

Oral Questions

[English]

WESTERN ECONOMIC DIVERSIFICATION

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, my question is for the Minister of Industry.

The Department of Western Economic Diversification has loaned \$670 million to companies in the four western provinces since the Tories invented the department. Only about 25 per cent of those loans are currently being repaid. Many experts predict that the default rate will be in the 40 per cent range.

Given that the minister has publicly stated he is not in favour of massive subsidies and that he said earlier today that he favours private sector development, is he prepared to admit that regional development programs are not effective ways of enhancing Canada's economy?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, first I would like to say to the hon. member that both his facts and his assessment are wrong.

We have made major changes in western economic development so that we are not giving large grants to large businesses. We are now providing basic assistance to firms with under 50 employees so that we can help them deal with some of the challenges in the export market, such as meeting quality testing and other kinds of requirements.

I will give one example. A few months ago I were able to assist with a very small grant of \$200,000 the Vancouver based firm Northstar which allowed it to secure a \$30 million line of credit with one of Canada's major banks so that the firm could provide export financing for small business. Since then the firm has already had 2,000 applications for financing of small business export development around the world.

It seems to me that was one very good investment that will help thousands of western Canadian companies secure new markets. The hon. member should get his facts straight.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, speaking about facts, perhaps the minister could get his facts straight. One good investment out of \$1.2 billion worth of regional funds is not good enough in this country.

Since the Minister of Industry will not answer the question, my supplemental is for the Minister of Human Resources Development. There is a world of difference between entrepreneurs taking risks with their own money and taking risks with other people's money, especially when it is the taxpayers who will have to pay the interest on the borrowed funds and the defaulting loans.

What does the minister consider as an acceptable level of risk from his Department of Western Economic Diversification as it continues to flush taxpayers' money down the drain? Where is the rest of the justification on the \$1.2 billion?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, if the hon. member knew anything about the way the program worked rather than just repeating a bunch of mythology and garbage he has heard from other people he would realize that most of the money is coming back by repayable contributions. Western economic development recycles money back into business so we can create jobs. I understand the Reform Party is not interested in jobs, it is not interested in employment and it sure as hell is not interested in western Canada. I can tell you that.

* * *

● (1455)

TRADE

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, the Minister for International Trade has pushed very hard for Chile to join NAFTA. He visited Chile last January and he has made numerous speeches on the subject.

Can the minister explain why he believes it is in Canada's interests to have Chile join a free trade agreement?

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, the question is entirely topical in that we do hope to make some real progress on the accession of Chile to NAFTA at the Miami summit of the western hemisphere later this week.

There are three reasons. Principally while we urge and have continued to take a lead in urging the early accession of Chile to NAFTA, one is that Canada is a principal investor in Chile. We have already promised a \$4 billion plus investment in Chile. The second reason is we want to counter the confusing network of trade rules that are becoming a problem for members of our business community as they develop their trade in the western hemisphere. The third reason is that we are in favour of open markets, market liberalization throughout the world and the step toward the integration of Chile in NAFTA—

The Speaker: Three kicks at the can and that is about it. The hon. member for Drummond.

* * *

[Translation]

BLOOD SUPPLY SYSTEM

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health. On December 1, impor-