

*The Budget—Mr. Roberts*

Under the terms of such an agreement, the federal Government will purchase one aircraft for each one purchased by the Provinces. Apart from the four which we will buy for the Yukon and Northwest Territories, it will be a matching program. Each CL-215 will cost about \$6 million. Consultations are under way with the Provinces to finalize their arrangements for participation in the water bomber purchase program.

The Canadian CL-215 is the only aircraft specifically designed as a water-scooping fire bomber and it is the only modern fire bomber in production. This aircraft is a Canadian concept and it is a major achievement of the Canadian aerospace industry. It has a proven track record and it has earned an excellent reputation both in Canada and overseas.

The water bombers purchased by the federal Government will constitute a national fleet to meet peak fire season needs when provincial firefighting resources are fully committed. That is when the failure to have enough "flying fire trucks" results in hundreds of millions of dollars worth of timber losses, such as in the 1980 fire season when forest losses were estimated to be over \$350 million.

The aircraft will be assigned to individual Provinces to operate and they will be responsible for all operating costs. Allocation of these aircraft for firefighting duty during peak forest fire periods will be co-ordinated by the Canadian Inter-Agency Forest Fire Centre in Winnipeg. The Department of Transport will own the national fleet of aircraft on behalf of the federal Government. The Provinces and Territories will operate the national fleet as part of their present fire bomber fleets.

Besides keeping a technologically important production line in operation, the water bomber purchase will enable the federal and provincial Governments to command a large enough production run to allow for both continued and for economic production. As a result, Canadair will have a viable production schedule that will benefit the company, the forest industry and the labour forces of both the aerospace and forestry sectors.

If I still have a moment, I would like to spell out in a little more detail some of the job implications of such an effort. Of course, I cannot give a specific commitment on job creation in relation to the program because it will depend upon the co-operation of the Provinces and the finalization of our agreements with them. It will depend to some extent as well on whether the international orders which we expect will follow through from this program. We believe there will be an international market for at least 20 of these CL-215s. If one takes into account the four that we are purchasing, the 16 which we are prepared to purchase if matched by the Provinces, the 16 which the Provinces purchase to meet that commitment and another 20 which we expect to sell internationally, we are talking about potential sales of 56 CL-215s over the next four-year period. That will create jobs for Canadair in Montreal. It will also create jobs elsewhere such as Fort Erie, Sault Ste. Marie, Winnipeg and Vancouver. There is that additional spin-off effect. Repair, overhaul and maintenance is expected to create more jobs as well.

• (1150)

In total, we believe this program could create 1,200 direct jobs and 265 sub-contract jobs. If the orders go out for all 56 planes as we expect, it will provide something like 9,000 person-years of work over the first stage of the program.

Mr. Speaker, I have dwelt on this one example because it is of particular concern to me as the Minister responsible for forests, but I hope it illustrates how, through the Special Recovery Projects Program, we can at the same time bring forward projects and start them now. This will have the effect of enhancing the productivity of our country, of realizing its potential, and of creating jobs in the immediate short term. That is what the program is about. That is what it is designed to do. Mr. Speaker, that is what it will do.

**Mr. McDermid:** Mr. Speaker, I have a couple of questions for the Minister. First, can he assure the taxpayers in the country that the amount paid Canadair for these water bombers will be the market value of those water bombers and not inflated prices such as it appears the Canadian Government has paid for the Canadair jets? It paid a higher price for the same jet that the private sector would pay a much less amount for. Can the Minister assure us that we will be paying the fair market price and not a price that is inflated because it is being purchased by the Government?

**Mr. Roberts:** Mr. Speaker, I can assure the hon. gentleman that negotiations for the purchase of these planes will be carried on by the Minister of Supply and Services, a tendering and negotiation process which is exactly and explicitly on a commercial basis. I would remind him as well that—

**Mr. McDermid:** Tendering.

**Mr. Roberts:** Tendering and negotiation process on a commercial basis, as Supply and Services always does. If the Hon. Member would stop talking for a minute and listen, I would point out to him that the federal Government will be purchasing four of these planes. The others will be purchased through programs with the Provinces so that the Provinces will be undertaking negotiations with Canadair. Twenty of them we expect to be bought on the international market and negotiations will take place internationally by those purchasers. So the bulk of these planes will be purchased by provincial Governments with our co-operation. The Hon. Member is talking about a process of negotiation with Canadair carried on through ordinary competitive arrangements and on a commercial basis by Supply and Services and by provincial Governments.

**Mr. McDermid:** I have two quick questions for the Minister. Has he any guarantees from any of the Provinces that they will participate in this program? Second, the Ontario Government traded in their Canadair jet for two water bombers. Are those two water bombers included in the 16 that the Minister is referring to that the Provinces will be negotiating?

**Mr. Roberts:** The answer to the second question is no, that arrangement is one which has already been made by, as I