

not differentiate between defence expenditures on maritime forces and those on land or air forces, it confirmed that defence expenditure was a significant source of household income and of employment in all the Atlantic provinces and in particular, Nova Scotia.

Analysis using one model indicated that defence expenditures contributed the following amounts to household income in 1960:

Province	\$ million	% of total
Nova Scotia	110.2	13.8
New Brunswick	28.6	4.9
Newfoundland	11.0	2.9
Prince Edward Island	9.2	10.4

Use of the same model indicated that the defence expenditures resulted in the following employment in 1960:

Province	thousands	% of total
Nova Scotia	25.2	13.3
New Brunswick	6.2	4.8
Newfoundland	2.4	2.4
Prince Edward Island	2.0	10.0

Information received by the Subcommittee during its visit to Halifax area suggested that possibly as much as 40% of the total population of that area consisted of military personnel, Department of National Defence civilian employees, dockyard workers and dependents.

The Subcommittee concluded that in the Atlantic provinces defence expenditure, in the main on maritime forces, is of such economic and social importance that it represents a legitimate consideration in any development or restructuring of maritime forces.

7.3 Implications for other regions

No data of a similar nature was available for other regions of Canada, including British Columbia. The Subcommittee believes that input-output economic studies of all regions of Canada are an essential tool for effective promotion of regional development and would be important in considering the impact in different parts of the country of defence expenditure.

7.4 Implications for industry

The magnitude of equipment procurement programmes for the development of maritime forces has important implications for the development of particular Canadian industries. This fact has long been recognized in the practice of having vessels of Canadian maritime forces constructed in Canadian shipyards. A notable exception has been the purchase of submarines built in the United States or the United Kingdom, a consequence of which is a lack of expertise or facility in this highly specialized and increasingly important area of maritime technology.

8. COLLECTION, CONTROL AND EXCHANGE OF STRATEGIC AND TECHNICAL DATA

Canadian maritime forces, particularly those of the Department of National Defence, depend in part on an international exchange of strategic