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OFFICIAL REPORT
(HANSARD)

Thursday, November 18, 2010

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, November 18, 2010

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

● (1005)
[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I know my hon. colleague from Hull—Aylmer will be interested to hear that, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's responses to 28 petitions.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, pursuant to Standing Order 113(1), I have the honour to present in both official languages the 21st report of the Standing Committee on Procedure and House Affairs regarding the membership of the legislative committee on Bill C-32, An Act to amend the Copyright Act.

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PARLIAMENT OF CANADA ACT

Mr. Paul Szabo (Mississauga South, Lib.) moved for leave to introduce Bill C-596, An Act to amend the Parliament of Canada Act (conduct and speech of members).

He said: Mr. Speaker, in our system of Parliament we operate under the presumption of honesty of all hon. members, but it is not written anywhere. Arguably, it would be beneficial to enshrine that presumption.

My bill seeks to amend the Parliament of Canada Act to provide that members of Parliament shall endeavour to ensure that their conduct and speech reflect certain characteristics. Specifically, the bill adds section 4.1 which states:

The members shall, in the exercise of their privileges, immunities and powers referred to in section 4, endeavour to ensure that their conduct is fair and generally

beneficial, fosters good will and encourages and cultivates friendship, and that their speech is truthful and consistent with that conduct.

These ethical criteria for the conduct and speech of members reflect the Rotary International four-way test as a guide for everything we think, say and do.

I believe that the capacity of legislators to inspire a nation is diminished unless our words and our deeds are indeed true, fair, beneficial and promote friendship and goodwill.

I sincerely hope that all hon. members will agree that the adoption of this bill is desirable for Parliament and is in the public interest.

Finally, I would like to dedicate this bill, the Rotary bill, to the men and women of Rotary International in gratitude for their wide-ranging contributions through community service in Canada and around the world.

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

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● (1010)

BUSINESS OF SUPPLY

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, there have been discussions among all parties and I believe if you seek it, you will find unanimous consent for the following motion. I move:

[Translation]

That, at the conclusion of today's debate on the opposition motion in the name of the Member from Beauséjour, all questions necessary to dispose of the motion be deemed put and a recorded division deemed requested and deferred to Tuesday, November 23, 2010, at the expiry of the time provided for Government Orders.

The Speaker: Does the hon. member for Hull—Aylmer 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 the motion?

Some hon. members: Agreed.

Routine Proceedings

(Motion agreed to)

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PETITIONS

ANIMAL WELFARE

Hon. Maxime Bernier (Beauce, CPC): Mr. Speaker, I would like to present a petition in the House. Constituents of mine from Beauce are urging Parliament to move forward with and pass the provisions of Bill C-544, An Act to amend the Health of Animals Act and the Meat Inspection Act (slaughter of horses for human consumption).

[English]

EMPLOYMENT INSURANCE

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Madam Speaker, I am rising once again to present a petition on issues concerning employment insurance. The petition has been put together by the FFAW, the Fish, Food and Allied Workers associated with the CAW.

The petitioners point out that whereas a healthy employment insurance system is the most powerful of all economic stabilizers, they are facing the current economic crisis with a much weaker EI system that provides only half the coverage it did in the last recession. Now only 42% of the unemployed receive EI.

The petitioners call on the government to make permanent the pilot projects worked on in 2005 by colleagues of mine, such as the hon. member for Beauséjour. The program allowed the best 14 weeks to be counted toward benefits which would allow people to increase the amount of their benefit. Without it, there was a disincentive to work. We received a lot of input from owners of fish plants, sawmills and small businesses, who said that without this they would face very troubled fall and spring seasons, or shoulder seasons, as they are called.

These petitioners primarily come from the towns of Musgrave Harbour, Deadman's Bay and Carmanville. They are concerned about plants such as the ones in Twillingate and Valleyfield, owned by Beothic Fish Processors Limited.

I am humbled to bring this petition to the House in the hope that we can achieve the EI reforms that the petitioners are looking for.

CANADA PENSION PLAN

Ms. Chris Charlton (Hamilton Mountain, NDP): Madam Speaker, I am pleased to present another petition from the petitions that keep flooding into my office in support of my Bill C-527. This time the petitioners are from Sauble Beach, the greater Hamilton area, and even as far away as P.E.I.

Right across this country Canadians are outraged that it is currently possible for someone convicted of killing his or her spouse to collect both survivor benefits and/or the death benefit under both CPP and CPPD.

All of these Canadians had justifiably assumed that it is a long-established principle in law that no one should be able to benefit from the commission of a crime. They believe that principle must be enshrined in the eligibility criteria for government benefit programs.

These petitioners have all endorsed my Bill C-527, which would amend the Canada pension plan to prohibit the payment of a survivor's pension, orphan's benefit or death benefit to a survivor or orphan of a deceased contributor if the survivor or orphan has been convicted of the murder or manslaughter of the deceased contributor. The petitioners are asking that the House pass this bill immediately.

Although I appreciate that it is inappropriate for members to endorse petitions, let me just say that I am delighted to be able to present this petition in the House today.

[Translation]

AIR CANADA

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Madam Speaker, I have the pleasure to present a petition signed by several hundred workers from various Air Canada bases in Mississauga, Montreal and Dorval, and there are even a few signatures from Winnipeg. This petition has also been signed by friends and family members who support the workers in their fight against Air Canada.

These workers are worried about the sale of the maintenance division to Aveos and fear that their jobs will be outsourced to El Salvador. They are also concerned about the aircraft repair safety measures in place in that country.

● (1015)

[English]

ANIMAL WELFARE

Mr. Glenn Thibeault (Sudbury, NDP): Madam Speaker, I am pleased to rise today to present a petition signed by constituents in my great riding of Sudbury in relation to strengthening the animal transportation regulations.

Many of my constituents have spoken to me about this petition. They would like the House of Commons to amend the animal transport regulations under the Canada Health of Animals Act to be consistent with the findings of the EU scientific committee on animal health and welfare.

The petitioners would like the transport time for pigs, poultry, horses, calves and lambs to be reduced to about eight hours and twelve hours for cattle, sheep and goats. They would also like to ensure adequate enforcement of the regulations.

The petitioners would like these amendments to the Canada Health of Animals Act to be passed as quickly as possible.

Mr. Lee Richardson (Calgary Centre, CPC): Madam Speaker, I rise today to present a petition on behalf of Calgary residents, most of whom are constituents of Calgary Centre, most notably Linda Atkinson and Kerrie Hale.

The petition calls on the Government of Canada to prohibit the importation or exportation for slaughter of horses for human consumption.

PASSPORT FEES

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I present a petition concerning the deterioration of the state of tourism between Canada and the United States. It calls upon the Government of Canada to negotiate with the United States government to reduce passport fees on both sides of the border.

The number of American tourists visiting Canada is at its lowest level since 1972. It has dropped by five million visits alone in the last seven years, from sixteen million in 2002 to only eleven million in 2009. For example, in the United States, passport fees for an American family of four could be over \$500 U.S. In fact 50% of Canadians have passports but only 25% of Americans have passports.

At a recent legislative conference involving 11 border states from Illinois to North Dakota and three provinces, the following resolution was passed unanimously:

RESOLVED, that the Midwestern Legislative Conference of The Council of State Governments calls on President Barack Obama and [the Canadian] Prime Minister...to immediately examine a reduced fee for passports to facilitate cross-border tourism; and be it further

RESOLVED, that [the Conference] encourage the governments to examine the idea of a limited time two-for-one passport renewal or new application.

To be a fair process, the passport fees must be reduced on both sides of the border. Therefore, the petitioners call upon the government to work with the American government to examine a mutual reduction in passport fees to facilitate tourism and finally, to promote a limited time two for one passport renewal or new application fee on a mutual basis with the United States

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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, CPC): Madam Speaker, Question No. 411 will be answered today.

[Text]

Question No. 411—**Mr. Rodger Cuzner:**

With respect to changes to the Canada Pension Plan contained in Bill C-51, An Act to implement certain provisions of the budget tabled in Parliament on January 27, 2009 and to implement other measures, passed by Parliament in 2009, as well as anticipated regulatory changes related to penalties for retiring before age 65: (a) what analysis of the impact of these changes has been completed by the government concerning the projected financial cost for Canadians choosing to retire before age 65; and (b) what were the findings?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the Canada pension plan, CPP, is a jointly managed federal-provincial-territorial plan. The federal government cannot unilaterally change the CPP. To come into effect, a change needs formal approval of at least two-thirds of the provinces with two-thirds of the population of Canada.

The reforms referenced were unanimously agreed to by all federal, provincial and territorial finance ministers on May 25, 2009 and followed the conclusion of the mandated 2007-2009 triennial review of the CPP. For more information, please visit <http://www.fin.gc.ca/n08/09-051-eng.asp>.

Routine Proceedings

Collectively, the ministers unanimously agreed to modernize the CPP to better reflect the way Canadians live, work and retire. The alterations were intended to increase flexibility, modestly expand CPP coverage, and treat workers fairly regardless of the age they take their pension or how they choose to retire.

Once fully approved, the changes will come into effect starting in 2011 and 2012, and many of them will be implemented gradually, over a number of years. Specifically, the proposed changes include: removal of the work cessation test in 2012; an increase in the general low earnings dropout provision; a requirement, starting in 2012, for those who take their CPP before age 65 and work, as well as their employers, to contribute to the CPP; and gradual restoration of pension adjustments for early, between ages 60 and 64, and late, between ages 66 and 70, take-up of the CPP to their actuarially fair levels.

Under the reforms, access to a CPP pension as early as age 60 will not change. Rather, they will gradually restore adjustments to pensions taken before or after age 65 to their actuarially fair values. This change reflects that in most cases those taking up the CPP before age 65 will receive it for a longer period than someone taking it after 65, even though they paid contributions for a shorter time. Additionally, this change also reflects that in most cases someone taking up the CPP after 65 will receive it for a shorter period than someone taking it before 65, although they have paid contributions for a longer period.

Federal, provincial and territorial ministers of finance agreed to move these adjustments gradually, over a number of years, to their actuarially fair values. When fully implemented in 2016, the early pension will be adjusted downward by 0.6% per month for each month that the pension is taken before an individual's 65th birthday. As a result, beginning in 2016, if an individual chooses to take up the CPP pension on his or her 60th birthday, he or she will receive 64% of the amount he or she would have received at age 65, compared to 70% currently.

The adjustment for pensions taken after turning 65 years of age will be fully implemented earlier, in 2013. When fully implemented in 2013, the late pension will be increased by 0.7% per month for each month that the pension is taken after age 65 up to the age of 70. As a result, if an individual chooses to take the pension at age 70, he or she will receive 142% of the amount he or she would have received at age 65, compared to 130% currently.

This change will not affect current CPP beneficiaries who took their pensions before or after age 65, nor will it affect those who apply for the CPP in 2010, unless those individuals return to work in 2012 or later. In that case, only the portion of CPP benefits based on earnings after 2012 will be affected by the new pension adjustments.

Business of Supply

As required by the legislation, the Office of the Chief Actuary at the Office of the Superintendent of Financial Institutions prepared the 24th Actuarial Report on the CPP to show the effects of the aforementioned reforms on the long-term financial status of the CPP. For more information, please visit http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/oca/reports/PPP/cpp24_e.pdf. According to the aforementioned report, the reforms were deemed affordable within the current CPP contribution rate of 9.9% on earnings up to average wages.

Additionally, third party independent observers have reviewed and applauded the reforms as well. For example, an Edmonton Journal editorial noted the “welcome changes...will allow Canadians of a certain age to draw on their Canada Pension Plan benefits and still be allowed to work ... the prospect that thousands will be able to discern a horizon when they can not only choose to be gainfully employed but also collect on a pension they paid into for years must come as some relief”. Finn Poschmann of the C.D. Howe Institute has remarked that the “adjustments mark an important sea change in government pension policy’s approach to dealing with population aging and, in particular, making it easier for those people who want to work later in life to do so”.

[English]

Mr. Tom Lukiwski: Madam Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Ms. Denise Savoie): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

•(1020)

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—NATIONAL DEFENCE

Hon. Dominic LeBlanc (Beauséjour, Lib.) moved:

That, in the opinion of the House, the government’s decision to purchase the F-35 stealth fighter jets without holding an open competition will cost Canadian taxpayers billions of dollars at a time of unprecedented deficits and will create fewer jobs in the Canadian aerospace industry than would be guaranteed through an open competition and therefore the House calls on the government to immediately cancel their plan to spend \$16 billion through an untendered, uncompetitive process while there is still no penalty to do so and instead commit to holding an open competition to replace the CF-18s based on clear and publicly disclosed foreign and defence policy requirements.

He said: Madam Speaker, I would like to begin by saying that I will be sharing my time with my colleague from Westmount—Ville-Marie.

[English]

Madam Speaker, I do not want you to wonder what this growth is on my face that is sort of passing as a moustache. You will notice that many members of the House are growing moustaches for the month of “Movember”, which is an awareness and fundraising campaign for the Canadian Prostate Cancer Society. You will be shocked when you see the member for Westmount—Ville-Marie get up after my intervention. He, too, is growing a moustache.

However, for Canadians who may be watching these proceedings, they can go on the website ca.movember.com and make a contribution to an individual or a team of men who are doing this for men’s health. I did not want viewers to be scandalized and think that I shaved in the dark this morning.

The motion before the House today calls upon the government to immediately cancel the plan to spend at least \$16 billion through an untendered, uncompetitive process while there is still no penalty for withdrawing from this announced or intended procurement, and to commit to holding an open, transparent Canadian competitive process to replace the CF-18 fighter jets.

I thought at the beginning I would try to deflate some of the myths that the government has been spreading around the Liberal Party position with respect to this important issue.

First, the government pretends over and over again that it was the Liberal government in 1997 that committed to purchasing the F-35 joint strike fighter aircraft. I will remind the House that the Liberals did not commit to a procurement of the aircraft at a time when they wisely decided to participate in the development stage of the joint strike fighter process. The then minister of defence, in 2002, by way of example, the Hon. Art Eggleton, said, “Ottawa is not prepared to commit to buying JSF aircraft”.

The idea that we commit to participating with a number of allies at a fairly low level in the development process somehow constitutes a binding commitment a decade later to actually acquiring the aircraft is very misleading. The \$150 million that the Government of Canada committed to the development stage was a wise expenditure. This has allowed Canadian companies to receive probably close to \$500 million of work as part of the development stage of this aircraft. We think that was a wise decision and one with which we would be happy to continue.

However, the idea that the decision was somehow made by a previous Liberal government was debunked in 2008 by Senator Michael Fortier, who was then minister of public works and government services, and Mr. Prentice, who was then the industry minister. They said in a news release in 2008, “This participation does not commit us to the purchase of the aircraft”.

They were again reasserting that the development stage was not in fact a procurement decision.

The current Conservative whip, the minister of state who in 2006 was minister of defence, said, “The participation in this next phase does not commit the department to purchasing the multi-role aircraft”.

The idea that the Liberal government committed to this procurement is simply not true.

Another myth that the Conservatives spread continually is the idea that the Liberal Party is not committed to replacing the CF-18 fighter jets at the end of their useful life cycle at the end of this decade. Again, we have been very clear. The air force needs a fighter jet capacity, and a Liberal government, while doing the responsible, cost-effective thing, not only for taxpayers but for the Canadian aerospace industry, will ensure that there is the appropriate fighter jet aircraft to replace the CF-18s when their life cycle finishes at the end of this decade.

Our leader has been very clear. Nobody in the Liberal Party will ground the air force, as the Prime Minister continually misrepresents in the House. There should be no confusion about our commitment to ensuring that the men and women of the air force have the aircraft they need, but also to do the missions that this Parliament and that the government asks of them, and not simply pursue a particular aircraft for some ideological reason.

• (1025)

[*Translation*]

Another myth is that there was a Canadian competition to choose this plane. The 2001 competition that the Conservatives constantly allude to was a competition arranged by the Pentagon and Great Britain. Canada was merely an observer in that process and, at the very most, was perhaps able to offer suggestions to representatives from various companies that were participating in the American competition. But to say that a list of suggestions provided by an observer is a Canadian competition is certainly no way to tell the truth in the House.

Alan William, former assistant deputy minister responsible for military procurement and an expert in this area, was very clear. He said that the idea that there was a Canadian competition was “an insult to our intelligence”.

[*English*]

The current process is full of contradictions and, we think, unnecessary risks for the Canadian taxpayer.

[*Translation*]

On May 27, the current Minister of National Defence said that replacing the CF-18s would be done through an open, competitive and transparent process.

He said that this year. Now the Prime Minister is saying that a competition took place in 2001. The Minister of National Defence said one thing in May, and the Prime Minister is now claiming that Canada participated in the Pentagon's competition in the United States. I think it is completely misleading to tell Canadians that that was a Canadian competition.

Furthermore, the government said it considered other potential aircraft, but once again, we know that is false.

Kory Mathews, vice president of Boeing's Super Hornet program, for example, told the Standing Committee on National Defence that the Government of Canada never received the full complement of Super Hornet performance data.

Business of Supply

The Government of Canada never asked the U.S. navy for a list of that airplane's technical characteristics. For the government to claim that it compared planes and ultimately chose the F-35 is again false.

The same is true for the company that makes the Rafale. Yves Robins told the committee more or less the same thing, saying that the last time they met with representatives of the Canadian government and air force was on February 22, 2006. Thus, it is completely false to say that the government compared the F-35 to any other planes in the last few years.

[*English*]

One of the main reasons that we bring this motion today is our concern about the cost of the F-35s. Members will remember that the initial price tag was supposed to be \$50 million per airplane. Now we are hearing the Minister of Defence and others say that the cost of the airplanes would be in the mid-\$70 million range. Other countries have said that it could go as high as \$100 million per airplane.

Without any hope of getting further precision or lowering the costs in the short-term or mid-term, we think that is an unwise expenditure at this time for the Government of Canada.

Robert Stevens, the chief executive officer for Lockheed Martin, said that his company will, “examine the need for more time, more people and more dollars”. This can hardly be a cost controlled process. That is why the Pentagon revoked from that company the right to control the costs.

In the Chinook helicopter purchase, which, as members will remember, was undertaken by the Conservative government, the Auditor General identified exactly the same scenario: cost overruns, unreported maintenance costs, underestimating the acquisition costs and possibly misleading ministers with respect to the true cost of the acquisition. Those are exactly the same factors that the Auditor General sees in this procurement, which is why she said that it was a risky process.

We do not think this is the right time to engage in this reckless spending. Canadians have other priorities. We will have an open Canadian competitive process to replace the CF-18s.

• (1030)

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Madam Speaker, it will be a little difficult to make a short comment because there were so many inaccuracies but I will make a couple of comments.

First, not only did Canada look at all of those options but so did the United States, United Kingdom, Australia, Italy, Turkey, the Netherlands, Norway, Denmark and Israel. Ten highly-advanced countries looked at the same challenges and came to the same conclusion, which was that the F-35 was the airplane that met their needs, at the best cost and with the best industrial benefits package.

Are all of the experts who examined this at a very highly-classified level in all of those countries wrong or stupid? This is not just a coincidence. These are not third world nations.

Business of Supply

Hon. Dominic LeBlanc: Madam Speaker, the parliamentary secretary should be careful before equating stupidity with third world nations. I think he gets carried away in somehow pretending that nations are more intelligent because of their economic circumstance. He should be careful in describing it that way.

Hon. Laurie Hawn: Nice try.

Hon. Dominic LeBlanc: The parliamentary secretary thinks that we can somehow outsource our competition and Canadian sovereignty because other countries may or may not have gone through a competitive process or done a more thorough evaluation than the parliamentary secretary's government has done—

Hon. Laurie Hawn: Nonsense.

Hon. Dominic LeBlanc: —and we should accept their conclusions. The men and women of the Canadian Air Force deserve better.

He forgot to say that many of those countries have also reduced or delayed their procurement decisions because they are concerned about the spiralling cost of this aircraft and some of the development problems. It is too bad that the parliamentary secretary and his government are blind to those realities and simply want to follow the leader with something as important as \$20 billion borrowed from Canadian taxpayers to buy an aircraft.

Hon. Laurie Hawn: That's nonsense. That is not true.

The Acting Speaker (Ms. Denise Savoie): Order, please. The hon. member will have all day to correct any inaccuracies he feels are uttered. I would ask the hon. member to wait his turn until he is recognized.

The hon. member for Hamilton Mountain on questions and comments.

Ms. Chris Charlton (Hamilton Mountain, NDP): Madam Speaker, at the end of the day, this is all about accountability. We are talking about the single largest defence equipment purchase ever and we need to be accountable for tax dollars spent.

When we are talking about signing a deal for \$9 billion for 65 new F-35 fighter jets, Australia paid \$6 billion and is getting 100 jets. Because we did not actively search for the lowest price, Canadians end up paying more than double the price per unit. Had we bought the 65 F-35s at the Australian price tag, we would have saved \$5.1 billion.

I will give three quick examples of where the \$5.1 billion might have been spent: 325,421 seniors could have received the guaranteed income supplement; 7,467 new hybrid buses could have been purchased; or 815,869 unemployed workers could have received EI. Would that not have been money better spent than overpaying for the F-35 jets?

Hon. Dominic LeBlanc: Madam Speaker, the member for Hamilton Mountain is absolutely right. She has identified some very worthy expenditures that, in our view, could be funded from some of the savings of holding an open Canadian competitive process. We believe that at least \$3 billion of savings could be found by having an open competitive process, not to mention the jobs that would be created in the aerospace industry, which my colleague from Westmount—Ville-Marie, I am sure, will be addressing.

The member for Hamilton Mountain outlined some priorities that are worthy of funding. The Liberal family care plan, for example, is one that for us that is very important to help families look after children that may be ill or aging parents. I can think of small craft harbours in my riding of Beauséjour that require funding. I can think of some of the cuts that the government has made to ACOA, for example, job creation measures in small rural communities that I represent. The arena in Richibucto burned down a year and a half ago and the government has not come forward with funding to replace what is a big regional hockey rink for families in the northern part of my riding in a remote small town.

If I am being asked whether we should waste money on a reckless process because there is an ideological bent in the Conservative government or should we look at other priorities of Canadians, the member for Hamilton Mountain is absolutely right.

• (1035)

[*Translation*]

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Madam Speaker, I first want to thank my colleague from Beauséjour for his excellent contribution to this debate. I am happy to add my own contribution for several important reasons.

First, I am a former member of the military and I know how the government should ordinarily go about purchasing equipment. Second, equipment purchases often have a huge dollar value, and as a responsible government, we must ensure that we spend taxpayers' money wisely, especially when we have unprecedented budget deficits and a growing national debt under this Conservative government.

It is irresponsible to spend taxpayers' money unwisely, which is clearly what the government is doing in purchasing these F-35 fighter jets. My party certainly recognizes that Canada needs to replace the CF-18s, which will reach the end of their useful life by the end of this decade. It is our duty to make sure our military personnel are properly equipped for the demanding work they do. I hope everyone is in agreement on this.

So how should we proceed? Certainly not in the way this government has decided to proceed.

[*English*]

There is a very well established procedure within the Government of Canada when it comes to purchasing equipment. I was myself involved in using this procedure during my career as an engineer in the Canadian navy.

This acquisition procedure is a tried and true process, which has proven over time to be the best process when it comes to making expensive government purchases

It is not unlike the process that we ourselves, perhaps more informally, use as simple citizens when we make purchases, particularly big purchases, in our own lives from time to time, such as buying a new car or putting a new roof on our home. Obviously most Canadians are careful when they spend their own money.

Therefore the question is: Why can this government not be careful in spending the taxpayer's money?

Business of Supply

Let me take the House through the normal acquisition process, and I am sure it will agree with me that this is the proper way to replace our current fighter jets.

[*Translation*]

First, we have to recognize that our fighter aircraft are aging, the technology they use is outdated, maintenance costs are increasing, and so on. In short, it is time we replaced them with more modern equipment. As well, the roles our fighter jets are expected to play may have changed. We therefore need a new model that can handle these new roles.

This brings me to the second step in the process: defining roles. Yes, we need fighter jets, but why? What are their missions? The answer may seem obvious, but we also need to ask this question: who is the enemy? We have to recognize the primary role these jets play, which is to help us protect our territory, but we also have to consider our alliances with NORAD and NATO, in particular, and the missions we could be asked to take part in because of those alliances. In short, why do we want these fighter jets?

[*English*]

Third, once we have defined the roles we expect of our fighter jets, we undertake the task of defining the technical requirements for this new fighter aircraft, its performance capabilities: how fast it can fly, its endurance between refuelings, its capability to operate with other aircraft from other nations, the amount of payload it can carry, particularly weapons payloads, its manoeuvrability, its survivability and so on.

Once that is defined, we go shopping. We put out an RFP, a request for proposals, and we wait for the bids to come in. We typically involve three government departments, PWGSC that manages the contract, DND that defined the initial requirements and then goes out and evaluates the bidders, and finally Industry Canada that addresses the issue of industrial and regional benefits.

Let me take a bit of time to talk about Industry Canada's role because it is a very important one for Canadians to understand. Industry Canada has a responsibility that could be summarized as follows: when Canada spends billions of dollars offshore purchasing equipment like fighter jets, we also negotiate important offsets with the winning contractor.

Those offsets are in fact guaranteed, and they require the winning contractor to provide business to Canadian companies in an amount equivalent to the value of the contract. This is allowed to occur over a certain period of time, and typically Canada tries to ensure some regional distribution whenever this is feasible.

What is also important to remember is that these offsets can offer the opportunity to transfer intellectual property to Canada, thus building capacity in our aerospace industry. This transfer of intellectual property can be particularly important for the in-service support, or ISS, of the equipment we are purchasing.

When the Liberal government purchased the CF-18s in the early 1980s, it was far-sighted enough to insist on the transfer of intellectual property that would allow Canada to undertake its own maintenance of the aircraft during its lifetime. As we all know, lifetime maintenance costs are usually greater than the initial

acquisition costs. This was a very smart move on the part of the then-Liberal government, because it allowed a Canadian company to build expertise in the maintenance of a top-of-the-line fighter aircraft.

Let us go back to our process. Once the bidders on a contract are evaluated, both in terms of performance requirements and the offsets they are prepared to offer, we are then in a position to select the best aircraft for Canada, the best aircraft for the defined missions, and the best industrial and regional benefits for the Canadian aerospace industry.

Why are they the best? Why is this the best way of going about it? In one word, it is because it is a competition. By definition, when a competition is held, the best deal is found. Everybody knows that.

Let us now look at what is happening with the current government and its intention to purchase the F-35. Did it hold a competition? Clearly not. First the Minister of Industry told us in 2008 that we would hold a competition. Then earlier this year we had the Minister of National Defence tell us, yes, the government was going to hold a competition based on the high-level requirements that were presented in the spring of this year.

Then on a quiet summer morning in July, the government announced that it had held a competition based on a high-level requirements list it issued in the spring and that the F-35 was the clear winner.

In actual fact the Minister of National Defence contradicted this on many occasions when he said in this House of Commons that the real competition took place about 10 years ago, back in the late 1990s, a competition that we all know was not a Canadian competition but a competition run by the Pentagon to choose its new joint strike fighter.

Were other jet fighter manufacturers invited to respond? No. Even though companies like Boeing, which makes the Super Hornet, or Dassault, which makes the Rafale, believe that they meet the requirements issued by the government last spring.

● (1040)

[*Translation*]

Now we have a fighter jet that is still in development and that could cost us a fortune to maintain. The Pentagon is worried. The Norwegians are worried. The British are worried. The Dutch are worried. The Australians are worried. Here is an excerpt from ABC News on November 5.

[*English*]

Australia's biggest defence purchase is under a new cloud over reports the Pentagon is preparing to reveal a cost blow-out and even more delays with the F-35 Joint Strike Fighter. The US-based program has been beset with problems and the Defence Department is putting it through an extensive and thorough review. Critics of the aircraft say each one will easily cost Australia more than \$100 million.

There are many other quotes that I could give, from respected authorities who have also corroborated the fact that this airplane is not yet out of the woods. It still has further development to undergo. It still requires further design modifications, which raises the possibility that this aircraft could be very expensive to maintain throughout its life.

Business of Supply

●(1045)

[Translation]

That is the situation, and I hope it is not as dire as some critics of the program have made it out to be. What is clear, though, is that this government's message that everything is just great rings false.

We have reason to be concerned about a government that has an annoying tendency to award military contracts without holding an open competition. The Auditor General talked about this in connection with the Chinook helicopters.

[English]

The government is being irresponsible with Canadian taxpayers' money. We have pointed this out. We must go out for a fair competition.

[Translation]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Madam Speaker, the government's commitment to go ahead with the purchase of 65 F-35s will help create thousands of high quality jobs and generate investment of billions of dollars in our manufacturing sector at a critical time for our economy, now and in the future.

That is according to Gilles Labbé, from Héroux-Devtek, a Quebec aerospace company. Pratt & Whitney said the same thing, as did Marc Parent, from AIAC. Quebec's aerospace industry leaders are telling us that this project is a windfall for Quebec's aerospace sector.

What will the hon. member from Montreal say to Quebec companies that are working so hard on this project that is so very important to Canada as a whole? What will he say to these companies and workers who will be denied these economic spinoffs because of an irresponsible approach that compromises our security? We would not know what to do without planes. What does he have to say to our workers as an elected member from Montreal? Why is he abandoning Quebec's aerospace industry?

Mr. Marc Garneau: Madam Speaker, I will answer by reiterating what I said in my speech. First, we have a responsibility to the taxpayers of this country. We can, through an open bidding process, secure the best price for the Canadian taxpayer and not spend more than is absolutely necessary for new fighter jets.

Second, I can assure the hon. member for Lévis—Bellechasse that the guaranteed spinoffs for Canada and Quebec's aerospace industry will be just as good as if not better than what is being offered in the F-35 purchase, which offers absolutely no guarantees. Open bidding is the best way to proceed.

Mr. Claude Gravelle (Nickel Belt, NDP): Madam Speaker, I would like the hon. opposition member to explain to Parliament why there is such a big difference in the price of the planes. Australia is paying \$60 million for each F-35, while Canada is paying \$138.5 million for the same thing. Why is there such a big difference in the price of the planes?

Mr. Marc Garneau: Madam Speaker, I thank my colleague for the question. The cost of the aircraft is based in part on the method used to calculate it. Are we simply talking about the units or other equipment for the aircraft? The simulators, spare parts and infrastructure that go along with the purchase of aircraft also have a price tag. Naturally, the opposition does not have access to the

figures, which the government is carefully guarding. Therefore, I cannot give a definitive answer the member's question about why the price differs according to the country.

[English]

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Madam Speaker, I want to congratulate my colleague on his speech. Certainly he outlines, quite rightly, the potential that this could hold under a true competition.

However I would like him to comment on what seemingly, because of this debate, is a very bizarre circumstance when it comes to the fighters themselves. Juxtapose that with the situation with search and rescue, where we have been meandering back and forth from department to department on whether there is a competition or not.

I was wondering if he would like to comment on that. Seemingly there is a lot of confusion there, but when it comes to the fighters, there is no problem. It seems to be very efficient when it comes to that announcement.

●(1050)

Mr. Marc Garneau: I thank my colleague for an excellent question.

Certainly the issue of fixed-wing search and rescue aircraft to replace the very old Buffalo aircraft is one that has been kind of hidden from the scene by the government.

Obviously everybody recognizes the important of search and rescue, but at one time the rumour was certainly there that again DND, the defence department, had made its decision. It had its favourite search and rescue fixed-wing aircraft, which was from another country. It did not really want to have a competition, even though there are Canadian companies that would like to bid in this. Therefore, we do not really know what the situation is—

The Acting Speaker (Ms. Denise Savoie): Resuming debate, the hon. Minister of Industry.

[Translation]

Hon. Tony Clement (Minister of Industry, CPC): Madam President, I am pleased to speak today about opportunities for Canadian businesses.

[English]

On the subject of the F-35 Lightning II joint strike fighter aircraft, of course, the government's decision that it intended to acquire the 65 F-35s was announced on July 16. I was present, along with the Minister of National Defence and the Minister of Public Works and Government Services. It also goes without saying that this is the largest defence program ever undertaken, and certainly as Canada's Minister of Industry I can tell the House that Canada's aerospace sector is engaged.

[Translation]

However, the Liberal Party's position of scrapping the F-35 program does not help our men and women in uniform. It does not help the Canadian aerospace industry, which should benefit from this project for the next 45 years.

According to industry representatives, this position could, in fact, hurt the Canadian aerospace industry. This prospect has not stopped the Liberal Party from disregarding the facts and maintaining its partisan attitude.

[*English*]

The bottom line is that the F-35 is the right aircraft for the job and this is the right program to keep Canada at the forefront of the global aerospace and defence industry.

I will give a bit of background, if I might. In 1997, Canada signed on to an international consortium to develop the Lockheed Martin Lightning II, as it was then called. It did so after an exhaustive consideration of the alternatives for a CF-18 replacement at the end of this decade.

Our predecessors chose the Lightning because they believed it to be the best aircraft for Canada, a measure that we supported because it was and continues to be the right thing to do.

The F-35 is the single largest fighter aircraft program in history. This program is a multinational effort to build an affordable, multi-role and stealthy fighter aircraft. Total production may reach 5,000 aircraft worldwide.

The program is unique in terms of the access offered to Canadian industry to participate in the production and sustainment of this entire volume of aircraft.

Our government seeks to apply the most effective industrial benefits practices for its major defence procurements, as illustrated through the F-35 industrial participation model and as recently done through my updated IRB policy.

I can tell the House that we are committed to leveraging major investments in military equipment to encourage long-term industrial development and significant economic activity in Canada. Canada's early engagement on the F-35 has positioned Canadian industry for long-term work on the world's largest defence program.

The unique nature of the F-35 international co-operative development program required a different approach to industrial benefits. I think that is absolutely clear.

In order to facilitate the F-35 program's industrial participation approach, the federal government signed industrial participation plans with each of the F-35 prime contractors; that is Lockheed Martin, of course, but also Pratt & Whitney and the GE Rolls-Royce Fighter Engine Team.

These agreements identify opportunities for Canadian companies to develop technologies for the JSF program, the F-35 program.

The plans also include strategic opportunities awarded to Canadian companies that are determined to offer best value to the program.

Canadian companies have demonstrated that they can offer best value to the F-35 program in these technology areas. Therefore, the F-35 primes, the prime contractors, were able to award work packages to Canadian firms.

Business of Supply

The value of these potential benefits is regularly updated to reflect new opportunities that arise, and this will include future sustainment and follow-on development opportunities.

Thanks to Canada's early involvement in this program, Canadian firms have already benefited from long-lasting, high-quality business opportunities by direct involvement in the design of the F-35 parts and subsystems.

Early engagement has allowed our companies to build on Canadian strengths, as well as establish new strategic capabilities in Canada.

The scope of the opportunities is, of course, tremendous since Canadian companies will be able to provide products and services for not only Canada's fleet of 65 fighters, but also for the entire global F-35 value chain. As I mentioned, that translates to work involving as many as 5,000 aircraft that are expected to be built for customers around the world.

Of course, this opportunity will create jobs across our nation over the next 40 years. That is a whole career's worth of work for today's engineering graduates.

What is more, Canada is also well placed to benefit from future investments in areas such as maintenance, repair, training and simulation. Over the next four decades, Canadian companies will have the opportunity to export their expertise and contribute to the sustainment and operation of the thousands of aircraft that will be produced over the lifespan of the project.

In case, Madam Speaker, you are worried that all the benefits of our support of this program come only in the future, let me assure you that our investments have already paid dividends.

To secure our participation in the international partnership, approximately \$168 million in payments have been made by the Government of Canada to the F-35 program. But as a result of our participation, more than \$350 million in contracts have been awarded to Canadian companies, research laboratories and universities, even prior to making our intention to proceed.

That means we have already seen a two-to-one return on our investment, and that is just the beginning.

Currently, over 85 companies have identified industrial participation opportunities, and over 60 companies have confirmed contracts. Of course, these numbers are expected to grow by the time the F-35 enters full production in 2015.

It also should be noted that opportunities are expected to benefit small and medium-sized enterprises across our country, not just the large ones.

[*Translation*]

Under this program, Canadian industry has a unique opportunity to participate in the production and maintenance of this series of aircraft.

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This is a large-scale initiative. Canadian businesses will have the opportunity to supply goods and services not only to the fleet of 65 fighter jets in Canada, but also to the entire global supply chain for the joint strike fighter.

As this represents up to 5,000 aircraft, jobs will be created and maintained throughout Canada during the expected 40-year life span of the F-35 aircraft.

[English]

The government's participation in the JSF program, the F-35 program, has led to real results, allowing Canada's world-class firms to create highly skilled, well-paying jobs for Canadians. I will give some examples.

● (1105)

This summer, Avcorp Industries of Delta, B.C. announced the signing of an agreement with BAE Systems for the production of carrier variant outboard wings for the F-35 commencing this year with potential deliveries through 2023. The hon. Minister of State for Western Economic Diversification was there for that announcement as well. According to Avcorp, this contract may result in the delivery of up to 340 shipsets of the outboard wings, representing in excess of \$500 million in revenues over the 10 to 15 years of production and creating approximately 75 direct and indirect jobs.

Another example of a Canadian success story is Composites Atlantic of Lunenburg, Nova Scotia. This company is manufacturing composite fuselage panels for the F-35. It has earned a reputation as a leader in the design, testing and manufacture of advance composites for a wide range of industries, including space, defence and commercial industries.

Yet another example is in Dorval, Quebec. Héroux Devtek Aerostructure Division has been awarded 43 different structural components, while the landing gear division in Longueuil, Quebec will have the responsibility for the engineering, development and manufacture for eight models of F-35 door lock assemblies.

In Winnipeg, Bristol Aerospace is producing horizontal tail components for the F-35. Bristol officials have said that employment at their company may increase by as many as 100 people as the contract awards grow. According to the company, \$11 million has already been awarded and millions more are to come. Due to this success, Bristol has been working on a \$120 million upgrade to its Winnipeg plant to prepare for the F-35 work.

The Prime Minister, the Minister of Public Safety and I visited the Bristol plant just last month. We met and shook hands with the exceptionally skilled and committed workers who work there on behalf of their company and on behalf of Canada as well. Indeed the women and men of Canada's aerospace industry are some of Canada's greatest strategic assets.

My colleagues and I have participated in other events across the country to highlight the benefits of Canada's participation in the F-35 program. Ministers and government MPs have visited companies across the country, including NGRain in Vancouver, Honeywell and Goodrich in Ontario, and Esterline CMC Electronics and Pratt & Whitney Canada in Quebec.

I should inform the House that after I complete my speech and answer questions and comments, I will be visiting GasTOPS, a company in Vanier, here in Ottawa, that is producing the debris sensors for the F-35. I am looking forward to meeting the workers and discussing with them how the F-35 is a great opportunity for new jobs and new opportunities right here in Ottawa and Vanier.

No other aerospace and defence program would provide Canadian industry with access to participate in the production and sustainment of between 3,000 and 5,000 aircraft. This represents a huge pool of opportunity for Canadian employers. Canadian companies have already proven to be competitive in the F-35 program by offering innovative technologies at competitive prices.

In addition to the over 3,100 partner aircraft, Lockheed forecasts export sales of more than 2,000 additional aircraft to non-partner countries, and of course Canadian companies will benefit from those sales.

[Translation]

Naturally, the industry is behind the program all the way. When will the Liberal Party stop playing petty politics and support the Canadian aerospace industry?

[English]

As a point of comparison, the F-16 itself had a production run of over 4,400 units. With the F-35 expected to replace the F-16 and the F-18 and many other platforms, the market potential for the F-35 is very evident.

By competing for this high-value work at the beginning of a multi-year, multi-billion dollar program for an international market, Canadian companies will not only contribute to their success in the short term, but will also see significant opportunities for decades to come. Canadian businesses, research laboratories and universities have been participating in the design and development of the aircraft and its systems, and are taking part in a supply chain that is producing a state-of-the-art aircraft that is expected to capture over 70% of the fighter aircraft market as the program reaches peak production.

Canadian participation in this program has been and will continue to be an integral aspect of our aerospace and defence industries' success now and in the future. Put simply, the F-35 program brings significant benefits to Canada and Canadian industries. It gives Canadians a rare opportunity to take part in the global supply chains that will shape business relationships in the aerospace and defence sectors for decades to come. It will create high-value jobs for the men and women of Canada's world-leading aerospace industry, and will sustain that work for decades to come. It will create work that will be there for students graduating today and for their children too. These are real opportunities and real benefits for communities across this great nation.

With the economic recovery still fragile, the hard-working men and women of Canada's aerospace industry can rest assured that this government is on their side.

Business of Supply

[Translation]

The Liberal Party's position is forcing it to choose between two options: ground the Canadian air force when the CF-18s reach the end of their useful life, or purchase an aircraft other than the one that it used Canadian taxpayers' money to develop. Which option will it choose?

[English]

Ms. Chris Charlton (Hamilton Mountain, NDP): Madam Speaker, I listened carefully to the minister's speech and the glowing reports about the potential jobs and the potential production, all to the benefit of Canadians.

I am from Hamilton Mountain and in our community, the minister just is not credible anymore after what we have seen at U.S. Steel, where apparently a foreign takeover was supposed to guarantee jobs, was supposed to guarantee production. Not only did we see huge layoffs, but now workers are being locked out, and here we are again, signing another deal with absolutely no accountability, absolutely no transparency.

Lockheed Martin is under no commitment to spend dollar for dollar the value of the contract in Canada. There is no guarantee of any kind of return for Canadian industry, so how can the minister stand in this House and tell us with certainty that this is a good deal for Canadians because it will create jobs and will protect production?

Hon. Tony Clement: Madam Speaker, this is the problem with NDP math. She thinks it is a better idea—

Ms. Chris Charlton: Come to Hamilton.

Hon. Tony Clement: Madam Speaker, I do go to Hamilton quite a bit actually. Whenever I am there, I am announcing new programs that mean new jobs for Hamilton. I can assure the hon. member that I know what is in the best interests of Hamilton and it certainly is not her party's policies.

The point is that the NDP's solution to this is to have guaranteed industrial benefits in the production of 65 aircraft. This deal gives us access to contracts which Canadian companies are already winning, not for 65 aircraft but for up to 5,000 aircraft. What the industry has told me, what the workers who work in the industry have told me is that this is what they want. They want the ability to compete and win on the world stage as part of the global supply chains for this project. That is what CAW workers are telling me, who the member thinks she represents but does not, because we are looking after their values and their interests.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Madam Speaker, in my role as Minister of State for Western Economic Diversification, I had the opportunity last summer to attend the air show at Farnborough. I met with numerous industry leaders. These companies truly are leaders on the world stage and this was exemplified at the Farnborough air show. Because of their expertise, they know they can compete, win contracts and actually work with approximately 5,000 JSF aircraft.

The minister has been working hard on ensuring that the aerospace industry remains very strong in Canada. I would like him to expand on some of the things he saw while he was at Farnborough. There was a great presence from Quebec, Ontario and western Canada. The entire industry is counting on our government

to take the lead and make sure that we have a strong industry, which we have proven we have.

I would also like the member to mention some of the good investments we have made in Thompson, Manitoba with the aerospace industry. Some of the relationships last summer at Farnborough were created because of the relationship with Pratt & Whitney and Rolls Royce.

• (1110)

Hon. Tony Clement: Madam Speaker, the hon. minister attended with me at the international air show representing western economic diversification. It was a very positive event for Canada and Canadians.

There is no doubt that Canadian companies are competing and winning contracts not only on the defence side of things but on the civilian aerospace and space side as well. We can be proud of our Canadian companies.

Our participation in this project is welcomed by Canadian industry. The hon. member mentioned Pratt & Whitney. It is a great producer of the jet engines which will fire up this particular aircraft and be part of its propulsion. That is true for many other components. Indeed, a lot of the components for this aircraft are leading-edge components that involve composite materials which are lighter but safer. This is a high-performance machine.

The result already has been good for Canadian companies and they expect that to continue. They are already winning contracts based on the mandate. That mandate would not exist if we did not order the aircraft. There is no question there is a better opportunity to compete for these contracts by actually ordering the plane.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Madam Speaker, it was mentioned earlier that the minister is working hard in his department, and I do not doubt that whatsoever. In the spirit of obtaining information, I would like to drift a little further away from the F-35 for just a few moments.

I would ask if the minister could give the House an update on the issue about the acquisition and procurement of fixed-wing search and rescue aircraft for the airmen and airwomen of the air force.

Hon. Tony Clement: Madam Speaker, I can tell the hon. member that there has been a very collaborative process on the specifications for this particular aircraft. We referred the matter to the National Research Council to double-check and triple-check the specifications for this aircraft. The NRC produced a report in which it suggested some changes to the specifications. I will be meeting with the NRC very shortly to examine that. At that point, the report will go to DND and Public Works.

Ms. Niki Ashton (Churchill, NDP): Madam Speaker, we are talking about the acquisition of fighter jets. Does the minister not think it would be critical to look at maintaining the current employment situation in our country?

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I would ask him to comment on the particular situation that my home community of Thompson is facing. Six hundred jobs are going to be lost as a result of the Vale announcement. Would it not be critical for the government to contribute to the maintenance of such high-paying jobs in my community and make that a priority as compared to the discussion taking place today?

Hon. Tony Clement: Madam Speaker, as the hon. member may know already, we have offered to have a collaborative meeting with her later this afternoon on the situation in her riding. I have offered to meet with her subsequent to that meeting as well. I am going to be having discussions with the Manitoba government later this afternoon on the very same issue.

I can assure the hon. member that I am engaged on that particular file. I have to do a little more research on it, but it apparently involves the fact that the iron ore mine, which feeds into the businesses in her riding, is at the end of its useful life. It might be a question of the mine being at the end of its useful life, which is an unfortunate situation but does occur in the mining sector.

At any rate, I can assure the hon. member that I am working collaboratively with her and her office in this regard.

• (1115)

Mr. LaVar Payne (Medicine Hat, CPC): Madam Speaker, I am looking at a letter from the aerospace industry that was sent to all parliamentarians regarding the F-35. In part it says:

However, these IRBs do not always result in the development of new knowledge or more importantly, the application and export of Canadian ingenuity. Moreover, IRBs have a fixed ceiling established by the original acquisition cost and IRB-related sustainment work is performed only on Canadian...equipment.

Could the minister elaborate more on the process that we have currently under way for the F-35?

Hon. Tony Clement: Madam Speaker, as I said earlier in my comments, I am happy to report that by not using the traditional industrial regional benefits model, we are able to participate not only in the production of 65 aircraft, but up to 5,000 aircraft and thereby be part of the global supply chain.

It bears repeating that the reason this model was used for this aircraft was not only to provide the best suppliers with global access to the supply chain, but simply because we also agreed it was the least expensive way to build the aircraft.

For all of those on the other side of the House who have complained about the price of the aircraft, their solution would actually increase the price.

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Madam Speaker, I am very pleased to speak to the issue of the F-35s today because for the past 17 years, I have always tried to be the first to defend taxpayers. We are looking at something very important today, a contract that is probably somewhere in the neighbourhood of \$16 billion—\$9 billion in procurement and \$7 billion in maintenance costs. I think it is important that members and especially those watching at home know where things stand.

I will not talk about the contract itself right away. I would like to first talk about the history of the F-35s. Since the Conservative government took power, it seems to have put the means before the

end when it comes to policy making. Let me explain. Normally, when the government purchases goods through a series of contracts, it needs to have a specific idea of its policy on foreign affairs and defence. That is not hard to understand. If the government takes the opposite approach, like the Conservatives are doing, it ends up with contracts and goods that have been procured, and then needs to provide a justification. It should work the other way around.

When the government took power, it should have established its foreign affairs policy, indicating how it wants Canada to be involved in the world. It then should have created its defence policy. This policy is a very important part of the foreign affairs policy. It would have indicated the role Canada wants to play in the world and, therefore, what we need in terms of defence to achieve those goals. To achieve those goals we also need a procurement plan. We need planes, boats, trucks and arms. We need things that are consistent with our foreign affairs and defence policies.

But that is not what happened. That is what I call putting the means before the end. The government started by buying goods and services, and now that it is going to get them all, it will soon realize that it has invested tens of billions of dollars and will wonder what it has to do now to put all of that to good use.

We have been saying from the beginning that it was a huge mistake to reverse the procedure. The government is trying to tell us that the Canada first defence strategy is a foreign affairs policy. I disagree. It is not comprehensive enough. There should have been a full review. I respect the fact that one government takes the place of another and that the new government may have different priorities. It is up to the government, the party with the most members, to determine if it wants to change the direction of foreign affairs policy. It has the right to do so. However, I am of the view that, in proceeding as they did, the Conservatives put the cart before the horse in Quebec. Unfortunately, we now have to deal with this serious issue.

With regard to procurement, members may have already heard that \$35 billion will be invested in the navy. We do not yet have foreign affairs or defence policies. The government invested tens of billions of dollars in ground military forces without developing any foreign affairs or defence policies. Now, with the purchase of the F-35s, aerospace forces spending has reached a grand total of \$31 billion. That includes \$3.4 billion on Boeing C-17 strategic aircraft, \$4.9 billion on Lockheed Martin C-130J tactical aircraft and \$4.7 billion on Boeing Chinook helicopters.

The government budgeted \$3 billion dollars for search and rescue planes. Canadians and Quebecers have been waiting for the purchase of these planes, which will have the most direct impact on the average citizen. These planes will not necessarily be sent to theatre. They will be used for search and rescue purposes. Unfortunately, we have heard nothing on the subject for months now. We have been waiting to hear the government's reaction to the National Research Council's report, but it is slow in coming.

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Finally, add the F-35s and that \$16 billion to the \$15 billion I just spoke about. That is a total of \$31 billion, which is a lot of money. The people who carry their lunch boxes to work every day want to know if their money is being well spent.

● (1120)

I first want to say that the Bloc Québécois agrees that the planes need to be replaced. Even when the F-18s are gone, we will still need to fulfill our international responsibilities to NORAD, etc. And with the type of planes they have bought, the mission will certainly change. It is no longer the same kind of mission. Taxpayers want to know if they are getting value for money and if the mission that suits these planes is really what we need. Here again we see the lack of foreign and defence policy.

An advance contract award notice, commonly referred to as an ACAN, is a process of awarding contracts without a bidding process. That is what we are talking about today. The government brings up the fact that Boeing and Lockheed Martin went head to head nearly a decade ago and that Lockheed Martin won. But that competition was held in the United States.

Allow me to explain how contracts are awarded. I have long been saying that the government's bidding system for military contracts is flawed. Take the F-35s, for example. They were bought through an advance contract award notice, in other words, without a competition. Why? It is not complicated: it is the only fifth generation plane that is equipped with stealth technology and thus cannot be seen on radar. Apparently no other plane does that.

I feel that the bidding system is flawed because, first, National Defence drafts the specifications. Next, it looks for a company that can meet these requirements and sign a contract. From the moment it chose a fifth generation plane equipped with stealth technology, no one else could meet the requirements. And so it looks for exactly what it wants.

Once the specifications are set, the department asks PWGSC to draft the contracts and post the invitations to tender online. People can consult the MERX website, Canada's online tendering service par excellence, to see what is there. I saw all of the contracts I mentioned earlier on that site. Once the contract is done, the Minister of Industry, who just spoke, is asked to make arrangements that will ensure the best possible economic spinoffs for Canada. And that is precisely the problem. No one knows where the process is at. Many people say we should even create an agency so that only one minister is responsible, instead of the three or four who are responsible now.

I am doing my job as a member of Parliament and trying to see whether taxpayers are receiving value for their money. I have a problem with this government's lack of transparency and the confidentiality of contracts. They are going to award a \$16 billion contract and, in committee, I cannot even ask to see the contract to determine whether it is the best one. If I do, the government tells me it is confidential. I am being paid by taxpayers to ensure that they are receiving value for their money, but I am being denied that information and my hands are tied.

They always use the excuse of security clearances, as they did with the Afghan detainee issue. I am asked if I have any security

clearance, so all the files can be submitted to me without any fear of me talking about them. If I do not have the right security clearance, I cannot see the document. Therefore, I cannot see the contract because I do not have the necessary security clearance.

It is difficult, because we do not have access to the information. As for the security clearance, something happened to me last week and the week before that. I asked the Chief of the Air Staff to see a simulation. Some small simulations do exist. Lockheed Martin offers simulations of its F-35s, and so do Boeing and the European Typhoon fighter. There is conflicting information about whether the Eurofighter Typhoon can beat the F-35 in certain conditions.

● (1125)

When I asked the general if I could watch a simulation, I was told that I did not have the right security clearance, and even worse, that they could show them to me but that I would understand nothing. I reminded the general that it was his responsibility to give us the information and to tell me, a member a Parliament, whether it is the best aircraft. My duty to defend taxpayers is sometimes jeopardized by such approaches.

I would now like to talk about economic spinoffs. We know that 55% of the Canadian aerospace industry is located in Quebec. From the outset, with respect to most of the contracts I mentioned earlier, Quebec has not been awarded 55% of the aerospace contracts. It would be like telling the automotive industry that, starting now, the money will be sprinkled across Canada. I think there would be an outcry and a revolution in Ontario. Did we not just invest \$10 billion to help them out of a tough spot? In the meantime—I do not wish to talk about forestry because that is not what we are debating today—forestry workers received next to nothing.

In the aerospace sector, I have noticed that the contracts are starting to be sprinkled everywhere: in the Atlantic region, the West and Central Canada; Quebec has received about 30% or 40% of the contracts to date, which is not enough. We are talking about billions of dollars. The spinoffs for Quebec are not materializing. We also have to look at the nature of the spinoffs. When an aircraft is purchased and we are told that for every dollar spent a dollar will go back to the industry, we have to know where it will go because the technical and scientific component is important. In other words, secrets and rights are acquired by these companies and they do not want to give them to us.

They will say that if we want to properly equip our fleet with good Canadian tires, we have to accept it. But that is not the future. What we want has a high scientific and technical component. We are being told that in the case of the F-35 we will get it. We will see.

At this time, a memorandum of understanding has been signed and in that MOU, what the minister said is true: our policy on economic spinoffs is being dropped. It is even worse because now there are no spinoffs or guarantees. That was the trade-off for the possibility of getting assembly work. But for how many planes? For 2,000, 3,000 or 4,000 planes? The minister is saying 5,000 planes? But it is only a possibility.

Business of Supply

I know all about American protectionism. In two or three years, if things are not going well, what guarantee do we have that they will not tell our companies that they are sorry, but Americans are capable of doing the job? That is a significant risk and must be taken into consideration.

This is not a non-confidence motion in the companies. I know that in Quebec, we have the best companies in the world, including L-3, Pratt & Whitney, Héroux-Devtek and a whole host of companies that are extremely skilled and ahead of the pack. They are being told they will be awarded contracts and that they are the best. That may be true. However, it seems to me there could have been a clause in the contract guaranteeing a modicum of economic spinoffs. What are we going to do if the situation I just described comes to pass in a few years? They will say sorry, but our contracts cannot be honoured because a U.S. company will be doing the work instead. We will end up empty-handed.

There is currently no such clause in the agreement. I find we sometimes our deals amount to mess of pottage. I would like our companies to come out on top. I would like our companies to have access to 5,000 planes, but we will see what happens.

Now, I would not want to see a recurrence of the maritime helicopter scandal the Liberals created, either. That may have been before the Liberal defence critic came here. It was a nightmare, and we do not want to see anything like that again. The project was worth \$4 billion, I believe. Before it was elected, the Chrétien government said it would cancel the project, and once it was in power, Canada had to pay a \$700 million penalty.

● (1130)

We had this carnival sideshow for 10 years, and then the government said it wanted to replace the maritime helicopters. But to avoid purchasing the same helicopters it had cancelled at a penalty, the government said it was going to come up with a physical platform and a computer platform for the aircraft and call for tenders. That was like saying it wanted a Chrysler computer system in a body for Ford. That is what that meant.

For 10 years, things did not work, and the saga is not over yet, because the old Sea Kings have kept on flying for roughly 15 years. They are nearly half a century old now and require 30 hours of maintenance for every hour of flying time, so they have major problems. In addition, helicopter manufacturer Sikorsky recently informed us that it will not be able to deliver the new helicopters on time. The contract provided for fines, but they have been set aside.

What do taxpayers do in similar circumstances? When the taxman says we have to file our tax returns by a certain date and we do not and we owe the government money, do we think the government is going to call us and tell us that it is okay, there is no problem and we can have an extension? This sends a very poor message to all companies.

That was the Liberal scandal at the time. Now, the Liberals are finding themselves in a similar situation. They started by saying that they would question this. But it was categorical: they would review everything. When? The process has started, Quebec companies have the contracts, they have invested \$200 million and there has been over \$450 million in returns. What will they do? Will they put a stop

to that because they want to review everything and launch an open competition?

We do not want to stand by and start the process all over again, when Quebec has the best companies in the world. We do not want to tell people that they were on the right track, but sorry, we need to stop and have an open competition. We do not want to relive the nightmare of the maritime helicopters, which I think was a scandal at the time. We do not want that to happen all over again.

That is why I say to my Liberal colleagues, as respectfully and diplomatically as possible, that I think they are on the wrong track. That is why the Bloc Québécois is not against the F-35 jets, although it would have perhaps liked to have an open competition in the first place. However, this all started 10 years ago. What now? Do we stop after 10 years? If the Liberal Party takes power in a year or two or next March, if they ever regain power, what will we do? Will we relive that same nightmare? No, we cannot go along with that.

I would like to propose an amendment to my Liberal colleagues. I would move, seconded by the member for Jeanne-Le Ber, that the motion be amended by striking out all the words after the words "without holding an open competition", and replacing them with the following: "is unfortunate because it is not based on the needs of real foreign affairs and defence policies and because it does not provide for economic spinoffs for Quebec in proportion to the size of its aerospace industry".

● (1135)

The Acting Speaker (Ms. Denise Savoie): It is my duty to inform hon. members that an amendment to an opposition motion may be moved only with the consent of the sponsor of the motion.

[English]

Therefore I ask the hon. member for Beauséjour if he consents to the amendment being moved.

Hon. Dominic LeBlanc: No, Madam Speaker.

The Acting Speaker (Ms. Denise Savoie): There is no consent. Pursuant to Standing Order 85 the amendment cannot be moved at this time.

Questions and comments. The hon. Parliamentary Secretary to the Minister of National Defence.

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Madam Speaker, I want to go back to the member's general point about his perception that there is a lack of foreign policy and so on. I would suggest to the hon. member that if he looked back to the defence white paper of 1964, he would see that nothing much has actually changed. In that paper and in papers ever since then the overall defence policies of Canada have been defence of Canada, sovereignty, and international operations, whether in support of Norad, NATO, or the United Nations.

Business of Supply

The overall need for the military is virtually the same today as it was then and the missions basically have not changed. What has changed is what we are facing in our missions today versus what we will be facing in our missions 20 or 30 years from now.

Would the member agree that if we do not know what is going to come down the road 20 or 30 years from now, and we certainly do not, it behooves the government to equip our men and women of the Canadian Forces with the best possible equipment to face whatever threat might come down the road?

[Translation]

Mr. Claude Bachand: Madam Speaker, I must disagree with my colleague, the Parliamentary Secretary to the Minister of National Defence. Our world is evolving very quickly. In the past, foreign affairs and defence policies could be seen as adequate for years and years because the threats were always the same—countries attacked other countries. That is the classic example that I always use. It is no longer countries attacking other countries. It is often terrorist groups. A lot has changed.

That is why it is important to update our policies much more frequently as ideas about foreign affairs change. The Liberal Party did that with its foreign affairs and defence policies before the Conservatives came to power. I do not mean to suggest that they cannot do it, rather, I mean to say that they have not done it and that is the problem. They are spending hundreds of billions of dollars on the military without a clear purpose. Do we need F-35s to deal with improvised explosives in Afghanistan? I do not think so. If they had painted a general picture of the current situation and projected in advance what they thought could happen, it would have been more productive and we could have had a military procurement policy that is more reflective of today's reality.

[English]

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Madam Speaker, I have a very short intervention. At least that is my intention.

When the member was talking about the process, he mentioned that a lot has been done up until now. So I am not quite sure where he is coming from when he says that a lot has been done, therefore, it is almost too late, that to back out of it now would be detrimental to the entire industry in this particular country. Maybe I misinterpreted what he said.

But with that in mind, would it not be better, under this motion, to go forward and to say that we are going to have this open competition to guarantee ourselves that dollar for dollar commitment of Public Works, certainly for all the contracts, as required by Industry Canada? Would he not prefer that for his own province of Quebec, considering the fact that it is such a giant around the world in the aerospace sector?

• (1140)

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Madam Speaker, I would simply like to explain to my hon. colleague once again that the project we are debating is about 10 years old and was brought in by the Liberals. Indeed, it was a Liberal government at the time that signed the MOU, that is, the memorandum of understanding. Now

the companies have been given the message that the MOU was signed as a starting point and they have begun. The Liberal government of the day invested about \$100 million in Lockheed Martin. It gave that company about \$100 million or \$150 million to ensure its participation. Looking at the situation today reveals that at least three times that amount has been generated in economic spinoffs.

So putting an end to all that would be dangerous. Considering where we are in some of the contracts, the companies could say, as they have in the past, that we owe them money, or they might find themselves out of the process, and we will have to start all over again. People think that is too risky and prefer to maintain the status quo. I am not a fan of contracts without a competitive bidding process, but now that the process has begun, as a Quebec representative, I will not sit on the sidelines with my arms crossed, nor will I be the one to wage the battle for a tendering process. Instead I will fight for military contracts.

[English]

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, clearly, there is a lot of mystery involving this whole process and not enough clear answers just based on what we have heard this morning.

We have a recent Auditor General's report dealing with the helicopters. It found that the Department of National Defence broke its own rules and that there is a big mess involved in that contract. So I do not know why we would think, for a moment, that the procedures would be any clearer or better with this type of process. We have the whole issue with Canada wanting to spend \$9 billion for 65 F-35s, at a cost of about \$138 million apiece. Yet we have Australia paying \$6 billion, which is \$3 billion less, for 100 of the jets. So their cost would be around \$60 million each.

When the Liberal critic was asked a direct question about this issue, he could not confirm why there would be a difference in the pricing. The people who are supposed to be in the know do not seem to have answers to very fundamental questions here.

It just gets back to the question of why do we not take this back and have an open process to decide what we are going to buy and buy the best best-priced product that we can find?

[Translation]

Mr. Claude Bachand: Madam Speaker, I have to agree with my colleague from the NDP on this mystery. As I said earlier, when we talk to the Minister of Industry, he says that the contracts are confidential and that he cannot disclose anything about them to us. When we deal with industry, it also talks about confidentiality. Defence tells us we do not have adequate security clearance to get any more information. I have been critical about that.

Business of Supply

As members of Parliament, the current system is not working for us. No one here, myself included, can say with any degree of certainty whether this is a good deal or not. We are almost being forced to go with our gut, our intuition. I do not want to see us go through a whole new bidding process in a year or two. Things are in motion and we have to keep going. We just have to improve the system.

• (1145)

[English]

Hon. Laurie Hawn: Madam Speaker, my question is for my colleague in the Bloc. However, I want to go back to what the member for Elmwood—Transcona said.

The price we are paying for the airplane under the MOU is exactly the same as the Australians are paying. It is the other things that are involved in the program, such as simulators, spares and that sort of thing, that make the difference in the overall program cost. However, the price we are paying is precisely the same as the fly-away price that the Australians are paying.

Is my hon. colleague aware of that?

[Translation]

Mr. Claude Bachand: Madam Speaker, I agree. I agree that things seem to be more or less stable or equivalent for the nine signatories of the MOU. However, when I look at Israel's stake and purchases, there seems to be something unfair about it, such that at the Standing Committee on National Defence, where we are currently studying the F-35 issue, I asked whether we would have been better off not signing the memorandum of understanding. It seems to me that Israel has been given an advantage, yet it is not a signatory of the memorandum of understanding.

[English]

Ms. Kirsty Duncan (Etobicoke North, Lib.): Madam Speaker, I will be splitting my time with the member for Richmond Hill.

It is a week since Remembrance Day when our grateful nation gathered in places where it was impossible not to be moved by the sacrifice of our veterans.

My first job is to pay tribute to all those who served in the Second World War, Korean War, Cold War, on peacekeeping missions, the Gulf War and to those who served in the RCMP. I understand that a veteran is a veteran is a veteran.

I also pay tribute to all our men and women who are now serving in Afghanistan and I honour the contributions of all our heroes and their families.

I also know that all members of the House recognize and anguish about the enormous sacrifices that military members, veterans and their families have made to keep Canada safe and secure. That is why we must never send them into harms way unless it is absolutely necessary, unless there is a clear mission with the right strategy, unless they have the necessary care, treatment and support when they come home.

Therefore, we must guarantee the right plane for the right mission for the right price. That means identifying defence priorities and foreign mission requirements new fighter jets must be able to support. That means defining roles, capabilities and operational

performance requirements new fighter jets must meet to support future domestic and international priorities and missions.

The items to consider are these. Is the stealth aircraft necessary for its main role of protecting Canadian airspace? There might be possible development delays and cost overruns. Other planes, namely the Super Hornet and the Rafale, can fulfill Canada's requirements. Will maintenance contracts be signed in advance of purchase before all bargaining power is lost? Will there be a full accounting of life cycle costs?

Following normal procurement procedures in their normal sequence, namely identifying the mission for a new aircraft, producing a statement of technical requirements and holding a competition to see who can meet the requirements, can only lead to the best value and deal for the air force, aerospace and other industries in Canada and Canadian taxpayers.

In fact, the former head of defence procurement, Alan Williams, confirmed that an open and transparent competition would ensure the best equipment for our military, maximize high-quality job creation for Canadian industry and drive down the price by an estimated 20%, some \$3.2 billion.

It is fundamentally important that Canadians understand that there would be no gap in fighter capability as there are nine years left through government investment and there would be no penalty for cancelling the current deal.

In considering any deal for new jets, we must factor in life cycle costs. Sadly and tragically, we do not do this for our most important asset, our people.

Roughly 3,500 pages of leaked documents dating back to 2006, obtained by The Canadian Press, showed bureaucrats were projecting savings of \$40 million per year within six years of the charter being enacted.

On Remembrance Day, we promised to remember the fallen, the battles that define generations, our humanity during difficult circumstances, during peacekeeping missions and the generations serving today. What we owe our men and women who have put on the uniform is to honour our sacred trust and to be there for them when they come home.

That means working to improve their pay and benefits so they feel secure, knowing their families will be looked after. That means working to improve care for wounded warriors, especially those with post traumatic stress disorder and traumatic brain injuries, particularly in light of new research linking each to dementia.

Business of Supply

•(1150)

For the first time in over 100 years, veterans who put their lives on the line for Canada and who accepted unequivocally the chain of command peacefully protested across Canada. There were slogans, including, “Billions for jets; pennies for vets”.

I must therefore ask this. Would saving 20% by having an open competition for jets, what \$3 billion would have meant for our veterans: perhaps a comprehensive review of Veterans Affairs Canada and its procedures; perhaps a comprehensive review of the new veterans charter with real consultation with veterans across the country so they would feel engaged and would have some control over their own future, their destiny; perhaps real action on the lump sum payment, one of the most contentious issues that veterans and their families and that we have called on the government to address. Instead of taking immediate genuine action, the government simply divided the pie differently, offering one lump sum payment for the same amount spread over months or years.

There is no actual change in the numbers. The average payout is only \$40,000. Whether it is spread out over two years, five years or ten years, it is inadequate, for example, for homeless veterans, veterans in Cockrell House in Victoria, the first homeless shelter for veterans who are courageously fighting to regain their lives. Luke Carmichael served 19 years in the military, only to escape to the bush of Vancouver Island, where he lived for 10 years, 7 years in a tent, 3 years in a trailer someone gave him. More than 800 food hampers will be delivered to needy veterans and their families in Calgary alone this year.

One veteran told me that because Veterans Affairs Canada initially withheld a compensatory award, he ended up homeless. Another veteran was sent a cheque for \$40,000, only to have \$20,000 reclaimed, causing him to lose his home and to get into difficulty with revenue, with alcohol, with drugs and with losing his family.

What would \$3 billion have meant to protecting the health and well-being of our Canadian Forces and our veterans through electronic health records, first promised in 2008, but not available until March 2012?

What would \$3 billion, or 20%, have meant to post-traumatic stress disorder, from providing education and training throughout members' time in the forces to ensuring timely treatment across the country with enough clinicians? Thirty-two psychiatrists for 65,000 Canadian Forces members, a ratio of .00049, is an appalling statistic, masking it by claiming mental health practitioners, mental health workers, nurses, chaplains, providing a ratio of 1:186 hides the lack of help.

What about tracking people when they leave the forces? As one veteran said to me, “telling me my appointment is in one month, when I've got two barrels loaded, doesn't really do a damned thing, does it?”

While travelling across the country last week, we heard from another man who asked for a private meeting. He explained that there were a lot of suffering veterans out there who VAC knew about, and even more out there about whom no one knew. They were not followed. He told us of three young veterans who lost their

spouses and who died alone suffering from PTSD. “Let us keep them alive”, he said.

Finally, many veterans are struggling. Some battle multiple demons such as alcohol, drugs, PTSD—

•(1155)

Hon. Lynne Yelich: Madam Speaker, I rise on a point of order. I do not think that is relevant to the topic today. A very important part of the debate is about the fighters, and I think we should stay on topic.

The Acting Speaker (Ms. Denise Savoie): I am sure the hon. member is concluding in her final minute and will make the connection.

Ms. Kirsty Duncan: Madam Speaker, the point is that if we had held an open competition we could have saved \$3 billion and perhaps invested that money in our veterans, the way they invested in our safety, our security and our future.

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Madam Speaker, I listened with great earnestness to my fellow parliamentarian and I am going to ask her a series of questions, but they are all the same.

Credibility has to enter into her speech. She talks about our veterans. Many of them fly aircraft that are years and years old. We are currently ordering aircraft that her previous government cancelled and cost the Canadian taxpayer half a billion dollars for exactly nothing. How does that help veterans? How does it help current members of the Canadian armed forces, when we as a government had to completely re-equip them in order for them to have the best equipment in the world to fight in Afghanistan and other places?

How can she claim to stand up for veterans when her government removed 3,500 allied veterans from the veterans rolls and we had to reinstate them? How can she stand and say she cares about veterans when Liberals took VIP services away from them and we have had to—

The Acting Speaker (Ms. Denise Savoie): The hon. member for Etobicoke North.

Ms. Kirsty Duncan: Madam Speaker, I come back to the fact that there was an opportunity to have an open competition. That is part of normal procedures and we must follow them. We get into trouble when we do not follow normal operating procedures.

Business of Supply

The 20% savings could have been invested in our veterans. We must look after life cycle costs of equipment, but we must look after the life cycle costs of our most important assets, which are our veterans.

For the first time in more than 100 years, our veterans held a national day of protest. Our veterans have many concerns, such as agent orange, ALS, which the government has taken action on, clawbacks, lump sum payment, the new veterans charter, post-traumatic stress disorder and the Office of the Ombudsman.

Mr. Claude Gravelle (Nickel Belt, NDP): Madam Speaker, I must congratulate my colleague for her speech on this motion, but I could not quite connect the dots between your speech and the motion we are debating today.

You mentioned that if we had had an open process for this contract, we could have saved \$3.2 billion. If the process had been open, it would also have created jobs in Canada. It is not because of the fact that the process was closed that jobs were not created in Canada. An open process would have, according to you, saved \$3.2 billion. Can you elaborate for me, please, on what we could have done with this \$3.2 billion?

• (1200)

The Acting Speaker (Ms. Denise Savoie): I would remind all members to refer their questions and comments through the Speaker.

The hon. member for Etobicoke North.

Ms. Kirsty Duncan: Madam Speaker, the point is that we have not had an open competition. Had we conducted an open competition, we absolutely wanted regional development and would have been guaranteed dollar for dollar from Industry Canada.

Hon. Bryon Wilfert (Richmond Hill, Lib.): Mr. Speaker, I am pleased to participate in today's debate. I want to point out, first of all, that the Liberal Party supports the replacement of the CF-18s.

Obviously the replacement is absolutely critical. This party has stood and continues to stand in support of our military. It was in 2005 that the Paul Martin government brought in the largest amount of money in support of the defence department, \$15 billion.

This issue is really about process. It is about how this has developed into what the government is now claiming to be an agreement in which we are to purchase 65 F-35s. Obviously it is to protect our north and guard our sovereignty, all of which we agree with. However, I think the process is at the core of this debate. The process did not involve any government effort to negotiate a better price for Canadian taxpayers.

Currently we have a \$56 billion deficit in this country, and the government is going to borrow up to \$16 billion-plus for this new fighter aircraft. Who is going to pay for these? Obviously it is the taxpayers, and clearly it is at a time when we do not have those dollars.

The process did not follow the very rules that the government is sworn to uphold, which the government used to quote when responding to our party when we were in government.

This process not only pretty much guarantees we are going to be over-paying for the CF-18 replacements for the next 30 years; it also

undercuts industry's right to guaranteed benefits, particularly on the economic side, for Canadian industry.

This, of course, is not the process the government is supposed to follow when making these types of major procurements. Let me quote from the Treasury Board guidelines, which lay out the proper process the government should have followed when making this procurement, and which our national experts have spent decades developing to ensure that we get the best deal on purchases like this.

In section 9.45 of the Treasury Board guidelines it clearly states that competition remains "the cornerstone of the Canadian government procurement process". It is the most effective and most efficient way of achieving the goals of government. "It gives suppliers the incentive to bring forward their best solution to the operational problem at a competitive price, as well as respond to more effective requirements in support of other national objectives".

What happened in this case? Clearly the government took an end run on these guidelines. For four years now, the government has increasingly ignored the competitive process. So it is not just in this case of the F-35s.

Do not take my word for it. I would like to point out statistics we heard before the defence committee last month from the man who used to be in charge of the department's procurement section. He said the following.

Statistics show that under the previous Liberal government of Paul Martin in 2004, only 8.8% of defence spending was spent through untendered contracts. In 2005 this number still remained relatively low at 14.6%. But in 2006 we saw the beginning of a drastic increase under the Conservatives. That year 27.3% of defence spending bypassed the competitive process, a number that increased again to 31.9% the following year. Compare that to today, when 42% of defence contracts Conservatives signed last year were without any competitive process. It is 42% uncompetitive.

It is no wonder we have racked up the largest deficit in Canadian history. Again, we are not going out and getting the best price. We are simply sole-sourcing. This is obviously costing all of us, members of the Canadian public, the taxpayers, a significant number of dollars.

That is what competition is there for. It is to get the best price, to make sure the Canadian taxpayer is getting value for dollar. This party has talked about value for dollar with regard to this issue from the beginning. That is a responsibility the government has chosen to ignore.

The other reason is to make sure we get the best equipment available to us. Never is this more important than when we are talking about military procurement for our men and women in the air force. We want to make sure they have the best tools available. Again, without an active, open, transparent and fair competition, we do not know that.

Business of Supply

•(1205)

At the defence committee we heard from Boeing. We heard from other competitors, who clearly indicated this was not a competitive process, who indicated they can provide value for dollar, in fact less cost to the taxpayer. Yet the government has chosen to ignore that, and we have again a sole-source contract. That obviously is of concern to this party. It is of concern to me as the vice-chair of the defence committee.

I would point out that the government keeps talking about next generation fighter aircraft. Next generation is actually a catchphrase. It is a marketing slogan that has been used in order to talk about this particular aircraft.

It is incumbent upon all parliamentarians to make sure we do get value for dollar. It is incumbent upon all parliamentarians to ensure that the process as outlined in Treasury Board guidelines is followed. If that is not followed, then we cannot be sure that we are getting the best price for Canadian taxpayers, and we clearly are not sure.

The debate and discussion that I have heard from the government is that the JSF was developed. There was a so-called competition between Boeing and Lockheed Martin in the United States. I would point out that now the American government is quite concerned about the cost overruns of this jet, as are the British and other countries.

One of the things we have not been able to glean from the government is why it thinks this is the best aircraft in terms of the needs, the capabilities we need as a country for the Arctic, as an example. Is this the aircraft we absolutely need?

We will continue to debate this. It is unfortunate when this was announced by the minister. This was announced in July, in the summer. The Conservative government has a tremendous record of announcing things outside the purview of Parliament. We heard that last week with regard to the issue of our soldiers being involved with training in Afghanistan. Budgets have been presented outside of this institution. That erodes the role and the authority of members of Parliament. That is why the defence committee has taken up this particular issue and why this party has put forward this important motion today. We want to discuss this issue.

The fact is that cost overruns have to be, and continue to be, a major concern. We do not even know what the operational life costs are going to be in terms of this aircraft. My friends across the way will say that we did not have that with the CF-18s until four years after the fact. The costs we are looking at for this aircraft alone are the most we have ever paid, and obviously those additional costs go well beyond \$18 billion; they could go to \$25 billion or \$30 billion, by some estimates. Obviously when the British and others are saying they should maybe scale back and look at this whole component again as to whether or not they can afford it, that is an issue.

Winslow Wheeler, who is a renowned defence analyst and someone who has been around the United States Congress for more than 30 years, pointed out a number of deficiencies with regard to this aircraft. We are obviously going to be looking at that. Some members of the defence committee will have an opportunity to go to Texas to talk to the manufacturer and ask some of those tough questions.

I want people to understand that we certainly are asking questions and we are going to continue to ask questions, which is why it is important that we go to Texas and talk to the manufacturer. We will be able to ask not only the manufacturer but hopefully Boeing and others in terms of what information they can provide, because this contract will not officially be signed for about three years. It is important that we do that. My friends across the way have agreed to do that. We are looking for value for dollar. We want to make sure we get the right aircraft. We are going to continue to ask questions on operational capability, about whether this is the right aircraft, particularly for the north as a single engine versus a dual engine plane.

Make no mistake about it. We support replacing the CF-18s. The issue is whether or not we can afford what is being proposed by the government and whether or not the F-35 is the plane for our forces.

•(1210)

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I do work with my hon. colleague on the defence committee and, by and large, we have a pretty good working relationship and we get things done. However, I do need to challenge him on a couple of things.

First, I want it to be clear that the amount of money we are talking about really starts in 2015-16, not today, and it is spread over a period of 20 years.

The \$3.2 billion that members keep talking about that we would save if we had a competition is a complete fantasy number pulled out of the air by someone who used to be the ADM of materiel five years ago, rather than listening to the person who has been the ADM of materiel for the past five years who is currently working with the MOU and all the allies and, frankly, has much more credibility.

The member also talked about sole sourcing. In 2004, we were not at war like we are today. Arguably, we were at war with Volkswagen jeeps, which is the kind of equipment that the Paul Martin government and the Chrétien government before him had equipped us with. When a country is at war, there is a certain urgency for equipment requirements for safety on the battlefield. That is what we have been providing and that is one of the reasons for sole sourcing.

I would like to challenge the member on that \$3.2 billion. Where is the justification for that, other than somebody's opinion?

Hon. Bryon Wilfert: Mr. Speaker, I never mentioned the \$3.2 billion. That number did not come out of my speech so I will not respond to that specifically.

However, I will respond to the fact, which was the central thesis of my speech, that Treasury Board rules were not been followed and that, today, 42% of those contracts are sole sourced. How do we know we are getting value for the dollar when 42% of all the contracts are sole sourced?

Business of Supply

As my colleague indicated, I do work very well with him. However, in terms of equipping the armed forces, when we went into Afghanistan in 2001, no one, not even the military, could predict what we would run up against. In 2005, however, we did provide the largest expenditure toward the defence department in the history of this country. We brought in Coyotes and the kind of equipment that the forces have today, and the forces have that equipment because of what the Martin government brought in at the time.

I know a little revision to history works well in some quarters but it does not work well here.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I have listened to this debate with great interest and I noted the question to the hon. member about when a country is at war. I have found the debate thus far on this topic and the whole discussion incredibly myopic.

The last I noticed, and nobody has pointed out to me otherwise, since I have been elected I have not been able to vote to go to war. From my understanding, the government has announced, without any vote, that we will no longer be engaged in the war in Afghanistan. In fact, it probably will be over sometime next year, if we stick to the current policy.

If we will not be at war any more, there is an obvious question. In this time of profound economic decline and major recession in this country, and based on a poll that just came out where 71% of Canadians said that the money could be better spent on acting on climate change, not on waging war, surely this money could be better spent to support our armed forces because we are moving into the Arctic. Why not invest in a major way in search and rescue and surveillance?

Hon. Bryon Wilfert: Mr. Speaker, search and rescue is another issue with which the defence committee is seized. Yes, there is no question that we do need search and rescue aircraft, but we also need aircraft to patrol the north in terms of the protection of our sovereignty, which I do not think anyone would argue with.

The issue is the type of aircraft that we need in terms of the capabilities for warfare 10, 15, and 20 years down the road. Is it the kind of aircraft we needed 20 years ago? Clearly not. In terms of support for troops on the ground, the type of aircraft that will be used will be different from what it was 20 years ago.

Could the money be better spent? Again, it goes to back to the Treasury Board guidelines. The way we would find that out is if we were to have an open, fair and transparent competition,. However, there is no question that her point on search and rescue aircraft is definitely something we have been pushing the government on.

● (1215)

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, I am pleased to join in the debate today on the Liberal opposition day motion regarding the F-35 contract.

With respect to this particular contract, I want to go back to the estimates debate in the committee of the whole in this House on May 27. At that point in time, the Minister of National Defence was in the House answering questions, along with officials who were advising him. We had an issue with respect to a question I asked about what was to happen with the replacement for the F-18s.

Early in the debate, the minister said very clearly that there would be:

...an open, competitive, transparent process that [would] see us receive the best capability, to provide that capability to the best pilots in the world.

Later on in the debate, on page 3064 of the May 27 *Hansard*, he came back to say:

Mr. Chair, I will come back to that in an instant. I just want to be very clear on the record that the reference to the next generation of fighter aircraft does not preclude a competition, and an open and transparent one. In fact, the joint strike fighter program thus far has provided Canadian industry with access to high technology industry opportunities. [And we] have already [had] contracts with a total estimated value of over \$325 million.

That is consistent with the statements that were given to the defence committee by Alan Williams, the former ADM materiel, who said that the participation in the joint strike fighter program was not a decision to purchase that particular aircraft. The decision to engage in the joint strike fighter program was to participate as Canadians, with other countries, to develop and design a new jet fighter. However, there was no commitment to actually buy it.

What we now have is the government taking the position that there was a competition back in 2000. It does not understand why the opposition motion is asking for a competitive bidding process to choose a replacement for the F-18. It is pretty obvious why we are asking for one. It is because that is the way defence procurement is supposed to take place. In fact, that is what was promised by the Minister of National Defence here in this House on May 27.

It seems that there has been a bit of a pattern going on over the last little while. The House of Commons went into recess for the summer and, lo and behold, in the middle of the summer, on July 15, there was a press conference, with a prototype F-35 in the background. An announcement with big fanfare was made that Canada was committing to buying 65 F-35 jet fighters with kind of an unannounced cost. However, the media quickly came to the conclusion that we were talking about a \$16 billion program that the taxpayers of Canada were expected to pay for, without any competition, based on an announcement made by the government over the summer, after making a commitment in this House to having an open and transparent competition.

What was wrong with that? What was wrong was that the basic procurement principles and very basic government operations where we decide, first, what it is we want and what it is we need, and then we go about trying to find it, were not followed.

Once again, in defence procurement, the starting point is supposed to be what is called a statement of operational requirements. In a statement of operational requirements, the military does not go to the departmental officials and say that it wants to buy a Chinook, that it wants to buy a particular aircraft or that it wants to buy a particular item.

● (1220)

The starting point is supposed to be what our needs are for an aircraft, whether it be a search and rescue fixed wing, a helicopter for operations in Afghanistan, or a fighter jet, a patrol jet, a patrol plane or whatever it is, and then what we need it for and what we want the equipment to be able to do.

Business of Supply

This statement of operational requirements is a complex process and it often involves, in some cases, many years of study and analysis by experts within the Department of National Defence. In fact, the statement of operational requirements is often sent out in draft form to potential suppliers for their comments and review and then comes back to the department to be finalized. When the statement of operational requirements, which shows what the need is and what the capabilities are, is finalized, then a tender document is put together for a competition.

The document would show the industry our requirements and then the industry would put together a bid as to whether it can meet these requirements, what the cost would be, what the delivery times would be and so on, although some of those would obviously be within the tender documents.

What happened here? I am sure the government is quite within its right to talk about the process of the development of the joint strike fighter but that was a separate project. It did not commit Canada or any other nation, including the U.S., by the way, to buy any of the planes at any time. The memorandum of understanding is about the development and provides for the acquisition of these planes and for long-term maintenance contracts and participation in the contracts for supplying the supply chain for the production. That is a separate item from the defence procurement process which was developed, defined and designed to give our armed forces what they need at the lowest cost to taxpayers, meeting operational requirements and needs.

We have been told that the defence department was advised back as early as 2006 that the joint strike fighter was what it wanted to have and what it needed and yet we find out from the defence committee hearings that the statement of operational requirements was not actually developed until the spring of this year. The statement of operational requirements appears to have been finalized somewhere around April or May of this year, at the same time as the minister was saying that there would be an open and fair competition.

Then we had a decision in July to have a sole source of the F-35 by Canada under that program. So far, we have had witnesses from Boeing come to our committee and, based on what has been made available to our committee and publicly in terms of the capability requirements, say that they could meet those needs. Through their capabilities, they wanted to be a part of that program and they could have bid on this jet but they were denied that opportunity.

We also had representatives from a French manufacturer who also said that their company could meet the needs of the statement of operational requirements.

We will hear arguments from the other side, which we already heard in the committee, that their planes are not as good as the JSF or the F-35, that this one is not as good as that one, that that one is more expensive than the other one, and so on.

● (1225)

All of that should not really be the subject of debate in a parliamentary committee or in this House. That is something that is done through a sophisticated professional process designed to ensure not that someone can score political points in a committee or in this

House, but that the factual capabilities, the actual numbers, the real tests, are being examined when a decision is being made.

We have not heard from all the potential bidders, but it is pretty clear from what we have heard so far that discussions stopped with these other manufacturers at a certain point. In fact, they were not given an opportunity to disclose to the Canadian government the full capabilities of their own aircraft. So there was really no basis to make the kind of comparison that could have and should have been made when making a decision of this nature.

That portion of my remarks has to do with the process itself. The process is clearly flawed. We are talking about spending, when all is said and done, as much as \$16 billion of public funds, devoted to a particular aircraft to replace the F-18. That is part of the issue that this particular motion focuses on.

There is another part of the issue that I want to address, and that is, do we need this particular aircraft versus other possibilities for Canadian defence requirements?

I did not mean to be flippant when I said it, but I think it does capture the essence of my argument and the question that was raised, that one does not need a Maserati to drive to work and we do not need a stealth fighter to patrol Canada's Arctic or east coast.

That begs the question, what are our actual defence needs and do those defence needs require what I have called "the latest and the greatest"? It may well be, when all is said and done, that the F-35 is the most capable fighter jet available in the world today to do any number of things, but are those any number of things the things that we need to have done?

I think that kind of exercise is one of strategic analysis that ought to be available to this Parliament and to the committee, an analysis of Canada's plans for the future and how we plan to engage in international operations. Do we need the kind of capability that's there?

For example, in a major international conflict, will Canada's contribution, if that is what we choose to buy, actually make any difference in an international operation when we compare Canada's 65 jets as potentially part of an operation with the Americans who may have 2,500 or 3,500 jets?

The last time the jets were engaged in activity, the real issue was finding space at airports to land them, because access to aerodromes and airstrips was restricted and only a certain number could be accommodated. Is it really necessary for Canada to have this capability as part some international effort?

Who are we going to be fighting against? We heard it said that we do not know, we are making plans for the next 30 or 40 years, and the only thing we can really do is to say that we will get this because it is the best available today.

Is that really what Canada needs to do? The only way to find that out is to have a significant type of military strategic analysis made available for debate. That is normally done through a defence white paper that analyzes the various options for Canada and sets forth recommendations as to how the Canadian Forces ought to be configured, what kind of equipment it should have and what its needs are. It makes an argument that all of us can have a look at.

Business of Supply

● (1230)

I have heard the Canada First defence strategy called an equivalent to that, but in my view, that is very inadequate and superficial. I do not mean to dismiss it entirely, but it amounts to a shopping list of new equipment and refurbishment of the equipment we have. It does not hang together as a strategy, but rather, a suggestion that we should acquire this, that, and the other type of equipment over the next while.

We had a fleet of F-18 fighter jets. We lost another one last night, unfortunately. These have been operating for more than 20 years, some as many as 30 years. They received what was called a mid-life refurbishment, which was only completed in March of this year. They were part of the defence of Europe during the cold war. They were used as a military air presence in Canada, particularly over Canada's coastal waters.

During the cold war, the Russians were constantly testing Canadian defence responses and these jets were the ones scrambled to be present and show that we were paying attention and that we knew when somebody was active. With the techniques of satellites and other sophisticated technology today, surveillance by itself is not really the issue. The issue is the ability to respond. But what are we responding to?

In the case of Russia, if they care to make them airborne, which they do occasionally, we are responding to technology from the 1950s, long-range bombers that are run by propellers. They take many hours to get to Canadian airspace or even near it. Is that something that we need a stealth fighter to deal with? Is that something that we need the very latest of technology to deal with? I do not think so.

There are those who scoff at that and one of them is the Parliamentary Secretary to the Minister of National Defence, who is a former fighter pilot himself. He will say that fighter pilots want to have the latest technology, everything that is available, because that is what they should have, and there is an argument for that. However, there is also an argument that says Canada does not have to play the same role in international military activities as other countries. We can define the role that we wish to play. We can decide what we need.

So the second part of my argument as to what needs to happen before we make this kind of commitment is to have a thorough review of the actual needs of Canada and the requirements for Canada's participation in military activities. We need to patrol our coasts, we need a fisheries patrol, we need to have a presence in the Arctic and throughout the country, but do we need this very expensive jet fighter to fill that need? Can the needs of Canada be met with something less expensive with a different configuration?

Those are the kinds of questions that we in the NDP have asked and challenged the government on and to date have not received a satisfactory answer. We support this motion. Yes, there ought to be an open competition. However, before that takes place, there also ought to be a thorough review and debate about what Canada actually needs in the air over the next while to replace the F-18s.

● (1235)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I had the pleasure of sitting with my colleague briefly on the committee in late summer regarding this particular issue.

One of the witnesses he mentioned briefly was one of the potential competitors in what was supposed to be an open competition, as purported by the minister but later on that story changed. It quickly changed from "Yes, there will be a competition" to "Oh, but there was a competition", and in the time between the two, it did not really happen.

I would like him to comment on some of the testimony that stuck in his mind regarding the potential of competition and some of the other manufacturers who came to the committee.

Mr. Jack Harris: Mr. Speaker, we heard from the Boeing representatives and we heard from the French manufacturers of the Rafale. They said that they fully believed they could deliver a competitive product and meet the needs of Canada. They felt they were left out of the loop, that they were not even spoken to and that they did not get the attention they would have expected if there was to be an open competition. This speaks to the motion before us. If there is to be a choice, and obviously a choice has to be made, it should be based on a level playing field, where those in the business have an opportunity to compete.

One of the things I find disturbing is we have been told there cannot be a competition without getting out of the MOU. That was part of the approach the government used to fend off the suggestion that there could be a competition. This is not the case. We can still have a competition. We can still ask others to come forward with their projects and the decision can be made on what is the best choice for Canada without getting out of the MOU.

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, there are so many things and so little time. Yes, we heard from Dassault and we heard from Boeing. Do we expect people to say that they cannot meet it? Of course they will say they can. That is why we have hired and paid experts, military and civilian, over years to look at these kinds of issues. Dassault admitted that its airplane would be \$50 million more expensive than the F-35. That is enough right there.

If we hire and pay these experts, military and civilian, for years and years to look at things like this, at very highly classified levels, when they give us the answer, as happened in nine other very advanced countries, and if we go through that very rigorous process and at the end of the day not listen to what they say, what is the point?

Mr. Jack Harris: Mr. Speaker, clearly the decision as to what is more expensive and what is less expensive can only really be found out in the bid.

However, to answer the parliamentary secretary's second question, it is the process that we are questioning. The same kind of process was not followed here, which does provide the level of rigour that we have been told exists within the Department of National Defence, the same kind of board challenges that we were told was an important part of procurement.

Business of Supply

The Auditor General criticized the Department of National Defence for its failure to use those efforts in another project and unfortunately the same rigour is not being applied here. Therefore, this is a process problem and it is a question that can only be resolved by an open competition.

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, I thank my colleague from Newfoundland for his insight and his work on this file.

I also want to ask him a question about the stealth, but I suppose this is about the stealth of the motion today as opposed to the other stealth that has gone on in this place and the agreement to go ahead with the extension of the mission in Afghanistan.

We now find out there was a deal between the Liberal Party and the Conservatives to extend the mission in Afghanistan and to spend \$1.5 billion extra dollar on a military mission. Could he enlighten us as to why the Liberals did not want to come forward today on a motion about the extension of the mission? We could have had a debate about all of these facets, including the stealth fighter, and about the mission in Afghanistan, the extension of a military mission and a vote.

● (1240)

Mr. Jack Harris: Mr. Speaker, I think the hon. member for Ottawa Centre is right. The issue of this week is not specifically about the F-35. The issue of this week is government taking unilateral action to extend the military mission by three years at a cost that the Conservatives acknowledge to be \$1.6 billion.

The Parliamentary Budget Officer said in 2008 that a three year mission with 1,000 troops would cost in the range of \$3 billion. Why is that not the subject of a motion by the Liberals on their opposition day instead of this? It is a significant expenditure of public dollars that heretofore has required a vote in the House, but we will not get one. We are getting a vote instead on this contract.

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, I listened intently to my hon. colleague who is on the same committee as I. I find it quite interesting that he talked about Boeing when actually it could not answer any questions. I am flabbergasted by the fact that he suggests Boeing was even in the competition.

However, I would also note that he asked why we would need stealth. He tends to forget, during this debate and in committee, that in fact the Russians and the Chinese also have stealth aircraft.

If Canada is part of NATO, which we are, and we expect our fighter aircraft to be participating in that, and if we do not have the F-35 stealth aircraft, is he suggesting that we put our Canadian military fighter pilots in harm's way? I can assure members that without that stealth, they would be great targets for whomever we might have to go up against. I would like to hear the member's comments on that.

Mr. Jack Harris: Mr. Speaker, we are on the same committee and we heard from representatives of Boeing. They said that as a result of the failure of the Canadian government to engage them in this process, they were unable to provide the information that would be required for Boeing to participate in the competition. That was the problem.

As far as stealth goes, as the hon. member knows from our committee hearings, there are varying degrees of stealthiness, if I

may use that term, and this is a factor for consideration in any purchase of an aircraft. I agree with him on that.

We do need to have equipment that can meet whatever challenges in which we might be engaged. We do need to have a full understanding and a full representation of the options and challenges. It needs to be laid out so a proper decision can be made, not just taking one particular issue and saying that proves we obviously need to have this F-35. That is not the way this is done. I do not think it should be done in the House either.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, I want to quote the ADM who said:

In terms of the joint strike fighter MOU, we have to be clear that in order to run a competition, Canada would be forced to withdraw from the MOU. I would point out that that is because the MOU precludes that countries have agreed not to apply the normal IRB process. A Canadian competition would have to entail the normal IRB process, and you cannot do that within the MOU.

It has to be understood that some of the comments made were actually out of context.

Mr. Jack Harris: Mr. Speaker, I think the ADM did agree that we did not have to get out of the MOU to have a competition. He was concerned about being able to make a judgment between those offering IRBs and the joint strike fighter program, which is of a different nature. There can still be a competition that determines which aircraft we want and a decision can be made based on the information received.

● (1245)

Hon. Rona Ambrose (Minister of Public Works and Government Services and Minister for Status of Women, CPC): Mr. Speaker, I will be sharing my time with my friend, the member for Lotbinière—Chutes-de-la-Chaudière.

I am pleased to have this opportunity to express my unwavering support for Canada's purchase of the F-35 Lightning II fighter jet. I am proud to support this procurement because it is the right thing to do. I am also proud that our government is doing what is necessary to rebuild the armed forces. I am also proud that our government is providing Canada's men and women in uniform, the same men and women in uniform who put themselves in harm's way every single day on our behalf, with the best equipment they need to do their jobs.

We are buying the aircraft that we need to keep Canadians safe in their homes and to protect our interests abroad. I am proud that our government is standing shoulder to shoulder with our allies, participating in the joint strike fighter program.

I am also proud that our government is affording the Canadian aerospace industry with an unprecedented opportunity to take part in a global supply chain that will sustain and create good jobs for decades to come.

Business of Supply

I am astonished as to why hon. members of the opposition are opposed to this decision. They insist on referring to this as a non-competitive process. However, the fact is the opposition knows that a rigorous and extensive competition was held in 1997, because those members were in government at the time.

A consortium of allies launched the effort to find an affordable, multi-role, next generation stealth aircraft. Canada was part of the intense and exhaustive competition to find the best company to build the joint strike fighter aircraft from the beginning. In fact, we participated without any obligation at the time to purchase the aircraft.

The reason we have made our commitment now, rather than waiting is extremely important, so let me be clear. By committing to make the purchase now, we allow our Canadian aerospace to have priority access to win lucrative contracts for the entire global supply chain, numbering some 5,000 aircraft. Estimates based on just the approximately 2,400 planes that our partner countries are buying show targeted opportunities of around \$12 billion for Canadian companies. Imagine the figures if that is extrapolated to 5,000 aircraft.

The plan laid out in the Liberal motion would eliminate the priority access that our Canadian companies now enjoy at every moment when subcontracting for the fleet is under way. I cannot think of a more devastating policy decision than what the Liberals are proposing. Frankly, the motion is unintentionally a plan to throw thousands of Canadians out of work, but thankfully the government is protecting these jobs and allowing these industries to prosper. I hope the NDP will join us in voting against this motion as I am sure it too wants to support aerospace jobs in places like Winnipeg and throughout the country.

Let me return to the competition that we were a part of from the very beginning. This is important because it allowed us to buy next generation interoperable fighter planes at the lowest possible cost, providing the best possible value for Canadian taxpayers. Because there has already been a competition and because it was the right process to follow, a process consistent with my department's fundamental principles of fairness, openness and transparency, we see no benefit for Canadian taxpayers in having another one, particularly when we know for a fact that only the F-35 can meet our operational requirements. Another competition would be a waste of time and a waste of resources.

As the Minister of National Defence has explained on many occasions, his department has determined that the F-35 is the right aircraft at the right time for the best possible price. It is the only aircraft that will be interoperable with our allies fleets.

I bring up the subject of the Canadian Forces decision because it is important to bear in mind the requirements that drive the procurement process. The procurement process does not drive the requirements. The Department of National Defence is the expert in what a modern armed force needs. Under the Defence Production Act, I as Minister of Public Works and Government Services, have the authority to purchase defence supplies on its behalf. My department's role is to validate the identified requirement and ensure that the procurement is conducted according to the rules with the

fairness and transparency Canadians demand, while maximizing value for money. We have done that.

We made a commitment two years ago in Canada first defence strategy to replace Canada's fleet of CF-18s. Make no mistake about it. The CF-18s are some 30 years old. They must be replaced and the Canadian Forces will begin retiring them by 2017. That is why we are working toward a 2016 delivery date for the first aircraft to be delivered to Canada. As we know, we cannot just drop by the hangar at the corner and buy a fleet of latest generation fighter jets. It takes careful planning and it takes a long lead time.

● (1250)

Again, I strongly disagree with the claims that this process has not been a competitive one to date. I cannot agree that we should start over at the cost of what would be billions to Canadian industry, especially when the Canadian Forces will have to begin taking CF-18s out of service in just seven years.

This decision to buy the right aircraft at the right time will allow national defence to start its planning for its introduction and use. Canada's military men and women have already lived through too long a period when their ability to do difficult dangerous jobs was impeded by procurement delays and no one wants to put them through that again.

The Canadian military was exhaustive in its analysis of its needs and it has made the right decision. It needs a fifth generation stealth fighter aircraft that is interoperable with our allies. It is my department's job to get it for the military and to get it at the best price to be had.

Yes, this represents a significant expenditure, but that is only one side of the picture. This is also an investment not only in Canadians' peace and security and Canada's reputation as a trusted ally, but in our defence and aerospace industry.

This investment promises the creation of well-paid, knowledge economy jobs right into the middle of the century, and it is far from an empty promise. The mere \$168 million we have spent to date has already led to more than \$850 million in contracts for Canadian companies, research labs and universities, the very drivers of a modern knowledge-based economy.

The expertise and innovation that this investment will spur will be spread throughout the country. For example, I recently visited Avcorp Industries in Delta, British Columbia, which has now signed an agreement for the production of a component of the carrier model of the jet to be used by the U.S. navy, an agreement that may represent over \$500 million U.S. to this British Columbia company.

Another excellent example of the downstream benefits of this investment may be found in places like Kitchener, Toronto, Dorval, Longueuil and Laval, where the aerospace company, Héroux-Devtek, is hoping to secure possibly a quarter century of work for its employees through a successful bid. I have met with and spoken to this company and it is extremely excited and hopeful about our F-35 decision and its opportunity for jobs.

Business of Supply

The vice-president of analysis, Teal Group, Mr. Richard Aboulafia, has estimated the JSF program will capture more than half the world's fighter production by 2019 and Canadian companies will be in on the ground floor. Mr. Claude Lajeunesse of the Aerospace Industries Association of Canada has said that the program will positively affect the Canadian aerospace industries for decades to come.

These industry leaders fully understand the magnitude of the benefits that will arise from this investment.

Therefore, I am proud that Canada's is working with its allies by ensuring interoperability, equipping its brave military personnel, keeping its citizens safe and securing the health of major industries.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-sor, Lib.): Mr. Speaker, I want to talk about the traditional way of procurement. I am reading the Auditor General's report about costs, about life cycle costs and how these are managed. One of the issues the Auditor General brings up with the medium to heavy lift helicopters is that some of the costs have escalated.

Getting back to the fighter jet, we have also heard from other countries, such as Australia, that the costs are escalating.

She talked about the fact that it was the cheapest plane available, but I am not sure if we know that yet. I would like the minister to clarify the position about these life cycle costs and how confident the government is that these cost overruns will not end up like what the Auditor General has said about medium to heavy lift helicopters.

When the minister talks about procurement and guarantees, I am not sure if we are entering a new realm of what is actually guaranteed or not, and I appreciate the work that is being done. According to an article by the European Union about Israel, it says it has guarantees of the installation of Israeli systems for the first batch of planes to be delivered. There is an agreement to put in \$4 billion worth of Israeli systems—

• (1255)

The Acting Speaker (Mr. Barry Devolin): The hon. Minister of Public Works.

Hon. Rona Ambrose: Mr. Speaker, in regard to issues around cost overruns, the hon. member should know that when we talk about purchasing the F-35 and the 65 Lightning II aircraft, the U.S. government has agreed to cover all of the cost overruns related to the development of the aircraft.

In regard to other costs, when we look at purchasing through the consortium and through the joint strike fighter program, because we are on the ground floor, purchasing is part of this group of nations and we actually receive a discount of 8% upfront, so we are getting the best possible value for Canadian taxpayers.

When we look at efficiencies, we are buying through a consortium. When we look at future potential for maintenance contracts that will be competed all around the world, Canadian companies will have an opportunity to compete on these very lucrative contracts. We estimate the costs for maintenance to be equivalent to the maintenance costs of the CF-18. We think the costs might be less, because there will be such an opportunity to leverage the numbers we are looking at with the consortium around the world.

Being part of this is actually a huge leveraging opportunity in our procurement process.

If it is different. It is better, much better. When we look at how we normally procure military equipment, being a part of a group like this will do nothing but benefit our aerospace companies, but also the Canadian military in terms of costs moving forward.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I would like to ask the minister how many final assembly plants there are for the F-35 fighters. Are they all in the United States or are there any outside the United States?

I recognize there are a lot of other contracts being let in other areas, and I know that Manitoba certainly has one, but if she could give us that information as well, I would appreciate it.

Hon. Rona Ambrose: Mr. Speaker, I would be happy to do that.

What the hon. member should focus on, and what all Canadians need to know, is how much Canada has been a part of the development of this aircraft. If people get an opportunity, I would recommend that they visit the website for Lockheed Martin and look at the schematics of the F-35. They will see in the shaded component areas that talk about Canadian companies that this aircraft has literally been developed by Canadian companies. These companies are scattered geographically and regionally all over this country.

As I said, to date we have invested only \$168 million in the development of this aircraft and it has resulted in \$850 million to date in contracts for Canadian companies. That is at minimum, of course. When we look at what industry is predicting with the purchase of only 65 of these planes, we have, at minimum, an opportunity for \$12 billion in investments in Canadian companies. This is a huge opportunity.

I would suggest that the hon. member listen to people in the aerospace industry, such as John Saabas, the president of Pratt & Whitney Canada, who have affirmed their strong support for the purchase of these aircraft for Canada's military, and Paul Kalil, the president of Avcorp, which has already received a \$500 million U.S. contract to build tailpieces for the U.S. variant for the navy.

This is a great opportunity for what we know to be a very successful aerospace industry here in Canada, and there is only better news to come.

[*Translation*]

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Public Works and Government Services and to the Minister of National Revenue, CPC): Mr. Speaker, I am very happy to rise today to debate our opposition colleague's motion concerning the F-35 stealth fighter jets.

I would like to begin by saying that I have the utmost respect for our colleague's questions. Like me, he wants to ensure that Canadians get the most out of our government's defence and aerospace investments and the resulting spinoffs. I want to reassure him today.

As usual, our government has done its homework and made the best possible decision to get the greatest possible benefits for the Canadian Forces, Canadian businesses and communities, and the Canadian people.

Business of Supply

I believe that all of us in this House would agree it is time Canada had modern fighter jets to defend our sovereignty and properly support our various military operations.

Our current fleet of F-18 jets have served us well, but they are past their prime and need to be replaced over the next seven years. That is why we cannot afford to do nothing. It is our duty as the government to take action and make informed decisions, and that is what we are doing as we embark on the process to acquire state-of-the-art fighter jets.

On July 16, 2010, our government announced its intention to purchase 65 F-35 aircraft at a cost of approximately \$9 billion. The first aircraft should be delivered in 2016, just before our current F-18s are mothballed.

There are a number of good reasons why we decided to go with this choice. First, the F-35 is the only one of a new generation of fighter jets that will give us interoperability with our main allies until the middle of the century. Experts are clear that in this ever-changing world, where nations from all around the globe are increasingly joining forces on more and more complex missions, that is a definite advantage when it comes time to coordinate our actions in various theatres of operation. We are talking about major allies such as the United States, the United Kingdom, the Netherlands, Italy, Turkey, Denmark, Norway and Australia, with whom we frequently collaborate.

Second, considering that Canada is a partner in the joint strike fighter program, the acquisition of the F-35 also represents excellent news for the Quebec and Canadian defence industries. Because of our commitment to purchase this aircraft, the Canadian aerospace and defence sectors will have priority access to the competitive processes for the entire F-35 global supply chain.

This could translate into access to contracts for the production of no fewer than 5,000 aircraft throughout the world. We are talking about markets worth approximately \$12 billion and more than 65,000 hours of work for people, which could benefit Canadians. And that is just for the aircraft purchased by our allies. Potential markets are even greater. I believe that this will be of great benefit to us. It represents an important advantage that rebuts the arguments underlying today's motion.

Furthermore, when we add to the mix the know-how and capabilities of Canadian industry, which can compete with the best in the world, we have every reason to look to the future with optimism. Our government is convinced that purchasing these fighter jets will open the door to important markets for Canadian businesses. This large door will be slammed shut on Canadian companies if we renege on our commitment.

It is important to remind members that Canada's participation in the joint strike fighter program has already had results. Since 2002, a total of 85 corporations, research laboratories and universities throughout the country have obtained contracts worth approximately \$830 million owing to our involvement in this program. And that is probably just the start. For example, one week after our announcement last July, Avcorp, a Canadian company in British Columbia, signed an agreement for the production of the outboard wing of the F-35 carrier variant used by the U.S. Navy.

● (1300)

This agreement could represent over \$500 million U.S. in revenues over a period of 10 to 15 years. Furthermore, it could help create about 75 direct and indirect jobs.

In Mississauga, Ontario, Honeywell International has signed a contract to develop a power thermal management system for the F-35 Lightning II aircraft.

As a Quebecker, I know from experience that my province will not be outdone. Quebec has a solid reputation for excellence in the aerospace industry that goes beyond our borders. All over the world, experts agree that Quebec has established itself as a key player in this industry.

In Mirabel, in the Laurentians, L-3 MAS was chosen to support Lockheed Martin in the development and implementation of a Canadian F-35 sustainment plan in accordance with the needs and direction of the Government of Canada. L-3 MAS will continue its collaboration with Lockheed Martin throughout the system development and demonstration phase of the program to highlight the support capabilities it can provide for the Canadian fleet of F-35s. Those are just a few concrete examples of the spinoffs our investments will have for the country.

As pointed out by the CEO of Héroux-Devtek, which has factories in Dorval, Longueuil and Laval, winning a bid in the F-35 project could help create jobs for his employees for a period of 20 to 25 years.

That is the advantage of participating in a program designed to allow NATO allies to procure the most technologically advanced fighter planes at the lowest price. This also proves, beyond a shadow of a doubt, that the Canadian government is making sure that Canadians get the best value for their money. Most importantly, however, this announcement also shows that our government is firmly committed to rebuilding the Canadian Forces and to ensuring the safety and security of Canadians in the future, while providing sustainable economic benefits to our major industrial sectors.

Our airspace is one of the largest in the world. We must do everything we can to ensure that it is fully protected. The F-35 is an ultra-modern, fifth generation aircraft that will allow us to do just that, while respecting our foreign policy and national security objectives. Furthermore, it is the only aircraft of its kind currently available to Canada that can be built by an allied country and from which we can expect to receive tangible spinoffs.

Those are the undeniable facts that must be taken into consideration. We must face reality. Our F-18s are aging and will soon be outdated. The status quo is not a viable option. We have no choice but to make a decision now if we want our armed forces to be able to continue their essential activities and operations, both in Canada and overseas, in just a few years' time.

Not so long ago, in 1993 in fact, history taught us that cancelling a military procurement contract can have devastating economic repercussions and a very negative impact on the ability of our armed forces to properly carry out their duties. Our government has no intention of making the same mistake. It cost us too dearly the first time.

That is why I urge my colleagues in the House to reject this motion today and to support the government in its decision to give the Canadian armed forces modern fighter jets that measure up to the task, and at a reasonable price.

• (1305)

[English]

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windor, Lib.): Mr. Speaker, with an agreement to be worked out by 2013 as far as the maintenance costs are concerned, I would like to ask the member exactly what he envisions as the life-cycle costs of each and every one of these F-35s. Perhaps the hon. member would like to shed some light on that subject.

[Translation]

Mr. Jacques Gourde: Mr. Speaker, I would like to thank my colleague for his question and remind him that the Government of Canada is pleased to be purchasing F-35 joint strike fighter jets, fifth generation jets that will be used by the Canadian Forces to defend the sovereignty of Canada's airspace in order to remain a strong, reliable partner that is committed to defending North America through NORAD and to provide Canada with an effective, modern capacity to carry out international operations.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I would like to ask our government colleague if the contracting process was a closed one. If an open process had been used for the F-35 contracts, I am sure that jobs would still have been created in Canada. I would like to ask my colleague why this was not an open process. I know that the Liberals blame the Conservatives and vice versa. I do not trust either of them. I would like my colleague to tell me why the process was not open.

• (1310)

Mr. Jacques Gourde: Mr. Speaker, I would like to thank my colleague for his question.

Purchasing the F-35 fighter jets will help the Canadian Forces provide effective defence operations against 21st century threats to our country, over large areas, in harsh environmental conditions, as well as abroad.

A partner in the joint strike fighter program since 1997, Canada participated in the lengthy, thorough competitive bidding process conducted by the United States in 2001, which awarded the F-35 contract to Lockheed Martin and its partners.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, in listening to the debate, it appears that some members of the government have been suggesting that the F-35 is the only aircraft available to meet our criteria. That does not square with the fact that under the procurement policy of the Government of Canada, if that were the case, there would be no need to have a competitive bid process, and yet no argument has been made on that basis. I wonder

Business of Supply

why the government is afraid to say that there is in fact no other alternative and that procurement policy does allow sole sourcing.

[Translation]

Mr. Jacques Gourde: Mr. Speaker, I will answer my colleague's question.

As stated in the Canada first defence strategy, Canada needs fifth generation fighter jets to enhance the safety and security of Canadians and support the government's foreign policy and national security objectives.

The F-35 fighter jet is the only fifth generation aircraft that meets the Canadian Forces' needs. With a fifth generation fighter, Canadian missions will have the best chances of success. As well, our men and women in uniform who are on mission abroad will have the best chances of coming home safe and sound.

[English]

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, there is absolutely no doubt in our minds that at some point the CF-18s need to be replaced, perhaps in eight or nine years or some such length of time.

The issue is not whether we need these planes, the issue is whether the government is right to choose a sole-sourced order for 65 F-35s with no statement of requirements and no competition. This is where we fundamentally disagree, and this is where we say there must be a competition, partly because it would save money.

On this I will quote Alan Williams, former assistant deputy minister of defence, in charge of procurement. He was in that position when I was defence minister, so I know him well. I know he is an extremely intelligent and hardworking public servant. He knows what he is talking about. He has no axe to grind. He is retired now so he is free to speak his mind.

He said that if we did a competition, the taxpayer would probably save in the order of \$3.2 billion. And \$3.2 billion is a lot of money. We in the Liberal Party have been talking about the hard-pressed Canadian families needing assistance for such things as home care, child care and post-secondary education. If the taxpayers could save \$3.2 billion on this procurement, that would go a long way to helping hard-pressed middle class Canadian families to cope with making ends meet. Liberals argue very strongly that a competitive process is good.

Furthermore, the government has not even specified the requirements. First, the requirements as to what these planes will do have to be specified. Second, as a result of knowing what they will do, the technical requirements and capabilities have to be specified. The government has not done that. That is the first step. How many do we need? What capabilities should the plane have?

Then it should be put out to tender to get value for money. The government is not doing that. It has decided on this single plane with no competition, just throwing away taxpayer money. We on this side of the House believe that that is utterly irresponsible.

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The government is also making up stories that are incorrect. First of all, when funding was contributed for this aircraft, there was no commitment in any way to buy it. In 2002, minister Art Eggleton said that Ottawa is not prepared to commit to buying the JSF planes.

Then there are Conservatives ministers. In 2006, the then defence minister said, “participation in this next phase does not commit the department to purchasing the multi-role aircraft”.

In 2008, then-ministers Michael Fortier and Jim Prentice said, “this participation does not commit it to purchase the aircraft”.

So let us get that bogus point off the table. There was no commitment at all to purchase the aircraft. As a consequence of entering into this agreement, Canada derived very important industrial benefits, and so that was a good move but it in no way committed us to purchasing the planes.

The second fallacy is that there was any competition on the basis of Canadian needs. There was a U.S. competition, but the Canadian needs had nothing to do with that competition.

To quote Alan Williams again, he said, “To try to con the public into equating one competition with the other is despicable and insults our intelligence.”

So where do we stand? There was no commitment to buy this single plane. There has been no competition based on anything to do with Canada's needs. Yes, those planes need to be replaced in just under a decade but there is lots of time. No contract has been signed. There will be no penalty to pay if the government does not go ahead with this particular airplane.

The Liberal position is extremely simple. We should scrap this idea of the single plane. We go back to square one. We specify the needs and the requirements. On the basis of those specifications, we put it out to tender. We have bids and then at the end of the day choose the lowest price, the best value for money.

● (1315)

That way we will get the airplane that Canada needs with the right qualities and the right numbers. According to Alan Williams, we will probably save in the order of \$3 billion if we do not just arbitrarily go with this particular plane, which has not been demonstrated to be the best to meet Canada's needs under the circumstances.

Certainly its cost is rising out of control, as virtually every country has noted; the U.S. and Europe. These costs are escalating out of control and this government just sits there and remains committed to this plane when other countries are having second thoughts and the case for this plane has not yet been made.

Mr. Speaker, I hope you will indulge me, but I neglected to say that I would like to split my time with the member for Parkdale—High Park.

I think I have made the case and our position is very simple: scrap this arbitrary deal, specify the needs and the requirements, put the thing out to tender and with whatever comes up buy the plane that is the best value for money for Canadian taxpayers.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, it has been noted that Canada does need a fighter jet that can defend the sovereignty of Canadian

northern and American airspace in NORAD. We need robust aircraft capable of operating across Canada's vast geography under harsh and varying weather conditions. We need one that can protect our sovereignty of North America through NORAD. It must provide effective and modern capabilities for international operations and effectively conduct joint operations with our allies through NATO or a coalition.

Since we cannot afford to acquire and operate multiple specialized flight fleets, tomorrow's fighter aircraft must be capable of undertaking the defence roles we demand of it, whether this is northern sovereignty patrols, intercept roles, war fighting, surveillance and more.

I think the needs have been outlined in the speeches earlier today.

● (1320)

Hon. John McCallum: Mr. Speaker, I do not disagree with that general list of requirements. We work with NORAD, we need to defend our airspace, et cetera, but that does not mean that only this single plane can do those jobs. There are two, three, or more other contenders out there that could possibly do the jobs the member listed equally well or better, and possibly at a lower cost.

That is why we need to have the competition, see who brings the best value for the money and the best performance abilities. That is the way we should go and not this sole-sourced contract to a single plane.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I would like to ask the hon. member for Markham—Unionville a question, but first I would like to make a statement.

We had a vote on Bill C-300, the mining accountability act, which was a Liberal private member's bill. We had the vote on Bill C-440 on war resisters, another private member's bill. We had the opposition day motion on maternal health. All were Liberal sponsored. However, the Liberals did not show up for a vote.

I want to know if they are going—

The Acting Speaker (Mr. Barry Devolin): Order. I would like to remind the member for Nickel Belt that there is a motion before the House. If he has a question regarding this motion for the member for Markham—Unionville, he may put that, but it is not appropriate to raise questions that deal exclusively with other matters.

If the member could put the question please, quickly.

Mr. Claude Gravelle: Mr. Speaker, I apologize for that mistake.

My question is, are the Liberals going to show up for the vote on this motion?

Hon. John McCallum: Of course we will, Mr. Speaker.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, sometimes I wonder if the opposition parties think we can defend Arctic sovereignty with this century's version of a Sopwith Camel.

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The F-35 is the only plane that can meet those requirements. No one has to believe me or my party, all one has to do is listen to Liberal Senator Roméo Dallaire, who said in the *Toronto Sun* that the F-35 stealth fighter is an excellent plane and Canada should be buying more of them.

He also commented that the main competition for this plane, the Boeing F/A-18E/F Super Hornet, is old and hailed the government's \$9 billion military investment as essential to defending Canada's sovereignty. He said, "It's an excellent plane that's built in North America". He also said, "We need more than that but we can only afford 65" now. That was a Liberal senator.

My question is, does the hon. member agree or disagree with the Liberal senator?

Hon. John McCallum: Mr. Speaker, I am not sure whether the Liberal senator wants us to have a competitive process or not. However, whether or not he does, I believe a competitive process is the way to go. There is more than one plane out there that can do the job. It is irresponsible, from the point of view of taxpayers, to sole-source and thereby spend \$3.2 billion more than taxpayers would have to spend if we had a competition.

I would not rule out the possibility we would end up with the same plane after a competition. That is always possible. However, we would get it at a lower price and with better industrial benefits.

Mr. Gerard Kennedy (Parkdale—High Park, Lib.): Mr. Speaker, it has been interesting to hear some of the debate. I wonder what the people at home must be thinking. Here is a government that used to believe in a free market defending the kind of approach we would expect from a totalitarian government, where it does not want the market to discipline any of its choices, where it is all-knowing, never prone to mistakes and never willing to put anything on the table to prove what it is about.

It is quite astounding. Here is a government that is trying to rationalize. We really wonder what is behind this. Why is the government so afraid of the marketplace? Why is it so afraid of putting its cards on the table? Why will it not open this up to competition? It has heard at committee from various companies that everything it has released so far about our requirements can be met by other companies. And that is reliably upheld by other experts, internationally and so on, people who do not have a vested interest in gaining the business.

It is astounding to see that the so-called Conservative Party no longer believes in a marketplace, that it no longer wants to get what is in the best interests of the taxpayers. We wonder what kind of interests are at work here. Is it some international Conservative-Republican agreement here to help offset costs? We really would like the members to be more forthcoming, because I think they are confusing the people at home as to who they are fighting for.

I think it would be interesting, too, to open this up in the sense of what we need to support a military and what should be in place as they decide what there needs to be for the military. For example, what is the role going to be for our defence? What are we going to ask our men and women in the armed services to undertake for us? And where are we going to provide for them?

It is interesting to note that none of the C-18s were used in Afghanistan, where we have had the biggest outlay of military effort in a generation. They were not an essential part of that effort. Therefore, with regard to their replacement, at least we need to pause and ask the question.

All we are saying on this side of the House is, before there is a penalty, before the government starts using all those kinds of excuses that it is stuck in the flypaper of its own doing, that it would put it up for competition and that it would be much more forthcoming, much more transparent about what it is doing. It is far from clear what interests it is upholding here today in resisting this helpful motion, this motion that puts forward an outlook that would protect the public taxpayers' interests. Many years before they were in government, the people opposite used to say they were on the side of the taxpayer. We do not see that anymore. Instead, we see these enormous outlays in terms of things that cannot be explained, such as G20s that are 20 and 30 times the cost of what other countries do. The government hides behind the flimsiest of excuses.

It is the same thing here. If the government feels it is so robust, if the gentleman who talked about Sopwith Camels wants to stand behind this, then release the details that would make this make sense, because the average Canadian is not there with them.

If we want to talk about people, let us inject something into this debate. It is not all about which side of the House one is on. Peter Worthington says this is a silly purchase. Now Peter Worthington is one of longest-standing commentators on military affairs in the country. He is not really known to be a bosom friend of the Liberal Party. However, he has written on this matter. He has judged the people opposite and has said, "What the heck are they doing? Why are they spending all this money on expensive, fancy equipment that they do not need? They are not going to meet the Russians over Canadian airspace". This is according to Peter Worthington.

If there are members opposite who think they have more expertise, let us have it forthcoming. It did not occur in committee. It has not come forward from the current government. It is basically saying to Canadians, "Trust us. We are going to spend a lot of taxpayers' money. We are not sure what we are going to get."

Let us talk about what it is the government is buying. It is buying these F-35s. It talks about the procurement that was already started. However, what happened in fact was Canadians invested and Canadians gained about \$455 million in contracts without doing what the current government is doing. This anti-free-market government, all by itself, is putting itself in the position of buying these planes. We invested money, which is about 1% of what it proposes to spend on the planes, in return for which we were allowed to bid, and our companies, on their own merit, gained about \$455 million in contracts. That is perfectly fine.

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However, this is often what happens, and people who are watching us on TV will recognize the pattern. Whenever the current government gets into a tough spot, it says the devil made it do it, or sorry, the Liberal Party made it do it, because there is no such thing as accountability. The Federal Accountability Act lasted for a few weeks and ever since then the government has been looking for people to pin its problems on. I have to say that after five years Canadians are getting awfully tired of that.

• (1325)

Where is the party that used to stand up and say it would make sense of all this. The government seems to have taken over the party. We are talking about \$16 billion with very limited public discussion, very limited public disclosure, very little debate and no competition, with no rationale.

There are not people out there who say, objectively, that these are exactly what we need, these very fancy intercepts. Let us look at these F-35s. Where did they come from? Did they come from a Canadian need, a requirement that we have where we got our best experts in a room and asked, "What does the Canadian military need to do in the next 20 years?" so we will spend this very scarce money? It is 76% of one year of supporting our troops, 76% of one year's budget. It is 6% of the Canadian budget being spent in this feckless, reckless fashion. "Reckless" does not come from here. It comes from the Auditor General, who said anybody who thinks it is a low-risk proposition is mistaken.

The onus is on the government to provide the assurances, the details, the specifics, the studies. Instead of doing that, instead of doing something open and transparent and available to Canadians who want to know where our money goes, the Conservatives did not put the experts in a room or say "Here is where our military is going". Instead, they bought into a program that was designed for nations that have aircraft carriers, which Canada does not have, unless there is a hidden intention on the part of the people opposite.

This was a plane developed for three different formats at once, only one of which applies to Canada, but it is expensive as a result, with short take off and landing and aircraft carrier capacity. That is not the plane Canada necessarily needs. The onus is on the government, on the people opposite, when they are hitching their wagon with so little information, to submit themselves to a process. Rather than doing that, they are asking Canadians to take their word that they are spending \$16 billion of hard-earned money at current arrangements for no particular clear purpose. Anything incremental is all borrowed, so will be paid back by our grandchildren. How will Canadians be safer? How will our troops be better supported?

The Conservatives made fun of the F-18s, but they neglected to mention to Canadians that \$2.6 billion was spent to upgrade 80 of those F-18s and they are good till 2020. There is time to do what is right. It is another excuse the Conservatives cannot hide behind. There is time to do this properly. Instead of rushing it through like some deal made in the Congress of the U.S. or wherever these links are really coming from, let us have this done in an open and transparent manner, and let us not have people hiding behind the flimsiest of excuses.

With the overall requirements, there is nothing to force Canadians into this deal. That is the other thing the Conservatives have been

saying, that they are stampeded because something got done years ago and they have no choice. Somebody made them do it. They are not really in charge. Canadians are getting a little tired of that too.

Over and over again, we hear from the Conservatives that they no longer encounter their own responsibilities. Whether these planes will cost, as they did in 2001, \$79 million, or whether they will cost what they cost in 2007, \$122 million, or some people are projecting \$170 million, the Canadians who are listening want to know why the Conservative government is putting them on this supersonic ride. The only thing fast right now about these planes that are still in development is the way their cost is going up. I do not know why the government thinks we want a stealth procurement policy. That is not what Canadians want. The only stealth capability that we are getting is about how we go about spending billions of dollars on behalf of Canadians, and that is simply not acceptable.

When we look at the kind of dollars that have been outlaid in the past, we are looking at an exponential increase. These particular machines are impressive in terms of some of their capacities, but why is it that we want those stealth capacities? Where is Canada requiring the ability to sneak up on somebody else? So far in most of the debates in the House, we have heard about a defensive capacity on the part of Canada, not an attack capacity. Even in the new role of peace building or peacemaking, even in the kind of missions the government has signed us up for latterly in Afghanistan, we have not used this kind of plane.

The onus again is on the government to demonstrate that, to be straightforward, to be transparent, to allow Canadians in on the deal, because otherwise this deal will never pass muster by the average Canadian. It will not pass the smell test. We all in this House owe them that. Hon. members should vote for this motion, clear their conscience and let Canadians see we are working for them.

• (1330)

Mr. Greg Rickford (Parliamentary Secretary for Official Languages, CPC): Mr. Speaker, I get it now. It is Liberal Pavlovianism: defence procurement, cancel. We have been through that experience before with cancelling the replacement for the Sea King helicopters. This decision put the lives of Canadian pilots at risk and cost the government then \$500 million. As everyone knows, we had to purchase new helicopters anyway.

My question for the member is: Are he and his party willing to make the same mistake again, across this process that they started? It is not just about embarrassment, or about risk factors and supporting the important work that our air force and our troops are doing. Why take a position that will support so many industries, particularly in the province of Quebec, with a thriving and dynamic aerospace economy that they depend on?

•(1335)

Mr. Gerard Kennedy: Mr. Speaker, I think it would startle people in Quebec and elsewhere, in Winnipeg and so on, to know that there are no guaranteed benefits. Canadians have not received guaranteed benefits, and the estimate of benefits in the open competition between the eight or nine countries that are qualified is that we are going to do less than the value of these planes. We are actually going to be exporting a lot of our money to get these planes, which is different from almost every procurement we have done in the past. This is the largest military procurement effort and these are weakest rules under which it has been done.

The idea is that Canadians should be happy with crumbs from the table, which is what the member opposite is proposing, that for some reason we should not get the best, that we do not deserve to have a competition and that Canadians should be silent and happy. The government is going to be disappointed with the reaction of Canadians to that proposition.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I found the gist of the member's comments of interest. Yes, we should be opening up competition, which is where the government professes to stand, an open market and fair competition, yet I am surprised that the hon. member complains that it was not open and transparent when his very party cut a deal with the government to extend the war in Afghanistan.

I mentioned earlier, and I am not sure the member heard, that a poll has just come out stating that 70% of Canadians prefer that, rather than spending all this money on the military, we should be moving it toward addressing climate change. Where the real effect of climate change is occurring is in the Arctic.

Does the member believe that instead of spending all of this money on warplanes, we should shift to supporting our search and rescue activities, providing more expedited support for search and rescue and surveillance for the high Arctic?

Mr. Gerard Kennedy: Mr. Speaker, I appreciate the member's non-partisan comments in terms of her support for the questions we are raising today.

Yes, search and rescue is one of the needs that is expressed. We are looking to exert sovereignty, but let us do it practically. "Practically" means we have vast territories to look after. Speaking of short takeoffs and landings, even the conventional version of this is still a short-range, single-engine plane not necessarily suited to Arctic duties. There is a question there. Search and rescue is certainly one of the options that is overlooked.

I want to take the occasion to respond to the earlier question. There is no penalty right now. Let us be transparent about this. Is there a penalty? Is there a booby trap? Like the Mulroney government, is the Harper government loading in something here that it has not made available? If it is telling Canadians that it has, it needs to make it open and clear.

Right now, as far as we know, the choice is still there for Canadians. The choice we are debating today in this motion is still available. It is whether it is search and rescue or other needs that would be traded off. Canada would like to have those choices. Has

Royal Assent

the government signed a deal somewhere that takes those away from Canadians?

The Acting Speaker (Mr. Barry Devolin): I want to remind all hon. members not to refer to other members by their given names.

Questions and comments, the hon. member for York South—Weston.

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, my colleague spoke about whether these are the right tools to do the job. The question is: What is the job?

My question then is: Is this not the opportunity, given what has happened in Afghanistan and the whole issue of peacemaking and peacekeeping, to conduct a foreign policy review with respect to what Canada actually is expected to do and what Canadians want us to be seen to be doing? Is this not the time to put this on hold, never mind the issues with respect to whether it should be a proposal call or whatever, and that we really need to look at what we are doing—

The Acting Speaker (Mr. Barry Devolin): The hon. member for Parkdale—High Park.

Mr. Gerard Kennedy: Mr. Speaker, the short answer is yes, we should have that very debate. It is being denied. Our mission will follow the spending instead, which is the wrong way to go. That is no way to respect our military personnel. If the average airmen were involved in this particular debate, what would they be looking for and what would they need? Consistently the government tries to speak for them and does not allow this debate to take place.

Canadians cannot have the confidence that we know what we want our military to do. That is what should come first. Then we should ask ourselves how to support them in the best fashion possible. This massive expenditure is the other way around. It would take other options away from us and would not allow us to actually support our armed services when we deploy them for things that could be completely different from where this expenditure puts us.

ROYAL ASSENT

[English]

The Acting Speaker (Mr. Barry Devolin): Order, please. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

November 18, 2010

Mr. Speaker:

I have the honour to inform you that the Right Honourable David Johnston, Governor General of Canada, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 18th day of November, 2010, at 9:10 a.m.

Yours sincerely,
Sheila-Marie Cook

Secretary to the Governor General

The schedule indicates the bills assented to were Bill C-40, An Act to establish National Seniors Day and Bill S-9, An Act to amend the Criminal Code (auto theft and trafficking in property obtained by crime).

*Business of Supply***GOVERNMENT ORDERS**

● (1340)

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—NATIONAL DEFENCE

The House resumed consideration of the motion.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I am pleased to speak on behalf of the Bloc Québécois to the motion moved by the Liberal Party on its opposition day, especially since I am the member of Parliament for the beautiful Mirabel region, home to a significant part of the aerospace industry. I have been following the F-35 situation very closely over the past few weeks and months.

From the outset, the Bloc Québécois is not in favour of the motion moved by the Liberal Party on the F-35 contract. We cannot say we did not try to make them see things differently.

It is too late to do anything about this purchase contract because it has already been set in motion. It is a done deal. We proposed an amendment to move forward with this matter, but the Liberal Party has rejected it. The Bloc Québécois thinks we should focus on two important items when it comes to this F-35 contract. First, it is high time that we come up with a real foreign affairs policy here in Canada. The government makes military purchases, from helicopters to tanks to fighter jets, without any real foreign affairs policy. These purchases are made without any sense of where Canada is going or the direction, which is becoming more military than anything else, Quebecers are funding.

The first part of the Bloc Québécois amendment indicates that this purchase is regrettable since no real foreign affairs and defence policy has been discussed openly here in the House. We would have thought that the Liberal Party would agree with the Bloc Québécois on this. The Liberals refused simply because they agree with the direction the Conservative Party is taking toward a more belligerent way of defending this country's foreign affairs, with no real plan.

The second part had to do with guaranteed economic spinoffs. The Bloc Québécois will not give up on that because 55% of the aerospace industry is in Quebec, and we believe that investments in Quebec should be in proportion to spending. We are being told to leave companies alone. There are companies, some of them in my riding, that tell us they are able to compete with foreign companies, and they could end up bitterly disappointed one day because this Conservative government did not see the need to protect investments in proportion to spending, investments that will be made in Canada and particularly in Quebec.

That is why we proposed an amendment to the Liberal Party's motion today to encourage a real discussion on this country's foreign policy and also to ensure that real economic spinoffs are guaranteed in any contract the government may sign for the purchase of these F-35s.

Obviously, we must also have a good understanding of the economic activity related to the aerospace industry. This is very

important to Quebec because it represents jobs. Once again, it is clear that there is no real aerospace development policy in Canada.

● (1345)

The government launches programs, creates new ones and abolishes others, but there is no real action plan to develop the aerospace industry. The industry in the Montreal-Mirabel region is the third largest in the world, after Toulouse and Seattle. In my opinion, that represents a very important economic force.

The aerospace technology and engineering training that is offered in Quebec provides the industry with its number one resource, people, but the Canadian government still needs to develop a long-term plan. For this industry to develop, it needs huge investments in research and development. This Conservative government has no long-term strategy, and neither did the Liberal government before it.

All that to say that when we look at both of these parties, the Liberals and the Conservatives, current events seem to dictate their policies. That is never a good idea because that is how we end up in never-ending wars. That is what we are seeing with Afghanistan.

According to the government, the extension of the mission is meant to focus on training. There are 950 trainers. Our leader, the member for Laurier—Sainte-Marie, joked—but there was some truth to what he said—that with that many trainers, there will not be enough classrooms in Afghanistan for the schoolchildren. That is a fact. There is no long-term plan and no Foreign Affairs and National Defence strategy for Afghanistan. There is also no long-term national program for developing the aerospace industry. That is something the Bloc Québécois has always called for.

Cancelling the F-35 contracts, which is what the Liberal Party would have the government do, would send a very bad message to the companies that have already begun work on developing this aircraft. I am thinking of Héroux-Devtek, L-3 MAS, Pratt & Whitney and the other companies based in Quebec. A number of them are located in Argenteuil—Papineau—Mirabel, the riding I represent, but there are also companies in other parts of Quebec and the rest of Canada. The decision has been made and we cannot go back on it.

This morning, the Bloc Québécois reached out to the Liberal Party, but we were rebuffed. The Liberals feel that the only solution is to cancel this contract and launch a new competitive process, regardless of how that could hurt the companies that have already started work on the project. Some strategy.

I had the chance to attend an industry briefing setting out the whole long-term strategy for developing an aircraft, all the research and development and all the investments companies are making in order to be among the bidders. Most of our aerospace firms have already made investments in order to be able to bid on work in connection with the F-35 contract.

What the Bloc Québécois is calling for and what we might have expected from the government is that Quebec and Canada benefit from the \$12 billion investment. That is what we might have expected. The agreements that have been signed contain no investment guarantees. I know that industry representatives are watching, and I want to acknowledge them. Many of them are in their offices in Mirabel. I can understand that they feel capable of competing with companies around the world. We are the third-largest aerospace centre in the world, but without investment guarantees, we cannot be sure of what will happen.

• (1350)

We would like these companies to understand why the Bloc Québécois wants to require economic spinoffs for Quebec and Canada. Among other reasons, 55% of the aerospace industry is located in Quebec.

A number of experts have considered this issue. The government must address several concerns. I will simply quote from an editorial on the purchase of the F-35s, which was written by Jean-Robert Sansfaçon and published in *Le Devoir* on July 20, 2010. It is important that the members of the House understand the nature of Quebec's criticism. Here is an excerpt:

If the...government planned in advance...to provide its armed forces with the type of aircraft that will be central to the United States' military strategy ten years from now, it did so because it intends to play an active part in it, as is the case already in Afghanistan. Given the circumstances, the government could, at the very least, have asked Canadians their opinion before dragging them into the type of situation that history has shown is always much easier to get into than to get out of.

I took the time to read this excerpt so that the other members of the House would understand that situations like the one we saw this morning with Afghanistan arise when we do not have a foreign affairs and defence strategy, as is currently the case in Canada, and when we are being towed in the wake of a neighbour like the United States. It is never-ending.

This morning, we reached out to the Liberals and asked them to accept our amendment, which has two parts. The first would give Canada an actual foreign affairs and defence policy. The Liberals rejected this amendment quite simply because they support the Conservative government's approach, which involves being towed in the wake of the United States. They must be aware that voices are being raised in opposition.

I quoted Jean-Robert Sansfaçon, an editorial writer, but there are many Quebecers and Canadians who are wondering what direction Canada's foreign affairs and defence policies are taking. No one knows. What we do know is that we are following in the footsteps of the Americans. It is time that we have a real debate in the House about the government's foreign affairs and defence policies. The Liberals' decision this morning to reject the Bloc Québécois amendment clearly shows that they are willing to support the haphazard, American-style foreign affairs and defence policy.

The second part of the Bloc Québécois amendment would guarantee spinoffs for our companies and our industries. If we invest up to \$12 billion in this contract, we must ensure that we receive \$12 billion in spinoffs for Quebec and Canada. It is very important for Quebec, which is home to 50% of the aerospace industry.

Business of Supply

This morning, the Liberals again said no. They are trying to defend a motion to cancel a contract that is already in place. The last time they cancelled a contract—the helicopter contract—it took so many years to choose another supplier that our helicopters were falling out of the sky. That is the Liberal reality.

This morning, in its wisdom, the Bloc came to the aid of the Liberal Party. The Liberals were unwise and did not accept our outstretched hand. When an amendment is proposed in the House, the party presenting it supports it. Since 2000, the party moving a motion during an opposition day has been able to reject any proposed amendments. The Liberals did so this morning; they used this procedure.

• (1355)

We have not seen that often but, again, I understand. They are obsessed. They made a bad choice, and they do not know what else they can do to explain it. And they will have a hard time explaining it to the people of Mirabel and to the workers in the Montreal and Mirabel aerospace industry who are counting on this contract to guarantee, save and protect their jobs.

We sincerely believe that it is time we had a real debate about this government's foreign and defence policies. We need a real debate on the economic spinoffs that should be included when a contract of this size is signed. That is what we proposed to the Liberal Party this morning. Obviously, they refused. And so we oppose today's motion that aims to put an end to this contract that has already been approved, a contract that is already being prepared and in which Quebec and Canadian companies have already invested a lot of money. They are completely ready to claim their piece of the pie.

Once again, we felt that a debate on the orientation or the macro-politics of such a contract—in other words, where the government is going with its foreign affairs and defence policies—was long overdue. What must the government do when signing such a major contract? At the very least, it must guarantee spinoffs for Quebec and Canadian businesses, which the Conservative government has not done.

It is very disappointing that the Liberal Party refused to discuss what the Bloc Québécois was proposing. We will therefore oppose the motion by the Liberal Party, which once again has a very short-term, politicized and partisan view. The Liberals are incapable of any kind of long-term vision for the entire industry and incapable of questioning the Conservative government's foreign affairs and defence policies—which are blindly based on American policies—which they blindly support. A real debate on this was long overdue. The Bloc Québécois tried to initiate such a debate with its amendment, but it was refused. A real debate also must be held on the economic spinoffs that Quebec and Canadian companies should enjoy as a result of such a contract.

Lastly, we could have used this as an opportunity to create a real, long-term investment plan for the development of our aerospace industry with a focus, once again, on research and development. This would have allowed our companies not only to win such a contract, but also to win all other aerospace contracts around the globe.

*Statements by Members***STATEMENTS BY MEMBERS**

• (1400)

*[English]***PROSTATE CANCER**

Mr. Ed Holder (London West, CPC): Mr. Speaker, along with thousands of other men, I have looked in the mirror each morning like a teenage boy, wondering if I can grow facial hair.

Despite the laughter, my efforts to grow a moustache have drawn lots of attention to a very serious situation: prostate cancer. Through friends I have been touched by this deadly yet wholly preventable disease.

The month-long Movember campaign has broached the subject with humour. Well it has to, because too many men still do not get it. That is why thousands of men across Canada, including some of my colleagues in this House, otherwise clean shaven and handsome, have grown, or tried to grow, a moustache.

We are raising awareness about prostate cancer, the advantages of regular checkups, early detection and talking to one's doctor. I encourage all Canadians to donate to this worthy cause, but critically, I urge all men to take action now.

To members of this House and my friends and family who have had so much fun at my expense, I ask them to participate in this awareness campaign, too. They might be amazed at how much fun they can have being serious.

* * *

ACT OF BRAVERY

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, I rise today to salute a woman from Marystown in the riding of Random—Burin—St. George's.

On July 14, 2009, while travelling on the Burin Peninsula Highway, Beverly Rose came upon an accident where a van had left the road, flipped on its side and trapped a family of seven inside.

Beverly heard cries for help coming from the vehicle, and as she rushed toward the van she telephoned her husband telling him to call for an ambulance. When she reached the van, there was smoke coming from it and the possibility of fire breaking out. Beverly risked her own safety in order to help the two adults and five children trapped inside.

She climbed on top of the van and will tell people she does not know where she got the strength to pry open the damaged door on the overturned vehicle. As smoke poured out, Beverly helped those trapped climb out. She passed the children to two men who had also arrived on the scene by then. By her actions, she ensured that tragedy was averted.

I was pleased to nominate Beverly for a decoration for bravery and was especially pleased when she was recently presented the Governor General's Certificate of Commendation.

I ask all members of the House to join me in paying tribute to Beverly Rose for her act of bravery.

*[Translation]***LA VOIX DE L'EST NEWSPAPER**

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I would like to congratulate the entire team at *La Voix de l'Est*, a daily newspaper that is celebrating its 75th anniversary. Over the years, this paper has become quite well known.

With their professionally written articles and news reports, the employees, who are passionate about current events, have always captured the readers' interest. This paper provides readers with everything they need to stay informed about what is happening locally, in Quebec and elsewhere.

Congratulations to the men and women who have contributed, day in and day out, to writing, producing, photographing and publishing the *La Voix de l'Est*. Their work has contributed to the sterling reputation this paper has enjoyed for 75 years. And thank you to the people who deliver this daily local paper to our doorsteps in fair weather or foul.

On behalf of my team, I would like to wish *La Voix de l'Est* success and longevity.

* * *

*[English]***HEALTH**

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, it is national medicare week, a time to celebrate the strengths of our universal, not-for-profit health care system, the pride of Canadians. It is also time to recognize the challenges we face in meeting our health needs.

Addressing those challenges requires strong federal leadership to uphold the five principles of the Canada Health Act: comprehensiveness, universality, portability, public administration, and accessibility. With only a few years left before the renewal of the 2004 health care agreement, now is the time to show this leadership and work toward making our health care system sustainable.

The NDP is working on ways to improve our system, looking at best practices across the country and by developing policies like a national affordable drug strategy and robust long-term care and community services.

The health care system is just one component of what makes Canadians healthy. Addressing issues such as poverty, food security and housing will help prevent people from becoming ill, saving health care dollars and improving the health of Canadians.

Canadians deserve a health care system and communities that promote their health. Let us work together to achieve this.

* * *

TAXATION

Ms. Candice Hooppner (Portage—Lisgar, CPC): Mr. Speaker, last week I had the opportunity to visit the 3M manufacturing plant in Morden, Manitoba, which is in my riding.

3M employs 140 people from the region and has a payroll of almost \$9 million per year.

Statements by Members

We know that because of our Conservative government Canada is on track to having one of the lowest business tax rates in the G7, which helps keep businesses like 3M in Canada.

Our government believes, and experts have confirmed, low business taxes equal more jobs and more opportunity for everyday Canadians. The only ones who do not seem to get this are the Liberals and their leader.

The Liberals have promised to increase taxes on small and medium size businesses, as well as on job creators like 3M. The Liberals want to increase the costs to do business in Canada and kill hundreds of thousands of jobs in the process.

While the Liberals and their leader want to increase taxes and kill jobs, our government remains committed to lower taxes and more opportunities, of that Canadians can be certain.

* * *

●(1405)

[Translation]

LAURENT CODERRE

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, Laurent Coderre is an artist who paints and draws, but his is not a household name in Canada. However, this Quebecker is well known in London, Venice, Krakow, Los Angeles, Sydney and Zagreb, where he has earned an impressive series of prestigious distinctions and awards.

Laurent Coderre associated with such iconic Canadian painters as the Group of Seven's Varley and Jackson. What is more, this multi-talented artist caught the eye of Canadian film-maker Norman McLaren, who decided to have Coderre join the animation department of the NFB.

On November 5, the entire artistic community of Montreal and Quebec came together to pay well-deserved tribute to Mr. Coderre with the launch of the book entitled, *Laurent Coderre: artiste peintre-dessinateur*, written by Claude Sauvage and published by Marcel Broquet.

On behalf of all Canadians, I want to thank Laurent Coderre for his rich contribution to our society's culture and arts.

* * *

[English]

VETERANS AFFAIRS

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Mr. Speaker, last week was Veterans Week and it was with great pride that I took part in Remembrance Day ceremonies throughout my riding.

As a retired member of the Canadian army with 20 years of service, it was an honour for me to attend these ceremonies in uniform to honour the fallen and show my support for the men and women who are serving and those who have served our country with loyalty and courage.

During that week I had many occasions to talk and listen to our vets. I have assured them of our government's commitment to providing services that meet their needs and those of their families.

Veterans were asking for better support for seriously injured soldiers and their families, and we established the legacy of care fund.

Veterans were asking for extended benefits to better protect their family members, and we increased the benefits to make more family members eligible.

Finally, veterans were asking for changes to the veterans charter, and yesterday we announced changes to ensure our veterans receive the care, services and financial support they need and deserve.

We are on the side of our veterans.

* * *

[Translation]

POVERTY IN CANADA

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, an increasing number of Quebeckers and Canadians are going hungry. According to Food Banks Canada, last year more than 80,000 people walked into a food bank for the first time, which represents an increase of 9.2%. The most shocking statistic is that 38% of food bank clients are children. This is disturbing news that comes two days before Universal Children's Day.

The Conservatives can go ahead and boast about their economic action plan, but according to the executive director of Food Banks Canada:

...the recession is not over for a large number of Canadians. ... Many people who lost their jobs during the recession have now exhausted their unemployment benefits....

By rejecting many of the Bloc Québécois bills that would provide real help to affected workers, the Conservatives have chosen to put on rose-coloured glasses and spend almost \$858 million on the G8 and G20, including \$20,776 for an ice sculpture. The government's sense of priorities is evident.

* * *

MEMBER FOR MARC-AURÈLE-FORTIN

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, while he was public safety minister in Quebec, the member for Marc-Aurèle-Fortin brought in legislation to force police officers to report misconduct by their fellow officers. Yet 14 years later, when he cross-examined former Prime Minister Brian Mulroney before a parliamentary committee, here in Ottawa, the member said:

What intrigues me is that it took you so long to realize that you had made such an error in judgment.

To get to the bottom of this error in judgment by the member for Marc-Aurèle-Fortin, we will be presenting a motion on Monday, in the ethics committee, to give him the opportunity to come explain himself in full transparency.

*Statements by Members***VETERANS**

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, last week I had the honour of attending the national Remembrance Day ceremony with my uncle, a veteran of the second world war, Sapper René Garand. My uncle joined the Canadian army in 1941. He served as a gunner throughout Europe until the end of the war.

• (1410)

[*English*]

My uncle shared with me a horrific story of when his unit, the 14th Armoured Canadian Regiment of Calgary, was ambushed in Italy in 1943. The four tanks ahead of his had been bombed and were burning. He was in the fifth tank, which was also hit. Due to the courageous efforts of his comrades and his own, they were able to save their own lives and the lives of many other Canadians.

I would like to take this opportunity to thank all our veterans and current members of the Canadian Forces for their courageous dedication and sacrifice in protecting our country.

[*Translation*]

I would also like to thank my uncle René, who is well loved by our entire family.

[*English*]

I stand with my colleagues in this House in saying, “Lest we forget”.

* * *

LEADER OF THE LIBERAL PARTY OF CANADA

Mrs. Shelly Glover (Saint Boniface, CPC): Mr. Speaker, it has been five days now since the Liberal leader insinuated that the candidacy of Julie Javier in Winnipeg North was nothing more than a game to steal votes from the Liberal candidate because of her Filipino heritage, yet the Liberal leader still has not apologized for his insulting and offensive comments. In fact, he is now saying that it was not what he meant.

That is hard to believe, given that his Liberal candidate, Kevin Lamoureux, pushed the original story out on his Twitter account and on his website. If he did not believe the story to be true, why would he push it out for all to see? It is simple. He believed it. He does believe that her candidacy is a game.

Let me be clear. Julie Javier's candidacy is no game. She is the only candidate who will get tough on crime. She is the only candidate who will protect the important jobs at Bristol, and she is the only candidate who can give Winnipeg North a voice—

The Speaker: The hon. member for Sault Ste. Marie.

* * *

POVERTY

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, this is a good day for Canada, for parliamentarians and for people across this country struggling with poverty. Yesterday a landmark report was tabled from a three-year study that offers us a master plan to eliminate poverty.

We have anywhere from three million to four million poor. This plan is good news for our vulnerable populations: aboriginals, seniors alone without support, persons with disabilities, children, working poor and immigrants. Thanks to hundreds of witnesses, we have the foundation for a just and inclusive country.

Seven provinces and territories and a chorus of Canadians want Ottawa to lead. A federal strategy to eliminate poverty in Canada is all about nation-building. Together we can recognize that a national poverty elimination strategy is the right thing to do. The evidence indicates that it is also the smart and economic thing to do. It is time to act.

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STANDING COMMITTEE ON PUBLIC SAFETY AND NATIONAL SECURITY

Mr. Brent Rathgeber (Edmonton—St. Albert, CPC): Mr. Speaker, when will the NDP public safety critic stop manipulating the agenda of the committee for his own political objectives?

Yesterday, in a rare break from the opposition coalition agenda, the committee heard from the Minister of Public Safety and officials from his department on our important legislation that would prohibit sex offenders who prey upon children the right to ever get a pardon. Instead of allowing the committee to hear from the technical experts on this important piece of legislation, the member for Vancouver Kingsway spent a quarter of the committee's time playing partisan political games.

Canadians expect the opposition to give legislation due time and consideration and not hijack these meetings for partisan gain. This is legislation that law-abiding Canadians, victims and law enforcement have all told us is important, timely and necessary.

For us, the choice is clear. Keeping our communities, streets and families safe from crime is the priority and should be the committee's priority. I call upon the member for Vancouver Kingsway and his coalition partners to make it their priority.

* * *

[*Translation*]

UNIVERSAL CHILDREN'S DAY

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, November 20 is Universal Children's Day, which marks the signing of the Declaration of the Rights of the Child in 1959 and the Convention on the Rights of the Child in 1989.

Although it signed these agreements, this Conservative government has reneged on its commitments numerous times. It capped development funding in its 2010 budget, breaking its promise to invest 0.7% of its GDP in order to achieve the millennium development goals, six of which concern children. As well, in 2009, the Conservatives abandoned Africa by amending the list of priority countries receiving international aid, which affected some of the poorest populations. Children will lose the most.

This Conservative government has also violated the rights of child soldier Omar Khadr, creating a dangerous precedent.

Reneging on commitments like this is simply shameful. When the Conservatives were denied a seat on the UN Security Council, they got proof that the international community will not stand for their flippant behaviour.

* * *

•(1415)

[English]

LEADER OF THE LIBERAL PARTY OF CANADA

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, today the *Winnipeg Free Press* admitted that it made a mistake in an editorial and a headline by making a false accusation about the Leader of the Opposition.

It is now perfectly clear that our leader was not playing political games. He called for a straight-up fight and a clear choice for the voters of Winnipeg North, and spoke only about Kevin Lamoureux, who brings to this byelection 18 years of commitment to his constituents.

However, that did not stop the Conservative Party from ramping up a campaign of misinformation based on these false headlines. Through statements in this House and emails from government MPs, the Conservatives yet again spread myth as if it were fact.

The government's conduct in this matter is calculated to divide communities based on a falsehood. It should be ashamed of itself. Now that the record has been corrected, it has an obligation to do the honourable thing and apologize to the people of Winnipeg North and to Canadians, who deserve better from their government. Anything less would be dishonourable.

* * *

DEMOCRATIC REFORM

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, in the course of his tirade yesterday, the NDP leader bemoaned the length of terms in the Senate. He told Canadians that they should worry because senators are appointed for “one heck of a long time”. We understand those were hollow words when he directed his procedural henchmen to plot a strategy to kill our Conservative government's Senate term limits bill, a bill that would solve the problem he claimed to be worried about. As the member for Hamilton Centre admitted, it was done as a retaliation.

Canadians expect better. Unlike the NDP leader who tells Canadians one thing and does something else in the House of Commons, Conservatives have been consistent and clear since 2006.

Oral Questions

We support reforming the upper house, including limiting senators to a single term of eight years.

* * *

BANTING HOMESTEAD HERITAGE PARK

Hon. Helena Guergis (Simcoe—Grey, Ind. Cons.): Mr. Speaker, on November 14, World Diabetes Day and Sir Frederick Banting's birthday were celebrated for the first time at the birthplace of Dr. Banting in my riding of Simcoe—Grey. Members of the Banting family, the community and the Sir Frederick Banting Legacy Foundation celebrated in the newly restored octagonal drive shed at the Banting Homestead Heritage Park. In 2008, the Town of New Tecumseth purchased the homestead, and in 2009 I secured Banting's designation as a person of historical significance.

With the world watching, Canadians have the opportunity to help this \$9 million fundraising project that includes the restoration of the farm house, construction of a heritage exhibit building, a diabetes outreach and learning clinic, support for research, and the creation of a new Banting legacy chair in pediatric diabetes research.

I encourage the government to support the preservation of his birthplace, this international landmark, to honour the legacy of a Canadian medical giant whose discovery of insulin has saved billions of lives worldwide.

ORAL QUESTIONS

[English]

NATIONAL DEFENCE

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Minister of National Defence continues to vent publicly, and rightly so, about the foolish, clumsy bungling of international airport landing rights in Canada.

That mismanagement with respect to the United Arab Emirates has badly damaged Canadian relations with what should be a valued ally in the struggle against terrorism.

Will the government House leader now admit that he was wrong on this matter, so much so that the defence minister is still fuming about it a month later and talking with Bay Street lawyers about leaving the government?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, it will come as no surprise to my friend from Wascana that I do not share much of the opinion that he has expressed, and it is opinion, not fact.

At cabinet, the Government of Canada has an important responsibility to stand up and do what is best for Canada, and that is exactly what we did in this regard.

Oral Questions

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, because of the wrong-headed advice given by the government House leader, the defence minister was cut out of the loop on airport landing rights, an ally against al-Qaeda was insulted, Canada was evicted from the Camp Mirage staging base, Canadian taxpayers are now stuck with some multiple of \$300 million in totally wasted costs and Canada lost votes for the UN Security Council.

Does the government House leader now understand why the defence minister parades about in a “Fly Emirates” hat and negotiates with a law firm for a new job?

• (1420)

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, those of us on this side of the House who have the privilege to serve in government have an important responsibility to the people of Canada: to stand up and do what is best for Canada and what is best for Canadians.

The deal that was in front of us was not of net benefit to Canada, which is why we could not sign on.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the defence minister thought otherwise.

The defence minister said that it will take 10 years to fix the damage done by the government House leader to Canada's relations with the UAE. Ten years is how long Canada will have to wait to get another shot at the UN Security Council if the UAE calms down. Ten years is how long this country will labour under new debt caused by Conservative bungling like the Camp Mirage fiasco.

Why will the reckless minister not just admit to a very stupid mistake?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, why is it that every time Canada gets into a disagreement with another country the Liberal Party of Canada rushes to the microphones as quickly as possible and stands up to defend the other country? Why does the Liberal Party not stand up and support Canada? Why does it not stand up and do what is best for Canada?

[*Translation*]

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, as the G8 and G20 summits clearly demonstrated, the Conservatives love to throw money around. The purchase of the F-35s is no exception.

As we know, our allies are backing away in the face of rising costs. We know that a Canadian competition could have saved at least \$3 billion.

Why is the government refusing to act responsibly and hold an open, competitive process in Canada that would save taxpayers billions of dollars?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, as industry minister, I can say that the measures taken to purchase this aircraft opened the door for members of the Canadian aerospace industry to gain priority access to the F-35 program.

[*English*]

Members do not need to take my word for it. Today, the head of the Aerospace Industries Association, Claude Lajeunesse, said:

We need to move forward on this critical investment for our military and for our industry in order to continue to reap the benefits from being part of this international program.

He urges us to vote against the Liberal motion.

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, it is obvious that the Conservatives chose the F-35 arbitrarily and they are now improvising the biggest military procurement in Canadian history.

A Canadian competition, not one at the Pentagon, would save Canadian taxpayers \$3 billion. This money could be spent on initiatives like family care.

Why will the Conservatives not do the right thing and have an open Canadian competition? It would save money for Canadian taxpayers and get the right aircraft for our air force.

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, the hon. member has a short and selective memory. It was his government that had the competition on the F-35 and at the time the hon. member was all in favour of it. He was praising the F-35 choice.

While he has been out debating this issue and trying to cancel this contract, I was at GasTOPS Ltd. today, a great Canadian company in Vanier, that is building parts for the new F-35. Those workers know that we are on their side.

* * *

[*Translation*]

HYDROELECTRICITY

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Newfoundland and Labrador and Nova Scotia today signed a \$6.2 billion agreement for a hydroelectric development project that includes a subsea electric cable between the two provinces. They plan to ask the federal government for financial assistance to complete their project.

Can the government confirm that it will not provide financial assistance to these two provinces, which, with their project, will be competing with Hydro-Québec, which did not receive any federal funding to develop its facilities?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, our government created Public-Private Partnerships Canada, a crown corporation that operates at arm's length from the Government of Canada, to meet Canada's infrastructure needs. As a crown corporation, PPP Canada operates at arm's length from the government, as I said, and applications are assessed on their merit.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Conservative government does not have a clear position on this.

Oral Questions

Will it confirm that it will not fund, either directly or indirectly—because PPP Canada funding comes from the federal government—any part of the hydroelectric development project of Newfoundland and Labrador and Nova Scotia, and by that I mean neither the construction of a generating plant nor the laying of land and subsea power lines?

• (1425)

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, PPP Canada Inc.'s mission is to help fund Canadian infrastructure. Projects are eligible. Any entity is free to apply for project funding. Applications are assessed on their merit. I repeat, PPP Canada Inc. operates at arm's length from the Parliament of Canada.

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, it is always the same thing with the federal government: it always makes things difficult for the Quebec government and Hydro-Québec. Just look at equalization. While Hydro-Québec's revenue is taken into account, a portion of Hydro One's revenue in Ontario is excluded, with the excuse that it only transports energy.

Why does the government insist on penalizing Quebec, which chose, 40 years ago, to develop clean energy?

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I think we are referring to the offer that was presented to PPP Canada Inc. Public-private partnership is the operative term here. We are encouraged that it is looking at a private sector solution for this sort of investment. However, we do not interfere with a crown corporation. It makes its decisions based on merit.

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, in addition to treating Hydro-Québec's revenue unfairly in the equalization calculation, the federal government has spent more than \$66 billion on developing the oil sands and on nuclear energy, but has not invested a dime in hydroelectricity in Quebec.

Why does the Conservative government want to add funding power transmission lines to the long list of injustices perpetrated against Quebec and its hydroelectricity?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, that is absolutely not true. Our government is making investments to ensure that we have a healthy mix of energy. We want to be a major player on the world stage. We can become a clean energy superpower, and hydroelectricity is part of that equation.

Once again we see that the Bloc Québécois is trying to stir up trouble over energy issues. All of sudden the Bloc is interested in the oil industry, shale gas and issues involving the Gulf of St. Lawrence. Why? Only to stir up trouble. One thing is certain: the Bloc has no credibility when it comes to this issue.

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[English]

NATIONAL DEFENCE

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Minister of National Defence is saying that the mishandling of the

file of the Camp Mirage situation has set back relationships with the UAE by a decade and that it is creating operational problems for our troops. That is very clear.

However, the Conservatives have decided to leave our troops in Afghanistan for three more years without a vote in this House and now a spat in the Conservative cabinet is putting at risk our troops.

If the defence minister had spent less time advertising for “Fly Emirates” here on Parliament Hill, perhaps he would have had a solution to the problem of Camp Mirage.

What does the government say about the minister of—

The Speaker: Order, please. The hon. government House leader.

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, we have an obligation to stand up and do what is right for Canada. It was not just the government that came to this conclusion on this position. Others are stepping forward to support this as well.

Why does the leader of the NDP not listen to Ken Lewenza, the national president of the Canadian Auto Workers? Why does he not listen to Paul Moist, the national president of CUPE, who wrote a letter to the Prime Minister saying, “We support your position on this matter”.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the future of our troops in Afghanistan is a serious matter. To see our Minister of National Defence parading around in a “Fly Emirates” hat is clearly an insult to our soldiers. The Prime Minister must ensure that they have the support they need. If he is serious, he must present to Parliament the plan for extending the military mission in Afghanistan.

When will he allow the House to vote on extending our military mission in Afghanistan?

[English]

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, the member opposite started his question by talking about the issue with the United Arab Emirates. Why is the leader of the NDP standing behind a foreign-owned, state-controlled foreign corporation instead of behind the working men and women of the CAW and of CUPE? Maybe he could tell that to the House.

• (1430)

Hon. Jack Layton (Toronto—Danforth, NDP): The fact is, Mr. Speaker, that the government does not want to answer questions about why it will not allow a vote in the House because it is undemocratic what it is doing.

The fact is that the Prime Minister is keeping our troops in harm's way after promising to bring them home. He is not allowing a vote after promising there would always be a vote.

Now, despite previous denials, the details about a secret deal that was being negotiated between the government and its favourite former premier of Ontario are beginning to come out.

Oral Questions

Will the government finally come clean about the secret deal? Was it the Liberals or the Conservatives who said that we should cut aid while we extend the mission?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, we believe we have an important responsibility, not just to honour the memories of the brave men and women of the Canadian Forces who contribute so much to peace and security and so much to the rebuilding of Afghanistan, but also to the people of Afghanistan, to ensure we see this mission through.

That is why, while ending the combat mission, a training mission will continue. We think that is good for Canada, good for the people of Afghanistan and good for the national security of all of us.

* * *

G8 AND G20 SUMMITS

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, the Toronto police department has come clean on its summit spending. What we do not know is how the OPP and its former chief, Julian Fantino, spent over \$100 million. The Conservatives are burying the truth to shield their candidate in the Vaughan byelection.

When will the Prime Minister stop protecting his hand-picked candidate, come clean and release the figures?

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, the security arrangement with the Ontario government states that it has until December 1, 2010 to submit all of its G8 and G20 security expenses.

As the member opposite knows, the deadline has been in place from the beginning of the agreement with the provincial government. In fact, this agreement was signed by Ontario minister Rick Bartolucci, a member of the Liberal caucus in Ontario.

Are the federal Liberals really suggesting that our Premier McGuinty would permit the OPP to waste taxpayer money?

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, the Prime Minister is releasing the numbers two days after the byelection and we are supposed to believe that it is a coincidence. He is the same Prime Minister who blocks Conservative candidates from public debate, muzzles them, does not let them speak. Now he is keeping the voters of Vaughan in the dark about the \$100 million their Conservative candidates signed off on.

Will the Prime Minister show some respect for the voters of Vaughan and release the figures today?

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, the silly season opposite will end on November 29, but we do understand from public statements made by the OPP that in fact its costs are expected to come in well under budget.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, as the stink from the mounting pile of summit waste grows, the government just keeps trying to polish it.

At committee today, government officials called the nearly \$200,000 for distant toilets “a gift to the community”. Rather than shame for blowing \$100,000 on a table, the Conservatives boast about selling it to themselves. No one would buy it and the town of

Huntsville called it a piece of junk, but the government is proud to own a table as worthless as the leftover puddle from its \$20,000 ice sculpture.

When will the minister stop treating Canadians like fools and show some respect for taxpayers?

Hon. Peter Kent (Minister of State of Foreign Affairs (Americas), CPC): Mr. Speaker, with regard to the G20 leaders table, it is a departmental asset and it is currently in storage. A second G20 outer ring table has been donated by the Government of Canada to the University of Waterloo Huntsville campus for its use.

Departmental assets as a whole are included in the DFAIT costs, which were tabled two weeks ago.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, it is a departmental asset that the department itself says it cannot use. Give me a break.

Here is the test. Will the minister go out in the real world and defend this waste? Explain spending \$85,000 in snacks at a single hotel to a mother who cannot afford groceries. Justify the \$9,000 for a power cord to a senior who cannot afford heat. Sit down with a family that is desperate, that has nothing left to take care of a sick husband or wife and explain why hundreds of thousands of dollars were spent on fiddlers, flowers and glow sticks.

Either the minister should own up to this waste and apologize, or take responsibility for what he has done.

● (1435)

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, my friend across the aisle is frequently wrong about his issues. He talks about an extension cord. In actual fact, it was an electrical cable. There were 13 kilometres of electrical cable to provide power to the fence around Huntsville. It was required by the RCMP and utilized by it.

Oral Questions

[Translation]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the Government of Canada is going to Cancun without a credible plan for fighting greenhouse gases. Before unelected Conservative senators defeated a bill approved by the House without even studying it, Canada had a game plan for effectively fighting climate change. By killing this bill, the Conservatives have ensured that they are free to defend the interests of oil companies in Cancun.

Is that not the crux of the matter—defending the oil companies' interests in Cancun?

[English]

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, there was a good debate about the bill. The member for Rosemont—La Petite-Patrie should listen to some of what our colleagues in the House of Commons said about the bill.

One member said that it was a publicity stunt by the leader of the NDP. The same member said that the leader of the NDP wanted to continue to play media games to try to frighten Canadians, mislead Canadians and be dishonest with Canadians. The same member said, “We don't think C-311 constitutes a climate change plan for Canada”.

Why will the member for Rosemont—La Petite-Patrie not listen to my friend from Ottawa South?

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, it is obvious that the minister is trying to create a diversion because the government will be going to Cancun without a position or a plan. Yet, it can be done. The African Union and the European Union will be showing up with a plan that is already posted on their Internet sites.

Does the minister realize that his lack of transparency is not just scuttling Quebec's efforts but that it may result in the failure of negotiations in Cancun? Does he realize what he is doing?

[English]

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, we have signed on to the Copenhagen accord, as have some 138 countries around the world. Under that accord, we will be reducing our emissions by 17% by 2020.

We have already begun substantial action with the administration of Barack Obama in Washington, targeting particularly the transportation sector, where for the first time ever we have a North American common standard that will reduce GHG emissions on vehicles. We are moving into trucks and light vehicles. We are moving into marine and aviation. We are working significantly with the Obama administration. We think that is the right thing to do.

[Translation]

AFGHANISTAN

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, at the beginning of the week, two Conservative ministers were doing everything they could to convince me to be part of the Canadian delegation to NATO to ensure that one of them would be paired up. What a strange coincidence: as soon as they sealed the deal on the Afghan mission with the Liberals, they pulled the plug so that no one who disagrees with prolonging the mission would be heard in Lisbon.

Will the Conservative government admit that, by doing so, it is trying to silence the voice of Quebec, which opposes this extension?

[English]

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, that is not true and it is totally ridiculous.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the deal between the Conservatives and the Liberals on extending the military mission in Afghanistan was made behind closed doors and cannot take the place of a democratic debate. A real debate is needed to ensure that the mission really is civilian in nature.

Why is the government refusing to put this important issue up for a real debate in the House and, more importantly, allow for a vote in the House?

[English]

Hon. Peter Kent (Minister of State of Foreign Affairs (Americas), CPC): Mr. Speaker, building on the strengths and accomplishments over the past years, Canada is committed to help build a more secure, a more stable and self-sufficient Afghanistan that is no longer a safe-haven for terrorists.

If we were sending troops into a war situation again, we would put the matter before Parliament. However, the assignment post-2011 for Canadian Forces troops will be to train behind the wire.

* * *

●(1440)

GOVERNMENT ADVERTISING

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, waste and more waste of Canadian taxpayer dollars. Now we learn that the Conservative government has spent money on Google keywords and websites that show women in compromising positions. One of the sites, hollywoodtuna.com, focuses on derogatory remarks and paparazzi images about our future Queen, Kate Middleton.

How can the Government of Canada justify wasting taxpayer money on a website that says, about our future Queen, “That's it Princess, clean yourself up for daddy”?

Mr. Pierre Poilievre (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, we agree that this is totally unacceptable and completely outrageous. We have directed our officials to ensure it does not happen again.

*Oral Questions**[Translation]*

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, the Conservatives are using taxpayers' money to advertise on pornographic websites. It is shameful, shows a complete lack of respect for women and is unworthy of our country.

I would like a female member of this government to explain to the House how the Prime Minister can find the money to pay pornographic sites that degrade women, but cannot find any money, not a dime, to create a commission to look into the deaths and disappearances of 600 aboriginal women. I want a woman to answer me.

[English]

Mr. Pierre Poilievre (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, I believe we have made it clear that we find it unacceptable. We have directed our officials to ensure that it does not happen again.

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VETERANS AFFAIRS

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, last week members of the House were in their ridings engaged in Remembrance Day ceremonies. No issue resonated louder from veterans than the failure of the government to immediately respond to their needs.

Former Progressive Conservative minister of science and World War II vet, Dr. William Winegard, said "I'm ashamed of what the government has done", calling veterans' compensation "totally inadequate".

Notwithstanding yesterday's recycled announcement, the average lump sum payment remains inadequate, whether paid upfront or over time. What is the minister going to do to fix this inequity?

[Translation]

Hon. Jean-Pierre Blackburn (Minister of Veterans Affairs and Minister of State (Agriculture), CPC): Mr. Speaker, once again, the bill we introduced yesterday is an important one. Everything in that bill is based on recommendations made by veterans' organizations. We are obviously working on priorities. We had to immediately resolve the issue of wounded soldiers returning from Afghanistan in order to ensure that they and their families did not have any financial concerns. That is the direction we took. We will be injecting \$2 billion to support our veterans.

[English]

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, Colonel Pat Stogran confirmed that the U.K. and U.S.A. have identified the number of their homeless veterans so they can help them. Yet the Conservative government, true to its aversion to facts, refuses to compile data, preferring to believe the problem just does not exist, while Brian Decker is living on the streets of the very country he was asked to defend.

Colonel Stogran had identified at least several hundred and believes thousands of our veterans are homeless. A cheque cannot be mailed to a homeless person.

What will the minister do to identify and help them?

[Translation]

Hon. Jean-Pierre Blackburn (Minister of Veterans Affairs and Minister of State (Agriculture), CPC): Mr. Speaker, being homeless is obviously not desirable. That is why we encourage people who meet potentially homeless veterans to let us know. In addition, we recently implemented support measures in Montreal and Toronto to identify these people and to provide them with the services to which they are entitled.

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*[English]***DEMOCRATIC REFORM**

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, the NDP leader has repeatedly told Canadians about how he wants to make Parliament work better.

Could the Minister of State for Democratic Reform please tell Canadians what the NDP did yesterday?

● (1445)

Hon. Steven Fletcher (Minister of State (Democratic Reform), CPC): Mr. Speaker, yesterday the NDP withdrew its public commitment to support our legislation that would limit Senate term limits from 45 years to 8 years. The member for Hamilton Centre was clear that this was not motivated to make Parliament work, but was in retaliation. Here is a chance for the NDP to make Parliament work.

I ask for unanimous consent to immediately pass Bill C-10 at all stages.

The Speaker: Order, please. The minister may want to try that after question period. We do not usually do unanimous consent during it.

The hon. member for Edmonton—Strathcona.

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THE ENVIRONMENT

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, the government's actions on climate change, or inactions, are undemocratic, short-sighted and out of touch. Canadians are contacting me, shocked by the Prime Minister's use of the Senate to kill Bill C-311. They are saying that the Conservatives have betrayed future generations on climate change.

Today's poll shows a majority of Canadians, including 87% of Conservative supporters, believe we have a moral responsibility to lead on reducing greenhouse gas initiatives.

With Cancun just around the corner, will the government respond to the will of Canadians and deliver on climate change?

Oral Questions

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, climate change is an incredibly serious issue. We have brought forward a series of initiatives and policies designed to reduce carbon emissions in Canada. We are working very closely with the administration of President Barack Obama in the United States.

If the member opposite does not like the actions of the Senate, I urge her to stand in her place and support our government's agenda to elect the Senate, to stand in her place and limit Senate terms to eight years and to stand in her place and do the right thing.

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, this week we have seen the government use an unelected, undemocratic body to override the democratic will of the Canadian people.

Bill C-311 was passed in the House by a majority of members representing a majority of Canadians. The country then witnessed the indignity of seeing it killed by the unelected, unaccountable members of that other place.

Will the government agree to a new bill to be passed at all stages that sets hard, accountable targets for pollution reduction so the majority position of Canadians will also be heard at Cancun?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, we will continue to take credible action to support a clean environment. We will continue to take measures to reduce greenhouse gas emissions. We will continue to work with Barack Obama's administration south of the border.

If the member opposite wants to stand in his place and criticize unelected senators making decisions, we could end it all today. We could pass legislation that would bring an elected Senate to Canada. We could pass legislation that would end 45-year terms for unelected senators and limit the terms to 8 years. The member should stand in his place, and let us do the right thing.

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[*Translation*]

QUEBEC CITY ARENA

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, after the Blue March demonstration in which over 60,000 people participated, a number of companies contacted the mayor of Quebec City to express their desire to provide funding for a multi-purpose arena. Private businesses, Quebec City, the Government of Quebec and the public support this project. Only the support of the federal government is missing.

Will the government announce its financial support for the construction of a multi-purpose arena in Quebec City by December 31, as per the request of Mayor Régis Labeaume?

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, we are very pleased with the mayor's decision to seek assistance from the private sector. As we have said from the beginning, we believe that professional sports are primarily a matter for the private sector. That being said, when an application for funding is submitted to us, we will review it very

carefully and render a decision in a manner that is fair and affordable for the entire country.

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CITY OF LÉVIS

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, not only is he unable to convince his own government to invest in the Quebec City arena, but the chair of the Quebec Conservative caucus and the member for Lévis—Bellechasse is also unable to get justice for the city of Lévis, which was just designated as a cultural capital of Canada. While Vancouver got \$1.75 million, Lévis will be entitled to only \$1 million.

How does the Conservative government explain that Lévis will be entitled to less money than Vancouver to organize its celebrations in 2011?

Instead of engaging in dirty partisan tricks, the member for Lévis—Bellechasse should look after—

● (1450)

The Speaker: The hon. Minister of Canadian Heritage and Official Languages.

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, what the Bloc Québécois member said is completely untrue. The city of Lévis will receive \$1,750,000 for its celebrations next year. It is a cultural capital of Canada. We are proud of our program. We have allocated \$3.5 million to three Canadian cities to celebrate cultural capitals across Canada. Thanks to the hard work of the member for Lévis—Bellechasse, the city of Lévis has received an unprecedented amount of money for culture and for its anniversary celebrations.

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NORTEL PENSIONERS

Mrs. Lise Zarac (LaSalle—Émard, Lib.): Mr. Speaker, on January 1, 400 Nortel pensioners with disabilities will begin their new life of misery because of the Conservatives. The government could help them by supporting Bill S-216, but the Prime Minister would rather do nothing. Instead of enjoying the holiday season, these disabled pensioners will have to apply for welfare or look for a job.

Why is the government ignoring these vulnerable people who worked their whole lives for these pensions?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, we are concerned about the people who are affected by this situation. We heard very different opinions during the committee hearings on this issue. We need to continue studying the issue. We must not pass legislation without examining the repercussions more thoroughly.

[*English*]

We are obviously studying this issue and seeking ways to be helpful where we can.

Oral Questions

Mrs. Lise Zarac (LaSalle—Émard, Lib.): Mr. Speaker, in just six weeks Nortel's long-term disability workers will lose access to their health benefits as well as 80% of their benefit payments. There is a solution. Conservative senators should pass Bill S-216 immediately.

Nortel workers are scrambling to find other sources of revenue, while just this morning Conservative senators scrambled out of committee in the middle of tragic and compelling testimony from these retirees.

With only 37 days until Christmas, how heartless can the Prime Minister possibly be?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, as I have said, we are profoundly affected by those who are touched by this particular situation. It is unfortunate that the members of the opposition are selling a dream that does not exactly exist.

Bill S-216 would have led to endless litigation by the parties as the government would be seeking to retroactively overturn a court decision to which the lawyers for the parties agreed. If the hon. member is advising us to break the law, why does she not stand in her place to do that?

On this side, we are trying to find real solutions for real people.

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POVERTY

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, yesterday we received a committee report for a comprehensive national strategy to eliminate poverty. Dignity For All, which represents 430 groups, is applauding all of us for this landmark study.

The report calls for federal leadership on a plan for housing, child benefits, aboriginals, seniors and more. It seems even Conservative MPs are endorsing this crucial initiative.

Will the minister finally agree with the provinces, NGOs and all Canadians who want action and announce a master plan?

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, we do have a national strategy and that is to create jobs. In fact, the best way to get Canadians out of poverty is to get them working and the economic action plan is doing just that. More than 430,000 jobs have been created since July of last year and 260,000 jobs were preserved through the work-sharing program.

We ask the member to get behind us and not to increase taxes that would have the potential to kill 400,000 jobs.

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MINING INDUSTRY

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, how about saving jobs?

Yesterday the industry minister called Vale's announcement to cut 600 jobs "good news". Today in the House he talked about it being an iron ore mine coming to the end of its life. It is a nickel mine and we are talking about the closure of the surface operations.

Will the minister apologize to the residents of Thompson? Will he follow the example of the Premier of Manitoba and work with us to save jobs and our community?

• (1455)

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, as the hon. member is aware, I believe she is participating in a meeting this afternoon with my officials to at least get the facts on the table.

I have informed her already in this House that I am having a discussion with the Government of Manitoba this afternoon to get its take on the situation. I have offered to have a meeting with the MP herself at the appropriate time so that we can confer on this situation as well.

The context of this is that the announcement that is so affecting her community in a negative way is also part of a larger announcement where thousands of jobs will be created throughout the rest of the country. I know she has to defend her people; I understand that, but this is good for Canada in the overall—

The Speaker: The hon. member for Ancaster—Dundas—Flamborough—Westdale.

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FOREIGN AFFAIRS

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Mr. Speaker, before his constituents kicked him out of office in the U.K., George Galloway was videotaped giving fistfuls of cash to the terrorist group Hamas, yet York University rolled out the red carpet for him.

What is worse, the *National Post* is reporting that York's president is threatening to sue a Jewish rabbi who organized a successful protest against Galloway's speech.

Would the minister remind York's administration that Jewish rabbis still have freedom of speech in Canada? Will he remind him that articles 7, 22 and 32 of the Hamas charter are not and never will be the law of this land?

Hon. Peter Kent (Minister of State of Foreign Affairs (Americas), CPC): Mr. Speaker, yes, Mr. Galloway has bragged openly about giving money to Hamas. Hamas is an anti-Semitic death cult responsible for the deaths of countless Palestinians and Israelis, and is quite appropriately classified as a terrorist organization in Canada.

We believe that all Canadians have the right to free speech, but we expect that universities in Canada will support free speech, not shelter from criticism those like Mr. Galloway, who says he is not in favour of free speech.

*Oral Questions***CITIZENSHIP AND IMMIGRATION**

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, the high rates of temporary visitor visa refusals is preventing many of my constituents and other Canadians from inviting family and friends for occasions such as weddings, funerals and other special events, even when many of them had visited Canada under the previous government.

When will the minister stop this unfairness and reform the visitor visa system to assist Canadian families in times of compassion?

Mr. Rick Dykstra (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, we do have a visa system in place in this country that works across the world. We do in fact, on occasion, make sure that it is working, make sure that improvements that are made to it are done effectively and efficiently, and ensure that the work that is done regarding those who come to this country is done in a good and positive manner.

We have always made sure the system works and we continue to improve it wherever possible and wherever necessary.

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[Translation]

VICTIMS OF CRIME

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, in committee, the Conservative members came up with poor excuses for opposing Bill C-343, which would offer financial support to the loved ones of victims of crime. However, our bill is based on legislation from the Quebec National Assembly. In addition, it was supported by the man who founded Quebec's Association of Families of Persons Assassinated or Disappeared before he was selected by the Conservatives to become senator.

Why is the government still refusing to help the families of victims of crime?

[English]

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, the bill that the Bloc-Liberal-NDP coalition supported is fundamentally flawed. It would allow thousands of EI dollars to be spent to care for a young criminal who might have been injured in the process of committing a crime.

This would simply have the effect of increasing EI premiums when we are trying to freeze them and hold the line. It would end up costing jobs. If we took all of the plans of the opposition on the expansion of EI, it would result in permanent EI premium increases that employers and employees alike would not want to have.

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AMATEUR SPORTS

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, the safety of our young athletes is paramount. Weeks ago, the government told the House that it was looking into the concussion epidemic in amateur sports, yet federal funding for sports injury prevention research was cut by 40% last year.

Why is there a contradiction between what the government says and what it actually does? Is it content to let things go as they are,

putting amateur athletes at risk, or will it work with the NDP and take action against sport concussions?

• (1500)

Hon. Gary Lunn (Minister of State (Sport), CPC): Mr. Speaker, this being the first question I have been asked since the Olympics, I am very proud to remind the House that we won 14 gold medals, which makes us all very proud.

On a serious note about the concussions, we take all of this very seriously. Hockey Canada runs a number of programs. We provide funding. However, we should let Hockey Canada regulate this. It is doing a great job. Children wear helmets in Canada. They will continue to do that. We support Hockey Canada in its efforts. However, I do not think this is a place for the government to step in and regulate.

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JUSTICE

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, the best way to fight gangs and organized crime is to remove their profits. Auto theft threatens the safety of our communities and costs Canadians over \$1 billion each year. It is one of the largest sources of illegal profits for organized crime.

Last week our government's Bill S-9 passed the House of Commons. This bill will deliver tough action on auto theft and on crimes involving the trafficking of stolen property. The bill also will remove dangerous drivers from our roads.

Would the parliamentary secretary give the House an update on the recent news concerning this important bill?

Mr. Bob Dechert (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, I want to thank my hon. colleague for the very fine work he does as chair of the Standing Committee on Justice and Human Rights.

I am pleased to report that just a few minutes ago, Bill S-9 received royal assent. Once this new law comes into force, law enforcement and the courts will have better tools to tackle auto theft and the entire range of activities involved in the trafficking of all types of stolen and fraudulently obtained property. This is just one example of how our Conservative government continues to deliver for victims and law-abiding citizens in this country.

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CITIZENSHIP AND IMMIGRATION

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, the current government must finally stand up for Canadians and against those who increasingly use fraudulent marriages as a safe immigration passport to Canada.

Business of the House

The government should close loopholes in the Immigration and Refugee Protection Act, ensuring the marriage-based system is strengthened and fraudulent marriages are eliminated altogether.

When will the government assume its responsibility and ensure that Canada is not soft on immigration system abuse?

Mr. Rick Dykstra (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, the last thing this government has been is soft on our views on immigration.

We have welcomed more Canadians to this country from other lands than ever before in the history of Canada. Landing fees were cut in half as soon as this government was elected. We just passed Bill C-11, refugee reform legislation, which is some of the best legislation this country has ever seen.

When it comes to people wanting to come to this country, our doors are open. We want to see more immigration.

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TOBACCO PRODUCTS

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, since its decision a few weeks ago to cancel a planned update for tobacco warning labels, the government has been roundly criticized by stakeholders and experts for wasting six years of study and for ignoring research that shows that these revamps are absolutely necessary.

Even last week we learned that the U.S. is moving ahead with its plans to revamp labels. It may even be using an image of Canadian anti-smoking advocate, Barb Tarbox.

When will the government stop catering to the tobacco lobby and actually stand up for the health of Canadians?

Hon. Leona Aglukkaq (Minister of Health, CPC): Mr. Speaker, in Canada we have had labels on our tobacco packages since 2001. Our government is committed to protecting the health and safety of Canadian children from the damages of tobacco. We are proud of Bill C-32, the Tobacco Act, which bans flavours that would appeal to children, sets minimum package size and bans all tobacco as it would be viewed by youth.

We will continue to enforce violations of this legislation and are encouraged by the results of the recent tobacco survey that shows that fewer young Canadians are smoking.

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PRESENCE IN GALLERY

The Speaker: Order. I would like to draw to the attention of hon. members the presence in the gallery of His Excellency Li Shenglin, Minister of Transport for the People's Republic of China.

Some hon. members: Hear, hear!

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BUSINESS OF THE HOUSE

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, as always, my question is addressed through you to the government House leader. In anticipation of the remaining business for this week, today and tomorrow, and going into next week, what is the

government's business? Particularly, could he enlighten the House and Canadians on how we intend to continue to proceed with take note debates in the House? I know we had one just last week. There are others anticipated to come forward, for Canadians who may want to follow some of these important debates, which are usually held in the evenings.

Can he also indicate when the next allotted opposition day, for whatever party, is coming?

If I might, Mr. Speaker, ask for your indulgence for 30 seconds, I would ask the government House leader to address again the remarks made earlier today in an S.O. 31 by one of his caucus colleagues. There have been a repeated series of S.O. 31s this week addressing comments made by the leader of the official opposition, which were corrected yesterday in the *Winnipeg Free Press*. They quote a headline on Monday and an editorial on Tuesday that wrongly describe the Liberal leader's remarks as accusing the Conservatives of attempting to split the Filipino vote in the Winnipeg North byelection.

I think in the interest of us being accurate and fair in some of these circumstances it would be important for the government House leader to address that.

These are dangerous and divisive, racially undertoned remarks. They do not really do much for Canada. They certainly do not help any of us in this Winnipeg byelection situation. I think it would be incumbent upon the government to take some action in this regard.

● (1505)

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, let me make an undertaking to my colleague, the House leader of the official opposition, to make enquiries into that and respond to him in short order.

The House will continue today with the opposition motion.

Tomorrow we will continue debate, and I know the NDP will be excited about this, on Bill C-10, Senate term limits; Bill C-19, regarding political loans; followed by Bill S-3, tax conventions implementation.

On Monday and Tuesday of next week, we will call Bill S-3, tax conventions implementation; Bill C-3, gender equity in Indian registration; Bill C-28, fighting Internet and wireless spam; Bill C-22, protecting children; Bill C-29, safeguarding personal information; and Bill C-30, response to the Supreme Court of Canada decision in *R. v. Shoker*.

On Wednesday and Friday we will call Bill C-41, strengthening military justice; and Bill C-43, RCMP labour modernization.

Thursday will be an allotted day. I believe this allotted day will go to the Bloc Québécois.

With respect to a take note debate, there have been discussions amongst the parties. There have not been a lot of take note debates. Two weeks ago we had one on veterans issues. I believe next week we will be having one on the issue of pensions, which I know is a concern for all of us, but particularly this was brought forward by the House leader for the official opposition. I believe we are looking at Tuesday night for that.

I appreciate the co-operation we have had from all parties. This gives members an opportunity to bring issues relevant to their constituents forward in the House.

GOVERNMENT ORDERS

[English]

ELIMINATING ENTITLEMENTS FOR PRISONERS ACT

(Bill C-31. On the Order: Government Orders)

November 16, 2010—Third reading of Bill C-31, An Act to amend the Old Age Security Act—the Minister of Human Resources and Skills Development

Hon. John Baird (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I believe that you would find the unanimous consent of the House for the following motion. I move:

That, notwithstanding any standing order or usual practices of the House, Bill C-31, An Act to amend the Old Age Security Act, be deemed read a third time and passed.

The Speaker: Does the hon. government House leader have the unanimous consent of the House to propose 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 the motion?

Some hon. members: Agreed.

(Motion agreed to, bill read the third time and passed)

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POINTS OF ORDER

CONSTITUTION ACT, 2010 (SENATE TERM LIMITS)

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, I am rising on a point of order because of what happened during question period.

I saw a newfound enthusiasm for Senate reform from our friends in the New Democratic Party, so I wanted to ask if there is unanimous consent for the following motion:

That, notwithstanding any standing order or usual practices of the House, the second reading amendment to Bill C-10, An Act to amend the Constitution Act, 1867 (Senate term limits), be deemed to have been withdrawn, Bill C-10 be deemed to have been read a second time and referred to a committee of the whole, deemed to be considered in committee of the whole, deemed reported without amendment, deemed concurred in at report stage and deemed read a third time and passed.

The Speaker: Does the hon. government House leader have the unanimous consent of the House to propose this motion?

Some hon. members: No.

Business of Supply

● (1510)

BUSINESS OF SUPPLY

OPPOSITION MOTION— NATIONAL DEFENCE

The House resumed consideration of the motion.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I am pleased to rise and join the debate in relation to the joint strike fighters, the F-35s. I will be sharing my time with my hon. colleague from Vancouver Centre.

At a time when families in Canada are struggling to make ends meet, it kind of boggles the mind that the government would decide to make the largest military procurement in Canada's history without an open and transparent competition, with no competition whatsoever.

One would think that the government would like what Canadians want, which is to get the best price and the best equipment. Canadians want value for money. The government cannot get that by sole-sourcing, by saying that it picks a certain one without actually having any competition.

The question has to be asked, where is the Prime Minister's oversight on spending? Where is the oversight of this process when there is no competition?

It has a huge price tag: \$16 billion. That is remarkable. We are not even sure that it will not be more than that. We do not know what the operating cost of this will be. It is a bit like going to buy a car and not having any clue what it is going to cost to put gas in it, how many kilometres it gets per litre, et cetera.

For most people today who are concerned and who struggle to make ends meet, those are important questions. They want to know what kinds of expenses to anticipate, and they certainly expect government, in a procurement so huge and so important, to be aware of those things.

There are a couple of key issues that I want to address today. The first is the question of whether Canada was in fact part of the competition that took place between 1995 and 2001 in relation to the joint strike fighter, the F-35, the one that was won by Lockheed Martin, which builds these aircraft.

Today in question period, the industry minister actually suggested that Canada was part of that, that we were in that competition and it was decided back then. We have had the Prime Minister say the same thing. The defence minister made this claim as well.

Let us go back a bit. Even earlier this year, on May 27, the defence minister told the national defence committee:

I just want to be very clear on the record that the reference to the next generation of fighter aircraft does not preclude a competition, and an open and transparent one.

Business of Supply

He was talking there about the future. He was talking last May about a future competition for the next fighter aircraft for Canada. He could have said at the time, if it was the case, that we had this competition years ago. That argument only surfaced after the government made and announced its decision to choose the F-35s. Then it decided it had better have an explanation and made the excuse that it was decided years ago.

Let us go to the person who was the actual assistant deputy minister for materiel, the person in the Department of Public Works who was responsible for overseeing the procurement back in 2001 when the Americans announced that they had chosen the F-35s. He said that the reason for joining the joint strike fighter program was not, at that time, the urgency of replacing the CF-18 fighters, the ones we still have, but the potential industrial opportunities that Canada could take part in.

Mr. Williams said this about the 2002 memorandum of understanding that Canada signed:

This signing had nothing to do with buying or committing to buy these jets, but rather everything to do with providing an opportunity for Canada's aerospace industry to participate in the United States' largest defence procurement in its history, a procurement valued at over \$200 billion.

Since then, before the government made its announcement this July, Canadian companies had actually been awarded 144 contracts. So to suggest that Canada would only get contracts if we agreed to buy these jets is nonsense. Canada already had those contracts and had them before the government announced that it wanted to go in this direction.

What else did Mr. Williams say? He talked about the past claims of the defence minister and the Prime Minister that there was a competition that Canada was part of in the past.

• (1515)

He said in committee last month:

The ministers are referring to the competition conducted by the United States to determine which company would build the jet. On October 26, 2001, Edward Aldridge, Under Secretary of Defense...announced that Lockheed Martin was the successful candidate over Boeing... [W]e were all glued to our TVs at National Defence headquarters awaiting the announcement.

The competition took place and we had no role in the decision. The government is claiming that we were part of that competition, but we did not have a contemporaneous announcement here, at the same time as the Americans made their announcement. We had to watch the Americans and see what the heck they were going to announce. It was a big surprise to Canada, obviously, from this quote. Canadians had no idea what the Americans were going to choose. It was clearly not a competition that we were actually part of or had any real say in. The fact is that we had to wait to see what they would announce.

Mr. Williams went on to say:

This competition had absolutely nothing to do with the need for a competition to determine which jet aircraft in the marketplace could meet today's Canadian military requirements at the lowest life cycle cost. Equating one competition with the other insults our intelligence.

Even the Chief of the Air Staff at the time confirmed it. In 2001, Lieutenant-General André Deschamps was quoted in the *Canadian Defence Review* when he was asked about the joint strike fighter. The

magazine asked, "Where is the next generation fighter on your list of priorities?"

In fact, the *Review* story came out the same day as the announcement in the U.S. So he was being asked this on the eve, essentially, of the Americans' announcement, after this competition had gone on for several years, which supposedly Canada had been part of, according to my colleagues on the other side. Supposedly it was partly our competition. What did Lieutenant-General Deschamps say at that time? He stated:

The next generation fighter is very high on my list. We know government wants to get to that discussion soon, and we definitely need to get on with a process to get a new fighter. It sounds like a long time away, but as we know it takes a lot to go through a contracting process and produce a new fighter.

To me, that sounds an awful lot like he is speaking in future tense. He is clearly talking about the future. He is not saying we are part of something now, that we are part of this discussion, this decision, this competition that is going on right now. He is saying we are not even thinking about it that much yet, just a little, and we will have the discussion in due course. He did not even mention the joint strike fighter. He did not mention the F-35s at all in that answer.

He goes on to say:

We just finished upgrading our CF-18s to what we call the R2 standard. It's a tremendous upgrade creating a great platform, and will give us a high performing aircraft to keep us competitive certainly through this decade. That doesn't mean we shouldn't move forward on selecting what will replace the CF-18. We're moving forward hopefully in the not too distant future to establish a discussion with government.

That is not a head of the air force who is in the middle of participating in a competition and making a decision. That is someone saying we will get involved in this discussion with the government in the not too distant future; we will think about what kind of aircraft we want in the future. Yet the government, over and over, has been claiming that Canada was part of this competition that took place a decade ago. It is absolute nonsense and it knows it.

What else did Mr. Williams say, the ADM of materiel management, the person responsible for procurement at that time? He stated:

The only way to know for certain which aircraft can best meet Canadian requirements and at what cost, is to put out an open, fair and transparent statement of requirements and request for proposal, and conduct a rigorous evaluation of the bidders' responses.

How much better than that could one say it? How much clearer can it be that it is the process we ought to have?

The second claim of the government that I want to talk about is that we are bound to buy the joint strike fighter. In fact, the Conservative government signed a second memorandum of understanding in 2006, and paragraph 3.2.1.1.1 of that 2006 agreement states:

Actual procurement of JSF Air Vehicles by the Participants will be subject to the Participants' national laws and regulations and the outcome of the Participants' national procurement decision-making processes.

Business of Supply

• (1520)

Clearly that 2006 agreement looks forward to a time when governments will make their own decisions about what aircraft they will buy and whether or not, in their decision-making processes in the future, decide to buy this particular aircraft. It clearly does not commit the government, as the government has been claiming for months now, to do it and it is not committed to it yet. There is no actual signed contract as we speak. It still has the opportunity to walk away from this and have an open competition.

The F-35 might win that competition but why not have the competition? Why not challenge all those bidders in that competition, whether it is Rafale, Lockheed Martin or whoever, to come forward with offers of industrial regional benefits and good value in terms of the price of the aircraft?

I sat on the defence committee a couple of times over the past couple of months and at one of the meetings I asked Mr. Williams to what extent, if at all, he would say that Canada's exhaustive list of requirements was included in the competition, because that is an important part of this. If the government is claiming that we had a competition, surely Canada's own requirements would have been considered in that. Mr. Williams said:

The fact is that on December 20, 1995, the U.K. signed the only level-one partnership agreement with the United States. In so doing, this agreement allowed them to be full partners in the development of the requirements and in the system design. No other player in this program has had that opportunity, so to suggest that we were anything more than what we signed up for in the first phase—i.e., as an observer—is greatly exaggerating any influence or input.

He also said, “at that time we hadn't even developed requirement statements for our jets”.

That is right from the horse's mouth. He is the fellow who was responsible for procurement of military equipment for the Government of Canada in 2001 when the announcement of selecting the F-35s was made by the U.S.

I do not know how the government can claim otherwise. I do hope the parliamentary secretary to the defence minister, who I am pleased to see listening, will address that problem with what the government has been saying. Maybe he will come clean here and admit that it has not been true.

Considering what this means for families and how families are struggling to make ends meet, and see the government wasting money as it has on this without an open competition, is reprehensible.

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I did not catch all of my colleague's comments but I did get the last few minutes. I do have a question for him.

The member talked about the former assistant deputy minister of materiel, who has not been in that job for over five years. He may be historically accurate in what he was talking about back then, but for many years now we have had a new assistant deputy minister of materiel who is actually working with the MOU today and not something from five years past.

We have a significant number of highly expert civilian and military people who have been examining this at the highest level of

security for many years. These are people who are current with the program and current with the MOU, and not five years past. The same kind of process is taking place in at least nine other highly advanced countries.

If we are going to hire these people and pay them all this money for their expertise but ignore them and listen to somebody who is five years out of date simply because it fits a partisan political position, what is the point?

• (1525)

Hon. Geoff Regan: Mr. Speaker, I am disappointed that my hon. colleague did not answer my question.

The bulk of my speech refuted the government's claim that there was a past competition, that we were already committed to this, that we had already made the decision and that we were part of the competition. The member did not answer the arguments, and there were lots of them and they were pretty strong in my opinion. He did not try to answer them at all because he cannot refute them.

The member mentioned the present ADM. I have great respect for all the officials at the department. I am not a member of the defence committee but I happened to be there on the day that Mr. Ross, who is the current ADM, suggested that the 2006 MOU said that if we had a public competition it would force Canada to withdraw from the MOU. I asked him to point out where in the MOU it said that and he replied that it was in section 7.6.

Later in the meeting I read the MOU to him and said that it had nothing to do with what he was saying. I said that it had nothing to do with forcing Canada to withdraw from the MOU. I asked Mr. Ross to point out where it said that but he could not say. He said, “It doesn't say it specifically in the MOU”.

Mr. Ross acknowledged the fact that the MOU signed by the Conservative government does not actually require us to stay in the contract in order to have the industrial benefits for our country that our companies have been getting. We had 144 of them before the government announced it was going to buy that aircraft.

The member ought to reconsider his question. I wish he would address the one that I posed to him.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, Canadians are asking a number of important questions about this F-35 matter. They are asking if this is the right aircraft for the Canadian Forces. They are asking us to define the uses to which we want to put these aircraft. They want to know if they will be used for foreign expeditionary missions, for coastal interdiction and defence or for search and rescue.

Canadians are concerned about the significant cost overruns that many American senators and representatives are talking about. They are concerned about being locked-in to expensive repair contracts. They are wondering if this will be a loss-leader where the aircraft manufacturer gives us a lower price for the aircraft and then, once we are tied into that one aircraft, we will be subject to extreme high costs for repairs in the future. That is not an unreasonable prospect given the massive cost overruns of these aircraft.

Business of Supply

Canadians know one thing instinctively. They would not paint their house without getting a number of estimates. They would not buy a car without getting a number of estimates. Could the member explain why the government would spend billions of dollars without getting more than one tender or estimate for such an important project?

Hon. Geoff Regan: Mr. Speaker, I wish I could explain why the government would engage in the largest procurement in Canada's history without an open competition.

My colleague talked about what Canada's requirements might be. We have been asking the government to provide to the House a clear, detailed statement on what those requirements are so that we can assess the planned purchase in response to those requirements. We do not have that.

My colleague also talked about the cost overruns. We are repeatedly hearing about situations in the U.S. in relation to this Lockheed Martin project. We hear American senators and congressmen complaining about the cost overruns of this project.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I support the motion because because I think Canadians want to have some very clear answers to some pretty logical questions.

I am not a military expert. I do not know one plane from another. All I know is that they have wings. However, I am hearing from many of my constituents who have been writing to me, phoning me and a lot of them who are experts are giving me a great deal of advice and asking a lot of questions on this issue. I want to bring these logical questions to the fore because they need to be answered. What we are talking about here is the most expensive equipment procurement in military history in this country.

The government is adamant, first and foremost, that it needs the F-35, which will, at the end of the day, cost taxpayers \$16 billion. The big question we want the Conservatives to answer is why they need these F-35s. The Minister of National Defence tells us that we need them to protect our airspace from Russians. He talked about Russian aircraft attempting to penetrate Canadian Arctic airspace and so we had to release the CF-18s. That was the minister's statement. We then hear that NORAD, and Canadian fighter pilots have told us, is a routine kind of flight that goes on all the time. They have test flights that go on all the time. What we do know is that these "invading Russian fighter planes" happen to be 60-year-old propeller planes. I am asking these questions because they do not make any sense to me. We also hear from the fighter pilots that this is just routine stuff that is going on. However, I think most of us believe that the cold war ended a while ago, so I have no idea what we are talking about and I need an answer to that, as do my constituents.

If we do need planes to protect our airspace, what is the most appropriate plane that we need? I have been told that the Boeing Super Hornet could fit the bill because not only are the Hornets good for protection, but we need to look at a two-engine plane instead of a one-engine plane, mainly because the Canadian airspace is so massive that we need to have a back-up engine if we are flying across that airspace and a bird flies into the engine or something else happens. This is a big issue. We have always felt that we needed two-engine planes in this country. We have always believed that and

followed that, and now we are being told that this one-engine plane is very necessary and that it is the most important thing.

If we are protecting our airspace, why do we need a stealth fighter? Most experts tell us that a non-stealth fighter would do that job very well. What I want to know is whether this is the most appropriate plane that we are being told we need to get.

I also want to know if we need these planes now. We know that the CF-18s have been upgraded and rebuilt so that they will be fully operative and operational beyond 2020, so it is obvious that we do not need the F-35s now.

I need to drag up the argument that whenever we ask these basic questions in the House, we never get the appropriate answers. We get this rhetoric that I have just debunked. The government always raises the argument that it was the Liberals who opened up this question to put up Canadian aerospace companies to compete for worldwide contracts. The Conservatives are saying that we did it. Now we hear that the ADM at the time this was being negotiated, Alan Williams, said that of course we negotiated the agreement with Lockheed Martin. He remains adamant and absolutely vocal that this did not commit Canada to actually purchase the joint strike fighter. Asking why the Liberals did it at the time, it was to open up competition for Canadian aerospace companies. It did not commit us to buying it and we did not say that we would buy it.

By the way, turning to the question about priorities and costs, at the time we were talking about new jets, if I am not mistaken, we had a \$13 billion surplus and we had a \$3 billion contingency fund somewhere. We could talk about buying a Mercedes when we had a lot of money in the bank. However, we are now talking at a time of unprecedented deficits in this country and little money to spend.

When we only have a small amount of spending money at a time of an unprecedented deficit of \$56 billion and counting, when we have the highest unemployment that we have had in the last 14 years, when we have 151,000 people in Canada out of work and when we find that young people have one of the highest unemployment rates in this country, how are we setting priorities here?

• (1530)

When I looked at my household budget, I had to made decisions when we had less money than we had at certain good times. Those decisions are core priorities. Anybody who did economics 101 will tell us that priorities are based on a hierarchy of needs. What do we need most? What is the most important thing we need at a particular time in our lives when we have a limited sum of money? What do we need first and foremost?

We have a \$56 billion deficit. We have the need for job creation because we are told we will be into a jobless recovery. We need to look not just at part-time jobs, not just at job sharing, but at the ability for people to have full-time, sustainable jobs so they can pay their mortgages and not lose their homes. We are talking about that very basic question that people are asking.

In a recent report that came out about a week ago from a think tank, we heard that there were more people in the history of Canada using food banks and that 33% of those people were children. We have to ask about priorities again, the hierarchy of needs. What needs do we need to look at?

Business of Supply

Whether the government believes it or not, one of the things a government responsible for the well-being of its people is supposed to do at a time when people are struggling is to look at ways to help them out. Why is it going to pick a hierarchy of needs of fighter planes, which we have been told we do not need now, that they are not the ones need and that they will not do the job as well as others?

The government promised in 2006 that it would look at a whole lot of real, immediate defence needs, and it has done nothing about them. Let us talk about ice breakers. Let us talk about the three supply ships about which it talked. It is still doing diddly-squat about it.

Let us deal with the immediate problems. I know, as a homeowner, if my roof is leaking and I have the choice between fixing my roof and buying a new car, I will keep my old car for the next two years and fix my roof. It is called priorities. It is called common sense. Most Canadians understand this. I do not understand how these decisions are being made. That is why we are trying to get some very clear answers.

We have hierarchy of needs, timeliness of needs and the most urgent needs. What do we need now to take care of business now, so we can move on and maybe do what we really would like to do down the road? It is the difference between what we need and what we want. Sometimes we have to make choices in bad times between those two.

I know the government wants these pretty little toys to play with. The bottom line is Canadians want the government to wake up, listen and look at the statistics, although I know the government does not really like statistics very much. They tell it things it may not be willing to listen to or it does not want to hear. The government should listen to Canadians and look statistically at unemployment rates and at the increasing number of people on the welfare roles. In my province of British Columbia, every month the number is going up. The government shrugs its shoulders and tells us not to look at it, that it is provincial problem.

I want to talk about the word need. We need to look at the sustainability of health care. The need for core housing is a big problem. We have this hierarchy of needs. We have these immediate needs of Canadians. Yet the government is unable to give us answers as to why it picked this issue as the top of its hierarchy. What about the timing of this? We do not need it now. It can wait for a few years. What are the outcomes of the choices it is going to make?

If the government went to the people with a major poll and asked them whether they wanted F-35s right now or whether they would like the government to look at helping stimulate the economy in a meaningful way, looking at housing and looking at getting people off the food lines, I know what the people would say.

• (1535)

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, it is hard to know how to react to that. If she considers the equipment that the Canadian Forces need to do their job and protect Canadians at home and people around the world as pretty little toys, then I guess she probably thinks they are little tin soldiers or something too. That is pretty offensive.

I am speaking next. I would invite her to stick around and listen because I will answer a bunch of those questions. She was right about one thing. She has limited knowledge of what she speaks.

However, I will ask her one question. She talks about the capabilities of the Bear, about which she obviously knows nothing. Old airplanes can have some pretty modern stuff inside them. What is her knowledge of the electronic capabilities of the Bear aircraft?

Does she think we should allow Russian airplanes, or any other airplane, to fly around in our air space of interest without our taking action to see who they are? Does she think they should just be able to wander at random through our air space, as she seems to imply?

• (1540)

Hon. Hedy Fry: Mr. Speaker, it is really interesting that NORAD and Canadian pilots tell us that the flying of planes across Arctic airspace is something that goes on as a routine manoeuvre. We are talking about really important Russian propeller planes that are about 40 to 60 years old, so let us put this thing into perspective. I have not heard an answer to that. It is very easy for the member across the way to—

Hon. Laurie Hawn: You have no idea what you're talking about.

Mr. Greg Rickford: You're supposed to be answering that question.

Hon. Hedy Fry: Mr. Speaker, I should be allowed to speak. I would expect some respect from the member opposite because I let him speak and ask his question. I would like to answer it now.

I am asking about priorities. I am asking clear questions. I am not asking questions that the member, with all of his wonderful knowledge, should not be able to answer. However, I am not getting the answer. I am getting rhetoric. I am getting nonsense. I am getting personal repudiation of myself and what I do or do not know from the member. Why would he not answer the basic questions I asked? Do we need this plane? Do we need it now? Would it satisfy our needs? I am still to hear about Russians flying across our airspace to harm us, and as most of us know, we were told by NORAD that these are routine flights and they are little propeller planes.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, a little earlier today the parliamentary secretary was explaining to me that we could not go out for competitive quotes because we would have to get out of the MOU. Yet our defence critic, the member for St. John's East, explained that we could stay in the MOU and still go out and check the market one last time before we were to proceed.

The member has indicated he will be speaking next, so I would like him to clarify this point in his speech. Also, I would like him to clarify specifically what benefits there are for Manitoba, the size of the contracts, the number of jobs and which companies would be available.

Hon. Hedy Fry: Mr. Speaker, I hope, as my hon. colleague just asked, we will get the answers when the member makes his speech.

Business of Supply

As I said before, no one is arguing that we do not need to have defence planes. We are asking about what kind of plane, what do we need it for, what would we use it for and do we need it immediately or not? We are talking about a time when we are sitting with a \$56 billion deficit and high unemployment. We are asking the government to make priorities. I gather and read that at the committee, Canadian companies and other companies, companies like Boeing and Dessault, said that they could provide the same equipment that was needed by the government for less money at a fixed time and at a fixed price. Also, they would actually turn over all the maintenance work and much of the intellectual property to Canadian companies.

The question is being asked by other people, and I would love to hear the member answer those questions when he makes his speech.

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I am happy to have the opportunity to speak about our intention to acquire 65 F-35 Lightning IIs. It is a topic that is very important to me because I know the value of having modern and capable fighters.

When the government released the Canada first defence strategy two and a half years ago, we committed to rebuilding the Canadian Forces into a modern, integrated, flexible, multi-role and combat-capable military, a military that would be able to meet and overcome 21st century challenges.

Canada's overall defence priorities have not really changed since the 1964 white paper with respect to protecting Canada and being a reliable partner in NORAD and NATO and meeting our international commitments. What has changed is the threats we face. The Canada first defence strategy recognizes this fact with its plan for systematic restoration of the combat capability of the Canadian Forces after more than a decade of darkness.

For the Liberals to say that they do not understand the priorities and missions of programs like the next generation fighter makes me ask where they have been since 1964 and where they have been since we tabled the Canada first defence strategy over two years ago, and nary a comment on that until recently.

We embarked upon the Canada first defence strategy because, on behalf of all Canadians, we ask our men and women in uniform to do a lot of things at home and abroad, and they always get the job done, whether they are providing security at major events like the Winter Olympics, or responding to Canadians in distress in things such as hurricane Igor or patrolling North America's skies in co-operation with the United States, which we have an obligation to do. When an aircraft enters our air defence identification zone, we have an obligation to find out who that is, whether it is a Russian Bear, with absolutely up-to-date modern avionics and electronics, or whether it is an airline.

We are conducting operations in Afghanistan or elsewhere. The men and women of the CF are among the very best in the world and they deserve only the very best equipment, not just shiny little toys. The air force is instrumental in defending Canada and advancing Canadian interests and needs the best tools to carry out its work. We have a duty to acquire the best fighter aircraft available, and that is the F-35 Lightning II.

• (1545)

[Translation]

It is clear that our CF-18s are very useful in allowing Canada to exercise its sovereignty, especially in the Arctic, to defend North American airspace under the auspices of NORAD and to participate in international operations, as was the case in the first gulf war and in Kosovo. One thing is certain: the need for fighter jets remains. We use them every day.

We currently have CF-18s to undertake various missions across the country. They were recently used to escort Russian bombers that were flying close to Canadian airspace. In addition, last month CF-18s intercepted and escorted through Canadian airspace a cargo plane suspected of transporting explosive material.

Under the recently completed modernization program, we extended the operational life cycle of our Hornet aircraft until the end of this decade.

[English]

The concept of ops for the CF-18 was to operate the aircraft for phase-in plus 15 years. I know this because I was there and I helped write it. At that point we would be in the process of acquiring our new, next generation fighter and that would have put it around 2003.

It made perfect sense for the Liberals to sign onto the joint strike fighter MOU in 1997 and to up the ante in 2002. Our government upped it again in 2006 and made the formal decision to acquire the F-35 under the multinational MOU in July. While that technically did not commit us to buying the airplane, for the Liberals to say now that they had no intention of buying the aircraft is absolute nonsense. For buying aircraft, these programs are long lead-time items. We do not just go down to Walmart and pick one off the shelf. We are buying an aircraft to fly until at least 2050.

Also, threats are evolving. The strategic environment that our CF-18s faced over the past 20 years is not identical to what we see today or certainly will see tomorrow. We need to ensure that we remain agile enough to continue to have the ability to protect our sovereignty and to be interoperable with our NATO allies and international partners. This is why one of the Canada First defence strategy's main equipment goals was a commitment to acquire a next generation fighter capability.

We selected the F-35 to fulfill this next generation fighter capability following our air force's analysis of the mandatory requirements for such an aircraft, and that analysis was thorough. The analysis made it clear that only a fifth generation fighter aircraft, such as the F-35, could satisfy our mission requirements in a complex and evolving future security environment.

Business of Supply

Canada has had subject matter experts, military and civilian, studying the joint strike fighter program, next generation fighter requirements, and other options for years at a very highly classified level, and that includes, of course, the current ADM materiel, who has been there for the past five years and is very current on the actual exercise of the MOU, unlike commentators who have not been there for several years. They initially looked at the F-35, the F-18 Super Hornet, the Typhoon, the Gripen and the Rafale. After analysis, the Gripen and Rafale were eliminated and a more extensive evaluation of the F-35, F-18 and Typhoon was conducted. The conclusion was that the F-35 is the only aircraft that meets the mandatory high-level capabilities and the more specific operational requirements, and at the best cost with the best industrial opportunities.

Comparisons done by others have one major flaw. They are based on third or fourth generation fighter knowledge and very limited understanding of the real difference to fifth generation capability. There is a very limited number of people anywhere who are fully read-in to the classified details and capabilities of the F-35.

The same process was followed in the United States, the United Kingdom, Australia, Denmark, the Netherlands, Norway, Italy and Turkey within the memorandum of understanding. Israel is on board outside the MOU, and Japan, South Korea and others are poised to follow suit. At least 10 highly advanced countries all came to the same conclusion, all following a similar process. This sounds like more than a coincidence.

When talking about a fighter aircraft capability, we are talking about acquiring equipment that we will be using for the next 30 or 40 years. The F-35 joint strike fighter will, first and foremost, enable the Canadian Forces to continue performing all of the CF-18's previous tasks while being able to offer so much more, and adapt to threats that we probably cannot even imagine yet.

The joint strike fighter's technological leaps, in terms of sensors, stealth technology, weapons systems, survivability and the integrated nature of its systems, make it the most effective fifth generation fighter available to Canada and the only viable fighter to meet the Canadian air force's operational and interoperability needs. I must emphasize that a fourth generation aircraft, even those such as our modernized CF-18s, cannot be upgraded to fifth generation stealth capability.

The joint strike fighter represents a quantum leap from previous generations of fighters in terms of capabilities, and it brings four unique advantages.

First, the F-35's stealth technology will significantly reduce detection by enemy sensor systems, providing both lower risks for our pilots as well as enhanced operational capabilities.

Second, the F-35's advanced sensors and technology that fuses data together will help pilots better understand their tactical environment and make decisions more quickly. What this means is that the aircraft takes care of much of what pilots now have to do themselves. The aircraft will, in a sense, be the co-pilot.

Third, we will be seamlessly interoperable with our joint strike fighter development partners and our NATO allies, many of which are purchasing the F-35, as we conduct NORAD, NATO and other coalition operations.

Let us talk a little more about interoperability. In Kosovo, our CF-18s lacked the communications equipment necessary to be part of many packages, because the previous Liberal government had failed to keep the aircraft updated. Our allies had to dumb down so that we could be part of the missions, and it is more than radios and data link, when we talk about interoperability between fourth and fifth generation aircraft.

• (1550)

If there was a package of fifth generation F-35s with a package of Canadian fourth generation fighters tagging along, our fighters would stick out to enemy defences like a sore thumb and would endanger the whole package.

Fourth, the F-35's production line will last well into the middle of the century. So we will definitely be able to replace lost aircraft should the need arise.

Taken together, these factors make the F-35 the right next generation fighter for Canada. Considering that Canada will own these aircraft for several decades, it only makes economic sense and is only fair to the men and women in uniform who will be flying and maintaining these aircraft that we make the best possible investment and acquire the best possible aircraft.

That is exactly what we are doing with our commitment to purchase the F-35s.

[*Translation*]

The F-35 program will generate spinoffs outside the defence sector, all across Canada. Canadian industry will be guaranteed a role in the most extensive military co-operation program in the world.

Since 2002, Canada has invested \$168 million in the Joint Strike Fighter Program and this investment has already resulted in the granting of contracts worth \$350 million to companies and research establishments in Canada. With the government's decision to procure F-35s, Canadian companies will be able to benefit from additional spinoffs.

Thanks to the F-35 program, Canadian industry will be able to join the global supply chain that will build thousands of joint strike fighter planes and create high-technology jobs and sustained economic spinoffs in regions throughout Canada.

[*English*]

The business opportunities for Canada would have an estimated worth of \$12 billion, an impressive figure that is expected to grow even further with export sales to non-partner nations. The Government of Canada would receive millions of dollars in royalty cheques from sales to these non-partners.

Moreover, the government's decision to base the F-35 fleet in Bagotville and Cold Lake, as announced in September, would ensure that the Canadian Forces' two fast-air bases remain an integral part of their respective communities and continue to bring economic benefits to their regions.

Canadian industry is behind the F-35 purchase, as well.

Business of Supply

Mr. Bill Matthews, vice-president of marketing for Magellan Aerospace Corporation, summed the reasons for this quite well last month when he appeared before the Standing Committee on National Defence. He indicated that the F-35 Lightning II aircraft is the perfect example of the kind of program that Canadian companies seek, since it fits their core capabilities; it is exceptionally high-tech in its design, materials and systems, allowing manufacturing advancement; and it is expected to be in production for 20 to 30 years, allowing efficiencies and return on investment for industry manufacturers. As we know, industry loves certainty. It loves predictability.

Let us take a closer look at cost. If we translate the \$16,090,000 that we paid for each CF-18 in 1980 dollars ahead to 2016 when we will be acquiring the F-35, they would then cost about \$63 million. Our price for the F-35 will be between \$70 million and \$75 million for a quantum increase in capability. That is not a bad deal.

We are buying our aircraft starting in 2015-16, at the peak of production and lowest cost. In fact, Norway has delayed its acquisition, not because it is concerned about the program but to follow our example and get the aircraft at that cost sweet spot in the production cycle.

Let us look at the breakdown of the \$16 billion we hear quoted. About \$5.5 billion of that is for the actual aircraft. About \$3.5 billion is for simulators, training, infrastructure, spares, et cetera, some of which will come to Canadian industry. This will be spread over at least six years.

The other \$7 billion is a very well-educated estimate of what it will cost to support the aircraft for 20 years, much of which will come to Canadian industry. None of this is borrowed, as some across the way would suggest. It is all within the program funding envelope of the Canada First defence strategy. This will be spread over 20 years. No one is writing a cheque for \$16 billion tomorrow. By 2015-16, we are going to be out of deficit and back into budget surplus situations.

The \$3.2 billion that we have heard quoted as what we would save by an open competition is complete fantasy. It is a number pulled out of the air by a person who was ADM materiel five years ago. What his agenda is, I am not sure. However, it is not based on anything factual whatsoever. It is completely pulled out of the air and is being tossed around by members on the opposite side as having some credibility. It has absolutely no credibility whatsoever.

Let us look at the value of being part of the MOU.

Every member of the MOU has one vote.

Within the MOU we are exempt from foreign military sales fees. That saves us about \$850 million on the cost of the aircraft.

For every foreign military sale outside the MOU, for example, Israel, Canada gets a portion of the royalties.

As part of the MOU, we also have the right to use all the classified intellectual property. We would lose that outside the MOU.

As part of the MOU, we have guaranteed spots on the production line. This is critical to the timing of bringing the F-35 into service

and phasing out the CF-18 before the CF-18 dies a fatigue life death, which it will do on or before the end of this decade.

Membership has its privileges.

The F-35 is the right fighter aircraft for the Canadian Forces, and one that will provide many benefits for Canadian industry.

Canada needs an aircraft that will enable the men and women of the Canadian Forces to meet the increasingly complex demands and missions we ask of them, and maybe some will be flying it in 20 or 30 years. We are not sure.

These aircraft are an investment in a capability that we need.

Acquiring the F-35 joint strike fighter as Canada's next generation fighter aircraft comes down to three key priorities: defending Canada's airspace; exercising Canada's sovereignty; and assuming Canada's international responsibilities, including as part of NORAD and NATO. I do not think there is a member in this House who would disagree with the importance of these priorities.

Our commitment to purchasing the F-35 is just the most recent example showing that this government is doing what it takes to best equip our men and women in uniform. In no other MOU partner is the political opposition taking such a position, and it is having an impact on the credibility and confidence that our allies have in Canada.

It absolutely will cost jobs if they do not stop very soon. We have seen this partisan political movie before, in 1993. Seventeen years and close to a billion dollars later, we are still waiting for the first Sea King replacement. The implications of this situation are many times greater. That is not a track record, in terms of the Sea King replacement, that Canada should have much trust in.

• (1555)

The F-35 is the right aircraft at the right price with the right opportunities for Canadian industry. We have priced the other options. Dassault said the other day that its plane could do the job. Of course it is going to say that. It also said its plane costs \$70 million euros, so we are talking about a 40% to 50% premium on the F-35, which is \$70 million to \$75 million.

I would like to quote Mr. Claude Lajeunesse, president of the Aerospace Industries Association of Canada, who has written and spoken quite openly about this. He represents about 400 companies. He said, "We are very concerned that this decision is becoming the object of political theatre. So we are calling on all political leaders from all parties to support the government's decision. We do not want to repeat the mistakes of the past because they will surely be more costly than ever before, costly for our industry, costly for our military and ultimately costly for our nation".

Business of Supply

Yesterday or the day before at the defence committee we heard from Tim Page, the executive director of CADSI, another industry organization that represents 860 companies in Canada. Every single one of those companies is absolutely on board with this program. All 860 of them obviously will not benefit but dozens and dozens of them will. They are absolutely supportive of this program and they are absolutely appalled at the kind of political theatre that is being played out in this case.

It is time the Liberals stopped this partisan political nonsense and got on with helping us do what is right for the Canadian air force, what is right for Canadian industry and what is right for our commitments at home and abroad for the next 40 years.

My only regret is that there will not be any two-seat F-35s built. My only hope is reincarnation, and I am old enough and we will be flying the airplane long enough that it might just work.

It is important that we get on with it now. The CF-18 is going to retire between 2017 and 2020. It is not going to be extended beyond 2020. What was said earlier by my colleague from Vancouver is absolutely untrue. We have to get on with this program. They are long lead time programs. This program has been looked at in huge detail by very qualified people from Canada and from many other nations, and they have all come to the same conclusion. It is absolutely the right airplane at the right time.

I will be pleased to answer the members' questions when I sit down, which I will do now.

I urge my colleagues to get on board with this program. It is just the right thing to do.

• (1600)

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, we have heard ministers and the Prime Minister repeat over and over in recent months that a competition to replace the F-18s took place a decade ago and that Canada was part of it.

On October 26, 2001, the U.S. under secretary of defense Edward Aldridge announced its decision to choose the F-35. The member knows that Canadians at National Defence headquarters here in Ottawa were glued to their TV sets, as Mr. Williams, the former ADM has said, to see what Mr. Aldridge would announce. Canada clearly was not part of making that decision. It does not sound as if we were engaged in deciding which plane would be chosen.

We have the words of the chief of the air staff at the time, Lieutenant-General Deschamps, who said when asked about the CF-18 replacement, "We're moving forward hopefully in the not too distant future to establish a discussion with government". He was talking about the replacement and what the government might do. This was in 2001.

Would my hon. colleague admit that Canada was not part of the competition a decade ago and had no say in the decision?

Hon. Laurie Hawn: Mr. Speaker, that is not entirely true. We were involved in the program. We were not down there doing the nuts and bolts. Canada has been playing an increasingly active role in the program over the past years.

Mr. Williams also said when that was announced that national defence was thrilled, because it knew this would be a program that Canada could participate in and eventually replace our aircraft with.

We talk about commitment versus intent. The intent was clearly to replace the CF-18 with a next generation fighter capability. We were clearly part of that program in 1997 at whatever level. We had an increasing level in 2002 and a further increased level in 2006. We have finally come to the point that the Liberals started us on with the intent to acquire another airplane.

The whole premise behind the CF-18 program in the first place was to replace it sometime around now. We are a few years late, but we are getting it done. We are getting it done.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the parliamentary secretary did not answer either one of my questions that I asked him in the last round.

If the parliamentary secretary is correct in his compelling arguments for this deal, then on that basis he should not mind submitting this to a final competition. It is only fair that taxpayers be assured of a really valued deal for the money they are spending.

The minister is suggesting that the government has all the answers and knows better than the public. He is sending out a totally different message than what the Conservatives delivered to the public when they were in opposition or when they get into an election situation.

My first question is with respect to what the member for St. John's East indicated. He said that we can still stay in the MOU and still do a competitive bid.

Second, what is the value to the province of Manitoba? How many jobs will be involved? What is the value? Where and when?

• (1605)

Hon. Laurie Hawn: Mr. Speaker, I could not answer the question before because the member was not asking it of me. Now that he has asked it of me, I would be happy to answer.

The simple fact is that the member for St. John's East is wrong about the MOU. We cannot do a competition and stay within the MOU. The people who are managing the MOU today have made that pretty clear. Dan Ross said:

In terms of the joint strike fighter MOU, we have to be clear that in order to run a competition, Canada would be forced to withdraw from the MOU. I would point that out because the MOU precludes that countries have agreed not to apply the normal IRB process.

The competition that we are talking about would apply to the old "normal" IRB process.

A Canadian competition would have to entail the normal IRB process, and you cannot do that within the MOU.

The hon. member is just simply wrong. This is from the man who has been ADM materiel for the past five years. He knows the MOU inside and out and is working with it every day.

With respect to the specific question about Manitoba, Magellan Aerospace has already been highly active in the program. I cannot give him a specific number of jobs or specific dollars; that is being developed.

Business of Supply

The other companies in Winnipeg who will be involved undoubtedly are Composites Innovation Centre and Northern Aero. Manitoba is going to get some very lucrative business out of this program.

Mr. Greg Rickford (Parliamentary Secretary for Official Languages, CPC): Mr. Speaker, I am looking at an immediate news release here from the Aerospace Industries Association of Canada, which expresses serious concern and encourages all members of Parliament to vote against the motion that would cancel the planned purchase of the F-35. I quote:

To say that by cancelling the current process and starting from scratch would somehow result in a greater number of jobs for our industry and without penalties is not only a stretch but it is completely misleading. The instability in the Canadian industry on the issue is creating a climate whereby jobs and investment are being threatened if not lost already.

For the AIAC, the issue with the motion is that it says the direct industrial participation process, which underpins the purchase of the F-35, would create fewer jobs versus the industrial regional benefit.

I ask the parliamentary secretary if he could expound on the far-reaching consequences of cancelling the current process on our military, Canadian jobs and, in fact, beyond.

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, my colleague is quite right.

Mr. Lajeunesse goes on to say in the same article, and he is quite direct, that:

The IRB policy—the traditional approach to procurement policy when buying military equipment off-the-shelf—would result in guaranteed offset investments equivalent to the cost of the aircraft evaluated at about \$4.8 Billion (USD) [call it \$5 billion], not \$9 Billion as suggested by some. Cancellation and delay of this purchase will not only mean lost jobs and investment related to the 65 planes, but also billions of dollars and thousands of Canadian jobs lost relating to thousands of planes to be built as part of the broader program.

The opposition and people like Mr. Williams, who have not advanced or evolved along with the process, do not get how business is done now in large memorandum of understanding partnerships, like we are in, in that we have access to much beyond the old IRB process.

Yes, we have to compete. Canadian companies have competed extremely well, have been very successful and will continue to be.

We are not just talking about 65 airplanes; we are talking about a global supply chain of 3,000 to 5,000 airplanes. I think anybody can see the economies of scale between 3,000 to 5,000 and 65.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the parliamentary secretary provided a number of reasons for the proposed procurement. I will pick a couple that sort of took me aback.

One was the possible use in Afghanistan. I thought we were leaving Afghanistan in 2011 and going into a training mission.

Another is that the price is right and the continuation of that. However, it started at \$50 million, then he said \$70 million to \$75 million, but the defence minister said it could go as high as \$100 million per aircraft. He certainly did.

The member also said that, by the way, we are going to be out of deficit by 2016 so it is okay that we spend this money. However, the Parliamentary Budget Officer says quite the opposite. In fact, there is an \$11 billion difference in the projections; there will still be as high as an \$11 billion deficit in 2016.

Why is the parliamentary secretary throwing out all kinds of unsupported statements hoping that one will stick? Why does he not just tell the truth?

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, putting aside the implication that I am somehow lying, on missions like Afghanistan, clearly we are not going to use F-35s in Afghanistan. I think even my hon. colleague can figure that one out.

With respect to the cost of the airplane, we are going to pay between \$70 million and \$75 million per aircraft. That is in there. That is the same price that every member of the MOU is going to pay, whether it is Australia, the United States, the U.K. or whoever.

People outside of the MOU will have to pay an additional fee. It is called the foreign military sales fee, and that amounts to between 8% and 10%. If we were to buy the aircraft outside of the MOU, that would amount to an extra \$850 million of taxpayers' money that we would not have to pay by being inside the MOU.

There are many other advantages of being inside the MOU, and I listed many of them; they are numerous. That is why we have great strength within the MOU with the partnership that we have and the oversight that we have from the United States Congress. We welcome that kind of oversight because it is to the benefit of everybody within the program.

I will remind my hon. colleague that the United States government is underwriting any increase in development costs for the aircraft.

Our price is a good price, and it is cheaper than the alternative of buying the other airplanes that have been mentioned outside of the MOU.

• (1610)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I would like to thank my colleagues in the House for allowing me this opportunity to speak on this issue as there is a base in my riding, in Gander, and I proudly represent 103 Search and Rescue Squadron.

We have been talking about this particular issue for quite some time. As we go through this issue, there is no doubt about what the government is saying about the idea of a brand new process by which we go through procurement. I talk about working within the MOU, as was outlined by the parliamentary secretary. I do not doubt that is the way we are travelling and the way we are going to do this in the future as being part of a global supply chain.

The only way I disagree with my colleague is that he talked about reincarnation and coming back as a pilot. If he is reincarnated and comes back, he will be sitting in a room with two remote controls as they will likely be UAVs, or uninhabited aerial vehicles, which work so well in Afghanistan. By that time, that is probably what will be in the sky for all of these particular vessels. However, I digress.

Business of Supply

Nonetheless, we have pilots, airmen and airwomen, and they serve bravely. I know them. The base in my riding does not have fighters. It does not house the F-18s, but it does have Cormorant helicopters, and members of the air force live in my riding and proudly serve as helicopter pilots for the Cormorants.

When it comes to the equipment itself, over the past 20 years, yes indeed, there have been cost overruns and cheques were written that we did not want to write. Nonetheless, the cost overruns dictated that we had no choice. For that there is a lot of blame to go around.

My hon. colleague mentioned a decade of darkness. Well, over the past five years, an Auditor General's report was produced that talks about what is to replace the Sea Kings and about the Chinooks. Some of the points made in this particular Auditor General's report are quite stinging, indeed. It talks about medium to heavy lift helicopter acquisition, directed procurement and some of the things that went wrong. It also talks about the navy, the joint supply ships, and how we had to go back to the drawing board with that one.

The past six years, although I would not call them a decade of darkness, certainly have not been bright, have they? I would ask the House to engage in a debate. I would ask the parliamentary secretary about some of the points. I want to bring up some of the things he mentioned in his speech.

He juxtaposed the acquisition of the F-35s with the mission in Afghanistan and the gist of the missions in Afghanistan. I do not seem to understand how the two are juxtaposed with each other. If memory serves me correctly, the F-18 was used in Kosovo.

Hon. Laurie Hawn: Very good, Scott.

Mr. Scott Simms: Thanks very much. I am being complimented.

How that is juxtaposed with Afghanistan, I struggle to understand.

He also mentioned that we cannot just buy aircraft off the shelf. It is my understanding that the C-17 was pretty close to being off the shelf.

Hon. Gary Goodyear: Pretty close.

Mr. Scott Simms: It certainly looks that way. I know it is something we engaged in quite some time ago, back in 2003-04, and we certainly felt the need to buy them.

He talked about writing a cheque for \$16 billion in this particular case, which included the initial purchase of the aircraft and then the maintenance thereafter, the life cycle costs, taking us up to when the F-18s expire. It seems to me, from what the Auditor General tells us, that these costs could become greater. As a point of debate, we should be looking at the very essence of what we need to do to get the best equipment, the equipment that serves the military in the best way possible, and do it at a price that is brought down to a level that we can afford.

• (1615)

We entered into this agreement back in 1997. The Liberal Party did not decide to purchase the aircraft back in 1997. We entered into the SDD. The Liberal Party participated in the development process. In 2002, the Liberal minister of defence said that, "Ottawa is not prepared to commit to buying the JSF planes thus far". I am sure the

government would agree with me thus far. The Liberal government at the time invested \$150 million in the joint strike fighter project, mainly for industrial and technological benefits.

I have never been in on the minutia when it comes to procurement, like the hon. member across the way, and I respect him for that service. My understanding, on the surface as it may be, is that in an IRB the point is to guarantee that we get the best IRB available, dollar for dollar expenditure, so we get guarantees that the people, the companies and the industries can count on.

I know work is being done. I know the government will point out to me that we have already secured many contracts. However, he did say at one point that industry loves certainty. I cannot think of anything that is more certain than the process by which we engage in the IRB. To do that, however, we must look at the way the competition was held. I will get to that in just a moment.

We talked about the search and rescue component of this. Right now the Buffalo aircraft, as it exists on the west coast, these planes are flying around on the west coast and going through the mountains. They have been discontinued. We are scouring the earth for parts. I know they have been refurbished but the refurbishment will continue for quite some time. Certainly these things should have been retired recently.

If the process for fixed wing search and rescue aircraft had been done right, as was described by the minister and which was guaranteed in 2007 to actually at that point make a go of this, we could have had them by 2012, but that will not be the case.

The expediency of the F-35 process boggles my mind, especially when all of a sudden the fixed wing search and rescue aircraft seems to be trailing well behind the pack.

We called in several departments and found there had been disagreements between departments. The National Research Council has been called, almost like a referee perhaps but I am not really sure. The requirements seem to be there for the government to take advantage of and certainly there for it to make a purchase of fixed wing search and rescue aircraft. I am not quite sure what has bogged this down. I am not sure what requirements are needed or why the NRC was called in to do this. Maybe the process is too vigorous when it comes to fixed wing search and rescue aircraft. The excuse seems to be that the government wants to get it right. I agree that we need to make this right but I question the F-35s. Did we get that right?

The announcements that have been made thus far when it comes to the procurement, equipment, suppliers, people in the business and my hon. colleague quoted someone from the industry, I understand that. I think it is a fantastic opportunity for them to be involved in this global supply chain.

What I wanted to see here was whether this was done right, whether this was the process by which we are able to secure, as my hon. colleague called it, certainty within the industry.

Business of Supply

The global supply chain is something that is new, at least that is what I gathered from my visit to the defence committee. When we look at all the articles around the world, Israel, United Kingdom and certainly in the United States, we see that they too want to be part of this global supply chain. I agree. I think we should be a part of that.

• (1620)

However, If we do this, we need to create the certainty that my colleague talked about, and I do not know if this particular method gives the certainty that we are striving for. I sincerely and genuinely hope he is right. I hope we will be the strongest player out there for this global supply chain. We have the potential to do it.

My colleague also mentioned experts in the field who came back and said that this was the right plane. It almost seems like we go through a process where everything is under cover of the night and then boom, we need to do this now. We have an announcement, with a plane in the background, and the minister sits in the plane, so on and so forth. I get that.

Several years ago, the Conservatives said that they would go through the right procurement process that was there and yet in July it became a story that they had done it. I am not sure if this is a change of direction for the military or not but it concerns me. I am concerned about the global supply chain. I understand there are people who are getting it done. I congratulate them for being a part of this process and manufacturing the parts for thousands of F-35s. However, I need the certainty that I am not sure this process is giving.

When I hear the government say that it did make the choice back then, there is ample evidence here in articles and from experts and assistant deputy ministers that prove that was not the case. We were not a fundamental part of that decision. I find it hard to believe that we were, which is what scares me about this. We should be part of the decision because we need the certainty for our aerospace sector.

I have an aerospace sector in my riding that so far is not cashing in on this particular project. However, that is not what bothers me because some day it will. The certainty that I think we might be missing out on, which scares me, is why I am looking out for the aerospace sector in Gander, in my home riding. In the future, it will be that major player.

I just want to pass on a few comments that were put together by some experts in the field who did a lot of work and research on this.

I have some comments by David McDonough, a doctoral candidate at Dalhousie University and a visiting researcher at the Centre for International Policy Studies. He offers quite a bit of research and says:

One only needs to look at the recent report by the Auditor General Sheila Fraser, which criticizes the ballooning costs and attendant delays in both the Cyclone and sole-sourced Chinook helicopter acquisitions. Similarly, defence contractors recently informed the government that it could not build three Joint Support Ships for the amount that DND had budgeted.

Therein lies the concern about cost, as I mentioned earlier. We seem to be throwing around a definitive number about the cost and yet the experts are pointing out and past circumstances dictate that perhaps that will not be the case.

When Senator John McCain came here, he said that he too was worried about the spiralling costs of this project. At what point do we get involved in that process? I am genuinely asking that question. What are we on the hook for?

I sincerely hope the government can point out to me where it is I am wrong.

The final airplane costs: First, it remains to be seen whether the F-35 will also be required to undergo expensive modifications to make it sustainable to operate in Canada's unique environment. Was that discussed at the SDD. Was that discussed at the genesis of this program? Was the fact that we have a unique climate discussed?

One article I have here talks about one engine or two. It reads, "The new F-35 has only one, and that is enough", the defence minister says, "but Canada chose its current fleet of CF-18s precisely because they had dual engines".

It goes on to state:

As the Cold Lake Air Force Museum's website notes, Ottawa selected the Hornets "mostly because of twin-engine reliability" in case one failed during flights between Canada and Europe or sucked in a bird during low-level operations.

Now that was one of the concerns at the time but I am assuming that was not entirely the case. It cannot be that simplistic. I would like to put my colleague at ease.

• (1625)

However, were these questions posed? Were we in on the ground level at that point, at the SDD, to ensure these planes could be tailored to what we needed? I will not even talk about the fact that we are chasing Russians out of the Arctic, which we are not. From what I understand, the cold war did end, and the TU-95 Russian bomber, I mean, seriously.

The F-35 purchase price might still significantly increase if the total number of jets manufactured is smaller than expected. Of note, Great Britain has already switched to the cheaper F-35C model and reduced its purchase from \$138 million to \$50 million and there is no guarantee that the United States will not follow suit.

Those are some of the concerns that we have. There was a \$4 million guarantee on equipment that was achieved by Israel. What is the nature of that guarantee? Is that something that we are able to achieve being part of this global supply chain? I should hope so.

Despite alarmism that is often generated by Russian nuclear armed bombers, this threat is only actualized in the event that Russia threatens a significant nuclear attack on North America. The primary means of dealing with this possibility is not by a robust air defence systems in which more advanced F-35s would offer a definite advantage but rather by early detection and warning.

My hon. colleague asked if I knew what was in it. I probably do not know what is in it but I do not think our F-35 will make a big dent in reducing the harm that was inside that particular Russian plane. However, here is the situation. Why can we not get these solid answers that we are looking for? I think we are making some valid points here about the process by which we go through in procurement but we are not getting answers.

Business of Supply

My hon. colleague, who was a minister in cabinet back in 2004-05, raised a valid point. What does what a fighter pilot did, and I respect what he did, have to do with the fact that we are in the middle of debate talking about the issues that the Canadian public wants to know about.

I would ask my colleague from northern Saskatchewan to refrain for just a moment because at the end of the debate he might find himself engaged in it and I understand that he is not a fighter pilot. I am interested in hearing what my colleague has to say because I hope he can prove me wrong on this. That is the benefit of having him here in the House.

The 2006 agreement for developing the controversial F-35 stealth fighter jet contains a withdrawal clause that would allow a new government to end Canada's participation with no penalties and appears to contradict the government's claim that Canadian firms involved up to now would suffer.

The ADM stated:

Any Participant may withdraw from this MOU upon 90 days written notification of its intent to withdraw to the other Participants.

That is contained within the memorandum of understanding signed along with the U.S., Australia, the United Kingdom, Turkey, the Netherlands, Italy, Norway and Denmark.

It further states:

For Contracts awarded on behalf of the Participants, the withdrawing Participant will pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to withdraw; in no event, however, will a withdrawing Participant's total financial contribution, including Contract termination costs, exceed that Participant's total share of the Financial Cost....

I do not think that we find ourselves in a situation where we are drastically put way back to the point of 1997 when we were searching for a replacement for the F-18.

I will summarize by pointing out that the process by which we are engaged here creates a lot of questions. I think that we as a Parliament need to be more forthcoming in what these answers should be. I have that aerospace sector that wants to be a part of the future of this country but to do that I need to know that the certainty that my colleague talks about is there.

I hope these answers can be borne out in this particular debate.

• (1630)

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I respect my colleague across the way and we agree on many things, but there are so many factually wrong things in what he has said that it is hard to know where to start.

First, the Chinook is not replacing the Sea King. It is a completely different program. We are sticking to the JSS budget, the joint support ship budget. The U.K. is buying 138 airplanes and Norway has a pretty similar climate to Canada. The engines issue on the F-18, and I was there and I was part of that process, was one of many factors that said F-18 versus F-16.

Has he asked the Canadian Forces or anybody in the Canadian Forces, army navy or air force, if they like what we are doing? Has he asked people in the Canadian air force on the fighter side what

they think of this program? Has he asked industry what it thinks of this program? When industry talks about certainty, it talks about certainty of a program going ahead. This program, as everybody in the industry has said, is the best program for it because it gives it the absolute best opportunity to go far beyond the IRB process.

I will quote Paul Kalil from Avcorp, who said, "Canada is going to see the long term benefits that come with the economies of scale that a program this size delivers, and even greater opportunities, based on this timely government decision because of the technology transfers that that facilitates".

This is important because the technology that is in the F-35 is the next generation of technology and getting in on the ground floor of that will lead to whatever comes after that. Has he asked any of those questions of industry or the Canadian Forces?

Mr. Scott Simms: In fact, I have, Mr. Speaker, many times. In doing so, again, I go back to the process.

Let me get to the first point that the hon. member mentioned. I did not mean to confuse the Chinook/Sea King issue. What I was getting at was the procurement process by which this happened and the fact the costs are never in line with what we initially say they will be. Therefore, it would be disingenuous for us to talk about these final dollar amounts when in fact evidence proves that it could be inflated to a greater amount.

I talked mostly about search and rescue. We have a shortage of pilots right now with the Cormorant, which is a major issue. We have a major issue with the Cormorant itself. Some of the studies say that an optimal level of Cormorants would be 20. Currently we have about 14. Sure I would like to have more, but I know the money is not limitless. We have to look into the fixed-wing search and rescue issue. I think we will do a study on that later.

I understand the work the hon. member did on the F-18 issue and I appreciate what he has said. He has a greater insight to the workings of military than I do. However, I am asking the question that should be asked within the Parliament, and which Canadians want to know, about the security of the industry and if they are getting value for the dollar?

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, the member is always a pleasure to listen to in the House and he is very thoughtful. I particularly admire him because he is from my grandfather's homeland.

I appreciate the fact that the hon. member raised the issue support for the SAR, our very important search and rescue and surveillance operations, also operating under the military. I had the great privilege this past summer of spending half of a week with 14 Wing at Greenwood with representatives of the other parties. It was a delightful experience. It became very clear to me that there were very serious needs already so we could deliver the services. The base in Nova Scotia services the hon. member's province of Newfoundland and Labrador.

Surely it is important, when we look at this kind of major purchase in the many billions, that we have an overall strategy on how we will serve the needs of all aspects of the military, including the important search and rescue and surveillance. Could he comment on that?

Business of Supply

•(1635)

Mr. Scott Simms: Mr. Speaker, all my best to the member's grandfather.

It is a valid point about the future direction of this. Again, I can speak to search and rescue because I have dealt with this for quite some time. I am no search and rescue expert, but nonetheless I have been exposed to search and rescue operations quite a bit.

I assume that right now the government is going back and forth about the requirements of what is to be fixed-wing search and rescue. There is no doubt that the Hercules and the Buffalo need to be replaced, whether it is with the C-130J or some other variant of that is one thing. Let us take a look at that issue for a moment. There does not seem to be any Canadian companies in contention for that. From what I understand, some Canadian companies are capable of providing that. At least that is what they say. Obviously the companies are going to talk about themselves in a way not to rule themselves out.

When it comes to military requirement, it seems to me that the search and rescue piece on fixed-wing seems to be going through many rigours and many processes until they find out what is required for fixed-wing search and rescue.

I am not so sure if this is happening with the F-35s. I fear that the long-term requirements are dictated to us, and that is what concerns me about this. It is not overt in the sense that we have to buy off the shelf, but nonetheless if we are part of a global supply chain—

The Acting Speaker (Mr. Barry Devolin): Questions and comments. The hon. member for Halifax West.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, we have heard over and over in the House in recent months, particularly in question period, the Prime Minister and other ministers say that a competition to decide on the replacement of the F-18s already took place and Canada was part of it.

I think we have had an admission today from the parliamentary secretary that in fact Canada did not have a decision-making role in that competition that occurred a decade ago.

I wonder if my hon. colleague agrees with the government's apparent position that it is okay to outsource our decision-making process about what is best for Canada to the U.S. and to leave it to the U.S. to decide what sort of aircraft we ought to choose?

Mr. Scott Simms: Mr. Speaker, I do not want to go to the extreme. I want to pick up on a comment I made earlier and it ties into what my colleague said.

I do not see a great deal of evidence where we are completely dictated to in this particular situation. I understand the fact that we did have a role to play at the genesis of this.

The problem is these things are tailored on a \$16 billion-plus contract. It has to be tailored toward specific needs. I am skeptical that this global supply chain is going to answer everything that we require. That is what concerns me the most, which is why I am hoping we engage in this debate. It is why I think it is beneficial to have people in this House who have more experience than I do with this, as my hon. colleague does. I cannot compliment him enough.

Nonetheless, I still need these answers that in my opinion are required about this new way of doing procurement, when we know from the evidence that the cost will likely be larger than we anticipated.

Do the airmen and airwomen have the right equipment? Are we making the right purchase on this particular equipment, given the requirements of our climate and our terrain? That is what we need to do.

Unfortunately this process leaves me a little bit skeptical. Are companies getting security?

Mr. Greg Rickford (Parliamentary Secretary for Official Languages, CPC): Mr. Speaker, this is a question that just requires a yes or no answer.

Because of our commitment to purchase the F-35s, Canadian aerospace companies have priority access to win contracts for the entire global supply chain numbering as many as 5,000 aircraft.

Is the member willing to put Canadian jobs, aerospace and our military at risk by supporting cancelling this F-35 purchase, yes or no?

•(1640)

Mr. Scott Simms: Mr. Speaker, no.

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, I am pleased to participate in this debate about the F-35 and talk about the opportunity that we need to take as Canadians as we make this decision. The government rushed in and pledged to buy these jet fighters to the tune of \$9 billion.

I do not think the issue is about whether this is a good plane or not. When one looks at it and says that it is the next generation of *x*, fine. I defer to my colleague, the parliamentary secretary, who flew CF-18s in Baden-Soellingen and knows all about the technical requirements of a particular jet. I would defer to him as the expert because I think he is.

The reality is we can still ask ourselves a question. Yes, indeed, that is a great aircraft, but is that the one we need for some of the things we are going to be doing here at home? Perhaps it is, perhaps it is not. That question really has to be answered. The question becomes whether we actually need the number that the Conservative government has committed itself to. Perhaps we need less based on the mission requirements or maybe we should have bought something else. The fundamental question for me is around the issue of what our actual needs are based on our operational sensibilities and goals as we head forward.

There is one thing I find lacking. I had the opportunity to attend the defence committee a couple of times. It is the whole sense that we do not really have a major plan, except the extension of the Afghanistan mission. On that there seems to have been a sleight of hand between the red and blue alliance. As we take ourselves through the next 10 years, we have no new defence white paper that talks about what it is we want to be doing and what our people need.

Business of Supply

Let me say at the outset that I am never opposed to the men and women of our armed forces or the RCMP receiving the very best tools they need to do their jobs based on what it is they need to do. I will use myself as an example. At one time I was an electrician and I did not use a sledgehammer when the job required a screw driver. I used the very best screw driver and tester because they ensured that I would not be electrocuted. I would not use a 400-volt metre to test 10,000 volts. I would be blown up.

We should provide the very best tools to do the jobs that we are asking our men and women in the forces to do, full stop. That is my belief, has always been my belief and will continue to be my belief. Whether the F-35 is the tool they actually need is part of the debate and I do not think we have had a fulsome debate on that in the House.

That leads me to the procurement piece where the commitment is made and we get into the back and forth of saying, "You made the commitment", speaking of the previous Liberal government, and the Liberals saying, "No, we didn't". The Conservatives say, "Yes, you did". We get into the nuance of memorandums of understanding, which we refer to as MOUs, and what it means when we sign the MOU. Have we actually undertaken to commit to it? I would argue no, we have not. As the NDP critic, the member for St. John's East has said, we are not committed to buying them simply because we signed the MOU.

We have \$9 billion ready to be spent on aircraft that perhaps we do not need. Maybe that is not what we want to be doing as we go forward, and we have to ask ourselves that question, in a procurement process which seems at best not to have been forthright, above board and transparent. Did we get the value we should have for this particular aircraft? I am not so sure. In fact, we still have not had a costing done now we are going to buy them. As far as the government is concerned, it wants to buy them. What does it cost to keep them?

As my colleague, the parliamentary secretary, knows, it is extremely expensive to keep equipment operational; I do not care what it is. It is always going to be difficult because the training needed for our personnel to ensure the planes can stay in the air is second to none and should be second to none.

• (1645)

We need to ensure that the folks who are to service that equipment, whatever it happens to be, will indeed be second to none as far as their ability to make it either be in the air, in the water or on land. It is our men and women who will use that equipment and we need to keep them safe at all times and do everything within our power to ensure that happens.

That is expensive. New equipment, with the high technology it has today, is expensive, full stop. It is not an iPod that we bought five years ago that cost \$150. Today it costs \$25 and does 10 times more than the one 10 years ago. This is not the type of equipment. This is sophisticated equipment to the nth degree that most of us do not quite comprehend in a lot of different ways. It is that type of sophistication.

The problem is there are very few people in this world who can fix it. Therefore, invariably, if it is \$9 billion to buy it, it is probably

80% to 85% of that \$9 billion to keep it running. Conservatively speaking, probably \$7 billion is going to be the cost to actually keep the things in the air. Now we are looking at \$16 billion over a period of time.

It is a huge amount of money at this moment in time. It is the single largest procurement purchase we have seen in my memory. I hate to say "ever" because ever is a long time. The economy may be better this year than last, but if members want to come to the riding of Welland, we are not much better off than we were 13 years ago and we have been in this slide a long time. When we start to spend that type of money, my constituents are asking me if that is really what we want to do be doing, if we should be spending this much or are there alternatives. I believe there are alternatives. There are things we should be looking at. There are alternatives that we should have taken into consideration, and we should take into consideration.

This really boils down to whether this is really the appropriate expenditure at this moment in time for that aircraft. Without the kind of thorough investigation that Parliament should do, I am not sure it is the appropriate decision. With that not happening, it seems we may well be simply signing a cheque that does not get what we actually want.

We then get back to the issue of cost. We have heard from different sides of the House that it is the appropriate cost, the right cost and is good value. On this side, we hear not so much, in the sense that we may have overpaid. The problem always will be, and I am sure the parliamentary secretary will help me with this, that quite often we compare apples to oranges. I understand that. We might say that the Australians bought a similar plane for X dollars, but they might not have X or Y in it, and that always becomes a difficult cost comparative. However, we know that if we go through an open procurement process, we have a sense that at least we received the value for money, if indeed this were the expenditure we made. That did not happen in this case.

I know we will go back and say that it started back in 2001, and that was the open process. I would beg to disagree. That certainly was the start of a process, but it was not necessarily the start of a process that said it was open and this was the procurement process. The Americans decided internally what they wanted to do, and we seem to be in lockstep.

There are other manufacturers. In fact, there are folks in our country who are saying we should be looking at some other alternatives. We owe it to the folks who will pay for this plane. This expenditure is going to be paid by us. We pay taxes as well. The good people across the country, who entrust their money to us, expect us to be prudent, especially now. They always expect us to be prudent, but when we are really at a point where we have the numbers of folks who are not working and who are finding themselves living hand to mouth, month in and month out, worrying about whether they can pay bills or keep a roof over their heads and the heat turned on this winter, we owe it to them. When we look them in their eyes, we will be able to assure them we did the right thing, that we made the right choice and paid the best price. We want to assure them that at the end of the day, we did not overlook other opportunities, or we did not turn a blind eye, or turn our backs on them, that we did not simply say we did not want to see it because we made a commitment.

Business of Supply

•(1650)

The commitment is actually one we could get out of. From what I have read to date, and unless I can be shown a document otherwise that has locked us in, we can get out of this one. It is not going to be what happened with the Liberals, with the Sea King, when they decided to sink themselves into that one and then get back out, which basically cost us a fortune. It seems to me there is an opportunity, from the memorandums I have read, that we can extract ourselves from this. It is not too late.

That being the case, if we can extract ourselves, then we ought to take that half step back and take a good, hard look at our military requirements, our requirements for security for the country, because those will determine what we want to do, our requirements elsewhere around the world where we may have commitments, whatever those happen to be through NATO, or NORAD or through any other agreements we have internationally, the UN, et cetera, and what it is that Canadians have asked us to do.

One of the things we quite often leave out of this is what they have asked us to do for them, in this sense of what they expect to see our military do. It is not just up to us to make a decision that we will go in and do X, whatever that happens to be. I am not talking about this week's announcement of no debate, no vote in the House about the extension of the Afghan mission. I am talking about a broader picture of where we are headed in the next 10, 15, 20 years as far as our Canadian Forces and what Canadians would like to see them do.

Canadians have a role to play in the sense of asking what they would like to see their forces do for them. The Canadian Forces work on behalf of all of us. That is what we ask them to do. We are empowered as parliamentarians to ask them to do things on behalf of other Canadians. It really boils down to that.

It seems to me that we ran headlong into this at a point in time when we had to buy materials for war theatre. We were at war in Afghanistan. Some of us did not agree, but neither the case, we understood we were there and we needed to buy folks the tools when they were there. We are now buying a fighter jet. That still takes us, in a way, in a theatre of war, depending on how one looks at it. Is that the need we actually want for our country? I would suggest perhaps not.

When I look at what we have done, in the whole sense that we have run headlong into an expenditure of \$9 billion, it reminds me of when I was young and newly married and I wanted to buy a house. My wife and I looked at a house and thought it would be a great house in which to raise a family, although we had no kids at the time. We could afford to buy it, but we could not afford the property taxes. It was a very nice house. The problem was the property taxes were astronomical.

That takes me back to this fighter jet. It is a lovely fighter jet, with all the new accoutrements, the bells and whistles and all the great stuff we can have, but maybe we cannot afford to keep it at the end of the day. The jets are inherently expensive.

If we look at the life of the CF-18, it has been a workhorse for our forces for a long time. The fact is the parliamentary secretary and I had a discussion the other night. I was actually in Baden-Söllingen many years ago as a young man. Without a doubt, they were

absolutely an astonishing aircraft to watch take off and land. They have been around a long time and I freely admit that. However, we have done a great deal to continue to keep them operational. We have sunk a lot of money into them to keep them operational and we just put in a lot of money to keep them operational for a great deal longer.

We are not about to be out of the air tomorrow, as much as some folks are intimating that somehow we will fall out of the sky tomorrow. That is not the case. We will continue to fly for an extensive period of time, and that is a good thing. We not only have the largest coastal area, but we have a great deal of airspace. Yes, we do have to defend and make our borders secure for Canadians, and I would be the first to admit it. There is the opportunity we need to take.

When we are going to make the largest investment, and this is an investment in our armed forces, no one makes an investment in a company, their home, their life, or their family without looking at all the opportunities and all the possibilities and weighing them all up.

•(1655)

We have not done that. We have allowed ourselves to be driven along a path starting in 2001. Without a doubt, I agree with my colleague, the parliamentary secretary, the Liberals started us on this journey. They started us down this road and we have continued down it. The problem is along the way, when we were travelling this road, there were opportunities to take a look to the side. There were other opportunities and perhaps other roads to follow. The good thing about this is we can actually take a U-turn. We can go back and look again.

I suggest the government should tell the folks that it does not intend to buy this aircraft at this moment in time, that it will go back and do an open procurement and find the best value for Canadians.

One of the things that I find astonishing about this, as someone who comes out of the manufacturing sector, is there are no guarantees for our manufacturers across the country that they will get work if we buy this aircraft. Yes, it says they have the opportunity to bid. The problem with that is I am not too sure why we did not do what Israel did, which was to say it would get X. We did not do that.

The government is saying that there is opportunity. Opportunity is always a wonderful thing. I was born in Glasgow and as my old gran used to say to me "A penny in your hand is better than the opportunity to find one on the street".

If we are going to have contracts, we need to have an open procurement policy and system. We need to have an open, transparent procurement policy that tell us where we are headed. If we are going to do, it ought to be tied in the way we have done most contracts like this in the past. It ought to be tied to jobs for Canadians and not just for the men and women in uniform who will be around that. We need to have an international body of trade and peace that pulls it together. It sounds somewhat self-serving, but the reality of defence contracts is the way it works in the world, whether we like it or not.

Business of Supply

Certain countries simply say that if they are going to buy X from us, they want an X number of guaranteed jobs in their countries, end of story. We ought to be saying that, no matter which one we buy. I would suggest we have to review which one we will buy because this procurement policy just is not up to snuff.

We are about to spend \$9 billion and probably \$16 billion. If it ends up being \$16 billion to keep this aircraft in the air and moving forward through the next 20 plus years of its life span, it will be an issue of what could we have done with that money. If we had bought something at a lesser cost for instance, such as a different plane that met our requirements and commitments, and we had saved \$4 billion or \$5 billion in that process or even \$1 billion in that process, what could we have done with it?

We could have paid down the debt. I am sure the Conservatives would be happy to pay down the debt. I think everyone in the House would like to pay down the debt. I am sure my kids, as they enter into the work world and start paying taxes, would be happy if we paid down the debt and did not leave it to them.

We could have done many other things as well. We could have taken that \$1 billion and put them into a poverty strategy that came through a report by my good friend and colleague from Sault Ste. Marie, who has been instrumental in fighting for it for the last 20-plus years.

We could have taken that \$1 billion to help folks who are poor, homeless and live below the poverty line. If it indeed had been more, perhaps \$4 billion or \$5 billion, it would have gone a long way to end poverty in the country. That is what we could have done with that additional money if we had an open procurement policy, if we had an open process, if we had looked at a plane that met our needs, not our wants.

When one is a kid, one always has big eyes when passing the toy store at Christmas. There are always the big wants. The problem is moms and dads can only get what they think they can afford to get. What we saw this time was the big eyes at Christmas with the want rather than asking what our needs were, what could we afford and what should we do.

I ask the Conservative government to take a half a step back, take a look at this and ensure this procurement is an open procurement policy that actually makes sense and saves money for the Canadian taxpayer.

• (1700)

The Acting Speaker (Mr. Barry Devolin): 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 Vancouver Centre, Maternal and Child Health.

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, in his comments, my colleague asked for some help, so I will give him a bit of help.

The cost of maintaining the F-35 will be approximately the same per year as the cost of maintaining the current F-18 fleet, which is about \$250 million per year.

This is about jobs. I would invite the member to speak to the Canadian industry. The Canadian industry, the aerospace industry in

particular, is absolutely thrilled with this program because it will have opportunities that it would never have had before for the next generation of technology and whatever comes beyond that.

We have looked at the alternatives. I covered that. Yes, we are not locked in. We were not locked into the program in 1997 or 2002 or 2006. We have stayed with the program because it is simply the best program out there. Ten countries have looked at the same program, the same options. We have had subject matter experts, civilian and military, looking at this at a very highly classified level for many years. They have all come to the same conclusion. So, we have looked at those alternatives.

When he talks about no penalties for getting out of the MOU, that is simply not true. We would have to negotiate our way out, which could cost, but probably would not, as much as \$551 million. That is not chump change. We would lose our slots in the production line to the point where we may not be able to replace the F-18 on time. We would lose access to the intellectual property that we need to sustain the airplane over its life. If we are not in the MOU, we would not have access to that intellectual property. We would lose a lot of contracts that are in place now. They would be fulfilled for the small number, but we would lose those contracts with respect to following on for the global supply chain of 3,000 to 5,000 airplanes. And there is more.

Mr. Malcolm Allen: Mr. Speaker, I want to put on the record that my friend, the parliamentary secretary, served this country with great distinction. As I said earlier, I had the good fortune of being on the base at Baden-Soellingen, but we did not get to meet, unfortunately, at that time. However, I know he had himself in that seat doing what we asked him to do. He did it with great dignity, great courage and honour. I thank him for that and our country should thank him for that. I witnessed the work they did. I was there for a number of weeks visiting friends who were teaching on the base and I had firsthand evidence of our folks working there back in early 1980, 1981 and 1982.

When it comes to the debate around whether we looked at other opportunities, I appreciate the parliamentary secretary saying that the government did do that. However, some companies out there, Boeing being one of them, said that they had an opportunity to bring stuff forward. I understand that we may disagree about that. The option is that we need to be looking at all opportunities to ensure we get the value for money that Canadians expect us to get.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thank the member for raising some thoughtful questions about why we should be careful about moving forward too quickly given that the price of these F-35 aircrafts has gone from some \$50 million to now \$70 million to \$75 million, with some people suggesting that it could be as much as \$100 million.

Although I understand that the breakdown of the price to only \$5.5 billion is for the aircraft itself, but we do know that the ongoing support over 20 years is also an escalating number. Interestingly enough, the overall cost has been estimated at some \$16 billion since day one and yet the projections of the increases continue to go up. Then the parliamentary secretary somehow suggested that we would be out of deficit in 2016 even though the Parliamentary Budget Officer said that there would still be a \$9 billion deficit at that time.

Business of Supply

The member has raised some important questions. Since it is the largest military procurement in the history of our country, we should demonstrate to Canadians, I believe, that we have looked at it very carefully and that Parliament is prepared to get behind a proposal that makes sense and in fact is at the right price but for aircraft that meet our absolute needs rather than, as the parliamentary secretary said, for Afghan-like missions.

● (1705)

Mr. Malcolm Allen: Mr. Speaker, there is no question in my mind that we need to be prudent when it comes to this particular issue. We will not be in theatre as of July 2011 so we do not need a fighter jet. We actually have one now anyway. It is not like we will be in theatre the year after and we will need it. I want to stress that we have an opportunity to take our time.

Ultimately, this boils down to our needs. We have yet, in my view, to flesh that out over the longer term. We are about to make a purchase that will last as long as 30 years, depending. I first witnessed an F-18 jet in 1980. I cannot remember exactly when it came into service but it has been around for 30 years. If the next one is going to last for 30 years or more, depending, as it is retrofitted, changed and added to, then we ought to know what we want to do in 5, 10, 15 years as a defence policy.

Will this aircraft actually meet our needs 25 years from now? That has yet to be ascertained. If we have not done that, then we ought not to be rushing out to buy it.

I do not want members to get me wrong. This is a wonderful piece of equipment. When I first saw a CF-18, my eyes were as big as saucers. It is an amazing piece of equipment. The eyes as big as saucers here are looking at the F-35 but we need to take a step back and understand what we really need.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, I think what Canadians want when they think of Canada's military is a military that is modern and that has the necessary equipment to fulfill the missions that we as Canadians ask of it. Where there can be some legitimate philosophical differences is what those missions may consist of.

I think certain members of the House think Canada should be playing a role in international aggressive military operations and therefore we need equipment that would fit into that particular philosophy. Others feel, as I do, that Canada should play a peacekeeping role on the world stage and our military should be tight and well equipped in order to protect our borders, participate in peacekeeping activities, participate in rescue missions, help with natural disasters and the like. I am wondering if my friend could comment on where he sits on that philosophical question.

Many Canadians are asking whether the timing of this purchase is accurate. We have a \$55 billion deficit. There are many pressing priorities in this country. A national child care program is required. National housing is required. Two million seniors live in poverty. My home province of British Columbia has the highest rate of child poverty in the country where one in four children live in poverty.

Does my colleague think that, in terms of priorities, purchasing 65 of these aircraft for \$16 billion is really the best use of money at this particular point in time?

Mr. Malcolm Allen: Mr. Speaker, I do agree with my colleague with regard to his sense of where our military should be headed, and it is in more of a peacekeeping role. New Democrats have been clear over the years in the way we have voted because we have always believed that we will have folks in theatre or on missions, such as in Afghanistan. We should articulate the extension of our troops in Afghanistan in a debate here in the House and then a vote if we are going to send folks to these sorts of places regardless of where it happens to be.

When I was speaking earlier, I had indicated that we if had a new defence white paper that talked about where we are headed in the next 20 years and laid out a strategy, we would know what to buy. It is like buying a house or condo. If I buy a condo I do not need a lawnmower but if I buy a house with a lawn I need a lawnmower.

This is about knowing what we intend to do and understanding what Canadians are asking us to do, which is fundamentally more important. It is not about what we want to do because at the end of the day, Canadians are the ones who will be footing the bill. To be honest, this is not the time to spend \$16 billion on a fully operational, bells and whistles fighter jet.

● (1710)

Mr. Peter Braid (Kitchener—Waterloo, CPC): Mr. Speaker, I am pleased to take part in this debate this evening.

We have heard a lot of discussion in this House and in public forums about equipping the Canadian Air Force with the F-35 aircraft. Over the past few months, the debate seems to have focused on three key themes: necessity, cost and procurement. I think it is important to be transparent about these themes and I would like to address each of them in my remarks this evening.

I will start with necessity. Since its establishment over 85 years ago, the air force has done tremendous work, often defying the odds and achieving success where it was not thought possible. It is truly remarkable that over 22,000 Canadian air crew served in the First World War. It was the first conflict in which aircraft played a part. Through the valiant efforts of our fighter pilots, especially our famous air aces, like the legendary Billy Bishop, Canada became known for aerial skills and bravery.

During the Second World War, the Royal Canadian Air Force, RCAF as it was then known, reached over 200,000 personnel, including, for the first time, over 17,000 total members of the women's division. At the time, it was the fourth largest air force among the allied powers.

More recently, during the 1991 Gulf War, the Canadian Air Force, as part of the multinational coalition force, contributed combat air patrols, sweep and escort missions, and ground attack roles with CF-18s, as well as reconnaissance with Sea Kings.

Private Members' Business

In 1999, Canadian CF-18s were actively involved in the NATO-led air campaign in Kosovo from bombing missions, combat air patrols and providing close air support.

An independent fighter jet capability has proven crucial to Canada. As part of our security, fighter jets conduct daily domestic and continental operations, including in the Arctic and through NORAD.

As part of Operation Noble Eagle, NORAD's mission to safeguard North American skies, CF-18s maintain a constant state of alert, ready to respond immediately to potential threats to continental security.

North American Aerospace Defence Command launched three pairs of fighters on September 28, 2006, from the Command's Canadian NORAD region and the Alaskan NORAD region in response to Russian aircraft that penetrated North America's air defence identification zone.

Fighter jets support major international events in Canada. Of course, the CF-18s provided around-the-clock support during the 2010 Olympic Games in British Columbia, keeping the skies safe for athletes and spectators from around the world. Fighter jets respond to major terrorist attacks. Canadian CF-18s formed part of the immediate response to the tragic events of September 11, 2001.

Just a few weeks ago, Canada worked seamlessly with our American partners to dispatch our CF-18s to interdict a flight suspected of carrying explosive packages designed by terrorists.

Time and time again, events in or close to our air space have shown that Canada needs to maintain a fighter jet capability. The question then is: What kind of plane does Canada need to face the challenges of the decades to come?

We need a robust aircraft capable of handling Canada's geography and harsh weather conditions. We need to be interoperable with our allies. We need to be flexible enough to adapt to whatever challenges Canada may face in the 21st century. We need to provide our men and women in uniform with the best chance to return home safely after confronting those challenges.

A fifth generation fighter aircraft with stealth advance sensors, fusion of central data and external information fits the bill. The joint strike fighter, the F-35, is the right plane for the Canadian Air Force at the right time for our country.

• (1715)

The Acting Speaker (Mr. Barry Devolin): It being 5:15 p.m., pursuant to an order made earlier today, all questions necessary to dispose of the opposition motion are deemed put and a recorded division deemed requested and deferred until Tuesday, November 23 at the expiry of the time provided for government orders.

Mr. David Sweet: Mr. Speaker, I believe if you seek it you will find unanimous consent to see the clock at 5:30 p.m.

The Acting Speaker (Mr. Barry Devolin): Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Barry Devolin): The House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

SECURE, ADEQUATE, ACCESSIBLE AND AFFORDABLE HOUSING ACT

The House resumed from October 20 consideration of the motion that Bill C-304, An Act to ensure secure, adequate, accessible and affordable housing for Canadians, be read the third time and passed, and of the amendment.

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, I consider it an honour and a responsibility to speak in support of Bill C-304, An Act to ensure secure, adequate, accessible and affordable housing for Canadians.

Our country has so much to be proud of. Canada ranks eighth on the United Nations development program's human development index, but sadly there remain many national issues completely unattended and unnoticed by the government, issues in desperate need of improvement and a meaningful commitment.

We need the government to begin to respect the intent of the veterans charter so that the brave men and women who fight for Canada receive the reparations and services they need and deserve. To do anything less diminishes the efforts and the unlimited risks that our veterans expose themselves to on our behalf.

Colonel Stogran believes that between 700 and 2,000 Canadian veterans are homeless, and this needs to change. I implore all members to vote for this legislation so that the very men and women who have defended our country do not have to sleep on its streets.

Canada has, in the last five years, become the single biggest recipient of international fossil awards and is now known as an environmental laggard. We and, more importantly, our children and grandchildren require that the government make a meaningful commitment to reducing greenhouse gas emissions, to reconstituting programs that encourage green building and renovations and to supporting renewable sources of energy for both environmental and economic benefits. When will the government understand that doing so will both create jobs and save our planet?

We require that the government begin to work for lower income Canadians who are left behind whenever the government cuts corporate taxes, like the \$6 billion corporate tax cut planned for next year.

We need a national housing strategy, and we need that strategy to work for lower income and marginalized Canadians now.

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Secure housing and early learning and child care are fundamental to eliminating poverty, and while the government abandoned the full early learning and child care strategy deployed by the previous Liberal government, it now has the opportunity to commit to an integral part of the equation, a national housing strategy.

There are gaping holes in our social safety net, through which the most vulnerable Canadians are falling. It is our responsibility as decision makers to close those holes and ensure that all Canadians receive the services they require: universal health care, food security, education and housing security.

The link between these is reduced crime rates, lower social and health care costs and higher productivity, proven time and time again in countries that deploy such strategies. We must demonstrate ourselves to be a compassionate country, committed to helping those in need for moral reasons and, frankly, for economic ones also.

We have an opportunity to pass Bill C-304, which will initiate a dialogue to create a national housing strategy. This will bring Canada closer to meeting its international obligations and will help to ensure that Canadians are protected from the affliction of homelessness and the overwhelming cost of housing.

A recent study on increased food bank use made the following statement:

The need for food banks is a result of our failure as a country to adequately address a number of social issues, including a changing job market, a lack of affordable housing and child care, and a social safety net that is ineffective.

It has been proven that passing this legislation would help to strategically increase the availability of adequate housing, so that marginalized Canadians' health is better protected and that crime is reduced, so that federal and sub-national governments' spending is focused on achieving a clear set of objectives to maximize the value of every dollar spent reducing homelessness, and to help alleviate the pressures on municipalities that are also overwhelmed by the delivery of so many publicly provided services.

My time on the Wellington and Guelph Housing Authority, working with Onward Willow, and on the Guelph & Wellington Task Force for Poverty Elimination has affirmed my strong conviction that taking action to create affordable housing is, without question, one of the most effective ways to lift entire families out of poverty and into prosperity.

● (1720)

It is with this experience and these convictions in mind that I am extremely disappointed that Canada is the only G8 country without a national strategy to ensure its citizens have affordable and accessible housing. Housing is enshrined in the United Nations Universal Declaration of Human Rights, which reads:

Everyone has the right to a standard of living adequate for the health and well-being of himself [or herself] and of his [or her] family, including food, clothing, housing, and medical care...

In 1976 Canada, as a signatory to the International Covenant on Economic, Social and Cultural Rights, committed itself to "make progress on fully realizing all economic, social and cultural rights, including the right to adequate housing" for all citizens.

Despite our clear commitment to providing housing for all Canadians, an astounding number of citizens either remain homeless

or live in inadequate housing. More than 300,000 Canadians are homeless, approximately 3.3 million live in substandard housing and more than three-quarters of 1 million families live in overcrowded housing. These numbers predate the recession.

A recent study completed by the Canadian Payroll Association documents that approximately 59% of Canadian employees would "have trouble making ends meet" if their paycheque were delayed by only one week. This means that homelessness and inadequate housing could, should we experience further economic difficulties, be even more protracted, more catastrophic than it currently is.

This is but one reason we must pass this legislation and move toward a national housing strategy, built with all stakeholders' input to incorporate Canada's regional, cultural and economic diversity.

These numbers are staggering and the world is taking notice. On February 3, 2009, Canada was reviewed by the UN Human Rights Working Group. Given the state of housing in Canada, the working group, composed of 45 countries, actually felt compelled to make recommendations on how Canada could better meet its international obligations. In response to its recommendations, the government said the following:

Canada acknowledges that there are challenges and the Government of Canada commits to continuing to explore ways to enhance efforts to address poverty and housing issues, in collaboration with provinces and territories.

The intent of the government has been clearly stated. This is the perfect opportunity for it to join words with action, which it is typically so disinclined to do. Intent is not enough; it must be transformed into action. This means all of us in this House agreeing to create a national strategy and honouring the Canadian response to the working group's review. It means voting in favour of this legislation to create one.

Liberal Senator Eggleton and PC Senator Segal recently published a well-researched Senate report on poverty elimination, entitled "In From the Margins". They are clear that fundamental to poverty elimination is the need to provide sustained and adequate funding for affordable housing through a national housing and homelessness strategy.

Michael Shapcott, director general of the Wellesley Institute, funding provider for multiple expert studies on housing and health, is clear: Canadians with homes are healthy Canadians, and healthy Canadians mean reduced health care costs. This is yet another reason that we need to pass this legislation.

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The Federation of Canadian Municipalities, currently on the Hill advocating for municipalities, is also clear in its support for this legislation. FCM policy advisor Joshua Bates said in committee that:

Chronic homelessness and lack of affordable housing are not just social issues; they're core economic issues. They strain the limited resources of municipal governments and undermine the economic well-being of our cities, which are the engines of national economic growth, competitiveness, and productivity.

The United Nations, the Wellesley Institute, FCM and the Assembly of First Nations are but some of the bodies in support of this legislation, and from past statements of intent, so too it seems is the Government of Canada. Remember, the government has pledged to "enhance efforts to address poverty and housing issues, in collaboration with provinces and territories". We need a national housing strategy to do so effectively.

● (1725)

It is not only imperative that we pass this legislation for compassionate reasons, to lift Canadians from poverty and to give the most vulnerable better lives. We must also introduce a national housing strategy so that our housing dollars are spent in the most effective way possible.

Therefore, I am appealing to all members today, on both compassionate and fiscally responsible grounds, to pass this legislation and begin the dialogue that will bring Canada closer to having a national housing strategy, which will bring our country into compliance with our international obligations and reduce poverty and crime through addressing Canada's housing crisis. Members' votes, simply put, amount to doing the right thing.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I am very pleased to speak to this important bill introduced by our NDP colleague from Vancouver East. This bill has been well received by the opposition parties and, in our opinion, is very necessary. It should also be well received by the Conservative government.

If we wish to be seen honouring our commitments as parliamentarians, and in light of the report on poverty tabled today, I believe we must take this opportunity to act on a measure that has a direct bearing on the issue of poverty.

I would remind members that the purpose of the bill is to ensure secure, adequate, accessible and affordable housing for Canadians—for all citizens of Canada and Quebec. I will come back to Quebec because it already has its own measures and initiatives. For some of these, it must share the jurisdiction, or at least the cost, with Canada.

It is fortuitous that the debate to send this bill to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities for appropriate amendments coincides with the tabling of a report on poverty. The report is the result of three years' work by this committee, which included parliamentarians from every party in the House.

By the way, since my colleague from Sault Ste. Marie is present, I would like to highlight his hard work in initiating the study, and his dedication and effort in carrying out this project for his party. He encouraged us to work hard as well and we were pleased to be involved.

The results give hope to those living in inadequate housing. The report contains measures that reflect the opinions of the people we consulted across Canada. In three years, we travelled to every provincial capital and we heard from people who were familiar with the circumstances of those who are poorly housed.

There is a direct link between housing and poverty because we need to remember that, of all the burdens related to poverty, housing tops the list. There is no getting around it. If we do not take measures to ensure that housing is affordable for low-income earners, the cost of housing will inevitably take up the largest portion of their income.

There are people who spend 50% or even 60% of their income on housing. We have seen some people spend as much as 80% of their income on rent. Some even spend more than 80%.

It is widely acknowledged that once you spend more than 30% of your income on rent, you begin to slide down a slippery financial slope because the extra money you are putting towards rent has to be squeezed out of your budget for clothing, heating and food.

And that leads to the results we have found, notably in terms of food bank usage. In recent days, we have seen a number of situations where food banks have been short of food for months, trying to meet the needs of the people and families that are struggling to feed themselves.

● (1730)

Poverty has a new face these days. More and more working people are turning to food banks. On average, 13% to 14% of people who use food banks have a job. Surprisingly, when we look more closely at the figures by geographic region, we see that the largest percentage of working people who use food banks is in western Canada, in Saskatchewan and Alberta. The figure is as high as 17%. Why? Because it is not enough for people to have a decent income; they need to live in a region where the cost of living is reasonable compared to income levels. In regions where most workers have high incomes, the cost of living is also high.

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More than 870,000 people use food banks every month. We should be concerned about that. That is more than the population of Ottawa. Imagine: more people than the whole population of Ottawa use food banks once a week. That is an alarming statistic. It should also tell us that something is wrong with the system.

Despite the fact that on November 15, 1989, the House of Commons unanimously voted in favour of eliminating child poverty by the year 2000, we are still in the same situation today, with a motion reiterated in November to achieve the same goal. What happened? Since 1991, there have been draconian cuts to a number of social safety net programs. One of these programs was social housing.

Typically in Canada, when a municipality or a region has a vacancy rate of less than 3%, we start to see serious problems with housing the least fortunate. With upward pressure on the cost of housing, the less fortunate can no longer afford the rent. We end up with people who are very poorly housed and large families in apartments with only three, four or five rooms and everything that entails.

In the riding of Chambly—Borduas that I have the honour of representing, there are 12 municipalities. Out of these 12 municipalities, 11 have a vacancy rate of less than 3%; 9 have a vacancy rate of less than 1%. Just imagine how that affects people with low incomes. They end up in very precarious situations because most of their income goes toward paying for housing. This is a major cause of poverty.

What caused this? From 1991 to 2001, for 10 years, the Canadian government stopped supporting social housing development.

• (1735)

Today we have an opportunity to remedy the situation. That is why I am calling on all my colleagues in the House to vote in favour of referring this bill to committee, in order to make the necessary amendments to have all hon. members vote for this bill.

[*English*]

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I am very proud to speak to the bill, in particular because we are at third reading of it and it has been a long journey. I was very lucky to follow the bill throughout its journey as it wended its way through the House.

When the bill was introduced by the member for Vancouver East, a tireless housing advocate for not only her own community but also for people across Canada, I was lucky enough to be the NDP housing critic. I have been there from the beginning. I have watched it grow and change in order to get it passed through the House of Commons and get it to that other place.

It has been really exciting to work with so many civil society organizations that have a vested interest in seeing the bill make its way through the House. They have engaged with us right from the beginning. They talked about amendments to the bill so we could make it even stronger than when it first started out.

I would like to single out, in particular, the work of Centre for Equality Rights in Accommodation, CERA. It was there from the beginning. It came up with great solutions to some of the legislative problems that we had with the bill. It really did such amazing work

to make the bill so much stronger. I was very honoured to work with that organization.

A couple of other groups that I would like to single out are FRAPRU and the Evangelical Christian Fellowship. Both organizations did excellent work with us on the bill.

Therefore, we are at third reading in the second hour of debate. We are so close.

The support for the bill across Canada has been tremendous. Today the Federation of Canadian Municipalities was on the Hill meeting with parliamentarians today. I met with representatives of municipalities across Canada. The first thing they wanted was an update on Bill C-304. They wanted to know what they could do to help it get through the House. There is really strong support from FCM.

As well, I was welcomed to Mount Saint Vincent University to talk to the Sisters of Charity there. All it wanted to hear about was Bill C-304. That was the topic of conversation for the entire time. We had a great discussion about it. It was so relieved to hear that we were getting to third reading.

This weekend met with the Sisters of the Sacred Heart in Halifax. This bill as well as the bill introduced by my colleague from Sault Ste. Marie on poverty elimination were the two things it wanted to talk about. It understands how important both these bills are to Canadians.

Everywhere I go in my riding people actually know the number of the bill. They know Bill C-304. They know there is a call for a national housing strategy. People want updates when I am in my riding.

As well, this summer I was lucky enough to travel across Canada, doing a health tour. Housing was right up there as the number one issue. The support is tremendous. People support it because they understand the impact that the bill will have. They understand that it is a solution to homelessness, that it is a solution to precarious housing, that it is part of the solution for so many other things, that housing is linked inextricably to health outcomes, that if we expect to have a healthy population, there must be housing for people.

A report from the HUMA committee, entitled "Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada", was introduced in the House yesterday. This is an incredible report. It talks about housing. It talks about the need for us to act when it comes to housing if we are to deal with poverty. It is about poverty. It is about women. It is about people with disabilities and newcomers. It is about our communities. Therefore, it is important that we talk about this in the House and that we are able to move the bill forward.

Homelessness and precarious housing hurts our communities. I have a copy of the Halifax report card on homelessness 2010. This is put together by the Community Action on Homelessness organization in Halifax. If we look at this report card, it has a really interesting chart, looking at homelessness numbers when it comes to Halifax and my community.

• (1740)

The Rebecca Cohn Auditorium is an auditorium where someone comes to do a performance, where the ballet performs when it comes to town, where there is theatre and music. There are 1,075 seats in the auditorium. It seats a fair number of people. I have been there. People looking around are impressed by the number of people sitting there.

The total number of firefighters in HRM is 1,100. There was a fire in May 2009 in my riding and the total number of Haligonians forced from their homes by that fire and others in the area was 1,200. That is a lot of people. It had a huge impact.

The total number of physicians working Halifax is 1,284. That is a lot of physicians. There is a major constituency in my riding. I talk to physicians all the time about the health care needs facing my community.

The total number of students at Citadel High School, one of the two high schools in my riding, a pretty big school, is 1,392. What does this all mean? These are big numbers I am talking about, but the total number of homeless individuals who use shelters in my riding of Halifax is 1,718.

I look around the Rebecca Cohn Auditorium and it looks like a pretty big audience. I talk to doctors because they are a pretty big constituency. There are more people who have used shelters in my riding than the other numbers and those people are literally homeless and have to go into the shelter system.

Housing is about so much more than people who are on the streets. Housing is about people who might have housing but are precariously housed. As members probably know, CMHC has set a guideline of spending no more than 30% of one's income on shelter. People who spend more than 30% of their income on shelter are at risk of homelessness. They are spending too great a portion of their income on shelter to be able to pay for the other things they need in life.

Currently in Nova Scotia people making minimum wage and working 40 hours a week would have to use 43% of their salaries just to rent the average bachelor apartment. This is in Halifax. An average bachelor apartment in Halifax is \$638, if anyone can believe it. A one-bedroom apartment is \$710 and a two-bedroom is \$877.

Community Action on Homelessness prepared a really interesting chart. It looked at other professions, took the average income that people would make in certain professions and applied that against the average cost of an apartment in Halifax to see whether people could actually afford their housing when they were working. This chart is really interesting.

A lot of people in high school think they would like to be hairstylists. They go to school and pay tuition to become hairstylists. If we look at the wage of hairstylists on the chart, they cannot afford

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a bachelor, one bedroom, two bedroom or three-bedroom apartments costing only 30% of their income. Hairstylists in Halifax are precariously housed. How can they possibly afford to raise their kids if they are precariously housed?

The Community Action on Homelessness looked at cooks and it is the same thing. They cannot afford a bachelor apartment, one bedroom or two bedroom. It is the same thing for light duty cleaners.

People may think they need a bit more education in order to earn a little more money. Social service workers with average incomes can live in bachelor apartments. That would be about 30% of their income. They could deal with a one-bedroom apartment, but if they have kids, they cannot afford a two-bedroom apartment, according to this. Nurses aides cannot afford it.

It is not just about people who are literally homeless. This is about people who are paying too much for their housing. We need a national housing strategy. We need it for the health and well-being of our communities. We need it for our constituents, neighbours, family and friends. That is who we are representing with this bill.

Therefore, I urge all of my colleagues in the House across party lines to support this private member's bill because this could change everything when it comes to homelessness and housing in Canada.

• (1745)

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, it is an honour to speak to this bill that we in the NDP are proud to present. I thank my colleagues for the work they have done to move this critical bill forward at a time when Canada needs it so much.

Why do we need a national housing strategy? We need a national housing strategy because three million Canadian family households live in insecurity. They pay more than 30% of their income toward housing.

Furthermore, Canada is the only major country in the world without a national housing strategy. It has fallen behind most countries in the Organisation for Economic Co-operation and Development in its level of investment in affordable housing. Canada has one of the smallest social housing sectors among developed countries. Fewer Canadians qualify for the high cost of home ownership. In essence, the government has systematically pulled away from the critical and basic need for housing.

Recognized internationally, Canada is falling behind other countries around the world that are truly showing leadership on something as basic as housing. This has a particular impact on communities across the country where the state of housing and security varies across our country.

Earlier this afternoon I had the opportunity to speak with municipal councillors who are part of the Federation of Canadian Municipalities. They spoke about the five key issues, one of which was the need for a national housing strategy. These councillors were from rural areas, urban areas and metropolitan areas and they all spoke about that need.

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As the member of Parliament for Churchill, I am honoured to represent a diverse number of communities, all of which have a specific housing need.

I would like to begin with possibly the most egregious state of housing that exists in our country and that is the one that exists in first nations communities. First nations, who have the fastest growing populations and the highest number of young people, have the greatest need for housing. The federal government has systematically underfunded bands and first nations when it comes to providing the most basic need, which is housing.

I have visited far too many houses on first nations that are overcrowded. I remember a house in Pukatawagan that had 21 people staying in it. The house was built below standard in the first place and is now engulfed with mould. Its infrastructure is falling apart at a much quicker level. Houses in first nations communities often do not meet the needs of northern climates, which makes people vulnerable to sickness and, as a result of overcrowding, leads to all sorts of social instability and social tension.

Every time I go door to door in first nations communities across my riding, whether it is Nelson House, Norway House, Sagkeeng, St. Theresa Point or Pukatawagan, all 33 first nations that I have the honour of representing have raised the critical need for housing. I have spoken in the House in the last few days about the third world state of housing in first nations communities that no Canadian across the country should have to put up with in a country as wealthy as ours.

There is also the need for affordable housing for low income people and students in the communities we represent.

Communities across Canada hope to provide educational opportunities and training opportunities for people in first nations communities and Métis communities but some of these communities have no affordable housing. Rental rates are completely beyond what many can afford. This is often a deterrent to their ability to access education, to access a way of furthering themselves and contributing to their community, to our economy and to our country. That is a shame.

By having a federal government that works with the provinces and communities to ensure affordable housing, these people would be able to become greater participants and greater contributors to our country moving forward.

• (1750)

Seniors housing is also a major concern and another area where we need a national housing strategy. I represent communities where increasingly people stay and retire. People want to be with their families but they have no seniors housing available to them.

The federal government has been negligent. We saw under the previous Liberal governments that they cut back the role the federal government ought to play when it comes to housing. This has left seniors in the cold, seniors who have built up our country, built our communities and now are often working with so little as a result of the government's failure to support them through OAS, GIS and the increasing instability of many of their pension plans. Housing is increasingly difficult for them to find at an affordable level and to meet their needs as seniors.

I also want to speak to the failure of the federal government, not only to act when it comes to housing but to act in terms of supporting communities, supporting their need to have a job, to contribute, to be able to afford their mortgages, to rent their homes and to survive. Nowhere is that more critical than what we are facing right now in my home community of Thompson, a community that over the last few years has been working hard to contribute to the profits of what was previously Inco and now Vale.

Yesterday we heard that Vale will be cutting 600 jobs in our community. We are fighting to not let this happen. We are calling on the federal government to be at the table, to ensure that people in my community do not lose their jobs, because what that means, and we hear their voices on the ground, is that our housing prices are going down, that people are going to leave and that people will no longer be able to contribute to their economy, whether it is by buying a home, renting or contributing to our businesses. Business owners will not be able to survive. Service providers will not be able to survive. A community that is a quintessential Canadian community, one that is like so many communities across our country, will become weaker and devastated.

All of this is because our federal government, to this point, has failed to stand and say that it has a role to play, to stand up for Canadian communities like Thompson, to stand up for local economies, to stand up for local economies, to stand up and ensure that Canadians are able to contribute and that Canadians who are part of contributing to a profitable economy are given that chance.

As the MP for Churchill, I have been appalled by the responses by the Minister of Industry in this House who talked about the benefits of the deal that was put forward by Vale. While other communities of this country are benefiting by that announcement, my community is not. When Thompson is not, when our part of Manitoba and our province is not benefiting, then Vale's commitment to Canada of a net benefit is a false commitment. That is why we demand that the federal government stand up to Vale and save our jobs. It should be part of the solution. It must recognize that as a national government, it has a role to play in housing, a role to play in supporting our municipalities and a role to play in working with first nations.

Year after year, the government steps away from that role. It is stepping away from its basic responsibility to look out for the well-being of Canadians. As it steps away from that role, we see our quality of life diminish and our jobs and our livelihoods being threatened.

This is unacceptable, and that is why we are calling on the federal government to support this housing bill, but most of all to support the idea that it needs to take leadership in ensuring that Canadians are better off.

• (1755)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I am pleased to speak today in private members' hour.

Private Members' Business

Bill C-304 is currently being referred back to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities for the purpose of reconsidering clauses 3 and 4 and to add new clauses with a view to clarifying the role of the provinces, specifically Quebec, within the jurisdiction of the bill. That is the mechanics of what is happening with the bill at the current moment.

There is an interesting history with regard to social housing in this country. From a Manitoba point of view, up until the NDP was elected under Premier Ed Schreyer in 1969, there was really very little, if any, social housing in the province or in the city of Winnipeg. The government of the day started an immediate program of building social housing.

I believe from 1969 on the housing was cost-shared 50:50 with the federal government. Pierre Trudeau was the prime minister at the time when the Liberals were in power. We certainly took advantage in a big way by developing social housing. In one of our provincial constituencies, which had, I believe, about 10,000 residents, land was fairly inexpensive in that area and I believe we were in the process or had already developed by 1973 perhaps a dozen senior citizens buildings in that particular area.

We followed that up with a number of multi-storey townhouse types of construction as well. Initially the buildings were pretty much all bachelor suits and they were very high, 10 to 12 storey buildings, which all stand today. However, it is interesting how, when the demand was satisfied by 1977, the NDP lost the election and the Conservatives, under Sterling Lyon, won and everything stopped. It was just night and day. There was not one development started under the four year Sterling Lyon government, which was, by the way, one of the reasons that his government only lasted four years, I believe he was the only premier in Manitoba history to survive only one term.

Interestingly enough, one of the last programs that the Schreyer government initiated, building projects, was at 5355 Stadacona in my riding. While we approved it before we left office in 1977, it was 1986 by the time we had our ribbon-cutting ceremony. I was there to cut the ribbon for the opening of that building. By that point in time, that was one of the first buildings to have one bedroom and some two bedroom suites. We were finding the demand shifting over to those types of suites. People wanted to move out of the downtown area where the buildings were all bachelor suites and move into the one bedroom apartments.

What we have had over the last 10 years or so are a number of the bachelor suites being taken up by people with addictions and newcomers to the country who need short term housing.

That is an example of what a government with commitment can actually do. The NDP government of Ed Schreyer took on the problem full force. The construction cranes were everywhere. It is true that the federal government was putting up half of the funds, but to us it seemed almost unlimited activity. This took care of a huge demand where people were moving into the city from farms and retiring. Seniors, who were living in substandard housing, were also looking for places

● (1800)

However, because the demand seemed to be satisfied, as we know, the federal government got out. Surprisingly, it was the Liberal government that got out of the funding in 1993, according to my chart. We have seen very little activity since.

Of the buildings that we built in 1970 to 1973, many are now deteriorating. They need renovations. Where it had been unheard of, we now have constant bed bug problems being documented in the housing. A lot of repair work has to be done.

The effect of the federal government getting into social housing is that it provides an even application across the country. That is why we have a country in the first place, to provide similar services across it. When the federal government takes itself out of a program like social housing, then it is basically the old laissez-faire system of survival of the fittest.

I hate to pick on my neighbours two doors over, but the province of Alberta has been known as a province that has money. My colleague says, "...used to have money". One would say that social housing should not be a problem for Alberta because it is a very rich province and can build the buildings. However, a province that does not have the resources is pretty much stuck, not being able to do much to solve the problem. That is why fundamentally this country needs a national housing strategy.

Another reason we do not have and will not have a strategy as long as we have Conservatives running the government, and to a lesser extent the Liberals, is that they philosophically disagree with the whole idea. The approach of those parties is private sector. If there are bucks to be made for the private sector, that is the way we have to proceed. The real estate and construction industries have somehow convinced the successive governments to leave that market to the private sector.

In a number of years past there was a program where the government was going to provide subsidies to people. However once again, it was going to be private entrepreneurs who would be building the buildings and renting them out with a view to making money.

As long as we have that Conservative mentality that somehow free enterprise is going to solve all of our problems with the old trickle-down economic theories, we are never going to see the national housing strategy that we should have in this country.

Clearly, before that happens, we are going to have to see a major change in the political structure in this country with the removal of the Conservative government and the election of a more progressive government. Or, we may have a situation develop out of desperation, and in the need to continue its political longevity, we may see some deal as we did with the Martin Liberals where we were able to get a billion or two for social housing. However, that is a piecemeal approach for a long-term problem.

I have a lot more to say about this issue, but I guess I do not have time.

Adjournment Proceedings

• (1805)

The Acting Speaker (Mr. Barry Devolin): Given that the sponsor is not here to take advantage of the five-minute right of reply, we will move to the question. Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Barry Devolin): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Barry Devolin): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Barry Devolin): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Barry Devolin): In my opinion the nays have it.

And five or more members having risen:

The Acting Speaker (Mr. Barry Devolin): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Barry Devolin): Pursuant to Standing Order 98, the recorded division stands deferred until Wednesday, November 24, immediately before the time provided for private members' business.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

MATERNAL AND CHILD HEALTH

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, a while ago in this House I asked the Minister of Health a question about maternal and child health. At the time, the government professed this to be at the heart of its millennium development goals that it wanted to achieve at the G8 and G20. It wanted to bring down the rates of maternal and child mortality.

While this was laudable in itself, I think many of us were concerned and were asking questions. Given that the four biggest causes of maternal death in developing countries are post-partum bleeding, infections, hypertension or chronic diseases such as HIV/AIDS, and unsafe abortion, which are recognized by the World Health Organization and physicians around the world, why was it that out of those four causes the government only picked three to deal with and ignored one?

We know that approximately 70,000 women a year die in the developing world from unsafe abortions and that the number of women in Canada who die from unsafe abortions is practically negligible, if there are any. I think it is zero at the moment.

Therefore, why would a government that professes to care about the health of mothers and their children presume that women in Canada deserve better than women in the developing world? Why would the government not understand and apply those same principles of care to women in the developing world, given that 70,000 women dying each year from unsafe abortions is an astounding number and given that we know these women need access to safe abortions, where legal. This in fact is one of the ways of achieving the millennium goals, which was to bring down the maternal mortality rate and to bring down the infant mortality rate?

We know that the millennium development goal looked at bringing down maternal mortality by 75% by the year 2015. In order for that to happen, the decline each year would have had to be about 5.5%. We have only achieved 2.3% annually, which means we are not going to achieve those millennium development goals.

When we know the four reasons for women dying and we are prepared to do something about three of them, the question is: Why would we ignore one of the most important ones that takes the lives of such a large number of women?

It means that we are not making these decisions based on evidence. When we seek to help women in the developing world, we are not making decisions in this country based on empirical data, based on information and knowledge that we hear from physicians and health care professionals. We are basing the decision on some sort of ideology, some sort of moral imperative. As a developed nation in which women have access to safe abortions whenever they need it, how dare we suggest that women in the developing world should not?

We also know that when women die in the developing world, their children under one year of age have an 80% chance of dying within a year of the mother's death. We know that children under five years of age have about a 50% chance of making it to adolescence. We are not just condemning the 70,000 women a year who need access to safe abortion; we are also condemning their children.

My question is: What makes these women and their children less worthy than the women who die from infection, chronic disease and hypertension, and post-partum hemorrhage? That is my question, and I am hoping to hear an answer to it this time.

• (1810)

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and to the Minister of International Cooperation, CPC): Mr. Speaker, Canada made maternal and child health a priority at the G8 summit in Muskoka because we recognize that the loss of a mother has a critical impact on the health and well-being of her children. It starts in pregnancy and carries on well after birth. Mother and child must remain healthy for each to have a real chance of surviving and thriving in life.

Adjournment Proceedings

Within its children and youth strategy, CIDA has focused one of its priorities on maternal and child health in order to ensure that mothers stay healthy during pregnancy and are able to properly care for their children once they are born. However, it is not enough to simply keep women healthy during and after pregnancy.

CIDA also recognizes that women should be able to determine the timing and spacing of their pregnancies, which has a direct impact on their health and well-being, as well as the outcome of pregnancies. For this reason, CIDA annually provides approximately \$15 million to support programs, activities and commodities in the developing world.

We are not alone in pursuing such a program. In fact, increasing access to services is also an area of focus for the international organizations that CIDA supports, for example, the United Nations, the International Committee of the Red Cross and World Vision. Our G8 initiative is necessary to ensure the long-term health of mothers and children, and the work we are doing in this area is translating into much progress for maternal and child health in the countries of focus.

In western Mali, for example, skilled health care workers now attend almost half of all deliveries thanks to the CIDA project; and approximately 733 health professionals have been trained to improve the health of mothers and newborns during childbirth through CIDA's support of the Society of Obstetricians and Gynaecologists of Canada and its partner associations in Guatemala.

Beyond pregnancy, it is also critical that we work to give infants and young children a healthy start in life. Doing so greatly increases the likelihood that they will go to school as they grow up, contributing in a meaningful way to their communities. CIDA is fulfilling this objective by training and equipping front-line health care workers to deliver modern malaria treatments, bed nets, antibiotics for infections and other key health services for children and vulnerable groups.

Nutrition is also an important component of our efforts to keep mothers and children healthy. As a founding partner and principal donor of the micronutrient initiative, CIDA is helping to avert malnutrition by providing vitamin A, iodine and other micronutrients to mothers and young children.

Others in the world agree that maternal and child health needs to be a priority. During the G8 development ministers' meeting in Halifax last April, ministers were unanimous that improving the health of mothers and children should be the top priority of the

agenda. There was similar agreement when it came to determining the scope of action required to address child and health issues.

In conclusion, Canada has made great strides and our \$1.1 billion in new funding for maternal and child health will make a definite difference in the lives of the people in the developing world.

• (1815)

Hon. Hedy Fry: Mr. Speaker, I am puzzled by the response. I mentioned that it is known and decided on by the World Health Organization and all medical professionals around the world that there are four causes for maternal mortality. The first one we said was postpartum bleeding. The hon. member speaks to me about the idea of helping to space pregnancies, because we know that if people have pregnancies within two years, their risk of postpartum hemorrhage is great. Good, we agree on that.

The second cause is infection. We have heard the member speaking about CIDA providing safe hospitals, clean clinics and all those things so women can have infection-free births. Good, we agree on the second cause of maternal death.

The third one is hypertension, malaria and chronic diseases. The member said the government and its partners are looking at lots of ways to assist. There are malaria clinics and they are doing all those kinds of things, including nutrition, to help women and children.

The fourth cause is abortion and the lack of access to safe abortion. Why is it that the government will not accede to the 70,000 women who die as a result of unsafe abortions? What makes them less worthy than others?

Mr. Deepak Obhrai: Mr. Speaker, in my response I said we work with international agencies and other groups to ensure that child and maternal health is a very important issue.

Let me assure the hon. member that this July, the African Union summit in Kampala used the same theme of child and maternal health. Everyone there agreed that the priority that we and CIDA have and working with other partners will produce results henceforth with our attention to this important initiative.

The Acting Speaker (Mr. Barry Devolin): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:18 p.m.)

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