

*Canagrex Act*

and, to top it off, by the total inadequacies and disincentives introduced by the budget brought down on November 12, 1981.

I have to be a little cynical when I see the minister under pressure from the agricultural community. The minister has been unable to convince his colleague the Minister of Finance (Mr. MacEachen) to do anything of substance for the agricultural community, either in the budget or with interest rates. I have to ask myself whether the minister is introducing this bill today so that he can be seen to be doing something when, in fact, he is doing nothing. Is that the reason this bill is here today? Is that the reason we are debating this bill now, to take the heat off the minister for his other shortcomings?

Both the minister and his colleague the Minister of Industry, Trade and Commerce have said that Canagrex will work with the private sector. It is clear that neither he nor his colleague has been able to give any assurance that the Crown corporation will not duplicate existing services, and activities in areas of business that have already been developed and are being provided to the industry today. I ask him whether he cannot confine Canagrex's powers in order to protect existing businesses so that there is not a large Crown corporation, with the vast amounts of money that are available to it, which can smother those very effective businesses already in place. I ask him whether he can restrict this corporation from squeezing out the private sector because, while I am not an expert on this, I think he will acknowledge that the Canadian Dairy Commission in some areas has squeezed out private entrepreneurs who had developed a market in certain countries. Because of its power and its willingness to take a \$2.1 million loss, it has squeezed out existing viable businesses. That is the concern.

● (1500)

I asked the minister during the luncheon break why it was that, while the bill does provide for joint ventures, the whole organization could not be established as a joint venture with the private sector. I draw to his attention "Canada's Trade Challenge"; the work of the Special Committee on the National Trading Corporation: which was completed last June. The committee concluded that the Canadian trading corporation should take the form of a shared enterprise, drawing financial strength and support from the public sector and a commitment to sound financial practices from the private sector. They went on to say that the Canadian trading corporation would be up to 50 per cent owned by the federal government, with the other half of the equity held perhaps by ten private sector investors.

Now I ask why that sort of approach could not be considered for Canagrex to ensure that it would be governed by the same private sector discipline as is any other organization. That, I believe, is the way Crown corporations should be established if possible.

I would draw your attention to Atomic Energy of Canada Limited. Canadians are very well aware of the problems there, that this year we will take the final loss on the Argentine contract which was commenced about eight years ago and

which will amount to a loss in excess of \$250 million. I feel a company like AECL should sell off the international project marketing and management elements of its business to a joint public and private sector organization so that the public sector can draw on the expertise of the private sector in those areas.

I do not know where Canagrex is going to draw its expertise from. Where is it going to get its staff? Will it be able to get the right people, because, again drawing from this trading corporation report, they made the very critical observation that performance and expertise are essential to the success of any venture in international markets because it is tough business out there. It is very competitive because we are competing with the best in the world, and you need the best people. Can the corporation attract the right people in order to compete head-on without losing the taxpayers' or producers' money as was the case with the Canadian Dairy Commission?

In looking further at the role of Canagrex in relation to the private sector, I asked myself about its powers and the abilities of the Crown corporation to do certain things. The minister has argued that these will be carefully controlled, but I ask myself why that cannot be done now rather than by future management. I hate to remind the minister of this, but ministers do come and go and he might not be around to control the operations of Canagrex in the way he now envisages. Bureaucrats in the future may have a minister whom they can influence into doing things in a way that would increase the power of the bureaucracy in what should be a very important private sector element of the economy. So I believe we should constrain the powers of Canagrex to a greater extent than we are because those powers are wide open, and I will come back to that in a minute.

Canagrex must also operate using private sector facilities to the maximum extent, and I am thinking here of the ancillary organizations such as shipping, banking, trading houses, consultants, distributors and others. However, with the broad powers that Canagrex has, I wonder whether in time all of these facilities will be drawn into that organization to make it the bureaucratic monster that the hon. member for Vegreville (Mr. Mazankowski) referred to before lunch. That is the concern anyone must have in watching what happens to the development of government in any country.

Coming back to the Canadian Dairy Commission, I believe that last year it lost \$5.4 million on its marketing operations. We have not yet seen the 1981 results. How can the minister come before this House and introduce an operation like Canagrex in the face of that sort of loss in an organization which has existed for about ten years? At a time when we are seeing tax revenues increase by 31 per cent as a result of the current budget, how can he propose this organization when he cannot prove to his shareholders, the taxpayers, that he can manage the operations already in place? In this case its operations are paid for by the producer, but this could well be changed and, I believe, with Canagrex the loss would be borne by the taxpayer? A loss similar to that of the Dairy Commission in 1980 could occur in Canagrex as well, and I believe the minister owes us an explanation on that.