[*English*]

"The program is cancelled and there isn't any compensation for anybody".

[*Translation*]

And yet, there has already been some compensation. The firm Unysis has received $166 million in compensation. There are ongoing negotiations with Agusta, and with Westland, regarding compensation, despite the fact that the Prime Minister said that there would be no compensation, despite the fact that some ministers have already spoken against it and would have liked an inquiry into this affair.

This is serious. As we know, Agusta was found guilty of corruption in Belgium, and gave bribes in Italy. This firm has a very bad reputation. Yet, the government is now reaching agreements with lobbyists, some of whom, like James Deacey and Daniel Despins, are well known Liberals with very close connections to the party, are currently negotiating compensation for a firm. At the same time this government is cutting social programs. It has reduced the social housing program by some $300 million in Canada. Of course, the poorest people arre getting hit, but the government is about to give millions and even hundreds of millions of dollars to a firm which does not deserve it at all.

This is another example of the power lobbyists exert on the federal government, as was seen in the case of Power DirecTv, which was perhaps an even more serious example of nepotism. As we know, the son–in–law of the Prime Minister had succeeded in having a CRTC decision overturned, in favour of his own company. This is yet another example of the power of lobbyists and of the patronage which prevail with this government.

The issue concerning Agusta is whether or not to provide compensation. We asked the minister responsible and he seemed to indicate that he was negotiating to that effect. But do we compensate or not? I know that the government's answer will be very vague. We will not know for sure. The government will tell us: "Well, we are negotiating, we are discussing, but this is not really about compensation".

We are suspicious because, in fact, the government will once again try to find a few hundred millions and give that money to a company which does not deserve it, all this at a time when it makes cuts in social programs and social housing in this country.

Can we say that the Prime Minister of Canada is keeping to his word, since he said this regarding the EH–101 helicopter program:

[*English*]

"The program is cancelled and there isn't any compensation for anybody".

[*Translation*]

Those are the Prime Minister's own words. Is this Prime Minister keeping his word or not? We want to know if there is any compensation. If there is, and if there are negotiations, perhaps we should even have an inquiry into this case, because Agusta, as I said earlier, has a very bad reputation, and has already been convicted of corruption in Italy and in Belgium.

So, I ask the question, and I hope to get a clear answer from the government.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I have never been nebulous in my life.

Which word did my hon. friend not understand? I will do this very slowly to make sure the member gets it. The Government of Canada did not breach the contract with EH industries. The government terminated the contract in accordance with the termination clause and in accordance with our promise in the red book which we kept on November 5, 1993 as soon as the Prime Minister took office.

The Prime Minister did say absolutely that there is no compensation for anybody. Furthermore, he said that ministers involved would make sure we do not pay a cent more than that we are obligated to pay. His statements are entirely correct. The Government of Canada is not negotiating a compensation settlement with EH industries.

I ask my hon. friend to read the contract. The contract was arranged and signed by a previous government which had as a member the hon. gentleman who sits in the front row and leads my hon. friend's party. However, a mere bagatelle.

Contractors are being reimbursed only for costs legitimately incurred up to the point of termination plus those costs arising directly out of termination. No compensation is being paid; no penalties and no lost profit for the cancellation of the contract. Which word does the member not understand?

If people should choose to hire lobbyists when the government goes forward in the purchase of other military equipment, that is their prerogative. I make it very clear that no firm requires the services of a lobbyist to do business with the Government of Canada.

We might ask, however, who is lobbying the hon. member across the way on this issue? As for the suggestion there are backroom negotiations between members of the government and lobbyists in this matter, it is simply untrue.

I am confident the errors being presented as fact by the Bloc are the results of poor research and misunderstanding rather