

Government Organization

sector all financial assistance, plus interest on the money advanced, must be repaid if projects prove commercially viable. Is it any wonder that there have been major advances in the military sector but almost none in the civilian sector? Is it any wonder that as N. H. Lithwick noted in a recent article in the *Journal of Canadian Studies*, over 50 per cent of federal funds going into research and development are used for military purposes? If profits from war industries are greater than those derived from production for peace, are industrialists likely to choose the latter?

In an answer to a question raised by me, the Minister of Defence Production stated that the value of sales of weapon components by Canada increased from \$171 million in 1965 to \$275 million in 1967, about 60 per cent. In an answer to another question, this time directed to the Minister of Industry, Trade and Commerce, the following was revealed: In the fiscal year 1964-65 \$474,000 was provided under the Industry Modernization for Defence Exports Program to cover 19 projects. By the fiscal year 1967-68, this had increased to \$10.6 million covering 95 projects. A similar expansion in spending, though one not quite as great, can be found if one examines the expenditures in connection with the defence industrial research program of the Defence Research Board between the fiscal years 1962-63 and 1967-68.

Most alarming of all are the figures relating to the defence development sharing program. In the fiscal year 1961-62, the government was spending \$4.4 million on 33 projects. By last year this had increased to \$23 million and 53 projects.

I suggest, Mr. Chairman, that if the Canadian people knew of this expanding involvement in the armaments industry they would repudiate the Liberal government and demand that we cease providing this financial support to those who have properly been called merchants of death. The government is quite consciously trying to cash in on the increased market for armaments. They are deliberately making a growing portion of our population dependent for their livelihood on the perpetuation of international conflict.

An hon. Member: Nonsense.

Mr. Broadbent: Well, stand up and debate it.

This, in turn, creates more and more people with a vested interest in military-oriented industry. I am not referring now only to the

military and to owners of factories. I am referring also to the ordinary men and women across Canada who obtain jobs in these industries. Understandably, they wish to preserve their source of work; they must provide for themselves and their families. Can they be blamed if at some future date they oppose the closing of an aircraft factory or of a chemical plant concerned with biological warfare? Is this the kind of Canada we should be creating? Of course not. And this government should be condemned from one coast to the other for promoting such a development through its research and development program.

Before I leave this point, I should like to draw attention to the fact that President Kennedy made a point of asking Secretary of State McNamara to devise a program which would, over an eight-year period, reverse precisely the kind of policy I have been describing, that is one which was directing so much of the research and development and, consequently, so much of the economy, into areas dependent on production connected with warfare. The question I raise this afternoon is whether, in the light of the experience in the United States, we in Canada should be embarking on the same kind of foolish developments.

It is clear that the Department of Industry has decided to promote defence industries on the ground that to do so is politically expedient. In its program review for 1969-70 the department concluded that independent Canadian production of all our defence needs would be uneconomic. It then proceeded to reject the logical conclusion that we should purchase our defence equipment abroad. It did so by arguing that to buy on the basis of the lowest rates in world markets would, and I quote, "deprive Canadian industry of a vital source of advancement, not to mention annual exports currently of the order of half a billion dollars."

It is impossible to escape the conclusion that the government has sacrificed the public interest to that of the defence industries. I am certain, Mr. Chairman, that if Canadians were fully aware of these facts they would insist that we stop subsidizing defence industries and shift all the money we have available for research and development to the civilian sector. We must encourage the development of sophisticated technology in the non-military sector. We must employ our scientists and technicians in projects intended for the full, peaceful utilization of our abundant supply of natural resources. This means that