

produces light armoured vehicles, the best in the world, with huge export markets.

Efforts to market these vehicles internationally have been very successful. They are being sold in the United States and Saudi Arabia and further exports are likely.

On the aerospace side it is estimated that the top four companies, Bombardier, Pratt and Whitney, Bell Helicopter and Spar, account for some 45 per cent of production. Defence sales represent about 25 per cent of their revenues. On the defence electronic side it is estimated that 80 per cent of the output is exported. There is significantly greater reliance on defence sales for revenue.

This sector, particularly the aerospace side, is well positioned to survive reductions in defence spending. The defence electronic side is less well positioned and smaller companies with limited product lines and a high dependence on defence sales face greater challenges.

The shipbuilding repair and marine equipment sector relies mainly on government procurement. There are few commercial opportunities. Despite the rationalization of shipyards in Ontario and Quebec and rationalization currently under way in B.C. excess capacity still exists in Canada.

Historically, due to population density and patterns and the need for concentration of manufacturing for the war effort Canada's defence industries were highly concentrated in Ontario and Quebec. The defence industrial base is generally conceived as consisting of four main sectors. The largest sector is the aerospace and defence electronic sector which produces complete aircraft, various aircraft components and parts, navigation and space equipment and other defence electronic equipment. This is the most diversified sector by producing a mix of commercial, dual use and military products.

I think it is important to note that this government's commitment is to ensure that the high skilled, high tech jobs that we have in the defence industry are maintained, that in fact we work toward transition of those industries where possible. But we must not forget that Canada needs a strong defence industry. Where applicable and where appropriate we will continue to do what we can to maintain that, but at the same time look at opportunities to be able to move into transition for those defence related industries which may find lesser and lesser markets in the future. We must make sure that we have adjustment programs for the workers, adjustment programs for the industries and take advantage of the great high skills that the workers have, as well as the high technology that the defence industries now have.

We welcome this opportunity to debate this very important issue.

Supply

[Translation]

Mr. Jean H. Leroux (Shefford): Mr. Speaker, I listened very carefully to my colleague opposite and I noticed that parliamentary secretaries speaking on this motion are fond of talking from an historic perspective. They paint a clear picture of the situation, which shows that they are well informed. However, as I said earlier, the government was elected to make decisions. Unfortunately, they are well aware of the problems. They know what is going on. Perhaps they should be sitting on this side of the House.

• (1325)

However, since Canadians chose them to form the government, I think it is high time for them to stop reviewing the situation. While this government seems to have a very clear picture of all that is wrong, Canadians and Quebecers expect it to make decisions and to move forward.

This morning, the minister spoke to us about the deficit. He said that he could not make any decisions at this time because of the deficit. During the election campaign, it was the Conservatives who focused on the deficit. The Liberals, on the other hand, talked about the jobs, jobs, jobs that they were going to create. But that does not seem to be happening now. The feeling in Canada is that we have simply traded in one government for another identical one. As far as this debate is concerned, nothing substantive has been put on the table.

In conclusion, I have a question for my hon. colleague. Does he not feel that it is important for a government to stimulate, encourage and help private enterprise? In this particular area, 11,000 jobs have been lost in Quebec and I think the government should be doing something. I would appreciate his comments on this point.

[English]

Mr. Fontana: Mr. Speaker, I appreciate the question of the hon. member. He should realize that we have only been in government six months. We understand and our commitment to jobs has not wavered at all. In fact, some of the announcements that we have already made as a government with respect to the infrastructure program or support for small business or support for research and development will pay big dividends in terms of job creation.

Our commitment to jobs is not any less today than it was before the election. Our red book talked extensively about a change in the economy. One of the changes in the economy is with respect to the defence sector. I think historically we should realize, and I tried to point this out in my speech, that in terms of what is happening in Europe and in the United States, Canada in fact is facing some of the same challenges.

I hope the member is not suggesting that we close down the whole defence industry in this country because that is thousands