

This is where I am getting back to the impact of how industry impacts on defence. Obviously there are certain industries where Canada must retain a defence production capability and it is in those areas that I think the government should be involved. They may not be completely economical but they are of overriding importance to our ability to maintain a defence posture and government may have a place in there. It is not only prudent but necessary that government may do this.

• (1335)

However I think basically it should be left to the managers of industry to decide how they run their businesses, what products they get into and which avenues they should follow.

It brings a question to mind that if government directs the conversion of industries from defence to civil, does the government also then have to assume some responsibility for the success of those companies? If they move them from an area where there has only been a defence relationship into a civil one and the company fails, does that mean the government has to pick up the tab for that? I do not think that is the way it should be. I think that is an industry situation which should be covered by the industrial manager.

Indeed if the conversion is into an area where there is already a surfeit, too much capability, it could in fact result not only in the company that converted into that area failing but also other companies that were in there. There is a rollover effect there.

I think it is without any question the responsibility of the managers of industry to find and occupy the appropriate niches. If I may use the analogy, there is not much call for chariots any more, so a chariot manufacturer would not be a very viable occupation or a business. But that company might very well develop into bicycles or cars. On the other hand they have to accept the fact that there are many other competitors and they would have to be prepared to meet that competition.

It is the responsibility of the industry concerned to say this is no longer viable and where are we going to go to maintain our industry.

I think there is a place for government in industry in providing support. That support should be in the areas of perhaps providing a strategic analysis, to say to industry: "This is where we see Canada emerging, this is where we see the marketplace going, this is an area that you might look at to exploit in future".

I think government, as the minister said earlier, should be in the business of, wherever possible, removing barriers to trade. We should enhance the ability of our industries to compete on the world market. We should not subsidize them; we should enhance their ability to do it on their own.

### Supply

I think probably the most tremendous impact the government could have on our industry, whether it be defence, whether it be civil or whether it be the conversion thing, is to bring the spending habits of the government back into line to balance the budget, to lower taxes. This in itself, in and of itself, would create a far more vibrant industry, it would result in far greater employment and to a large extent it would solve the problem that we are dealing with.

In conclusion I would just like to say that I do not believe that the government has too much place in the conversion from defence to civil industries. Certainly as I have mentioned, there is a road clearing process that it could do to remove the barriers, to enhance the trade, to indulge or enter into trade agreements, reciprocal agreements with other countries and other areas. Other than that I think the industrial base of a country should be run by the industrial managers who are concerned with it.

**Mr. Ian McClelland (Edmonton Southwest):** Mr. Speaker, if I may have the indulgence of my hon. colleagues in the House, I would like to read the opposition motion. For those watching on TV who might have just joined us, it might be interesting for them to know exactly what we are discussing.

In the affairs of this House the opposition parties from time to time have the opportunity to bring forth subjects of debate. We get relatively short notice. I think it is quite interesting that we get relatively short notice, perhaps as much as a day in some instances, and we then debate the issue brought forward by the opposition.

Today the Bloc has brought forward this opposition motion which is being debated in the House:

That this House condemn the government for its unacceptable delays in developing and implementing a genuine strategy for the conversion of defence industries to civilian production, which would save and create new jobs in high technology sectors.

• (1340)

I do not know if I want to condemn the government for not doing this. There are many, many things we could condemn the government for, but I do not think this is one of them.

It is my opinion the government should keep its fingers out of business and out of the marketplace. It should let the marketplace decide who will be the winners, who will be the losers, who will be successful and who will not. It is survival of the fittest.

Why was it such a big shock to the defence industries that they were going to have to change? Was it because it happened overnight? Did we have this incredible industrial military complex that drove the economy and the country? No, it did not; and no, we have not.