

You have to realize that the problem is very acute and the situation is very serious. During the last few years, defence expenditures have decreased. In fact, in only seven years, from 1987 to 1994, they have dropped by 10 per cent. According to some experts, defence expenditures are expected to fall by another 25 per cent in the next few years. This 10 per cent drop in activities has had devastating effects throughout the West. In Europe, for example, 600,000 jobs have already been lost. In the United States, 700,000 jobs disappeared in five years. By the year 2000, about 1.6 million jobs will have been lost because of the reduction in military production. Here, in Quebec, as was mentioned earlier, 10,000 workers in the defence industries have already lost their jobs.

According to some analysts, in Quebec, there are about 650 businesses directly or indirectly involved in military production.

Around forty of those are mainly and fundamentally involved in military production, a high-tech sector where much emphasis is put on research and development. So, we are talking about highly-qualified workers, who are highly paid, and, as you know, for every job in this high-tech industry, there are five indirect jobs.

Faced with this very serious problem, there is only one conclusion to be drawn. We urgently need a strategy for the conversion of defence industries to civilian production. The nature of manufacturing must be changed.

Here is Canada's position in the world market: in 1992, Canada was the eighth arms producer in the world, with a production value ranging from \$3 to \$7 billion, depending on the products. We should know that 70 per cent of these products are exported and that 80 per cent of our exports go to the United States.

In view of the reduction of military activity that was talked about earlier and that has caused the loss of 700,000 jobs in the United States, we can already see how the situation is threatening for Canada and Quebec, since the market is constantly shrinking.

Once again, that is another way of seeing the urgency of the situation and the need to redirect all military production effort at the present time.

We should also know that the federal government's intervention in military production has been specifically a type of intervention called the Defence Industry Productivity Program, better known as the DIPP. The DIPP is defined as follows:

The main mission of this program is to support businesses in the defence industry, mostly in aeronautics and avionics, to facilitate and consolidate research and development activities, to establish suppliers networks in

Supply

by-products and components for these sectors, and to promote investments and exports in these high-value added manufacturing sectors. The objectives of the program are to assist defence businesses in remaining competitive in the world markets and the Canadian market.

In 1989-90, three years ago, the DIPP had a budget totalling \$300 million.

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In 1992-93, the budget was only \$226 million, a reduction of a little over 25 p. 100. This means that Quebec received \$168 million dollars in 1989-90, and only \$80 million in 1992-93, a reduction of 52 p. 100, whereas the total budget has been reduced only by 25 p. 100. Given this, the Opposition now feels that this program must be revisited and that the DIPP mandate of military equipment promoting agent must be changed, so that part of this budget will be allocated to the conversion of defence industries into civilian production.

The Opposition is not saying anything new when making such remarks. For once that we agree with the Liberal Party, let us capitalize on that. I believe we agree with them more than they agree among themselves. This may be the difference between this side and that side. On this side, one can make remarks, on the other side, one must implement them. This is not always easy. Power is painful and difficult to assume. We understand it.

The press release of March 26, 1993 says a lot about the intentions of this government. This press release was cosigned by the leader of the Opposition, now prime minister, the present minister of Human Resources Development, the present member for Labrador and his colleague for Willowdale, who was then the critic for industrial affairs. It states three major commitments. "Expand the mandate of the Defence Industry Productivity Program (DIPP) of the Department of Industry, Science and Technology, which has a budget of \$200 million, in order to add to it a support element that would facilitate the conversion and diversification to areas such as environment technology and advanced technology for peacekeeping".

Second recommendation: "The creation of a commission of economic conversion in co-operation with industry and labour in order to facilitate and co-ordinate the conversion of the military industry which today employs some 100,000 workers. Sign conversion agreements with the United States, which import 80 per cent of our military equipment production". And finally, "the conversion of military bases" which has already started. We can already see the position taken by the Liberals.

There is one aspect that I would like to draw to your attention because I think this is the source of the hesitation of the government regarding the role of the state in that area. Yet, the Liberal Party was very clear at the time, that is only 14 or 15 months ago which is not a whole life time.