

*Canagrex Act*

complement and build upon the successful operations of the private sector in the export of food products at the present time?

I do not think there is any question in anyone's mind that Canada should export more Food. When we look at Canada with its vast geography and compare it with other countries in the world, we see that we should produce and export more food and back-out more imports. But the question we must ask ourselves is whether the creation of a Crown corporation like Canagrex is the correct way in which to address this problem, or whether there are better ways of doing it without the disruption of introducing a new and possibly very powerful entity that would be competitive with existing mechanisms.

● (1450)

I have to question whether the right way of building the export business in this country is through the supply management method of which the minister has been very much in support over the years, or whether we should not be looking at what a marketing board is. We should look at the words "marketing board" and ask ourselves whether we should be emphasizing the marketing element as opposed to the supply management element of a marketing board. In many instances we have seen that if industry has the capacity to produce the products at the other end, that markets will open up, not only within our own country but within other countries, provided the wherewithal and the incentives are there for them to expand.

Obviously, if the industry is capable and is encouraged to produce to a greater extent than is the case today, all Canadians will benefit—not just the producers, not just the exporters, but the consumers as well. We will be spreading those costs over a much broader volume of production and, therefore, lowering the cost of food to Canadian consumers.

But the minister has not justified the reasons for creating this new organization. The minister has said that there are deals being missed. I am sure there are deals being missed. Deals are always being missed. I think even the minister would have to say that Canagrex will miss a few deals even if it is the best organization in the world. Nevertheless, taking that into account, the minister has not made a case for stating that there is a significant amount of business being lost that could be won by an organization like Canagrex.

I ask him whether the type of deal he thinks has been missed is the deal which the Canadian Dairy Commission had with Mexico in which it lost \$2.1 million. Is that the sort of deal which Canagrex would not miss? Is that the sort of deal Canagrex would win and win regularly? If that is the case, who would pay for it? Would it be a different arrangement than under CDC at the present time? Would that loss be borne by all taxpayers in this country?

If a private sector exporter lost \$2.1 million on a deal, that exporter would not be there now. He would be out of business. That kind of loss cannot be handled by the private sector. What concerns me as a taxpayer and speaking on behalf of my constituents is whether a number of those sorts of deals will be

made by Canagrex under the guise of expanding exports, but in effect making mistakes that should not be made and passing on the cost to the taxpayer.

Where has the private sector fallen down in the course of the last five, ten or twenty years in the development of food exports in Canada? The minister has spoken about the success of expanding our export sales in this country. Where has the private sector fallen down? What markets are we missing? What countries are we not selling to as effectively as we could be?

It is sometimes argued that the private sector is unwilling to accept the upfront market costs in developing these export markets. I wonder whether that statement is entirely accurate. I know of a number of companies in this business that have spent a lot of money developing the markets which they enjoy right now. These same companies are concerned about losing those markets through unfair competition from an organization such as Canagrex and they will lose the benefit of their investment. Whether these companies will just back out of the marketplace and leave a much greater proportion of the export business to be handled by Canagrex, by one company, one major vehicle in the industry, is a concern. It will have monopolistic tendencies and as a result the cost to the consumer will be greater.

The minister would have to agree that the development of export trade does not happen from matching an existing product in Canada with the demand for products in another country, whether Brazil, Taiwan, Hong Kong, or whatever. The market has to be developed and developed very carefully over time. It is nurtured carefully by individual relationships that sometimes take five or ten years to develop. These long-standing relationships that depend on personal friendships are sometimes a lot harder to develop when there is not the rapport from two organizations working and understanding the importance of developing markets or understanding the importance of profits, as well as the necessity of having profit to develop further already existing markets.

These are the things that concern me. I wonder what the government has been doing. A constituent of mine in this business told me that he gets 20 leads from the U.S. department of agriculture for every one lead that he gets from the minister's own department, from the Minister of Industry, Trade and Commerce (Mr. Gray) or from the embassies. This occurrence was related to me directly. I would be happy to have the person get in touch with the minister if the minister would like to discuss it further. I am sure the individual will wish to present his views to the committee.

There are other areas which government can support in the development of the export business. Some of this type of thing has already begun. For example, the expansion of export insurance for food. I believe that could be expanded even further. But the importance of creating an environment for increased food production cannot be denied. This past year this particular aspect of the export business has been severely damaged, because of the very high interest rates that people have had to endure in the agricultural production community,