

Canagrex Act

Let me move now to the powers of this corporation, which I believe are very broad. Canagrex is established:

—for the purpose of promoting, facilitating and engaging in the export of agricultural products and services—

However, let us go to some of the other powers of Canagrex. The bill says Canagrex may:

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

I do not know what that “otherwise dispose of products” means. We have had good examples of eggs and milk powder being disposed of. I hope the operations of Canagrex do not extend that far.

What does the bill mean by “process”? This is an exporting organization, why does it need the ability to process products? Why does it need the ability to store products? What does the minister have in mind when he says “store”? Will we see this as a complement to the supply management so that when that supply management fails, this will be a means whereby we can hive off some of that excess product into storage facilities in other countries so that we do not have eggs and milk powder all over the streets?

Mr. Whelan: So we can assist the entrepreneur, Michael.

● (1510)

Mr. Wilson: I think that the minister is saying one thing, but is opening up a broad range of things on which he has not come clean with us today.

Let us look at another one of the powers under this bill. It provides for entering into contracts with foreign governments. I wonder whether the minister has considered why foreign governments like to operate directly with other foreign governments in this country to country trade. I think there is a very good reason. It is because the people who are buying know that if they have only one place to go, they can deal in one place, that there is no competition and that the government will come to them with the total story of the supply available from that country. They learn much more about the marketplace when they have only one organization with which to deal. I think that that is a shortcoming that the Minister of Energy, Mines and Resources (Mr. Lalonde) and, I believe, the Minister of Agriculture (Mr. Whelan) have not sufficiently considered in the development of the powers of Canagrex.

Finally, what scares me is Clause 14(f), which states:

—make . . . grants and contributions for the purposes for which it is established;

Does that mean grants and contributions to build a silo in Brazil, and grants and contributions to help export? Does that mean subsidies? I know that in parts of the bill, on the surface, it states that there will be no subsidies. However, are there other ways of making subsidies which are not called subsidies and which can, again, cost the taxpayers money?

There is one other major omission in this bill which I think the minister should very carefully consider, that is, the question of profitability. Nowhere in this bill is there any mention that Canagrex should operate at a profit and that this is an

objective of the company. There are some good reasons I believe for which that objective should be in the bill. The first is that the taxpayer, the producer, or whoever is to foot the bill in the event of losses, should be protected in that employees of the organization should start off by thinking that they are in business to make a profit. This is also of importance to the private sector businesses already in place which will be competing with Canagrex. If this corporation is set up without any intention of making a profit and if it only comes into existence for the purpose of trading, it will obviously be very unfair competition for those companies which have spent considerable amounts of money in building up trade which is already in place today. That must be a part of the objectives of this bill, and I hope that it will be put in at the committee stage.

While I am making this wide range of comments, I would ask the minister to reflect. When these measures are proposed in committee, will he be prepared to put his own money on the line in Canagrex? Will he have enough confidence in the corporation, considering the way the bill is established? I would ask him to consider whether the corporation will have sufficient potential to attract the right people and to exist in the marketplace in competition with other organizations so that he would be prepared to put his own money on the line. I think that is the bottom line question he must ask himself.

I may be wrong, and if the minister feels that I am wrong perhaps he can correct me, but, as I understand it, this corporation is not meant to subsidize. It is not meant to do business at a loss. I therefore ask why that should not be an objective. It should not be a bail-out place for the inadequate management and performance of the people working in that organization.

Another aspect of the bill on which I would like to comment is the part relating to the corporate plan. In Clause 31 of the bill, there is provision for placing the capital budget before the House after it is approved by the board of directors. I believe that the corporate plan should also be placed before the House because it will be a very significant element with regard to the impact that this organization will have on other participants in the business today. If there are ways in which the private sector can work with Canagrex, that is all well and good. However, in the event that Canagrex desires to do things which are contrary to the objectives which the minister has set out verbally, and not only those objectives contained in the bill, then I think that should be known prior to Canagrex moving in that direction. In addition, I would like to say to the minister that these powers under clause 14 of the bill are very broad and will probably continue to be broad in spite of amendments which I hope will be introduced and accepted in the committee stage. However, what is necessary, not only for Canagrex but also for a broad array of Crown corporations in this country, is that the operating objectives of the Crown corporations be in the mind of the government in place and in power today. Governments change and ministers change. Therefore, the operating objectives will change as those governments and ministers change, all within the operating powers of those