

Some detailed discussion was given to the attempt to better determine the effect of military spending on the Canadian economy. Amongst the points revealed were:

- the regional impact of military expenditure in Canada -- approximately 62.5% of the direct and indirect effects of military expenditure accrue to Ontario;
- high-tech industries are the primary beneficiaries of military expenditure and tend to divert expertise, scientific knowledge and research and development from the civilian to the military sector;
- Canadian industries tend to produce components for major systems -- this might facilitate the eventual conversion of some plants or industries.

In concluding this discussion, several people agreed that Canada has neither an industrial development strategy nor a clear-cut defence policy in which to place questions of capital acquisition and defence spending. The lack of both was lamented and there was some emphasis given to the need for a defence White Paper -- or preferably, a green paper which would permit full discussion of all aspects of Canadian defence policy.

It was believed that there were better, more effective ways of creating jobs than solely through the defence sector. It was suggested that, as a lead-up to Paris Canada might set an example, by stopping the subsidisation of military industries whilst ensuring that industry would receive a similar degree of support for civilian/commercial projects.

In returning to a final discussion of Canadian foreign policy in its broadest context, several people asked -- "What is the nature of the threat to Canada" and "Who is the enemy?" It was suggested that Canada could construct an alternative defence policy based on the response to these questions. As well, these responses would influence Canada's own military spending and arms exports industry.

There was substantial criticism of Canada's deportment nationally and internationally and support for Canada to "set an example" as the most effective means available to a middle power to exert influence. Recognising, for instance, the example set by Canada in its verification work, it was strongly suggested that Canada could proceed further from this point eg. in publicly declaring our military exports and encouraging the establishment of a global arms trade register.