

Oral Questions

would be with regard to the cancellation of this particular project. I now take this opportunity to ask the minister if she would indicate to the House the extent of the penalty clause.

How much of that money will go to the vendor? How much money will go to the various lobbyist groups that are working on behalf of that particular vendor?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, when the hon. member talks about lobbyists that are working for that, he should remember that the key lobbyist for the EH-101 is a member of the transition team of the Leader of the Opposition.

Some hon. members: Oh, oh.

• (1435)

Mr. Dick: When the hon. member mentioned that no other country in the world uses that helicopter for search and rescue, he is absolutely right because the helicopter has not been built yet.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, once again the minister who just spoke has earned his well-deserved reputation for never letting the facts stand in the way of the truth of a good accusation.

The helicopter has been built. It is shameful that the minister does not know it. There are five of them flying. One month ago, one of them crashed. This minister is an embarrassment to the notion of responsible government for not knowing that about a \$6 billion acquisition.

I want to ask a question of the minister who is responsible, the Minister of National Defence. On February 25 the Leader of the Opposition urged the minister of defence to look at the cancellation of this procurement project. The minister said it is not "an unnecessary expense. It is very important for our Canadian forces".

I want to ask the minister of defence whether she is aware that the Italians, who make up one-half of the British-Italian consortium, have reduced their own helicopter order of the EH-101 from 36 aircraft to 16. They have sliced their own order by more than half.

In short, why is Canada the biggest single recipient of a helicopter which one-half of the consortium has now reduced its order for by over 50 per cent? Why are we funding technology and industry in Britain and Italy and refusing to create jobs here at home?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first of all, the purchase of the EH-101 helicopters will create 45,000 person-years of employment in Canada, particularly in industries which are 21st century industries that employ women as much as they employ men.

In other words, the industrial benefits of this contract are very important for Canada. I cannot speculate on why the Italian government does or does not make the purchases that it makes.

The EH-101 has been ordered as a shipborne helicopter for our frigates. If the hon. member is suggesting that we should cut back on the purchase of the EH-101 shipborne helicopters, then the natural corollary of that recommendation would be a reduction in the number of frigates that we buy for the Canadian navy.

I think this is something that we should review. I am very happy to hear the views of the hon. member. If he is of the view that this helicopter should not be bought for search and rescue, I would like to know which of the specifications of the EH-101 search and rescue capabilities the hon. member thinks are expendable in order to save money.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister is not answering the question. Let me give her another opportunity.

This project was announced in 1986 at a cost then of \$2 billion. By 1988 the cost was \$2.3 billion. By 1991 the cost was \$4.4 billion. Two weeks ago we were told, and the government acknowledged, that the cost had gone up to nearly \$6 billion.

I want to ask the minister again. I want her to think seriously about this because Canadians are thinking seriously about it. Why is Canada purchasing more of these helicopters than all the other nations of the world combined? Why in particular are we saying that we can afford this Cadillac extravagance in terms of a helicopter when there are cheaper alternatives and when the Government of Italy, one-half of the consortium, has reduced its order from 36 to 16?

Madam minister, it is a serious question. Give us a serious answer.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am sure the Government of Italy will be very flattered by the