

Canagrex

Mr. Whelan: It is a very long word and that is a quote by a farmer. It goes on to state:

The CFA also reiterates its strongly held position that the majority of the board of directors be representatives of producer organizations.

Mr. Hargrave: Who signed that?

Mr. Whelan: Glenn Flaten, the President of the Canadian Federation of Agriculture. He is from Saskatchewan.

The important thing to remember in this whole question is that in committee we had unanimous support for an amendment stating that Canagrex will only become involved in buying and selling products in co-operation with or at the request of other governments, Canadian companies or Canadian producer organizations. Canagrex cannot go out into the market on its own initiative. It was never the intention to have Canagrex engage directly in farming or processing, and this is assured by another amendment to Clause 14 as approved by the committee. Why in the world would it want to be involved in that? That is what I cannot understand. It would only be involved as part of joint ventures with the private trade. Private trade has been requesting that for many years, even before I was Minister of Agriculture. It wanted more assistance for those perishable products in which they are dealing, the sale of which on the world market involves a tremendous risk.

Let us consider some of the other provisions of the amended bill which further ensures that the private trade will benefit as a result of Canagrex. The most obvious fact is that most of the people on the board of directors will be supplied and selected from the private sector. They will understand exactly what kind of assistance is needed to maximize this country's export of agri-food products and they will be subject to strict conflict of interest rules, as I already said. These rules are contained in the amendment put forward in the committee, and I searched it, by the hon. member for Elgin and are contained in the amended bill. If one checks the legislation on the books in any province, or in the federal system, one will probably find only one other bill which has that amendment providing for the strict conflict of interest rules. Furthermore, this will be backed up by a policy advisory committee of people from all over Canada. Never has there been such preparation or thought behind a bill to ensure that all suspicions would be alleviated. I would put the operation of Canagrex against the operation of any private company, any co-operative or any marketing board because of these amendments which were made, and I accepted some of them from the members of the opposition who said I was stubborn, I would not bend, I would not listen—

Mr. McKnight: You never did.

Mr. Whelan: —I would not accept any of the motions. I would advise hon. members that I accepted them, because I can well remember the night when I said I would accept this and I would accept that. I thought the hon. member for Elgin had the whole committee convinced that we were ready to bring the bill into the House and give it swift and speedy

passage, because many people in the part of Canada from which he comes are 100 per cent behind Canagrex.

Mr. McKnight: They are getting further behind, too.

Mr. Whelan: The public is protected through a number of means. Perhaps the main one is that Canagrex must submit annually a revised three-year corporate plan. I ask hon. members, what other Crown corporation can one think of that does that?

Mr. Mazankowski: VIA Rail.

Mr. Whelan: We have been checking to find out how many do. There are very few which must do that kind of thing, which is binding, which will form the basis for its strategy and its budget for the year. A summary of the corporate plan will be made in public but, of course, yearly details must be kept confidential because they are in competition with other companies in the world. There are few government agencies that are subject to such stringent safeguards and restrictions. I think one can probably count them on the fingers of one hand. With the amendment I have made, I believe the Canagrex legislation is well balanced in terms of its modified purposes, powers, checks and its operations. I believe we can go no further without crippling Canagrex unfairly.

I urge the House to defeat the 13 amendments proposed by the opposition at report stage. As I said earlier, these points have been extensively debated during committee, and their constructive aspects have already resulted in extensive amendments which were approved by the committee.

I would ask that the House approve the government's one amendment, Motion No. 13, which is simply a language change. In short, to succeed in its job of reinforcing its role as a partner in export capabilities of Canada and the food industry, Canagrex must have the flexibility spelled out in the amended bill. So, we should go over the facts and the history and consider the power which I mentioned in the country with which we have the most similarity, the United States of America, and what it is doing at the present time. Right now we are living with deep concern about what the United States will do with its dairy industry. Four, five or six years ago, when we spoke with the United States about meeting with the countries involved in surplus industrial dairy production competing on the world market, and we asked to have a meeting, two former secretaries of agriculture in the United States said, "There is no need for such a meeting because we will never have a surplus of industrial dairy products." Because of the subsidization program in their country, without any control overproduction, it is costing \$2.5 million a day, or over \$2 billion annually. In a report given in Fredericton on Monday of this week, a USDA official said that it could cost the United States much more than that and that they do not know what to do. After speaking with Secretary Black, we felt that the United States could cut the price. It was his idea to cut the price to farmers and they would cut production. But because of cheap feed grain prices and its subsidization program, the