

Supply

In fact, the government is dragging its feet on several issues that are important for economic recovery. They often quote the red book but they do very, very little. Nevertheless, the companies that were penalized when this helicopter contract was cancelled urgently need government support to convert their defence activities. Since the new world order began, military industries have had a rough time, as everyone here will agree.

The arms production market, estimated at over \$450 billion worldwide, has dropped significantly since 1987, by almost 10 per cent. International experts say that it could drop another 25 per cent in the next few years. The main exporting countries, including Canada, are thus directly affected by this problem.

As you probably know, Canada exports about 70 per cent of its production to international markets, of which 80 per cent goes to the United States. Under Canada-U.S. agreements, we are thus tied to this market. Since the late 1980s, the U.S. defence budget has steadily declined. What will the impact be on our local industries?

In this specific sector, the most conservative estimates are that more than 1.6 million jobs will be lost throughout the world by the year 2000. That is a lot. This prognosis is hardly promising for Canada's military industry. In Quebec alone, more than 650 companies of all sizes work directly or indirectly in military production.

In Quebec, the most dynamic sectors are communication electronics, aerospace, shipbuilding and munitions. More than 11,000 jobs in Quebec's military industry have been lost since 1987. The impact is considerable.

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Here are some specific examples of layoffs between 1990 and 1994 in Quebec companies that produced weapons or components: Marconi, 1,480 layoffs; MIL Davie, 2,740 layoffs since 1990; Oerlikon, 410 layoffs; Paramax, 1,000 layoffs; Pratt & Whitney, 200 layoffs; Triplex, 200 layoffs; Vickers, 350 layoffs; and there are others. This is scary! It is unbelievable! Just compiling these figures is an exacting process. Between 1990 and 1994, no less than 7,391 jobs have disappeared in those Quebec companies which are formally identified as producing systems or subsystems for military use.

These figures, which merely represent the tip of the iceberg, confirm the dramatic drop in military production for Quebec alone. You can imagine what the figures are for all of Canada.

This illustrates why the need to convert military industries is so urgent and vital for the survival of our manufacturing and high tech industries.

We must act quickly to ensure the conversion of defence industries to civilian production. The elected government has a fundamental role to play in this sector of the economy. So far, federal government support to our defence industry has essen-

tially taken the form of procurement contracts and direct assistance to industries.

This support is mainly given through the Defence Industry Productivity Program, or DIPP. It seems that it is through this program that support for the conversion of defence industries will come.

The program aims at helping military industries remain competitive on international and Canadian markets. Considering the collapse of world and domestic markets for military equipment, a thorough review of the program is a logical and necessary step.

The most appropriate solution to help our defence industries is undoubtedly the implementation of a conversion program funded with DIPP's budget.

In fact, the House of Commons Sub-committee on Arms Export asked, in its recommendation 18, that the DIPP be extended so as to include assistance for conversion and diversification. The Liberal members who sat on that sub-committee signed the report, thus confirming their party's position when they formed the opposition. Is it possible that such a change could occur when you change sides in this House? This is incredible! It is unacceptable!

Considering that stand from the Liberals, and given the need to implement a conversion program to help defence industries, it is important that the DIPP plays an accessory role in this transition from military to civilian production.

While ideas seemed to have been developing for some time, and while consultations seemed to support a quick transformation of this program into a conversion program, it now seems that the Liberal Party is hesitant to launch such a support program. The Liberals are now undecided. What happened to them since they took office? It is hard to tell. What happened to those nice promises made on every platform by the Liberals during the election campaign?

Even the leader of the Liberal Party, the current Prime Minister, tried to outmatch everyone else in a press release dated March 26, 1993, where he said: "Canadians deserve a government which can show them the way, come up with new ideas and new strategies, and help them to adapt to change. Our defence conversion policy is a good example of how a Liberal government", as he put it, "would meet the needs of Canadians during the 1990s."

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Unfortunately, I must say that all these promises went unheeded, so much so that, in his budget, the Minister of Finance kept quiet about all the new programs the Liberals had promised.

If the government does not develop a defence conversion policy for the years to come, Quebec and the rest of Canada stand to lose tens of thousands of jobs in technological indus-