

Supply

and thousands of jobs. We realize there is a need for defence industries and we have some of the best in the world right here in Canada, including in London, Ontario where we have many.

In Quebec and B.C. we have great industries. They are serving a useful purpose. Whether or not that purpose is still justified 10 or 15 years down the road no one knows. I think our red book says, and I would point this out to the member, that defence conversion consists really of three points: (1) redefining Canada's defence policy and the role of the military. As he knows there is consultation now on what that defence policy should be; (2) the rationalization of defence infrastructure, and that means looking at how we can assist these industries, communities and workers. As I said, these workers are very highly skilled, in high paying jobs. We need to look at how we can have adjustments for these workers; (3) the conversion of the defence industrial base to reduce the dependency on defence sales. I think that is important. We cannot cast out those industries and those workers just like that. We need to work with those companies, utilize their highly skilled workers, utilize their high technologies and be able to look for commercial applications of those things.

The member should realize, as I tried to define in my speech, that certain materials and certain parts produced by certain companies are not only defence related industries. They, in fact, serve a dual purpose. We ought to take advantage of making sure that this country faces the new economy by relying on the high skilled jobs that the defence industries have and also their technology.

We are prepared to work with those members and all members to ensure that we provide employment in this country.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, on behalf of the whip of the Reform Party I would like to advise the House that pursuant to Standing Order 43(2) our speakers on this motion will be dividing their time.

• (1330)

Before I speak to the motion, I would like to address some remarks made earlier by the member for Beauharnois—Salaberry who evidenced some concern with the aspect that the standing joint committee on defence was not addressing the problem that we are dealing with in this motion today.

I would like to go on record as saying that my concept of the standing joint committee on defence policy is to establish what it is that Canadians want from their defence department. He mentioned that we are travelling across the country and this is true. We are travelling from coast to coast. We are visiting every capital with the view of seeing informed Canadians on the aspect of defence and also to talk to people off the street who want to come in and make their views known.

We are also going to Europe and to the United States to establish with the appropriate agencies the importance of the Canadian defence contribution to their plans and our plans for mutual defence and obviously now in security.

The main thing I think that we want to do is establish a criteria whereby the security of the world is enhanced and thereby Canada's ability to operate in the world both industrially and tradewise will be better.

As I see it, the motion submitted by the member for Hochelaga—Maisonneuve is basically a demand for more funds to support industrial conversion. There is in my mind a defence aspect to this, but a very minor one. This is basically a matter of industry.

The defence aspect of it I will discuss a little later, but right now I would like to speak to the industrial aspect of it. The defence industry productivity program, a program whereby the federal government gives some \$200 million-plus to various defence industries to support research and development and defence aspects, has been in place for some time.

In point of fact during our election campaign, the Reform Party was against this program. The rationale for that was that if private industry and private citizens do not see the value of investing in such programs, why should the Canadian taxpayer.

Since my election I have been approached by a number of people in these industries and they have pointed out that there is a very valid reason for this. In fact there is a good repayment program. I accept this and am willing to look at it again, but I also know that in some cases this money has been granted to very dubious projects and that there has been a tremendous amount of this money that has just disappeared never to be returned to the Canadian government.

The defence industry covers many sectors. Among them I would mention aerospace, electronics, ship construction, aircraft construction including many components, avionics and communications mainly involved in the defence area in command and control but very, very adaptable to civil industries as well.

Many of these companies have international links which provides them access to merging technologies and global markets. A great deal of Canada's high tech industry in fact has evolved from defence research and development or procurement projects. There are some 800 companies employing over 60,000 people who are active in the defence related industries in Canada.

The Canadian Defence Preparedness Association provided a briefing to the standing joint committee the day before yesterday. They represent some 60 companies and said categorically that they have had great success at conversion.

The Aerospace Industries Association of Canada, which represents a large number of companies in this field, is evidence again of a very successful conversion program from defence to civil industries. In the past their ratio of output went from 70 per cent defence and 30 per cent civil to today, where it is exactly reversed. Their output now is about 30 per cent defence and 70 per cent civil.