

### Supply

Mr. Speaker, I want to back up my statements and focus on specifics, so that the government cannot accuse us of being vague and of not basing our demands on concrete facts. As you know, I have always made it my duty when speaking in this House to deal in specifics. Therefore, the following facts are for the benefit of the Minister of Industry who is honouring us with his presence today and who, I am told, will be taking part later in the debate. I would like to remind him that Montreal is affected most of all by the current crisis since 60 per cent of all contracts awarded either go to or are carried out in the Montreal area.

For example, between 1987 and 1992, a total of 15,000 sole-source contracts were awarded annually to the Montreal region. For those who are familiar with this issue, and I could name names because there are people in Quebec who have studied the conversion question, Montreal is considered the leading centre of military production in Canada, accounting for 26 per cent of all contracts awarded in the country.

We are shocked, saddened, worried to see the Montreal region, a region which has had its share of hardship these past few years—Montreal was said in the committee on social programs reform to have become the capital of poverty—suffer a 40 per cent overall decrease in economic activity from the defence industry over the past six years, while for the whole of Quebec, the decrease was 25 per cent.

So, there is a sense of urgency, an urgency that makes all the more unacceptable the attitude and inaction of a government the intentions of which in that respect are yet to be known.

• (1030)

But, in the past, back in the days when they were in opposition, the Liberals, the big guns of this government, had made firm commitments in terms of reconversion. They were aware of the need and supported this necessary transition. This transition stage is required because the good old days when governments could award lavish defence equipment contracts are gone, for ever.

If I may, I would like to quote three former members of Her Majesty's loyal opposition who had endorsed wholeheartedly the conversion process, but now seem conspicuously silent. I am referring to the current Minister of Human Resources Development, Mr. Axworthy, the current Defence Committee Chairman, Mr. Rompkey, who was the opposition's Defence critic at the time, and Mr. Jim Peterson, who was their Industry critic.

**The Acting Speaker (Mr. Kilger):** Order! I would simply like to remind all members that whenever they refer to other members, the proper practice is to call them by their official titles, for example parliamentary secretary, or member for such-and-such a riding.

**Mr. Ménard:** Mr. Speaker, I apologize for this breach of order. But you will still allow me to quote these three members whose constituencies I do not remember.

These people were saying, "We must expand the mandate of Industry, Science and Technology Canada's \$200 million DIPP from developing defence technology to helping the industry convert and diversify into areas such as environmental technologies and high-tech peacekeeping technologies".

That is smart thinking, Mr. Speaker. And that is what we in the Official Opposition are demanding. We are telling the government that there is an urgent need to act on defence conversion and that this could be done by adjusting a program not currently used for conversion. However, if the government's intentions are serious, there is a program that would allow us to make conversion budgets available to businesses. It is the DIPP or Defence Industry Productivity Program.

We must never forget that this program, which in fact has promoted research and development, has been in place for over 20 years. It enabled businesses to conduct market studies and refine technologies mostly aimed at the defence industry. We think that the program which kept Canadian industries somewhat dependent on defence markets should now help them to pull through.

We say to the government that DIPP, which already had large budgets, \$300 million in good years, but today it is more like \$225 million, we say to the government that this is the vehicle to use. We will not accept an argument that DIPP is already being used for conversion. Because if they tell us that, we say to the government, "If this vehicle is really being used for conversion, come with us and meet various companies in the Montreal area that are having these problems. You will see that with these funds, they cannot really convert."

We say to the government that any conversion solution must involve regionalization, given the obvious fact that Canada's military industries vary enormously from one region to another. Each region has developed its own military specializations, so that each regional specialization has its own needs.

Obviously, an industry that makes munitions will not have the same needs, the same process, the same expectations for conversion as one that makes telecommunication satellites, for example. The Canadian reality is that each region has developed a very specific type of defence equipment production.

We must keep in mind that this debate is about the future and shows how forward-looking the Official Opposition is. I see my colleague opposite nodding and I am pleased to see that he agrees that we see things right.

• (1035)

One must never forget that conversion is a medium-term process, lasting five, six, or seven years. Now is the time to lay the groundwork for conversion. We must recognize that certain regions are further ahead than others in their reflection process,