

Supply

I feel I have been watching excerpts from a movie which got rave reviews in Quebec. It was called "The Unbearable Lightness of Being". With all due respect to the minister, I cannot understand his discourse. No later than March 26, 1993 A.D., Mr. Speaker, the Liberals, who were then getting ready to assume power, were calling for the solution we are offering in part today.

Because the Official Opposition claims that the government must play an important part in the conversion process, the minister began his remarks as follows: "The hon. member for Hochelaga—Maisonneuve—yours truly—suggests that the government make its cheque book available to these companies". In part, Mr. Speaker, in part. We do not see anything wrong in doing so; as a matter of fact, we believe it is acting responsibly. Why do we think that the government should give them money? Because, through DIPP, these companies have become dependent on government funding.

• (1110)

Does the minister not agree that most companies facing the difficult task of converting, have adopted or presented the government with their own conversion program? Today, the minister follows a laissez faire approach and tells us that it is up to the private sector to adapt. Yet, the Liberals were even more interventionist than we were, because in addition to recommending adjustments to the DIPP, they demanded the following in the second part of their press release entitled *Liberals Announce Defence Conversion Policy* issued on March 26 of 1993: "The establishment of an Economic Conversion Commission, with the participation of industry and labour, to facilitate and coordinate the process of conversion in the 100,000-job defence industry".

One would think from this press release that the Liberals agreed with our position that state intervention was essential to the conversion process. Therefore, I cannot understand the government's lack of commitment or why it has backed off and flip-flopped on this issue. We do, however, agree with the minister about one thing, and that is that unemployment affects everyone. Happiness, they say, may be the absence of misery. This is the kind of sophistry that is served up to us here today.

I will agree with the minister that unemployment is catastrophic for everyone, but will he agree with me that the money spent by the government on the conversion process will spare some people their jobs and allow them to continue investing in the economy? I fail to understand why no connection is being drawn between implementing a strong, immediate and urgent conversion strategy and the benefits that would accrue from it, in terms of national production and unemployment. I hope that the minister will review his position, that he will take a much more interventionist approach and that he will show some

leadership. I have been told that he can count on the co-operation of his colleague, the Minister of Finance, and I know that the two ministers are prepared to work closely together. Their co-operation and the will of the opposition will ensure that we work together on this issue.

Mr. Manley: Mr. Speaker, the hon. member is trying to misrepresent what I said. In my remarks, I tried to explain that in a strategy for the conversion of defence industries, we need to have, first of all, in the private sector, the sort of initiative that can provide direction to every company affected.

Take for example Paramax, now Unisys GSG, the prime contractor for the helicopter contract the government cancelled on November 4.

[English]

I am quoting from a Canadian Press article published in the *Gazette* of April 19, 1994:

Paul Manson, president of Unisys GSG—says the company may end up better off than it might have had it carried the multibillion dollar helicopter contract through to its conclusion.

"We've gone through the worst of the setback from the helicopter", he said.

The article goes on:

He said Unisys is using the expertise gained in military work for commercial contracts, especially in the field of total systems integration. "Once you would sell a mainframe or a mini-computer or a PC and then walk away", he said.

"Now we're involved in the whole package—maintenance, software, systems and integration.

The article goes on:

The cancellation cloud may have had a silver lining in that it forced Unisys into diversification at a time of "intense downward pressure on defence budgets".

My point is simply that I hope this indicates a success for the particular company. It has a highly motivated very professional manager as president, Mr. Manson. He has done a good job trying to anticipate where his company can find new successes. He spent a fair bit of time discussing strategy with Industry Canada. We have tried to be helpful to him as a government should be in identifying opportunities and in looking for possibilities.

• (1115)

Indeed the DIPP fund may prove useful in this exercise again as a repayable contribution to research which will lead to the production of new products to sell into new markets.

This is a very clear strategy. It is not a do-nothing strategy as the hon. member has attempted to characterize it. It is a practical pragmatic strategy that reflects two things, first of all the important contribution that these firms make to Canada's base of highly skilled, highly educated technical people. Second, it reflects the reality of the fiscal situation of the Government of Canada.