

McDonnell Douglas is evaluated at about \$3,260 million for Canada as a whole. By using the same analytical method to establish the economic fallout for Quebec, we obtain a figure of about \$1,570 million in the case of McDonnell Douglas, or about 48 per cent of the total economic fallout.

It therefore seems that the best choice for Canada was also the best for Quebec. Now that the choice has been made, we must see to the execution of the contract, and to do so, my colleagues and myself must have the co-operation of all parties, whether they be governmental or not. We already have the guarantees needed, and if we read the press release published last Friday by McDonnell Douglas and parts of the speech made by its president, Mr. Graff, we can find concrete actions and statements which prove the goodwill of the company and give us every justification for having confidence in the future.

Here are a few excerpts of the speech made by the president:

Now is the time to sign the contract. Some have suggested that this step marks the end of the project, but such is not the case. In fact, the CF-18 program has only just begun. The challenge has changed, but it still remains. We have already begun to meet it.

Work is now well under way for delivery of the first CF-18 in 1982 and the important program of industrial fallout that we have undertaken is in the process of being carried out.

Already, a contract of over half a billion dollars to manufacture the guiding system for cruise missiles has been awarded in Canada.

He also said:

Moreover, the contract that we shall be signing today includes a clause providing for fallout of at least \$150 million in new technology derived solely from the high technology program activities related to the F-18.

So, I think what he said in his comments about his corporation is worth repeating.

Our corporation is proud to have been a good corporate citizen for more than 15 years.

It is important for a corporation.

It is a fact. During that period, McDonnell Douglas has entered into contracts worth more than \$1.5 billion with over 700 Canadian businesses. For more than 20 years, Canadian industry has had the opportunity, like that of other countries, to bid for McDonnell Douglas contracts; and—

—and this is very important, Mr. Speaker—

—it got a large number of contracts. There is not one DC-10, DC-9, F-15 Eagle, F-4 Phantom or DC-8 that does not comprise parts and equipment made in Canada and Quebec.

I think it is very important to realize that they are not just interested in the F-18.

Madam Speaker, I also wish to quote from a letter of the president, Mr. Graff, when he corrected a press report:

I deeply regret that a remark made last week in Ottawa by one of our representatives has been completely misinterpreted by some reporters and the general public.

McDonnell Douglas entirely agrees that government projections about the industrial spin-offs of the new fighter are reasonable and accurate. As concerns the economic benefits accruing to the province of Quebec referred to in the press

### *The Address—Mr. Lamontagne*

report, we certainly agree with the projection amounting to \$1,573 billion in industrial benefits and we also agree with the projection of \$248 million for the structural components of the F-18A—

—that will be made in Quebec.

I am also thinking of another passage from the speech by the Minister of Supply and Services (Mr. Blais) that I would like to recall and on which I agree. Mr. Blais once again mentioned that it was thanks to the intervention by Quebec federal members that the economic spin-offs that will accrue to Quebec with the F-18 contract have increased from \$1.358 billion to \$1.573 billion. Thanks to them also, numerous amendments have been made to the contract in order that the General Electric plant designed for the manufacturing of vanes and blades be set up in the eastern townships and that a \$225 million numerical control machining centre be also provided for in the contract.

[English]

**The Acting Speaker (Mr. Blaker):** I regret to interrupt the minister, but I see the time is one o'clock and I must now leave the chair until two o'clock.

At one o'clock the House took recess.

### AFTER RECESS

The House resumed at 2 p.m.

[Translation]

**Mr. Lamontagne:** Mr. Speaker, before the House took recess for lunch, I was saying that in the final analysis there is no loser in the F-18 contract, since Canada has made a profitable deal and I think that it may not always have been the case. On a purchase of \$3 billion in the United States, we could recover as marginal benefits the amount of \$3,250 million and this means that at trade level, the balance of payments was well maintained. Second, we say to it that we were buying the best possible plane to discharge our responsibilities and the mission entrusted to us by our NATO friends as well as by our American friends of the North Atlantic defence. In addition, we have taken steps to ensure that the sharing of economic effects will be fairly distributed between the two provinces in which most of the air industry is located. Above all we have taken into consideration the fact that we had set up the air industry in Quebec, that we did not intend to let it go down the drain and as the result of the action of my colleagues from the caucus and the cabinet, we all worked together to see that Quebec had its own fair share of those economic benefits, that is 48 per cent.

Some of course are incredulous. I saw an article about Mr. Duhaime who asked for some figures. In my last letter, I offered to Mr. Duhaime to send some representatives of the Department of Industry, Trade and Commerce, the Department of Supply and Services and the Department of National