in Canada are in Ontario and in western Canada.

Today, the government is sending its ministers from Quebec to sing their old tune and try to make people understand that it is confident. I can still hear the Minister of Transport, Infrastructure and Communities saying that the government is hopeful the Canadian industry will be able to do it, that it is strong and powerful. True, except that, in armed forces contracts, WTO standards do not have to be met and they can choose where to invest.

• (1610)

The American government has been doing so for many years. It chooses its investments and where in the United States the plants will be located and built. It negotiates with the industry.

However, this Conservative government was too much in a hurry, because it did not want to be scrutinized. As we say, it wanted to do its nasty deeds quickly. This is what it did. It went ahead with its procurement immediately, fearing it would be defeated in the next election and be kicked out. It wanted to achieve its belligerent objectives and follow in the footsteps of George Bush and the American Republicans, all this at the expense of Quebec's aerospace industry. This is the reality. I am not making this up.

Nor is it my colleague who so brilliantly moved this motion today on behalf of the Bloc Québécois who is saying this. The newspaper *Le Devoir* says that the aerospace industry is furious. The government has a duty to consolidate the industry in Quebec.

There are 230 companies in this sector. In my riding of Argenteuil—Papineau—Mirabel, there is a sizeable cluster of them. Why so many in Mirabel? In part, because of the Mirabel fiasco, that white elephant airport that is no more. In fact, the terminal building is going to be converted to a tourist attraction with an aquarium and a wave pool. I see smiles on some faces, but there is nothing to smile about. The complex will be called AeroDream. The airport will be turned into a recreational water and tourist attraction. That is the use that ADM—Aéroports de Montréal, the administration of the two airports—has come up with. This is a far newer terminal than the one at Pierre-Eliot-Trudeau international airport—formerly Dorval. The former Mirabel will be turned into a tourism and recreation attraction. So it makes sense for this region to take charge of its own future.

Business of Supply

I agree with my colleague, the Minister of Transport, that industrial clusters had indeed been developed during the Liberals' watch, but the international trade zone, the famous tax credits to attract the aerospace cluster, are the work of Bernard Landry. They are an example that is cited world-wide. The Government of Quebec attracted the businesses with its tax dollars, not the federal government.

When the Liberals were in power, the federal government kept trying to sell us on the idea that the airport would be developed. They were trying to find a wholly new way of doing so. But it was the Government of Quebec that took the initiative and located a cluster of aerospace industries at Mirabel: Bombardier, Bell Helicopter, Messier-Dowty, L-3 Communications and lots of other small and medium sized businesses, joined together to form the cluster.

The problem lies with the fact that so far the contracts announced by the Conservative government have not resulted in any visible spinoffs for companies in this industry, because some of them are competitors with Boeing and Boeing is the one making the decisions. The government knew that. It could not have known when it purchased the famous C-17s without a call for tenders. The same goes, of course, for the Boeing Chinook. If the government buys Chinooks from Boeing, it will not be buying helicopters from the Bell Helicopter consortium. It was well aware, when making these investments, that they were not going to Quebec.

The notion of industrial clusters often implies that parts manufacturers set up shop in the neighbourhood of major manufacturers. If the product is not entirely built in a given region, then the benefits of the industrial cluster model can only be partial. In this case, industrial clusters in Ontario and Western Canada will benefit from the contract. Why are Quebecers making this an issue? Because they pay 25% of the taxes, including 25% of the income tax.

Near Mirabel there is a city called Boisbriand. A few years ago, GM closed the plant in Boisbriand, their only plant left in Quebec. At that time, the federal government stated that Quebec had the aerospace industry and that Ontario had the automobile industry. None of the parties in the House stood up for Quebec—not the NDP, nor the Conservatives nor the Liberals. There was no harm done to Ontario, so no one stood up for Quebec. Everybody said that Quebec had the aerospace industry. Today, the Quebec aerospace industry is under attack.

•(1615)

Of course, once again, this is hard to swallow for our aerospace industry. "The industry is angry", said a headline in *Le Devoir* this morning. Bloc Québécois members, who represent the interest of Quebecers, and who are the only ones to represent them well, are also angry about that decision by the Conservatives, which will seriously harm the industry's development. Securing contracts is not the only issue.

The minister is absolutely right in saying that there will be spinoffs. There will be some, but we want him to invest dollar for dollar. This has to do with new technology. The problem is that new technology will not be coming to Quebec. The sad truth, in fact, is

that new technology will not benefit those industrial clusters already established in Quebec.

Of course, we know that the situation has improved since the Bloc Québécois has started to make representations in the House. It has risen from 20% to 30%. However, no official announcement has been made. Those are the numbers that we have been given. We will add them up. We want to reassure the people of Quebec that we will defend their interests. We will get the real figures. We will obtain the real data and we will follow this issue because we are concerned with the interests of Quebecers and of the aerospace industry, which is one of the greatest achievements of Quebec's economy and of Canada's as well.

Of course, we have to fight for it tooth and nail. However, the government finds itself in a bad position because it has awarded untendered contracts to companies that do almost no business in Quebec. Such is the reality today.

My colleague noted that in Quebec, since the start of the election campaign, the premier and the parties seem to agree on requesting 50% of the economic benefits. We see that Mr. Charest is requesting less than the representative portion, but at least he is asking for 50%. He somehow took a stand. He stopped kneeling and crawling. Actually, he managed to request 50%. That is what the newswire says.

However, we have to be able to defend the interest of Quebecers. It is disappointing to see Mr. Charest capitulate and give up 4% or 5% in this way. But he is still asking for 50%.

What is even worse is to see that the Conservative and Liberal MPs from Quebec are not standing up for this industry. That is unbelievable. They are defending the pride of Quebec's economy and almost accusing us, the Bloc Québécois, of defending Quebec's industry.

In the meantime, as long as we are here, we still pay 25% of the taxes.

I was surprised earlier to hear the Minister of Transport talk about hydroelectricity. Hydroelectricity, the other leading industry in Quebec, was paid for by Quebecers themselves, without a cent of federal money. I can tell my colleagues that Quebec got exactly nothing. The government paid for all the development in the oil industry in my colleagues' ridings. The federal government put \$66 billion into the oil and nuclear industry for light and heat. Quebec did not even get 5¢. We did not ask the government for anything, because we could do it ourselves.

The problem is that, at a certain point, enough is enough. We deserve a return on our investment, because we paid 25% of the \$66 billion the government invested in energy in other provinces, while we invested our own money in our own energy, without a cent of federal money. Today, we refuse to be told in this House that we cannot defend the aerospace industry.

Business of Supply

This has to stop. The Conservatives are making Quebeckers angry. As the saying goes, let sleeping dogs lie, but this is not what the government is doing. And the Conservatives will suffer the consequences. The fact is that since 1993, the Bloc Québécois has represented the majority of Quebeckers in this House. Quebeckers are not happy with how you have treated Quebec. And Quebeckers will not be any happier when they read headlines in *Le Devoir* such as “Aerospace Industry Enraged”. That is the reality. It may be a hard thing for my colleague from Lévis—Bellechasse to hear, but that is the reality.

Clearly, we have to be able to defend Quebeckers' interests. When Quebec accounts for 60% of Canada's aerospace industry, we have to make sure that 60% of the spinoffs from Government of Canada investments come to Quebec. That is why we are asking all parties to do a little soul searching, think about what they have done for Quebec in recent years, and understand that it might be time for the aerospace industry to get its fair share of the pot. As the Minister of Transport said earlier, we have to keep on hoping.

• (1620)

We must hope that the Quebec aerospace industry will prosper and get its fair share. We know it is strong.

Knowing in advance where the equipment will be built makes it hard to show how strong we are. We know that Boeing does not have any facilities in Quebec and that all of its facilities are in Ontario and western Canada. That makes it difficult for Quebec to get contracts to build these planes. The Conservative government chose to give the contract to Boeing knowing that the investments would go to Ontario and western Canada. It also chose to say “yes” to George W. Bush, who simply wanted to strengthen his aerospace industry with Boeing. That is where we are at today.

The members of the Bloc Québécois will never stop. We will never shy away from rising in this House. We were elected by the same people as all of our charming colleagues in this House, regardless of the province they come from. We are not shy. As long as Quebeckers pay 24% of sales and income taxes in this country, we will have the right to rise in this House and demand that Quebec get what it deserves, which is its share of the aerospace industry and a share of the construction that is proportional to its industry's presence in Canada, that is, about 60% of the industry. It is as simple as that.

We can still be friends, but we would sure like our colleagues to understand us and vote for our motion. This is not a plea from the Bloc Québécois; it is a plea from the entire aerospace industry, which was enraged this morning. For those who have trouble understanding, it is on page 15 of the *Quorum*, of which we all have a copy. There are copies here in front. The article is in French and it is entitled “Aerospace Industry Enraged—Federal government must strengthen the industry in Quebec”.

I will also reread the excerpt that includes Ms. Dabrowski's statement:

“The federal government has a responsibility. It cannot just wash its hands and say, 'Sort this out yourselves'. If it keeps on like this, it will have a fight on its hands”, Sue Dabrowski told *Le Devoir*. Ms. Dabrowski is director general of the Quebec Aerospace Association, which represents 230 companies in the sector.

The article goes on to say:

Ms. Dabrowski said that the Minister of Industry's comments came as no surprise because her association has not yet been able to meet with the minister despite the fact that it represents all of the aerospace industry players in the province, from the smallest to the biggest. “I am very disappointed. I still hope to meet with him and tell him that there are problems with the process. We have to work as a team”.

The Quebec aerospace industry representative cannot meet with the Minister of Industry, who is from Quebec. I have seen people do all kinds of things to keep their jobs or their portfolios. Since 1982, I have been involved in politics at many levels. Not meeting with an industry representative who speaks for 230 companies is unheard of. The minister should at least have the decency to pick up the phone, meet with Ms. Dabrowski and the industry representatives, who are enraged and who want their share of the market. Moreover, as a minister from Quebec, if he cares at all about defending the interests of Quebeckers, the Minister of Industry should at least have the decency to meet with Ms. Dabrowski and her association. He probably threw everything in the garbage because he did not feel like seeing them, so I will repeat the name of the association: the Quebec Aerospace Association.

The name speaks for itself. The association represents 230 companies in the sector and as a Quebecker, the Minister of Industry should stand up and tell his leader that he wants to meet with people from the industry, that he is a Quebecker and that he wants to listen to them and report what they have to say. That would be the very least he could do and it would show that one does not always have to grovel and serve to keep a job. The minister can stand tall, rise up, go see his leader and tell him that he will meet with Ms. Dabrowski. Then everyone would be happy, especially the people in the industry. As for us, we would be really happy to see some headline other than “Aerospace Industry Enraged”. If the Conservative members want to fix that, they can vote for my Bloc Québécois colleague's motion.

• (1625)

The Acting Speaker (Mr. Royal Galipeau): It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Madawaska—Restigouche, Employment Insurance; the hon. member for Kings—Hants, Tourism Industry.

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I would like to thank my colleague for his five-minute speech that took 20 minutes. He said something during his speech and mentioned some figures.

[*English*]

He said that the Quebec aerospace industry compromises 60%. He said it buys 55%. I am not sure what the number is; it is really not important. He kept saying that Quebeckers pay 25% of the income tax in Canada. Well, perhaps they should get 25% of the industrial benefits, but that would not be fair and I understand that. This government is in fact getting the job done for the Quebec aerospace industry.

He made a comment about Bell and the CH-47. When Bell makes a helicopter that will do what the Canadian Forces needs to do like the CH-47 does, then we would probably consider buying a helicopter from Bell. Until then we will buy an aircraft for the Canadian Forces that does the job.

Business of Supply

He mentioned that we are helping out Boeing by buying an airplane at the end its lifetime. I would point out a couple of things to him. One is that during the Quebec ice storm, every single bit of heavy equipment that went to rescue Quebec during that time frame was moved by United States Air Force C-17 aircraft. He might appreciate that.

He said that we are buying the airplane at the end of its lifetime, which is frankly nonsense. The RAF is buying four more airplanes to go with the four it already has. The Royal Australian Air Force is buying four brand new airplanes as well. Does he think that the Royal Air Force is out to lunch on this, too? Does he think that the Royal Australian Air Force is out to lunch on this, too? What does my hon. colleague think of their decisions to buy an airplane that will serve for decades to come?

[Translation]

Mr. Mario Laframboise: Mr. Speaker, there are several elements to my colleague's question. With respect to the last one, I would like him to explain to me why the Americans are no longer buying these planes. They are the only ones who are no longer buying them. They know very well that a new generation is on its way. Let Canada and Australia decide to buy equipment that is soon to be obsolete; I have no problem with that. It is their choice and future generations will judge them.

With respect to the percentages, what I said—and I would not want my colleague to misunderstand—is that Quebecers pay 24% of all sales and income taxes in Canada. The Quebec aerospace industry represents about 60% of Canadian industry in this sector. The newspaper says 55%. That is between 55% and 60%. Therefore, we can say about 60% for the aerospace industry.

The entire automobile industry is now in Ontario. That is what I said. We had a GM plant in Boisbriand and it closed. The entire automobile industry is in Ontario. The financial support given to the automobile industry all went to Ontario. Quebec paid 25% of all that. What we want is for the government to recognize that Quebec is a flagship of the aerospace industry, that we have nearly 60% of the industry, as is pointed out in the motion presented by my colleague today, and that we should have 60% of the spinoffs of all federal contracts, because we are still contributing 24% of the taxes in this country. That is all we are asking. That is what the industry is asking.

• (1630)

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, there are many authorities in the aerospace field who believe that Manitoba represents the very best of what the aerospace industry has to offer. This gives me an opportunity to remind my colleagues that the province of Manitoba is home to a vibrant, eclectic, diverse aerospace industry of vital importance to the economy of the province of Manitoba. I do not want my colleague from Quebec to misunderstand me. I can say in no uncertain terms that we demand our fair share of any industrial contract associated with the aerospace industry.

Many of us still have a raw memory in our minds of the CF-18 contract, where we were gypped, we were hosed out of our fair share of that vital contract. It upset people in the west to the point where they threw out the government of the day. It spawned a virtual

revolution in western Canada, a protest movement. Preston Manning and the Reform Party built a political party around the humiliation and the insult to the people of Manitoba, to the people of the west, because of the government interference that decided to ignore the low bid and ignore the best bid and give that contract to guess where? Quebec. I serve notice here today that we will not tolerate an insult like that again.

This contract awards work based on its merit. It gives the company the choice of where it wants work done. It would be insane to assign work based on ratio and proportion to where the volume of the industry is. How would other jurisdictions ever develop their industry if it automatically had to be allocated as per this insane formula that these guys have concocted?

[Translation]

Mr. Mario Laframboise: Mr. Speaker, I would say to my colleague that he should perhaps think about joining the Conservatives. He is certainly sounding like one.

I do not have anything against Manitoba. I am happy to hear that it has a flourishing industry. All I hope is that it gets the percentage corresponding to its proportion of the industry. If it has 25% or 30% of the industry, then it should have 25% or 30% of the contracts. I do not have any problem with that. I do not have anything against Manitoba, I do not want to take anything away from the province or take something that belongs to it. That is what the member implies I want to do. If that is what he thinks, he should side with the Conservatives, because they are well on their way. In fact, he could increase their ranks.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my colleague from Argenteuil—Papineau—Mirabel explained very clearly that fair distribution within Canada is not being required because it is an American company, Boeing, which will now decide where the investments are made. Is this not the best example of the present situation, that the government failed to meet its responsibilities by handing over \$9 billion to a company that will now define Canada's aerospace policy?

Mr. Mario Laframboise: Mr. Speaker, my colleague is absolutely right. This is the problem, probably because the government knows very well where the spinoffs will be. By awarding the contracts to Boeing, it knew very well that the distribution would be in Ontario and western Canada. This is a choice the Conservatives made—at least for the Minister of Industry and the Minister of Transport—to not stand up and defend the interests of Quebec. Leaving things to the private sector probably helped them achieve their own goals. Obviously, this is a Conservative choice.

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Lévis—Bellechasse has the floor for a short question. I ask the member to look at the Chair because he could be interrupted if his definition of short turns out to be too long.

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, I will try to stay within the limits.

Business of Supply

My question is simple. Where was my colleague from Argenteuil—Papineau—Mirabel during the last 13 years, when we saw the Liberal government abandon the Canadian Forces, particularly the air force? Today, our air force finds itself faced with urgent needs. Where was he when the Canadian aerospace industry needed advocates, whereas now, \$3.7 billion worth of projects will generate almost \$1.9 billion in spinoffs in Canada, including hundreds of millions of dollars in Quebec with contracts awarded to Pratt & Whitney?

• (1635)

Mr. Mario Laframboise: Mr. Speaker, unlike the member opposite, I was here defending the interests of Quebecers. At the time, we were fighting for Technology Partnership Canada, which supported the whole aerospace industry so we could get our fair share. As soon as they took office, the Conservatives eliminated Technology Partnership Canada. Once again, Quebecers can count on the Bloc Québécois to defend their interests.

[*English*]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I am very pleased to speak to the motion. I want to focus on a particular aspect of the motion.

At the end of the motion, it calls on the government “to provide fair regional distribution of economic spin-offs for all future contracts”. That part of the motion is particularly important because I would argue that is what we are looking for from coast to coast to coast, opportunities to have meaningful economic development.

Canada is a resource rich country. We are a country that has a skilled workforce. We are a country that has the know-how to actively participate in a domestic economy and the international economy, yet we are seeing a shedding of manufacturing jobs. In the last couple of weeks we have heard announcements that there are going to be further layoffs in the auto sector in Ontario.

The New Democrats have been calling for national strategies in some key sectors. We have called for a national strategy in forestry. We have called for a national strategy for our shipbuilding industry. We have called for a national strategy for our auto sector. There are other sectors. For example, the garment sector is a big factor in Winnipeg. The member for Winnipeg Centre has been a tireless advocate for the garment workers in Winnipeg and in other parts of the country.

We need a mechanism that looks at economic development and that makes sure that our communities take advantage of the local resources and that we see spinoffs in all of our communities that create meaningful well-paying jobs.

A report that was issued today talked about the prosperity gap. It said that a significant number of people are falling behind. It is very disquieting to see those numbers in this day and age. We are in an economy that is supposed to be so hot, yet there are people who are losing ground. People are working more hours and their buying power just is not there.

There are some key principles regarding community economic development, there are some key principles. In the book *Toward Sustainable Communities: Resources for Citizens and their Governments*, Professor Mark Roseland from Simon Fraser University talks

about the importance of local control over local resources. He indicates that community economic development is defined as:

—a process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social, and environmental objectives.

He states:

The main goal of most CED [community economic development] initiatives is individual and community self-reliance through collaborative action, capacity building, and returning control of business enterprises, capital, labor, and other resources from the global marketplace to communities.

He also states:

Local self-reliance does not mean isolation. It means diversification of local economies to support local needs, encourage cohesiveness, reduce waste and enable more sustainable trade practices with other communities.

Today we are speaking specifically about the aerospace industry in Quebec, but I would say that underlying this is the need for communities and provinces from coast to coast to coast to have that kind of self-reliance that is so important for the healthy functioning of our communities. There is a need to take into account the social aspects of our communities, the environmental aspects of our communities, and the economic aspects of our communities. Many people refer to this as the triple bottom line. Many of the decisions that we make do not take into account that triple bottom line.

One very important aspect of the aerospace industry is search and rescue. In British Columbia and many other parts of Canada, the fixed wing search and rescue aircraft are a very important part of how communities function. This is certainly something the Conservative Party has not addressed. There are 40-year-old Buffalo aircraft doing search and rescue. When the issue was brought up with the minister at the defence committee, he said that the process has stalled.

• (1640)

The Government of Canada has been proposing new fixed wing search and rescue planes for years but the last government failed to deliver on this and certainly the current government has failed to deliver on this.

I cannot imagine that members of the House from all parties would not support new search and rescue aircraft. My colleague, the member for New Westminster—Coquitlam, proposed Motion No. 283 in order to allow the House to express its support for new search and rescue planes. The Conservatives have not made search and rescue aircraft or more sovereignty a goal of their procurement strategy. The Conservatives have focused on C-17s which are American built and will be partly American maintained.

In the context of economic development and good paying jobs in Canada, surely we would want to invest in new search and rescue aircraft and we would want to ensure they are built and maintained in Canada.

One of the things many folks talk about is maintaining our economic sovereignty. It is important that when we are talking about economic sovereignty that we are making those strategic investments in Canadian jobs and Canadian industries.

Business of Supply

Over the years, many of us have talked about the importance of local economic development. I think many of us can probably cite very successful initiatives in their own ridings. I know the members of the Bloc are passionate advocates of successful economic development in their own ridings.

I want to highlight a particular issue. It is rather timely because we have been talking about Bill C-45, which is a new Fisheries Act. When we talk about economic development, we know that sports and recreational fishers are an important contributor to the British Columbia economy. We have many successful economic initiatives in British Columbia and I will highlight one that is in Nanaimo. St. Jean's Salmon Fish Cannery in Nanaimo made a commitment to the sport fishing industry 40 years ago. I will read from its website where it states:

Armand St. Jean had created a cottage industry smoking oysters and canning clam chowder in the back of his garage. He impressed some American sports fishermen, who suggested he turn his hand to canning salmon. The idea made sense to St. Jean, so he fixed up an old boathouse and got to work. The rest is history. Gerard St. Jean joined his father, constructed a new building to house the expanding business, weathered the economic storm of the early 80's and saw the business expand in '86.

From canning salmon, oysters, and chowder, St. Jean's Cannery & Smokehouse expanded to include products like solid white albacore tuna canned without water or oil, canned wild West Coast chanterelle mushrooms, seafood pates, oyster soup and whole butter clams.

The website goes on to read:

What started as a backyard canning operation in 1961 is now virtually the only full-service processor catering to sport fishermen in British Columbia.

That is an example of successful economic development. When we are talking about the spin-offs in industry or in aerospace, there is something economists refer to as the multiplier effect. For every direct job, whether it be in aerospace, the garment industry, shipbuilding or in forestry, two to seven jobs are often spun off. It depends on the industry as to how many jobs will be spun off but I would argue that local economic development initiatives support other suppliers, the transportation sector and their important initiatives in our communities to keep our communities healthy and vibrant.

I want to turn briefly to softwood lumber. We certainly have had some fundamental differences with the Bloc on the softwood lumber agreement. In British Columbia we have talked about the importance of the softwood lumber agreement around economic spin-offs and around regional importance in our communities.

In a press release entitled, "Softwood Lumber Agreement spells trouble for jobs in BC's forest-dependent communities", the Canadian Centre for Policy Alternatives stated the following:

The new Canada-US Softwood Lumber Agreement, if it is ratified by the Canadian Parliament—

—and we know it was—

—spells bad news for BC's forest-dependent communities. According to a new Canadian Centre for Policy Alternatives report, the deal will dampen efforts to move BC's forest industry up the value chain, and will lead to more raw log exports, both of which mean fewer jobs in BC's forest sector.

● (1645)

When we talk about aerospace, the concern people have is not only for the direct jobs but for the spinoff jobs that are so vital. We know the multiplier effect is critical in terms of economic diversity in our communities.

In the same press release, it further states:

The report, *Softwood Sellout: How BC Bowled to the US and Got Saddled with the Softwood Lumber Agreement*, shows how the BC government made a concerted effort beginning nearly five years ago to fundamentally restructure forest policies in a failed attempt to appease the US softwood lumber lobby. The changes included:

- scrapping laws that obligated forest companies to operate certain mills,
- scrapping public timber auctions specifically for value-added manufacturers,
- scrapping auctions of timber to small, independent mills, and
- scrapping prohibitions on wood waste on logging sites.

"These changes and more were made to address US 'perceptions' that BC subsidized its forest industry", Parfitt says. "None of them were in the public interest. All of them hurt BC communities. Value-added manufacturing is down, raw log exports are up and massive amounts of usable logs are being left on the ground instead of being processed."

In Nanaimo—Cowichan, we are seeing the impacts of those kinds of policies. Sawmills have closed and pulp and paper mills are in desperate straits because of a lack of access to fibre supply. We are only beginning to see the impacts of this agreement.

We are talking about economic development. We are talking about regional disparities. In British Columbia we are certainly seeing some regional disparities.

The "Softwood Sellout" report made a number of recommendations. I will not be able to cover all of them in the brief time available to me, but one of the things that happened in British Columbia was an end to milling requirements. This was called the impertinency clause and it is particularly important because the impertinency clause talked about the fact that in B.C., a province rich in trees, 95% of the land is crown land. It is owned by the people of B.C. and there was a social contract.

That social contract meant that the trees that were cut down in British Columbia would be milled close to home. It is such an important element. This is a resource owned by the citizens in British Columbia. The citizens of British Columbia absolutely own those trees and therefore the direct benefits should come to our communities.

Instead, what we have seen is a disassembling of that social contract. Raw log exports have increased and the trees are being shipped south of the border to be processed.

Mr. Pat Martin: Economic treason.

Ms. Jean Crowder: The member for Winnipeg Centre is absolutely right. It is economic treason. What we are seeing instead is that good paying jobs are leaving our communities.

The Youbou Mill closed down a few years back. A large percentage of those workers never recovered the good paying jobs they had. Many people had to leave our community to find work and it is because that social contract was taken apart. The Youbou Mill no longer had access to the fibre supply that was essential to keep that mill, which had been in the community for decades. Generations of families worked in that mill and it was taken apart.

Business of Supply

A man by the name of Ken James, who works with the Youbou Timberless Society, has been a tireless advocate in raising this issue and bringing it forward to federal and provincial politicians. Hundreds of trucks have been loaded leaving the valley for mills elsewhere and the families in Nanaimo—Cowichan are without work as a result of that. It is shameful in this day and age that we continue to support policies that are eroding the health and vitality of our communities.

• (1650)

Under the heading “An End to Guaranteed Wood Supplies for Value-Added Mills, the same report states:

A second pool of timber was also available for bidding, but the bids were restricted to manufacturers of value-added wood products. This included a wide range of companies producing everything from finger-jointed boards (long boards created by gluing shorter pieces of wood end-to-end) to high-end products such as window frames, furniture and musical instruments. Under such auctions, companies were required to submit “bid proposals” that essentially identified the kind of product to be made, how many jobs would be generated in the process, and where.

Further on the report states:

The bid proposal program was subsequently scrapped, with the end result that value-added manufacturers no longer have access to a separate pool of wood and must now compete directly in the “open” market. The problem is that serious questions remain about how open the market is, and whether value-added mill owners can compete on an equal footing with big lumber producers and other larger consumers of logs.

In many of our communities we are talking about small manufacturers which do not have the ability to compete with the larger manufacturers on an open market. If we want to ensure that our communities are economically diverse, we need to build on our skills base, ensure the supply chain, which goes all the way along, is in place and ensure we support community efforts.

Value added wood in many of our communities is critical to our economic survival. In my riding of Nanaimo—Cowichan, we have many small window and door manufacturers that employ 30 or 50 people, plus all of the spin-offs. Many of our custom furniture manufacturers make great products that are in high demand but they are often struggling for access to fibre supply. I live on Vancouver Island where we have a large supply of trees but these small manufacturers cannot get access on an equitable basis.

When we want to talk about economic vitality in communities we need these kinds of policies and strategies that will support these initiatives.

I now want to talk about the pine beetle for a moment. In British Columbia, it is an economic and environmental disaster. I would like to quote from a 2001 report entitled, “Salvaging Solutions: Science-based management of BC’s pine beetle outbreak”, by the David Suzuki Foundation. The numbers have become far worse but I will use these numbers in the report because they are quite startling. The report states:

Since 1997, mountain pine beetles...have infested over 300,000 hectares of lodgepole pine...forests in the central interior of British Columbia. In previous outbreaks, mountain pine beetles have killed as many 80.4 million trees distributed over 450,000 hectares per year across the province, making them the second most important natural disturbance agent after fire in these forests.

The current approach of the British Columbia Ministry of Forests is to aggressively harvest infested and killed trees to slow the outbreak, mitigate its impact on timber supply, and reduce losses in timber values. Measures to facilitate this approach include increases in the Allowable Annual Cut for some areas, reductions in environmental regulations and planning...

The big issue around this is that this large scale salvaging sanitation harvesting has long term economic and social impacts on our communities. We are not looking far enough in advance to talk about the economic plan that we need to put in place in order to deal with what will impact on these communities over the next 10 to 15 years.

Many of the communities are heavily reliant on the forestry sector and without an economic plan to help them deal with the impact of this kind of harvesting, I wonder what the future will be for those communities. We have seen other communities in British Columbia lose their sole industry and have to close down.

In the context of this motion, we should be looking at much broader strategies around economic community and economic development that looks at that triple bottom line.

• (1655)

[*Translation*]

Mr. Paul Crête (Montmagny—L’Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened attentively to my hon. colleague's speech and I feel it would be worthwhile to broaden how we see things in terms of the government's economic involvement.

I believe she would agree that it is completely outrageous for the Conservative government to award \$9 billion worth of contracts to an American company such as Boeing or Lockheed Martin, without any specific requirement to respect the distribution of the aerospace industry. In my view, this goes against any sense of responsibility, when we are talking about \$9 billion, not from private money, but from taxes paid by Canadians and Quebeckers. In the case of the C-17s, this \$9 billion is being given to a business with no tendering process, in the form of a forward contract. Furthermore, conditions are being imposed to the effect that a certain percentage of the benefits will go to the aerospace industry and the rest will go somewhere else.

Thus, this shows no respect for the existing structure of the aerospace industry in Canada, which means that a private company will now have total control over the direction of the aerospace industry, especially since the Conservative government has no official policy on the matter. It killed the Technology Partnerships Canada program. On the other hand, it is now going to the other extreme by awarding \$9 billion worth of contracts without any tendering process, thus granting complete freedom to the company that receives the contract. Accordingly, this could mean investments that are not in the best interest of Quebeckers or Canadians.

As the Bloc Québécois motion proposes, in our view of things, would it not have been better to respect the geographic distribution and the importance to the economy?

For example, the automotive sector is important in Ontario, and a major investment in that sector has been accepted. Could we not have done the same thing for the aerospace industry and ensure that we reap the greatest benefits?

My hon. colleague from Argenteuil—Papineau—Mirabel gave the best examples. In his region, in the area of Mirabel, they are eager to develop the aerospace industry and Bombardier is already investing there. Is it not possible to have some sort of control over how this \$9 billion will be spent?

Business of Supply

[English]

Ms. Jean Crowder: Mr. Speaker, the member raises a really valid issue. I fail to understand why we do sole source contracts with foreign suppliers that do not have adequate economic spinoffs in Canada.

I want to talk about shipbuilding for a moment. In British Columbia, the B.C. government opted to have our ferries built overseas and now it is asking the federal government for the 25% tax not to be applied for ships that are built outside of Canada.

Surely, we need to be developing policies that support our industries in Canada. Let us face it, as workers are employed in good paying jobs, they pay taxes in Canada, and they generate other jobs like the multiplier effect I was talking about. We should be looking at supporting and encouraging Canadian industries so that Canadian workers have access to those jobs.

[Translation]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Mr. Speaker, as we know, it is possible to exclude military purchases from commercial contracts and to include in these contracts a number of clauses that would help ensure that fair spinoffs go to the purchaser, to the buyer.

Could my colleague tell me if, among these different clauses that can be added to a military equipment purchase contract, a regional distribution clause is acceptable, even desirable?

• (1700)

[English]

Ms. Jean Crowder: Mr. Speaker, the issue is around the kind of economic benefits that we want to see remain in Canada. We want to see those jobs benefit Canadians from coast to coast to coast.

I wonder why we actually do not support the development of industries instead of going to foreign suppliers on many of these contracts. When we are forced into dealing with foreign suppliers, we must ensure that the maximum benefits accrue to Canadians instead of the kinds of shenanigans that we have seen that prevent Canadians in some cases from even working on contracts where foreign suppliers are involved.

We want to ensure that the maximum economic benefits accrue here in Canada.

[Translation]

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, we are at the end of the opposition day, and the debate is on the purchase of Boeing aircraft. One question interests and intrigues me. I would like some clarification from the members of the House.

Is the government opposite not kowtowing to Boeing? If Boeing awards contracts in Quebec, these contracts could possibly be taken by Boeing's competitors.

I am thinking of Canadair, of Bombardier. Bombardier makes medium-haul aircraft which compete with Boeing's commercial aircraft. I think of Messier-Dowty, which makes landing gear. I am thinking of the companies in the Trois-Rivières region which specialize in interior and exterior finishing—painting specialists. I am thinking of all these people.

Would it be bowing down to an American multinational if we said that we wanted to retain control over the entire aerospace industry associated with C-17s?

[English]

Ms. Jean Crowder: Mr. Speaker, when I was using, for example, the case of the search and rescue aircraft, we have seen from the Conservative government a lack of coherent policy around supporting other parts of the aircraft industry. Again, the member for New Westminster—Coquitlam has a motion before this House calling on the government to support the revitalization of the search and rescue aircraft. People keep talking about a made in Canada solution. We do need a made in Canada solution for some of these initiatives. We are not seeing the kind of leadership that Canadians are asking for on some of these issues.

[Translation]

The Acting Speaker (Mr. Royal Galipeau): We have time for a short question.

The hon. member for Rivière-des-Mille-Îles.

Mr. Gilles-A. Perron: Mr. Speaker, I have a short question. I could not agree more with my colleague opposite. Unfortunately, it is true that in Canada the avionics sector is bombarded, to use military language, by foreign companies who come here to try and find parts.

I am being told to speed up, so I am asking for the member's comments on this.

[English]

Ms. Jean Crowder: Mr. Speaker, I know that our industry critic from Windsor has been tireless in terms of talking either about foreign companies that are buying up resources in Canada, so that Canadians no longer have access, or that we are actually procuring things that could be produced in Canada. Again, I think we need to examine our industrial and economic strategy to ensure that we are addressing that—

• (1705)

The Acting Speaker (Mr. Royal Galipeau): Resuming debate. The hon. member for Lévis—Bellechasse.

[Translation]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, I am pleased to take part in this debate.

Today, we are talking about laissez-faire. Is it the Bloc Québécois' laissez-faire in the area of defence that we are talking about? This is a federal party that has no military procurement program for the Canadian Forces. This is a party that turned a blind eye during the 13 years the Liberal government literally abandoned the Canadian Forces, particularly in the aircraft sector.

The number of available aircraft has been cut in half since 1993. And amongst the ones that are left, many are not flying. Some have reached the end of their service life and others are not in operational condition.

Yet, the armed forces are asked to carry out humanitarian and military missions. The military is also asked to help at the national level, such as during the ice storm, the flooding in Saguenay or the Vancouver Olympics.

It takes some nerve to present such a motion when, in the past year, our government has taken concrete and positive action to give the Canadians Forces the tools they need to accomplish their missions. My Bloc Québécois colleagues will agree that this is an area of federal jurisdiction. It is therefore essential to give the Canadian Forces the equipment they need.

Furthermore, over the course of this year, we have launched an aircraft procurement program, because it is a fact that our Canadian Forces are in dire need of tactical aircraft, strategic aircraft, helicopters and rescue aircraft, but fortunately, with our Canada First strategy, we will be staggering purchases and fitting them into our budget, somewhat in the same way as car payments are budgeted.

As a government and as a country, we need military equipment to fulfill our obligations here and abroad.

I would simply recall that the C-17 contract is a \$3.7 billion contract. This is the first time that a government is requiring dollar for dollar reinvestment in Canada. Each dollar paid out for a military contract with a private firm must be reinvested here, in Canada, in our high tech sectors. That is one thing.

Another thing is that, over the last year, Public Works and Government Services Canada has invested more in Quebec than it has ever done in the country, to the tune of \$350 million for Pratt & Whitney in Longueuil, for the benefit of the Canadian and Quebec aerospace industry.

I am proud, I must say, to be part of a government that makes sure it procures, in an open and transparent manner, sorely needed equipment that will do the job for the Canadian Forces.

[*English*]

As the Minister of National Defence pointed out in his recent appearance before the Standing Committee on National Defence, years of pent up demand for investment and recapitalization is driving the current procurement agenda. It is putting major pressure on our government to shorten delivery schedules and streamline the acquisition process. While the Department of National Defence and the Canadian Forces process billions of dollars worth of capital assets, past governments have failed to invest the funds needed to keep them in working order.

[*Translation*]

Years of underfunding have created a difficult situation. We have an enormous backlog to manage. Our equipment should have been replaced a long time ago. For example, I flew to Kandahar in January on a Hercules airplane. Some planes in that fleet have now been decommissioned, as they have reached the end of their useful life. The C-17s we are about to acquire are multipurpose aircraft; they can be used tactically as well as strategically, and they will allow us, as we go about replacing the Hercules, to continue meeting our obligations.

We must acquire additional capacity and this was completely neglected by the previous government. That was not a good idea for

Business of Supply

the simple reason that it has forced us to keep on spending year after year. Such spending, however, is not an investment. We spend more buying spare parts than we would investing in new equipment.

The Conservatives want to ensure the equipment is kept modern, so as to reduce maintenance and operation costs and the need to buy spare parts. The budget will be more or less the same, however, we will have modern equipment. Most of all, the Canadian forces will have the equipment they need to carry out their mission. We have undertaken to establish the defence equipment needs for the years to come and to determine the best way for the Canadian industry to contribute to a secure future for our country. We are doing all this in a sustainable and affordable way.

Defence procurement involves mainly three departments: the Department of National Defence, which defines the needs; the Department of Public Works and Government Services, which manages the contracts; and Industry Canada, which ensures there are industrial spinoffs. As I mentioned earlier, this is the first time that a government says “dollar for dollar”: a dollar for defence procurement equals a dollar invested in high technology sectors in Canada.

In our effort to make procurement in a smarter and more effective way, we are also trying to buy more commonly used products. This reduces the need to develop costly prototypes and adaptations and allows the procurement system to respond more quickly. We buy equipment already available, functional and efficient equipment that meets the needs of the Canadian forces.

Before, we used to have specifications five inches thick, and it took years, sometimes up to 15 years, to purchase military equipment. Luckily this time is past. Now we define strategic requirements in terms of performance—a performance specification, as it were. The requirements are defined and the Canadian forces are in the best position to define their needs. From there we turn to the suppliers to see what they have to offer to meet those needs.

This way we can avoid protracted departmental procedures resulting in hundreds of pages of long and detailed technical specifications, as I have already mentioned.

The contract for the C-17s, recently signed, is an excellent example of the way in which our government does things well and fulfils its commitments. It is also good news, not only for our military—men and women—but also for Canadians as a whole. In fact, next August, only 14 months after having announced our intention to procure four aircraft, the first C-17 will land at 8 Wing Trenton. This process was completed very quickly. We are in great need of these planes.

This morning, I attended the meeting of the Standing Committee on National Defence. Douglas Bland, Chair of the Defence Management Studies Program at Queen's University in Kingston, said that four C-17s was really a minimum. In his opinion the debates should be about the number of planes. He even said that we should have acquired more planes—8, 14 or even 16 of them. Still, we have to take into account the taxpayers' ability to pay.

Private Members' Business

We have four C-17s, four planes that are necessary and that are a tried product. This is not equipment that will give us any surprises; it is proven equipment. This is very comforting, considering these planes will be used on humanitarian missions and in emergency situations.

Our Canadian forces will no longer have to count solely on our allies to be airlifted when responding to crisis situations. Not only must we sometimes rely on our allies, we must also sometimes turn to foreign countries whose planes are not necessarily in good enough shape to guarantee the safety of our military or the passengers who board them.

• (1710)

Canadian forces will no longer have to wait years to have the equipment they need to do the job today.

[English]

As part of our government's new Canada's first defence strategy, our vision of a three ocean navy, a robust army, a revitalized air force and a responsive special forces, we are giving our soldiers, sailors, airmen and airwomen the tools they need to succeed.

• (1715)

[Translation]

The Acting Speaker (Mr. Royal Galipeau): It being 5:15 p.m., pursuant to order made earlier today, all questions necessary to dispose of the opposition motion are deemed put and the recorded division deemed requested and deferred until Tuesday, March 20, 2007, at the expiry of the time provided for government orders.

[English]

Mr. Rick Casson: Mr. Speaker, I rise on a point of order. I believe if you were to seek it, you would find unanimous consent to see the clock at 5:30 p.m.

The Acting Speaker (Mr. Royal Galipeau): Is that agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Royal Galipeau): It being 5:30 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

DIVORCE ACT

The House proceeded to the consideration of Bill C-252, An Act to amend the Divorce Act (access for spouse who is terminally ill or in critical condition), as reported (with amendment) from the committee.

Mr. Rick Casson (Lethbridge, CPC) moved that the bill, as amended, be concurred in.

(Motion agreed to)

Mr. Rick Casson moved that the bill be read the third time and passed.

Mrs. Betty Hinton (Parliamentary Secretary to the Minister of Veterans Affairs, CPC): Mr. Speaker, I am honoured to speak in

support of Bill C-252. However, before discussing the bill, let me express by deepest sympathy for the children and the family of the constituent whose unfortunate experience motivated the hon. member for Lethbridge to introduce the bill.

Bill C-252 is all about compassion. It aims to give closure to children of divorce before their parents' impending passing.

The dissolution of a marriage is not a happy event. It can be highly emotional and stressful for all family members. Divorce can also take a serious toll on any children involved. Children often experience their parents' separation as a loss, the loss of their former family unit. Some children feel that they have little or no say in the events that shape their lives during their parents' divorce.

I would imagine that finding out one has a terminal illness could instill a similar sense of grief and loss of control. For a child who is already struggling with his or her parents' separation, the pending loss of the life of a beloved parent could be devastating. For a dying parent, contact with his or her child could help to alleviate some grief at a very critical time. For a child, being able to pay his or her last respects to a parent could provide some closure and peace of mind.

I believe most Canadians would agree that unless it is not in the child's best interests, a parent should be able to die peacefully, with one's children by his or her side.

My hon. colleague introduced this bill to ensure that children can say goodbye to a parent who is terminally ill or in critical condition, where it is in the best interests of the children. It is important to note that the best interests of the child will remain the primary consideration. However, the proposed bill will ensure that proper consideration is given by the courts to the amount of time left for a parent and child to spend their final moments together.

Bill C-252, if passed, will clarify that a terminal illness or critical condition on the part of a parent is a material change in circumstance for the purposes of the variation application and will ensure that decisions with respect to access in these circumstances are made in the best interest of the child.

I must say how touching it has been to see the support that other members of Parliament have shown for the objective of the bill.

The impact of divorce on some children last their entire lives. Often parents can agree on how to continue parenting after divorce. They can deal with the many emotional and financial issues that arise from their breakup with the help of family justice services that are delivered by our provincial and territorial partners. When parents can agree, there is a sense that children are better off.

The focus on the children's best interests may be easier if parents are not fighting over who wins or loses. Compassion in cases of illness may also come more easily. However, some parents cannot agree on how to continue parenting after a divorce and some may even have difficulty putting their children first. They will need the courts to help them find a solution that is in the best interests of their children.

Private Members' Business

Unfortunately, some of these parents may also find themselves one day in a situation where their days become numbered and where they cherish every last moment they spend with family and friends. We can all appreciate how important it is for people to be in the company of loved ones at such times. Those moments together are important both for the dying parent as well as for those who survive.

In some cases where a parent is dying, however inexplicable as this may be, the other parent may not find it in himself or herself to let the dying parent see the child, or to put it in another way, the other parent may not let the child see the dying parent one last time.

Can we let that happen? We have the opportunity to amend the Divorce Act to make it easier for dying parents and their children to spend time together and support each other in difficult situations.

I will speak for a few minutes about the scope of the federal Divorce Act with regard to the custody and access.

Section 16 of the Divorce Act sets out the criteria for granting custody and access for original or interim orders. Such orders are to be granted solely on the basis of the best interests of the child. Section 16 of the Divorce Act also requires the court to give effect to the principle that a child of the marriage should have as much contact with each spouse as is consistent with the child's best interests.

• (1720)

Section 17 of the act allows a parent to apply for a variation of the original or interim custody and access order when there has been a material change in circumstances. As in Section 16, the best interests of the child should prevail in varying an order, and the court is to make an order that provides that a child of the marriage has as much contact with each spouse as is consistent with his or her best interests.

Section 16 of the Divorce Act as currently worded already responds, to a large degree, to the issue raised by Bill C-252. This is because, by requiring that orders be granted based on the child's best interests and that maximum contact between children and parents be ensured, section 16 of the Divorce Act already provides the courts with sufficient discretion to make appropriate orders.

In addition, although courts all maintain that a parent does not have an absolute right to access, most of them accept that it is in a child's best interest to have a meaningful relationship with both parents in the absence of a good reason to the contrary.

The proposed amendment to section 17 of the Divorce Act clarifies that a parent's critical condition or terminal illness is a change of circumstances, giving rise to a possible variation of the custody and access order. The provision further instructs the courts to make an order in respect of access that, in the circumstances, is in the best interests of the child.

I note that the Standing Committee on Justice and Human Rights has proposed an amendment to the bill that would make it more consistent with the existing wording of the Divorce Act. Consistency in legislation is important. I believe that this amendment should be accepted and that the House should pass Bill C-252.

This bill will provide greater certainty and will facilitate variation applications for parents who are terminally ill or in critical condition.

Most children want, and indeed need, continuing contact with both of their parents. They often describe lack of contact as one of the most difficult aspects of their parents' separation.

My government believes it is important that when parents divorce, both parents are encouraged to maintain a meaningful relationship with their children, unless it is not in the best interests of the children.

The objective of promoting access between a parent who is terminally ill or in critical condition and their child, when it is in the best interests of the child, is indeed most laudable.

I would like to thank my colleague, the member for Lethbridge, for bringing this important issue to the attention of the House.

• (1725)

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I am pleased to be given the opportunity today to rise and speak on this private member's bill, Bill C-252.

At the outset, I should point out that when the bill first came before the House, which is quite some time ago now although I do not know the exact date, I spoke against the bill. I felt at the time that the wording of the bill went too far on this particular issue. I did that having great respect for the intent of the bill and with great respect for the motivations of the member who introduced the bill. Obviously it probably was prompted by certain events that happened to a constituent in his riding who was probably ill-treated by the courts. Of course, in a situation like that, time probably does not allow an appeal.

However, it was my position at the time that it did not respect the intent of section 68 of the Divorce Act, which reads: "In making an order under this section, the court shall take into consideration only"—and I underline that word "only"—"the best interests of the child of the marriage as determined by reference to the condition, means, needs and other circumstances of the child".

This particular bill talked about ensuring that a parent who was critically or terminally ill would have access to the child. Of course, in the vast majority of cases that certainly would be the case, but I was reluctant at the time to put that in legislation because that would tie the hands of the judges and it would fly in the face of that particular section.

However, the bill was amended, first of all in the House and then subsequently in committee. The first amendment made it explicit that courts should grant a former spouse with "a terminal illness or critical condition" access to the child as long as it was consistent with the best interests of the child.

That amendment was made, which I think went most of the way, and then it was sent to the committee. The committee, in its wisdom, amended it further, with the provision that "the court shall make a variation order in respect of access that is in the best interests of the child". Again, that provision was underlined and of course, based upon those amendments, I now speak in favour of the bill. I will be voting for the bill when it comes before the House.

Private Members' Business

I come back to my original comments. Sometimes in the House it is very difficult for members to second-guess a judge that has the facts of the case. We can make the laws, the Criminal Code and the Divorce Act, but I believe that at the end of the day the discretion should rest with the judge, based upon certain principles and foundations.

Again, I believe this bill in its present form is good legislation. Certainly if there is a situation where a parent is terminally ill, it would be, in the vast majority of cases, as I said before, in the best interests of the parent but more so in the best interests of the child that liberal access be granted by the judge pursuant to a variation order.

We would hope as normal people that this would happen in those cases without resorting to the courts, but sometimes things like that do not happen. In those situations, this legislation would assist certain unfortunate people who find themselves in those predicaments.

I am not going to take my full 10 minutes.

Like the previous speaker, I want to congratulate the member who put so much time and effort into this bill. This is the way the system should work.

Some of the members had the same concerns I did. The bill was amended by the member, first of all, then further tweaked by the committee, and it has come back before the House in a form that I think is very good legislation. It is legislation that should be approved by the House when it comes forward for a vote.

• (1730)

[*Translation*]

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, I am happy to speak once again to Bill C-252, to amend the Divorce Act, at report stage.

Specifically, the goal of the hon. member for Lethbridge's bill is to amend the current legislation in order to allow a former spouse who is terminally ill or in critical condition access to any dependent children. This leads us to believe that a parent who does not have a right of daily access to their child can argue that, because of their condition, the court should make a variation order so that he or she may get closer to their child. This visit would take place during what are believed to be the parent's final moments. However, the bill stipulates that this access would be granted inasmuch as the situation is in the best interests of the child.

I would like to remind the House that subsection 16(8) of the Divorce Act very clearly defines the interests of the child as well as the basic criteria that should guide the judge's decision regarding the terms of custody. For example, according to the act, when a court makes a decision, it only considers the interests of the dependent child, defined according to the child's resources, needs and general situation.

Under Bill C-252, adding a new criterion to be considered would have an exceptional effect on previous rulings. I therefore understand the noble intent behind my colleague's efforts in presenting his bill and I commend him on that. It goes without saying that the sincere and profound wish of a seriously ill parent living out their

final days is to spend the last moments of their battle surrounded by their children or one of their children. It is perfectly natural to want that.

At the outset, we had some concerns about the effect of Bill C-252, particularly regarding the reasons why this new access to the child, a sort of exception to the decision previously made by a court, had formerly been limited or prohibited by a court. This is in fact where the concept of the "best interests of the child" is most in play.

If we start from the principle that the best interests of the child are paramount, could the fact that a parent is in critical medical condition justify access to and visitation with a child, from a humanitarian point of view, on the basis that the parent in question is about to die, when the court had serious justification precisely for limiting that contact?

For example let us take the case of a parent who was denied access to the child because of physical abuse, of whatever kind. Regardless of whether the parent has only a few days to live and wants to express remorse or apologize, if it is not found to be in the best interests of the child to visit the parent, that restriction on the right of access will be upheld. In that case, amending the act would be pointless because the only criterion to be considered is that everything is subordinate to the best interests of the child.

On the other hand, I understood that my colleague's intention at the outset was not to propose a broader or more flexible interpretation of the concept of the best interests of the child. That would undeniably have reduced the original effect of the bill, and thus the paramountcy of the child in relation to the prohibition or limitation on access by the divorced parent. Consequently, it would have made it completely unacceptable. There is a basic issue that should not be revisited, even because of the probably imminent death of the parent who has been denied access.

The changes made to clause 1 by the Standing Committee on Justice and Human Rights therefore fine-tune my colleague's initial idea by eliminating some ambiguities concerning the role of the court, and in particular the idea of ensuring "that the former spouse is granted access as long as it is consistent with the best interests of the child." In fact, the amended clause reads as follows:

a former spouse's terminal illness or critical condition shall be considered a change of circumstances of the child of the marriage, and the court shall make a variation order in respect of access that is in the best interests of the child.

This amendment makes it possible to avoid certain shortcomings identified by the committee, namely the approach of "as long as is consistent" in view of certain degenerative illnesses that can last longer than the estimated life of an individual.

However, setting aside the honourable intention of the member for Lethbridge to improve the rather difficult circumstances of certain individuals, the traditional position of the Government of Quebec is staunchly defended by the Bloc Québécois. This position calls for exclusive provincial jurisdiction in divorce matters.

Private Members' Business

I would like to point out that it is not stipulated anywhere in the Civil Code of Quebec that a parent's critical state of health must be taken into account when establishing his or her visiting rights. Furthermore, our interpretation is based on article 314.2 of the Civil Code of Quebec, which stipulates that "A Québec authority has jurisdiction to rule on the custody of a child provided he is domiciled in Québec". Articles 33 and 34 of the Civil Code, which refer to the child's interests, compel the court to seek the child's opinion.

● (1735)

However, I remain sympathetic to the initiative of our colleague from Lethbridge. I will be supporting this bill, as will my party, in this last step of the process in the House of Commons. Bill C-252 deserves to move forward to third reading and then to be sent to the upper house, although, with our view of the relevance of the Senate, the bill is already near approval.

Before I close, I would like to reiterate the Bloc Québécois' position that the Divorce Act should be repealed, and that Quebec and the provinces should have the power to legislate divorce. This would correct one of the aberrations of the Canadian Constitution. In the meantime, since divorce remains under federal jurisdiction, we will earnestly take part in any reform initiative that would ensure greater protection of the child's interests.

I congratulate my colleague from Lethbridge for tabling this bill.
[English]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I am pleased to speak to Bill C-252 authored by the member for Lethbridge. Like my colleague from the Bloc, I would like to acknowledge the hard work that he has done on this file. The bill addresses an important point.

It was interesting to see the positive response from all members who sit on the justice committee to this particular amendment to the Divorce Act. Although it would have limited usage, it is an important one.

I feel as though I am back teaching a family law course at the university.

What is really being said by the bill is if a custody award has been made, and if an application is made to change that custody award, more specifically the visitation rights by the non-custodial parent, the judge must take into account the health of the non-custodial parent, especially if the parent is terminally ill or in critical condition. The judge hearing the application for visitation rights will have to take that into account.

I fully expect this bill will pass. At this stage, the court is not mandated to see what we call in family law as the legal principles, a situation involving a terminally ill parent as a change of circumstances. That is the vernacular within the legal principles under family law in this country. This bill mandates the judge to treat a situation involving a terminally ill parent as a change of circumstances and the judge will have to take that into account.

We heard not only from the member for Lethbridge but from other members about a number of cases where parents, for whatever reason, had not been given access to their children. They were terminally ill, but they were not given the opportunity to see their

children before they passed away. More important, and this goes beyond any consideration, the children were denied the right to see their dying parent. That is a personal tragedy in a lot of cases. It also causes psychological trauma which in all likelihood will stay with the child for the rest of the child's life.

I want to be clear, as was the member for Lethbridge, that this provision cannot be used, and a court would not order, a child to see a parent in circumstances where it was not in the best interests of the child. I use as an example a bill which was brought before the House in the last Parliament by a Conservative member. In effect, it was trying to prevent a father who had killed the mother of his children from forcing the children to visit him in prison where he was confined for life. That is clearly a situation that is not in the best interests of the children. This section would not in any way prevent a judge from determining that it was not in the best interests of the children and therefore the judge would continue to deny visitation rights.

In the circumstances where it is a valid conscientious claim by a terminally ill parent, and it gives the children the opportunity, perhaps only once, to see that parent before the parent dies, I am sure in most cases a judge would find it in the best interests of the children and would make that determination accordingly.

I am quite happy to support private member's Bill C-252. I commend the member for Lethbridge for the work that he has done on this. It is an important point. It will cover a small number of cases, but they are crucial cases. In that regard it is work well done.

● (1740)

Mr. Rick Casson (Lethbridge, CPC): Mr. Speaker, I want to thank those assembled tonight who spoke to the bill and the members of the Standing Committee on Justice and Human Rights who dealt with the bill. The bill has developed since I first introduced it. It was amended in the House. It went to committee and through the wisdom of members of all parties on the committee, it was amended again. I believe now we have something that is very applicable to the issue that originally got me started down this road.

As members know, trying to get a private member's bill through the House and to the other place takes a great deal of effort on the part of many people. I want to thank everybody involved.

It is time that we had a look at the Divorce Act and changed this provision. The situation that motivated me to bring this to the House needed to be addressed and with this bill moving forward, that will be done. Terminally ill or critically ill parents will be able to apply to a judge to see their children. That condition will prompt the judge to assess visitation rights in a different scope.

It has been a long road but one that has been very worthwhile. I certainly encourage other members of the House who have ideas to pursue them. I have been very fortunate to introduce private members' bills and to get my name drawn. It is a lottery situation. It is a strange thing where names are drawn out of a barrel. Some members have been here for 15 years and their names have never been drawn. I feel very fortunate.

Adjournment Proceedings

I am sure there will be instances in this country in the years to come where divorced parents will become terminally ill. This provision will allow them to apply to the courts for changes to allow them to see their children. That will be good.

• (1745)

The Acting Speaker (Mr. Royal Galipeau): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Royal Galipeau): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour of the motion will please say ye.

Some hon. members: Yea.

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Royal Galipeau): Pursuant to Standing Order 98, the recorded division stands deferred until Wednesday, March 21, 2007 at the beginning of private members' business.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I am pleased to take part in this adjournment debate and to express my concern about the future of the employment insurance program.

Last week, the Minister of Human Resources and Social Development clearly stated that employment insurance was a rich and worthwhile program for workers. However, the Parliamentary Secretary to the Minister of Human Resources and Social Development denied that he had made any such comments. Clearly, the minister is not aware of the reality of the unemployed. The minister and the government are insensitive to the plight of Canadians who have to apply for employment insurance to support their families. Perhaps the minister should come to our regions to see for himself what these workers' lives are like.

Contrary to what he thinks, people who receive employment insurance benefits are by no means well-off. In fact, these people have to support their families on next to nothing. We need to remember that family expenses include groceries, rent, mortgage payments, insurance, car payments, hydro, phone service and much more.

The Conservative government's ideology is of no help to seasonal workers and unemployed Canadians faced with this reality. If the minister still insists that employment insurance is a rich program, can he tell us how he would support his family on so little money?

The Conservative government has done absolutely nothing to help the economy of Atlantic Canada. On the contrary, it has imposed major cuts to economic development programs. We have learned just recently that more than \$15 million will be slashed from the ACOA budget. The government ought to be investing in the Atlantic provinces instead, in order to ensure that the same employment opportunities are available to all. I cannot say that this has surprised me, on the contrary. After all, the government in power has a regional development strategy that seems to be nothing but a forced relocation strategy, with no addressing of the employment insurance issue.

Last week, the minister described the EI program as rich and generous to workers., and I do not want to go into the comments made by the parliamentary secretary. I would like to know which workers are being enriched by EI. What they should be saying instead is that not one worker is enriched by such a program. Does the minister still believe that employment insurance is enriching for the workers? That is my question.

I certainly hope that the government will be in a position to say instead that it wants to improve the EI situation and the lot of workers, in order to provide help to those who need it the most. Does the minister still maintain that the program is a rich program for workers?

• (1750)

[*English*]

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, the time for these debates is usually reserved for members who believe they did not receive an answer to their question or who require further clarification. I believe anyone who were to refer to *Hansard* for the minister's response during question period would find that he gave a complete response to the member on that occasion.

In any event, I am pleased to say that employment insurance continues to help Canadian workers adjust to labour market changes. It continues to balance work and family responsibilities.

The government has made substantial progress over the last year. We have simplified and streamlined the whole EI processing system. Today, under this minister and this government, EI routinely meets or exceeds its target of paying 80% of all claims within 28 days across the country.

Adjournment Proceedings

For the month of January in the member's region, for example, HRSDC processed 86% of all claims within 28 days. In fact, 86.5% of all claims for Newfoundland and Labrador were paid in that timeframe. In Prince Edward Island the number was 90.8%, Nova Scotia 82.1% and New Brunswick 87.9%.

Those are phenomenal percentages of claims that were paid in very short times. I must say that these people in his riding have probably been better served under our Conservative government than ever before under the previous Liberal government. These statistics speak for themselves.

Not only are claimants receiving their benefits quickly, access to them is also very high. Nationally more than 83% of those who pay into the program and have a qualified job separation are eligible for benefits. In areas of high unemployment, such as Atlantic Canada, this increases to more than 90%.

Equally important, evidence shows that both the amount and duration of employment insurance benefits are meeting the needs of Canadians. In fact, the program is designed to ensure that the benefit duration increases when the unemployment rate rises. For example, in areas of high unemployment, as much as 37 week of benefits can be available for the equivalent of as few as 12 weeks of work.

For seasonal workers, it was this government that launched a number of new pilot projects. We continued others and are extending EI transitional measures for two regions in New Brunswick and Quebec.

With regard to benefit amounts, the family supplement enables individuals and low income families with children to receive up to 80% of their insurable earnings.

This is good news for Canada and for those seeking a job. Canadians should be given every opportunity to participate and succeed in Canada's growing economy.

[*Translation*]

Mr. Jean-Claude D'Amours: Mr. Speaker, clearly the Parliamentary Secretary to the Minister of Human Resources and Social Development did not answer my question.

However, one thing is clear. She said that the program meets the needs of workers. As far as meeting the needs of workers, let us be clear. A family must pay rent, grocery bills, electricity, telephone bills and car payments.

Once again, I would like to know if, at the end of the day, the program is valuable. Is it a valuable program for workers or not?

I am wondering if the Parliamentary Secretary to the Minister of Human Resources and Social Development thinks that earning \$312 on average per week in New Brunswick on employment insurance makes a person rich. I am wondering if that is enough to pay a family's everyday expenses, when the head of the family is receiving employment insurance.

[*English*]

Mrs. Lynne Yelich: Mr. Speaker, I would like to add that individuals use, on average, less than two-thirds of their employment insurance entitlement before finding employment. The member will be pleased to know that even in areas of high unemployment,

claimants rarely use more than 70% of their entitlement. With regard to benefit amounts, the family supplement enables individuals in low income families with children to receive up to 80% of their insured earnings.

Again, for seasonal workers, it was this government that launched a number of new pilot projects, continued others, and is extending employment insurance transitional measures again for two regions in New Brunswick and Quebec.

What is important is what this government is doing on the other side of the employment insurance program. We are creating jobs: 89,000 jobs in the month of January. Our unemployment rate right now is at its lowest level in over 30 years. While some regions are seeing this more than others, all regions are poised to do better than they did under the Liberals and under that member's government.

● (1755)

TOURISM INDUSTRY

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, it is with pleasure that I rise today to discuss the visitor rebate program, the government's decision to cancel that rebate program, and the implications for Canada's tourism industry, particularly in Atlantic Canada.

The headline in today's *Halifax Chronicle-Herald* reads "Restore rebates", in reference to the decision of the government to cancel the visitor rebate program, a decision announced in September along with cuts to women's and literacy programs.

Nova Scotia's premier initially indicated that he did not think the decision would harm the tourism industry. In recent days, however, he has reversed his position. The editorial in today's *Chronicle-Herald* states:

Former fiddler Rodney MacDonald has changed his tune on dropping Ottawa's tourism tax program. Here's hoping [the] federal Finance Minister...will rewrite his budget score....

It went on to state:

If Mr. MacDonald can see the error of his ways, surely [the finance minister] can summon the courage to admit his rookie government's mistake. Damage has already been inflicted upon the industry by the plans to axe the rebates.

The Canadian tourism industry is worth about \$60 billion and is comprised of more than 200,000 mostly small and medium sized enterprises, creating employment for over 1.5 million Canadians.

Tourism is big business in Canada. It generates big tax revenues for governments.

In recent years, the industry has been hit hard by issues, including border requirement issues, the Canadian dollar, 9/11 and SARS.

Adjournment Proceedings

In 2006, under the current government's watch, Statistics Canada reported that the number of same-day car trips from the U.S. fell 12.5% to 13.7 million, the lowest level since record-keeping began in 1972.

Cancellation of the visitor rebate program will make the industry less competitive in foreign markets and the net result will be lost tax revenue and lost jobs in Canada.

The federal government should not be directly contributing to the challenges facing the industry at this time.

International visitors on prepaid packages, such as cruise ship excursions, bus tours and conventions, get the rebate up front. It is included in the price. That makes Canada more competitively priced at the point of purchase.

Under the government's plan, companies selling packages in foreign markets will be forced to add 6% to their current selling price.

It is worse for provinces with a harmonized sales tax, such as Nova Scotia, New Brunswick, and Newfoundland and Labrador, where the elimination of the rebate will mean a price increase of 14%.

We already know that in the past the Prime Minister has not demonstrated a lot of compassion for the plight of Atlantic Canadians.

The Parliamentary Secretary to the Minister of Finance has in fact accused me in this House of misrepresenting the situation when she said that the visitor rebate program was taken up by only 3% of visitors, that it was not working, and that it was not good value for the money.

In fact, she is misrepresenting the situation.

Tourism operator Dennis Campbell of Ambassatours, one of the largest tour companies in Atlantic Canada, said, "It just doesn't make any sense". "This is a very real issue," he said, an important issue, and it "will do significant damage and will result in a significant downturn in our tourism industry and a significant loss of jobs".

The Tourism Industry Association of Canada stated:

If the measure goes through, it will be a major blow to Canada's competitiveness as a destination and hit the tourism industry hard. It's a revenue grab that will inflate the pricing of Canadian tour packages in foreign markets by an average of 6% while also making visiting Canada more expensive for independent leisure and business travellers.

The parliamentary secretary has not spoken to people in the industry, such as those in the Hotel Association of Canada, in provincial governments, and in tourism industry associations across Canada, all of whom believe that the government is going in the wrong direction on this and that it is a regressive step.

Virtually all the OECD countries with a national consumption tax, including Australia, France, the U.K., Mexico—

• (1800)

The Acting Speaker (Mr. Royal Galipeau): The hon. Parliamentary Secretary to the Minister of Finance.

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, the member for Kings—Hants has

once again raised in the House the issue with respect to the tourism industry. My colleague in the Liberal Party would like to know whether the government will keep the visitor rebate program, which is scheduled to be eliminated on April 1.

In budget 2006 Canada's new government committed to identify \$1 billion in savings from programs and activities that were no longer effective and did not provide value for money. In fulfillment of this commitment, on September 25, 2006, we introduced a \$1 billion expenditure restraint initiative. The purpose of this initiative was to ensure that Canadians hard-earned tax dollars were invested responsibly in effective programs that would meet the priorities of Canadians. Responsible spending is a cornerstone of accountable government.

As part of this \$1 billion expenditure restraint initiative, the government announced the elimination of the visitor rebate program effective April 1.

The visitor rebate program provides relief from goods and services and harmonized sales taxes to non-residents who visit Canada. The relief is for tax paid in respect of goods exported from Canada, short term accommodation in Canada, the accommodation portion of tour packages and foreign conventions held in Canada.

Tourists visit our country every year because of its natural beauty, the diversity of our people, the diversity of our regions and climate and the comfort of knowing they can move around freely and securely, and not because of the rebate.

Canada's new government is committed to ensuring that programs focus on results for money, and the current visitor rebate program does not make the grade. If the hon. member does not like the expertise that I provide to the House, I will quote Don Drummond, the TD Bank chief economist. He said:

—certain programs aren't very effective...A good example is the rebate program for tourists who pay the GST. Despite considerable expenditures to make tourists aware they can claim the rebate, fewer than 3 per cent do so.

The BDO Dunwoody CEO/Business Leader survey came back with this finding. It said that leaders of small, medium and large Canadian businesses have "volunteered enthusiasm for ending the GST rebate for visitors".

That said, the government has heard representations from members of the tourism industry concerning this measure. In fact, the finance committee, of which I am a member, has heard representations from this industry. These representations are being taken into account as the government considers how best to promote tourism in Canada.

I am quite sure the member opposite knows that these representations are being taken into account and would like to take credit for the responsiveness of the government. Of course he cannot do that because he is not a member of the government. The government will respond to these concerns.

We recognize the contribution that tourist dollars make to the Canadian economy. This is why we will continue to support Canada's tourism industry and ensure that it remains internationally competitive.

Currently, Canadians should know that the government invests about \$350 million a year directly into the tourism industry through a variety of means.

Hon. Scott Brison: Mr. Speaker, the hon. member has mentioned something we have in common. Neither of us are a member of the government. Technically a member has to be in cabinet to be a member of the government.

She quoted a bank economist to describe the impact of this measure on the tourism industry. She did not quote the hundreds of operators across Canada, the organizations representing them. She did not quote the provincial ministers of tourism, who in a letter signed by the minister of tourism for Nova Scotia all came out against the government's decision to cancel the visitor rebate program.

The fact is, on December 4, ministers of tourism from across Canada met with the Minister of Industry. According to the letter sent to the hon. member's minister on December 26, from the

Adjournment Proceedings

provincial minister of Nova Scotia, every minister of tourism from across Canada is opposed to—

• (1805)

The Acting Speaker (Mr. Royal Galipeau): The hon. the Parliamentary Secretary to the Minister of Finance.

Ms. Diane Ablonczy: Mr. Speaker, as I have mentioned, the government is listening to these representations. In addition to the \$350 million that we are investing directly into the tourism industry each year, which is more than one-third of a \$1 billion a year in support that the government provides to tourism, the issues being raised are being taken into consideration as we work toward even further encouraging tourism in Canada.

The Acting Speaker (Mr. Royal Galipeau): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:05 p.m.)

Asbestos	
Mr. Martin (Winnipeg Centre).....	7497
Ukrainian Canadians	
Mr. Ignatieff.....	7497
Special Olympics	
Mrs. DeBellefeuille.....	7497
Minister of Finance	
Mr. McCallum (Markham—Unionville).....	7498
Employment Insurance	
Mr. Petit.....	7498

ORAL QUESTIONS

Government Policies	
Mr. Dion.....	7498
Mr. Harper.....	7498
Immigration and Refugee Board	
Mr. Dion.....	7498
Mr. Harper.....	7498
Mr. Dion.....	7499
Mr. Harper.....	7499
Mr. Ignatieff.....	7499
Mr. Harper.....	7499
Mr. Ignatieff.....	7499
Mr. Harper.....	7499
Aerospace Industry	
Mr. Duceppe.....	7499
Mr. Harper.....	7499
Mr. Duceppe.....	7499
Mr. Bernier.....	7499
Mr. Crête.....	7500
Mr. Bernier.....	7500
Mr. Crête.....	7500
Mr. Bernier.....	7500
Prosperity Gap	
Mr. Layton.....	7500
Mr. Harper.....	7500
Mr. Layton.....	7500
Mr. Harper.....	7500
Government Programs	
Ms. Robillard.....	7500
Mr. Solberg.....	7500
Ms. Robillard.....	7500
Mr. Solberg.....	7501
Children	
Ms. Brown (Oakville).....	7501
Mr. Clement.....	7501
Ms. Brown (Oakville).....	7501
Mr. Clement.....	7501
Citizenship and Immigration	
Ms. Faille.....	7501
Ms. Finley.....	7501
Ms. Faille.....	7501
Ms. Finley.....	7501

Health	
Ms. Gagnon.....	7502
Mr. Clement.....	7502
Ms. Gagnon.....	7502
Mr. Clement.....	7502
National Defence	
Mr. Brison.....	7502
Mr. Bernier.....	7502
Mr. Brison.....	7502
Mr. MacKay.....	7502
Mr. Coderre.....	7502
Mr. Bernier.....	7503
Mr. Coderre.....	7503
Mr. O'Connor.....	7503
The Environment	
Mr. Albrecht.....	7503
Mr. Baird.....	7503
Canadian Wheat Board	
Mr. Atamanenko.....	7503
Mr. Strahl.....	7503
Afghanistan	
Ms. Black.....	7503
Mr. O'Connor.....	7503
Income Trusts	
Mr. McKay.....	7504
Mr. Flaherty.....	7504
Mr. McKay.....	7504
Mr. Flaherty.....	7504
Official Languages	
Mr. Rodriguez.....	7504
Ms. Verner.....	7504
Mr. Rodriguez.....	7504
Ms. Verner.....	7504
Aviation Safety	
Mr. Laframboise.....	7504
Mr. Cannon.....	7504
Mr. Laframboise.....	7505
Mr. Cannon.....	7505
The Environment	
Ms. Karetak-Lindell.....	7505
Mr. Prentice.....	7505
Canadian Forces	
Mr. Dykstra.....	7505
Mr. O'Connor.....	7505
Passports	
Mr. Martin (Sault Ste. Marie).....	7505
Mr. MacKay.....	7505
Mr. Martin (Sault Ste. Marie).....	7505
Mr. MacKay.....	7506
Multiculturalism	
Mr. Wrzesnewskyj.....	7506
Mr. Kenney.....	7506

Sudan	
Mr. Lunney	7506
Mr. MacKay	7506

Ghana	
The Speaker	7506

Business of the House	
Mr. Goodale	7506
Mr. Van Loan	7506

Points of Order	
Standing Committee on Industry, Science and Technology	
Mr. Rajotte	7507
Mr. Comartin	7507
The Speaker	7507

GOVERNMENT ORDERS

Business of Supply	
Opposition Motion—Aerospace Industry	
Motion	7508
Ms. Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	7508
Mr. Hawn	7509
Mr. Cardin	7510
Mr. Malo	7510
Mr. Hawn	7511
Mr. Trost	7512
Mr. Cannon	7512
Mr. Laframboise	7513
Mr. Laframboise	7515
Mr. Hawn	7517

Mr. Martin (Winnipeg Centre)	7518
Mr. Crête	7518
Mr. Blaney	7518
Ms. Crowder	7519
Mr. Crête	7521
Mr. Malo	7522
Mr. Perron	7522
Mr. Blaney	7522

PRIVATE MEMBERS' BUSINESS

Divorce Act	
Bill C-252. Report stage	7524
Mr. Casson	7524
Motion for concurrence	7524
(Motion agreed to)	7524
Third reading	7524
Mrs. Hinton	7524
Mr. Murphy (Charlottetown)	7525
Mrs. Freeman	7526
Mr. Comartin	7527
Mr. Casson	7527
Division on motion deferred	7528

ADJOURNMENT PROCEEDINGS

Employment Insurance	
Mr. D'Amours	7528
Mrs. Yelich	7528
Tourism Industry	
Mr. Brison	7529
Ms. Ablonczy	7530

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