

*Supply**[Translation]*

If we ask the Canadian industry to diversify its activities, if we exert pressure to achieve conversion, we must help companies respond to the needs of the military as well as the requirements of the commercial markets.

[English]

In order to do this we will work to introduce early into the procurement process industry views that can shape specifications to meet military requirements and diversify into production for commercial requirements.

Simply put, there is no room for the one-off, one of a kind military products of the past. No one can afford them. They do not fit into any logical equation for promoting competitiveness, innovation and economic growth.

It is no secret that governments, any governments, are always ripe for a little simplification of procedures and administration. This is an area we are looking at very closely. It is an area where changes will have to be made. The system as it exists now in Canada makes it difficult, if not impossible, for companies to support efforts in both military and commercial markets.

In fact the U.S. is already moving in this area and we will be following in the same direction.

I have a couple of final points to make, if I may. In no way do we intend to pursue a course that is defence conversion merely for the sake of defence conversion. By that I mean that the government has no intention of subsidizing the conversion of defence industries into commercial activities and commercial sectors that are already effectively serviced by existing firms. This is one of the dangers in the argument that was being made by my friend from Hochelaga.

[Translation]

I will not go any further into that, but I will just point out that when people try and criticize the government for not doing enough to help defence industries switch to civilian production, their arguments only underline the fact that this is a complex question, that many did not take the time to research fully.

• (1105)

[English]

No one gains when the end result of conversion is oversupply in another commercial sector. In fact the results would likely be more damaging than they would have been had there been no conversion effort at all.

[Translation]

Finally, job creation is still an absolute priority of the government and yes, certainly, the process of conversion of defence industries could result in the creation of new and very interesting jobs. However, we should not forget that this will lead to disruptions within the labour force. The market will take care of some of the affected workers and many of the highly qualified defence industry workers will find jobs in other sectors.

There is no doubt, however, that there will be some problems with less qualified workers. In those cases, to help the workers involved, the government will use, as much as possible, its industrial and community adjustment programs as well as programs geared to human resources.

[English]

I only mention this because it is an element of the whole question of defence conversion that is often ignored by those who wish to give advice or criticize. There are some knowledge gaps out there. There may be some knowledge gaps in the House. Over the course of the debate I hope we can perhaps fill some in.

For my part I am eager to hear the recommendations and suggestions of opposition members on this matter, especially those who have within their constituencies companies or sectors that have been affected by the changes in the international environment, particularly with respect to defence acquisition.

[Translation]

I should add that when we talk about the private sector we should remember that the shareholders and the managers of the companies also have obligations.

[English]

Shareholders and managers of companies have an obligation to invest in their own strategic development, to invest in marketing and to foresee changes that are coming.

We stand here today in 1994, almost five years after the Berlin wall fell. The fact that companies in the defence sector face significant challenges should not come as a surprise this year or last year to those companies. Government is prepared to work with companies that are trying to make conversions, trying to develop products that have dual use, or trying to find new markets for their goods.

Let us never lose sight of the fact that governments do not solve problems for firms. Firms, individual enterprises and individual shareholders have a big responsibility to help solve their own problems.

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonnette): Mr. Speaker, I will try to keep my cool, but it will not be easy. I will do it out of respect for the Chair.