

Halifax Peace Coalition  
c/o Tamara Lorincz  
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February 20, 2013

Hon. Peter Mackay, MP  
Minster of Defence  
980 East River Road  
New Glasgow, NS B2H 3S8

**Re: Federal Budget, Opposition to Warship Contract, Petition to Redirect Military Spending and  
Petition against the F-35s**

Dear Minister of Defence MacKay,

I know the federal government is currently preparing its budget for 2013-2014. On your web site, you state that you are “inviting comments on how to further improve the effectiveness of government spending.”

I am writing to share with you my ideas to improve effectiveness in government spending and my priorities for the federal budget 2013-2014. My priorities are health care, education, the environment, and children. Surveys, such as the Ipsos Reid September 2012, also show that Canadians’ top priorities are similar: health, job creation, and the environment. So in creating a budget, the federal government should be focusing on these priorities and maximizing job creation for Canadians.

In light of my concern with effectiveness in government spending, I would like you to know that I am opposed to your government’s decision to spend \$35 billion of Canadian tax dollars on the National Shipbuilding Procurement Strategy (NSPS), the government’s largest expenditure and defence procurement in our country’s history. Of the \$35 billion NSPS, \$25 billion is being spent to build armed Arctic Patrol vessels and Surface Combatants at the Halifax-based Irving Shipyard.

I would like you to explain to me why warships for the navy are a priority over spending tax dollars on the priorities of Canadians? The Canadian navy just underwent a major retrofit contract with Lockheed Martin. How is federal spending on warships that Canada does not need effective government spending?

Please tell me why your government introduced the NSPS, but not a national strategy for renewable energy, affordable housing, early learning & childcare, First Nations’ communities, or municipal infrastructure?

I am also concerned that the NSPS does not maximize jobs in Canada. Dr. Berkok, a defence economist at the Royal Military College in Kingston, said that only \$5 billion of the total \$25 billion contract will be spent in Nova Scotia. The rest of the money will be spent in Ontario, Quebec and the United States, where

contractors will be hired to build the ships' combat systems, electronics and propulsion units. Dr. Berkok explained that the Irving Shipyard cannot build these sophisticated components. He predicted that Irving Shipbuilding will partner with US weapons giant, Lockheed Martin, and their systems will be brought up from the U.S. so most of the specialized jobs will be in the U.S. This month, the Chronicle Herald newspaper reported that design work will be done in Denmark and the United States and that Irving has reduced its engineering team.

Your government often touts how many jobs will be created under the NSPS. A study by the Conference Board of Canada showed that the \$25 billion combat ship contract would create 11,500 additional jobs in Nova Scotia during the peak of construction in 2020. However, this figure is disputed by the Marine Workers Federation that claims that only 2,500 jobs will be created by 2020.

By contrast, reports by the Blue Green Alliance, a network of labour and environmental organizations, have showed that many more jobs could be created in a green economy. In the alliance's most recent report released in November 2012, *More Bang for our Buck: How Canada can Create More Energy Jobs and Reduce Pollution*, showed that a federal expenditure of only \$1.3 billion would employ 18,000 workers. The research is clear that more green jobs could be created than shipbuilding jobs, so why is your government not spending our taxes to ensure the maximum number of jobs and benefits for Canadians?

As well, I am concerned that there is a lack of transparency and a financial risk to Canadian taxpayers. I am worried that the cost of the warships will spiral out of control like the F-35 fiasco. The Department of National Defence is reporting that the cost for in-service support for these new warships will be an additional \$14 billion dollars. Radio Canada and the Chronicle Herald have recently reported that the inflation rate is too low by approximately \$14 billion. Defence expert Ken Hansen, a naval fellow at the Centre for Foreign Policy Studies, argues that the cost each warship is much higher than the government's \$25 billion price tag for 21 vessels.

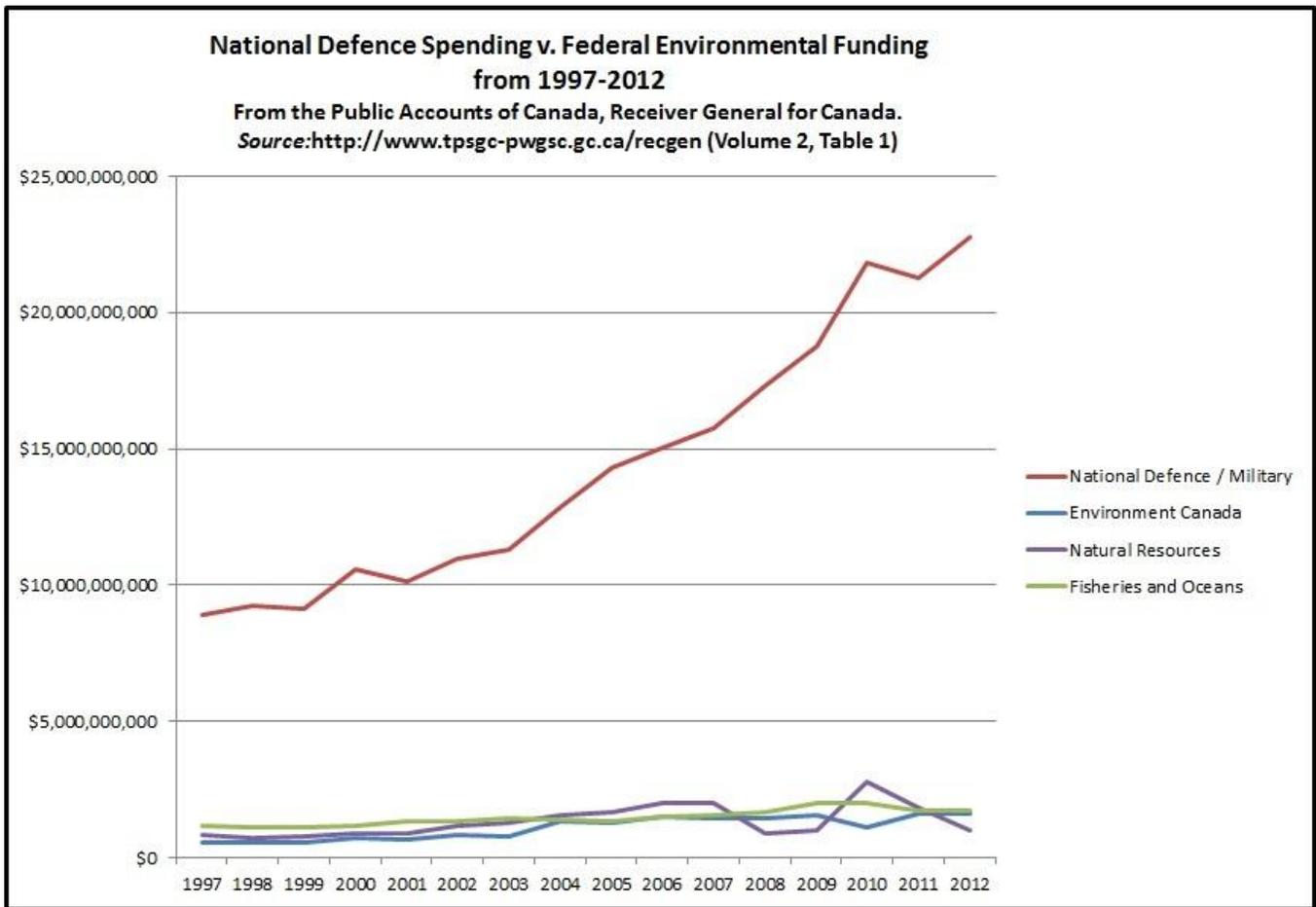
The press has also reported that Lockheed Martin got a sole-sourced contract for the electronics package that violates DND procurement policy. Moreover, there is also a lack of transparency with the Department of Public Works not turning over the bids and information to the Parliamentary Budget Officer. I would like to remind you that our country's national debt has increased to \$606 billion and the annual deficit is now \$26 billion. So, I am calling on you and your government to stop wasting Canadian tax dollars on things like warships and stealth fighters that are not priorities for Canadians.

Further, I would like you to know that for the past several years, I have been tracking federal revenues and expenses through the Public Accounts of Canada. I am very concerned that the budget for the Department of National Defence has doubled from \$10 billion in 2006 to \$22 billion in 2012. By contrast, the budget for Environment Canada has stayed flat at approximately \$1 billion for the past 14 years but environmental problems, such as poor air quality, polluted waterways, contaminated sites, and global warming have worsened and are jeopardizing our health, our economy and our children's future.

Why is your government spending so much on the military and so little on the environment? Why did Canadians not have a say in the *Canada First Defence Strategy* that commits \$490 billion on the military over the next 20 years? Why did Canadians not have a say in the *National Shipbuilding Procurement Strategy 2010*?

Please find attached a petition signed by 482 Canadians who want the federal government to redirect military spending to tackle urgent environmental and social needs. I have also enclosed a petition with the

signatures of 271 Canadians who are opposed to the federal government spending money on stealth fighters.



Finally, I would like you to know that due to my opposition to the NSPS, I have been protesting outside the Irving Shipyard in Halifax every week. I have a web site that I am compiling information about the warship contract: [www.demilitarize.ca](http://www.demilitarize.ca) and I have a blog about my weekly protest “Wednesdays against Warships” <http://demilitarize.ca/wp/>. I will post your reply on my web site when I receive it.

As my provincial representative to the federal government in Ottawa, I hope you will consider seriously my concerns as the federal budget is prepared.

I look forward to your reply and answers to my questions. Thank you for your time and attention.

Sincerely,

Tamara Lorincz

Encl.

cc. Jack Harris, NDP Party Defence Critic  
John McKay, MP, Liberal Party Defence Critic  
Elizabeth May, MP, Leader of the Green Party of Canada  
Steven Staples, President, Rideau Institute  
Sid Lacombe, Coordinator, Canadian Peace Alliance