

HOUSE OF COMMONS

Monday, April 14, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[English]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions numbers 331-20 and 331-23.

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[Translation]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 493 and 506.

[Text]

BELL HELICOPTER/TEXTRON LTD.

Question No. 493—**Mr. Dingwall:**

1. Did the Government announce on October 7, 1983, that it would be assisting Bell Helicopter/Textron Ltd. in establishing, at Mirabel Airport, a light twin helicopter manufacturing facility and that Pratt and Whitney would also be asked to produce the engines for the new model of helicopter and, if so (a) what was the total cash value of assistance offered by the Government (b) what amount has been spent to date by the Government?

2. What is the estimate of additional assistance that will be provided to this project and what is the schedule for these payments?

3. Is the Government to be repaid in the form of royalties on all sales of helicopters, Step engines, spares and accessories made by the companies during the life of this project and, if so, what is the expected time frame for repayment?

4. (a) What is the current number of employees at Bell Helicopter Canada's Mirabel operation (b) what are the plans for the recruitment of additional workers to bring the workforce up to the original estimate of 2,700?

5. To date, how many Model 400 helicopters have been ordered?

Hon. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): 1. Yes. (a) \$126 million 1982 U.S. (b) \$64.0 million 1982 U.S. as of October 31, 1985.

2. \$62.0 million 1982 U.S. over the period of fiscal year 1985-86 through to 1991-92.

3. The Government will be repaid in the form of a royalty of 2 per cent of total net sales over a 25-year period of the Model 400, 400A and 440 helicopters including derivatives, accessory kits and spare parts (payments commence in 1990).

4. (a) As of December, 1985, 239 employees, which include 80 engineers receiving training and participating in the development phase of the Model 400 helicopter in Fort Worth, Texas.

(b) The company plans to commence hiring production workers in early 1986. The long-term build-up employment will depend on future production levels based on international market requirements.

5. As of December 3, 1985, Bell Helicopter have obtained approximately 200 options for Model 400 helicopters but none of these have yet been converted to a firm order.

NORTHERN ALLOWANCES

Question No. 506—**Mr. Rodriguez:**

In the Budget of May 23, 1985, under the heading "Other Tax and Tariff Changes" the Government outlines changes to northern allowances and severance pay in isolated communities (a) to date, how many communities and/or employers have applied for relief under this budgetary provision (b) if communities and/or employers have applied for relief, list them (c) it is obvious that this provision conflicts with the earlier change by the Government with respect to severance payments and the UI Act. How is this obvious contradiction being applied in remote communities where the principal industry closes?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of National Revenue and Employment and Immigration as follows:

(a) and (b) The issue relates to the statements made by the Minister of Finance in his Economic Statement of November 8, 1984 (p. 10) and Budget Papers of May 23, 1985 (p. 81). The matter is primarily the concern of the Department of Finance. Review mechanisms have been set up by the Department of Finance to deal with applications for relief under the statements of the Minister and to date seven applications have been received from employers in northern Quebec, northern Ontario, northern British Columbia, northern Manitoba, Cape Breton and the Yukon. One application from Sidbec Normines involving Gagnon, Quebec has been approved and relief granted under Remission Order 1985-1359 of April 19, 1985.

The remaining applications consist of one which is under review and five preliminary requests. Since no decision has been reached on the application under review or the preliminary requests the rules regarding confidentiality of taxpayer information prevent us from releasing the names of the applicants at this time.

(c) The changes referred to in the Budget of May 23, 1985 with respect to northern allowances and severance pay in isolated communities refer to tax changes and would have no effect on the application of the UI legislation. The UI legislation has set up a social insurance scheme which by its very nature must be applied uniformly across the insured population. There is no provision in the UI legislation which grants