

Canagrex Act

enthusiastically support this bill. I am looking forward to its getting to committee where we can call on special witnesses to clarify some of the questions raised over the last number of days during this debate.

I feel, Mr. Speaker, we are poised at a very opportune time. We can set the stage for Canadian agriculture to take off and to move into a period of sustained growth. This might be just the kind of catalyst that Canadians and Canadian food producers have been waiting for for some time. Mr. Speaker, this could be Canada's finest hour when it comes to food production.

Some hon. Members: Hear, hear!

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it goes without saying that I am very glad to enter this debate today because Bill C-85 is of particular importance to the farming industry, given the severe economic problems which exist in some sections of the economy. I know our farmers and producers will be looking closely at this, and for that reason we should look very carefully at the bill and its provisions for relief in a depressed industry. Coming from a riding which predominantly raises beef and hogs, two very depressed industries, Mr. Speaker, anything that would help them would be very welcome indeed.

I am sure all members of the House support the general principle of this bill which establishes a corporation called Canagrex to promote and develop export markets for our agricultural products. It is a long overdue proposal because anything that helps the production and marketing of the industry's products is more than welcome. However, Mr. Speaker, although there are several positive aspects of Bill C-85, and I will go into those in a moment, I believe, as many of my colleagues have said before me, that this bill should be more closely examined in committee. This is necessary because there are a few points which need clarification and there are others which, quite simply, could be changed to better serve our farming industry and its needs.

First of all, Mr. Speaker, one area which needs further scrutiny is the limited size of the budget and staff of the corporation. To put it quite simply, with funds and manpower down to roughly one tenth of the original projections, we have to ask ourselves how or if the corporation will be able to perform the tasks as set out in the bill. The budget was originally set at \$62.3 million, with a staff of anywhere from 125 to 175. Now, after the final stamp of cabinet approval, we are faced with a mere skeleton of the original corporation: A budget of \$4.1 million with a staff of 12. We have to ask ourselves just how effective this drastically scaled down corporation will be, given the tasks it is expected to undertake.

A brief look at what Canagrex is expected to do will illustrate my point, because it says in the bill that Canagrex can:

(a) purchase agricultural products and food products and package, process, store, ship, insure, import, export or sell or otherwise dispose of products purchased by it;

(b) undertake and assist in promotion of the use of Canadian agricultural products and food products, in improvement of the quality and variety thereof and in publication of information in relation to those activities;

(c) enter into contracts with Canadian companies, co-operatives, marketing boards, associations or other Canadian enterprises or with individuals carrying on business in Canada to act as their marketing representative in marketing agricultural products and food products or to provide managerial, technological, marketing or other counselling and consulting services to them;

(d) enter into contracts with foreign governments to provide agricultural products and food products and services related to agriculture and food and into subcontracts with Canadian enterprises or individuals referred to in paragraph (c) for the provision to foreign governments of any of the products and services that Canagrex has itself contracted to provide;

(e) enter into joint ventures with governments, individuals, corporations or enterprises other than corporations;

(f) make, on the recommendation of the minister and subject to conditions of general application, grants and contributions for the purposes for which it is established;

(g) purchase, lease or otherwise acquire and hold real and personal property—

Now, Mr. Speaker, I think members will agree these are very wide-ranging powers and we have to wonder how a corporation, like the one proposed, could realistically perform all these activities on an annual budget of \$4 million while being administered by only a dozen people. How could a company so small be reasonably expected to compete for international markets?

At a time of so-called economic restraint, we should not be paying lip service to such an important proposal as the one before us today. By slicing the budget and personnel of the proposed corporation, all in the name of austerity, we may not be doing a valued service to the agricultural industry. In its proposed form, Canagrex may simply be too weak and ineffective to stand on its own. By possibly integrating the agency into the Department of Agriculture, perhaps the idea of promoting our exports will be better served. I think it is fair to say that this aspect of the bill needs further attention in committee.

● (1610)

Another question concerning Bill C-85 which needs to be answered is whether this proposed Crown corporation will aid and assist existing Canadian agricultural exporting corporations, or whether it will compete directly with them for foreign markets. How Canagrex fits into the market in this respect is not clear from its terms of reference.

Further problems pop up when we look at how negotiated contracts are supposedly filled by Canadian suppliers. How will it be decided what farmer or group of farmers will supply the needed agricultural products? In times of surplus, will Canagrex buy the excess and then arrange for its export? Can all of this be done with only a \$4 million budget?

There are other questions to be answered concerning how Canagrex fits into the new rearrangement of the Department of External Affairs, the Department of Industry, Trade and Commerce and the Department of Regional Economic Expansion. The reporting relationship with these departments, along with Agriculture Canada, is not clear and could cause problems of inefficiency and overlapping authority.