

- the ability to convert civil production to defence production in several areas;
- a developing capability to repair and overhaul major capital equipment;
- a small arms and ammunition production capability;
- an abundance of raw materials essential for wartime production; and
- benefits, via joint production, from proximity to the United States.

On the other hand, the Task Force noted numerous serious weaknesses, including most notably:

- a lack of skilled labour;
- dependency on non-domestic sources of critical items;
- long lead time for military production; and
- insufficient defence-related capital investment in new technology, facilities and machinery.

The Task Force concluded that the Canadian Defence Industrial Base was "fragmented, highly specialized, and not geared to meet the operational requirements of the Canadian Forces."

The Task Force noted that Canada had purchased a diverse range of military equipment from an equally diverse range of non-North American suppliers, including Germany, the United Kingdom, Italy, Switzerland and Sweden. It recommended that Canada recognize that joint allied industrial preparations strengthen overall security, and that Canada work with its allies to enhance national and NATO preparedness. It recommended, in particular, that Canada "continue to pursue co-operative arrangements in the interest of rationalization, standardization, and interoperability when they clearly contribute to the readiness and sustainment of the Canadian Forces."

Bill C-6 seeks to reinforce defence industrial co-operation with our allies and defence partners in key defence product areas, including small arms, automatic firearms and light armoured vehicles. The automatic firearms are manufactured for the Canadian Forces by Diemaco of Kitchener, and the light armoured vehicles (LAVs) by General Motors Diesel Division (GMDD) in London. Neither production facility can survive on the basis of Canadian requirements alone. Both will fail if new flexibility with respect to exports of automatic firearms to selected