

Western Economic Diversification Act

loans and encourage use of the guarantees in respect of lower-risk loans that do not require additional incentives. The single purpose of the guarantee provision must be to maximize the leveraging of these resources to higher risk initiatives, initiatives that would otherwise not proceed. The interest rate charged by the lender should be allowed to reflect that risk.

The Federation makes the point that loan guarantees should also apply to working capital, pointing out that the growth potential "is increasing in sectors where physical capital requirements are much less than working capital requirements". It goes on to state that the Alberta Term Assistance Plan "offers a good example where loans for working capital were leveraged with partial guarantees", with 35 per cent of the loan being government guaranteed, to recognize the lesser collateral value of the assets involved.

There is a great deal more to suggest in respect of the Western Diversification Office, a great deal more that should be done. In closing, I simply want to say that, while we intend to support this initiative in principle, we do hope that it does not turn into a slush fund, whether political or bureaucratic, and that it really does lead to major gains in diversifying the economy of western Canada.

The Acting Speaker (Mr. Reimer): The Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) on questions or comments.

Mr. Greenaway: Mr. Speaker, I have listened to the speech of the Hon. Member, and it is the same one that he gave the other day.

Is the Hon. Member for Kamloops—Shuswap (Mr. Riis) aware that the Western Diversification office in British Columbia is willing to send out officials from that Office to conduct one day seminars on western economic diversification? It may be that the Hon. Member would be interested in arranging for such a seminar to be held in Kamloops.

I had occasion to visit the Thompson Nicola Valley Manufacturers Trade Fair held in Kamloops last fall, and I can readily agree that it is a good organization. I am at a loss as to why the Western Diversification Office has not funded that organization.

I am wondering what the Hon. Member has done to bring about a positive decision on funding. Has he visited the Western Diversification Office in Vancouver to lobby on behalf of that organization; has he talked to the various Ministers involved?

I stand ready to offer any assistance I can provide in terms of getting funding for that organization. Certainly, it is a worth-while organization and should be one which is representative of what is required by the WDO.

Mr. Riis: Mr. Speaker, let me first point out to the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) that the speech I made yesterday outlined all of the areas where the federal Government has failed in terms of delivering a fair deal

to western Canada. In that speech, I was specific, citing Supply and Service contracts, CIDA contracts, Regional Development grants, Employment and Immigration programs, and so forth. Being of the view that the Hon. Member opposite had heard enough of that, I had no desire to repeat it today.

The short answer to his first question is that, yes, I am aware of the opportunity to introduce people to the Western Diversification Office and what that office can do.

I, too, share the concern that the request for funding by the Thompson Nickel Manufacturers Association was rejected. I listened with interest when he asked whether I had talked to the Minister, whether I had talked to the Western Diversification Office. While I did in fact get involved, I would like to think that political intervention would not be necessary. I should like to think that Members of Parliament need not go to bat for every single initiative.

Mr. Greenaway: Why was the request turned down?

Mr. Riis: The reason given was that there was another community doing something similar. One is left wondering whether that is a criterion. If an initiative is being undertaken in one community, does that mean that it cannot be done in another?

These are some of the questions we need answered. I do not want to cast aspersions on this initiative. It is not my view that it is a bad initiative. My point is that we ought to have clear terms of reference as to what will be funded and what will not. We need some clear direction. I agree with the Canadian Federation of Independent Business that we ought to have a business plan. In trying to get information on the terms of reference, I have been in touch with the offices in Vancouver and Edmonton, as well as with the Minister, but to no avail. What I am told each and every time is that the application should be submitted. Well, do we submit an application for tourism, for soil erosion studies?

When I learned that a study aimed at finding new ways to a market potash had been funded, I wondered how that would assist in diversifying the economy of western Canada. Will the selling of more potash abroad result in a more diversified economy for western Canada? While that may in fact be the case, it is not clear to me how it will come about.

As well, a request for funding for a soil erosion study was approved. While there is no doubt that we need to learn more about soil erosion, one wonders how such a study is going to result in a diversified economy for western Canada. Again, it is not clear.

As Members of Parliament, each of us will go to all reasonable lengths to assist local organizations, local businesses in getting their fair share of a government program; but, if that means that one has to use one's political influence in order to make the program work, that is something I do not want to be a part of.