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Chair

Mr. Paul Steckle

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• (1535)

[English]

The Chair (Mr. Paul Steckle (Huron—Bruce, Lib.)): If we could find our places at the table, we will get the meeting under way.

We are going to be running a reasonably short meeting today. We want to be finished with the presenters by five o'clock. We have a bit of business that needs to be attended to in camera before we leave to go back to our respective homes. We want to make sure our guests get on their planes and get back to their ridings. I'm sure they want to get back to their communities before the weekend.

This afternoon we want to continue to look at Bill C-27. In light of what the witnesses this afternoon might bring, we want to look at the issue from the perspective of the Canadian Federation of Agriculture. Of course, Mr. Bob Friesen, president, is a regular who is here often at this table, it seems. He is here this afternoon to bring a perspective on how Bill C-27 would affect the federation, as he sees it, from his perspective.

As we look at another dimension of agriculture, there is the group represented by Cathy Holtslander. She's a project organizer for Beyond Factory Farming Coalition.

Welcome, guests.

It looks to me like Cathy would be first on the agenda. Do you want to take it away? If you could contain your comments to ten minutes or less, less if possible, then we'll ask you questions.

Mrs. Cathy Holtslander (Project Organizer, Beyond Factory Farming Coalition): Thank you.

I'll just read my presentation. I think I have it down to ten minutes.

The Beyond Factory Farming Coalition is made up of local, provincial, and national organizations, representing hundreds of thousands of Canadians organized to deal with farm, labour, health, environmental, animal welfare, rural, urban, and economic issues pertaining to livestock production. Our vision is livestock production for health and social justice.

We have serious concerns about Bill C-27 and I am pleased to be able to present them to you here today. Bill C-27 is step two of a three-step plan to restructure Canada's food and agriculture regulations. Step three, the establishment of new regulations, will not come before Parliament, as they are passed by order in council without public debate. Because Bill C-27 will replace the enforcement portions of the agrifood acts, it will require the CFIA to develop a new set of one-size-fits-all enforcement regulations. Any time there is a major rewriting of regulations, there is the

opportunity to implement significant policy changes by restructuring the rules that govern the area concerned.

Today the government announced its commitment to implement the recommendations of the external advisory committee on smart regulation, which were submitted in September 2004. In this context we know that Bill C-27 is a mechanism to further a specific policy agenda that is being implemented, piece by piece, below the radar of the Canadian public.

As I was watching the Brier curling finals earlier this season, an analogy came to mind. The 1997 CFIA Act was like the lead player's innocuous-looking guard rocks out in front of the rings. Bill C-27 is the second's stone, perhaps in a position to count. The regulatory rewrite will be the third's rock, setting up for the final play. Unfortunately, it looks like the USDA is the skip and Cargill and Monsanto are the coaches. Once the new smart regulations are in place the Americans will be calling the shots.

A big part of the problem with Bill C-27 is that it does not tell the CFIA which side it is on. The agency has a contradiction written into its very mission, which is "The objectives of the Agency are to contribute to a safe food supply...and to facilitate trade in food, animals, plants and related products." Bill C-27 does nothing to deal with the fact that regulating food and agriculture for safety is in conflict with promoting trade. Safety regulations limit and control private benefits in order to protect the greater public interest. The smart regulation report makes it even worse. Its vision includes the following: "The regulatory system must enhance market performance and support innovation, competitiveness, entrepreneurship and investment in the Canadian economy."

There is also evidence that the CFIA is unduly influenced by its close ties to industry. The 2000 Auditor General's report on the CFIA says that "Key advisory mechanisms draw heavily from industry." ... "The Agency's 'Group of Thirty' key stakeholders includes 30 industry groups, seven academic and professional groups and one consumer group."

As you recently heard, the Canadian Meat Council's director for regulatory and trade worked for 34 years for Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency. The Canadian Meat Council represents the largest meat-packing interests in Canada, and it said: We have worked closely with the Food Inspection Agency for many years.... The regulatory or procedure manual changes all the time, and we're constantly in discussion about how these things should be applied, how they should change, how they would work best, right across Canada.

The tail seems to be wagging the watchdog. Bill C-27 does nothing to remedy this situation. On the contrary, it fails to provide needed mechanisms for increased transparency, public participation, and public accountability regarding inspection and enforcement measures. Therefore, our central concern with Bill C-27 is that it creates a framework to permit an unelected bureaucracy, the CFIA, to restructure the regulations that govern Canada's food and agriculture in a way that will put trade ahead of public safety and that will put integration with the U.S. regulatory system ahead of legitimate Canadian democratic control over the rules that govern the food we eat. We believe that the CFIA's dual mandate compromises it to the extent that it is not possible to accept an expansion and consolidation of its powers without first addressing the mandate issue.

A revamped CFIA can be modelled on the United Kingdom's independent food safety watchdog, the Food Standards Agency.

Until the CFIA becomes completely focused on regulation for health, safety, and the integrity of Canada's agriculture, we believe it would be a mistake to consolidate and expand the CFIA's authority and powers.

Now I would like to turn to some very specific concerns with Bill C-27.

Section 8 authorizes the CFIA to make arrangements with foreign governments and prescribed organizations, which would likely be private companies, for collection, disclosure, and use of information for the purpose of enforcing or administering any law or carrying out an investigation. This power is sweeping and has potential for abuse, particularly by foreign governments and organizations that are not governed by Canada's privacy and access to information laws.

Bill C-27 will increase the CFIA's ability to collect information about Canadians, but it does not require the CFIA to provide Canadians with full disclosure of its inspection results, test results, or rationale for its decisions. In the latest available CFIA annual report, the Auditor General's assessment includes the following statement: "...the Agency does not yet adequately meet my expectations for fair and reliable reporting."

Section 9 allows the CFIA to adopt foreign governments' or organizations' inspection results for products being imported to Canada. This falls into line with the external advisory committee's recommendation to have a "test-it-once system" for agriculture products in North America. This seems to be an abdication of Canadian responsibility for Canadian health and safety.

Section 23 permits the CFIA to apply for permanent injunctions. Given that there are no appeal mechanisms built into Bill C-27, this seems unduly arbitrary.

Section 56 enumerates the many types of regulations that may be made under this act. Section 57 allows for regulations defined by reference material produced by outside organizations. Given the dual mandate of the CFIA and the External Advisory Committee's recommendations, sections 56 and 57 would give the CFIA the green light to implement regulations that would rely on risk management, instead of on health and safety protection; that would rely on unenforceable performance-based approaches and voluntary measures, instead of enforceable standards and precise limits; that would integrate Canada with the American regulatory system for trade reasons to the detriment of public health and opportunities to serve other markets; that would adopt testing and approval processes and decisions that are made in Washington; and that would cascade to provincial and local jurisdictions, creating barriers to appropriate cultural diversity that reflects local and regional values in order to increase interprovincial trade and commerce.

We are concerned that the CFIA's heavy reliance on large industry stakeholders will influence it to create regulations that function primarily as barriers to markets for independent producers and processors and are not necessary for health and safety measures. A regulatory system skewed towards high-speed processing, centralization, high technology, expensive inputs, fees, and capital requirements will have a negative impact on the rural economy by concentrating meat and livestock production around a few large packing plants. It will also reduce consumer choice by eliminating the small-scale sector that provides regional, ethnic, and cultural diversity in food production.

The large-scale U.S.-export-oriented model favoured by the CFIA's industry stakeholders also makes Canada more vulnerable to trade issues such as the continuing BSE border closure and the hog countervail. The CFIA's bungling of the avian influenza situation appears to be a result of its focus on optics for trade purposes, instead of a fair, reasonable, and science-based response to solving the disease problem.

In summary, the CFIA's dual mandate is a fundamental problem that needs to be fixed. The external advisory committee on smart regulation recommendations has created a policy environment where rewriting regulations is likely to reduce, rather than enhance, the health and safety of Canadians and the integrity of Canadian agriculture. Bill C-27 does not remedy the CFIA's poor record on transparency and public disclosure, yet it gives the CFIA increased authority to collect, share, and use information. The CFIA's relationship with large agri-food industry stakeholders jeopardizes the chances that new regulations under Bill C-27 will be fair to independent family farmers and food processors.

• (1540)

Bill C-27 is not simply housekeeping; it is a mechanism to provide the CFIA bureaucracy with authority to make structural changes to Canada's food inspection and enforcement regime. Therefore, we recommend that Bill C-27 should not be passed.

The Chair: Thank you very much, Ms. Holtzlander.

I'd failed to mention in my introduction Heather Holland, who is also at the table. She represents the food safety aspect of the CFA. Thank you for coming.

Mr. Friesen.

Mr. Bob Friesen (President, Canadian Federation of Agriculture): Thank you very much, Mr. Chair.

As usual, it's a pleasure for me to be at this table and to have a discussion on concerns that go to the heart of some of the problems we have in the industry. I'm always confident that the people around this table have exactly the same interests in mind that in fact the industry does.

Let me begin by saying we certainly support the intent of this bill. The concerns we have revolve around some of the ambiguity we see in the bill. I should say that while we point out the ambiguities and ask for further clarification, we also have a document with us that I believe was presented here at this committee, from the Dairy Farmers of Canada, where they had some suggestions as to how those ambiguities could be cleared up. We're here to help identify some of those.

A good example of an ambiguity is where in the bill it sometimes talks about "things". If you look at the list of definitions, there is no definition for "thing". We think that is just far too ambiguous.

That said, let me begin identifying four positive things we see in the bill. One of them is in clause 9, with regard to foreign inspection. You may know that the industry has had concern for quite some time that while we have implemented on-farm food safety programs, environmental sustainable programs, and so on, there is no guarantee that in fact we won't have to compete against imported product that doesn't have the same standards applied. We believe this will help to put the onus on the exporter before the product comes into the country.

Now, that said, of course we have to scrutinize very, very carefully the inspection and the standards in that country, but then certainly after that careful scrutiny it gives us the ability to say yes, those products do meet our standards. That would certainly alleviate concerns in the industry.

Clause 13, with regard to emergency exemptions, we believe is an important one. I'll simply give you an example. You will recall that back in the ice storm the dairy industry had a lot of serious pressure put on it because of the power outage, but because of the bureaucratic boondoggle they were not able to export milk for reimportation of powdered milk. We believe something like this would facilitate that in a much more efficient manner.

On clause 14, the recognition of inspection results, there is again an example with regard to avian influenza, where CFIA labs had to be used, and it wasn't good enough that the local provincial lab could in fact confirm a test. Again, that would be very helpful.

Concerning clause 20, with regard to tampering with regulated products, I was chair of the Canadian Turkey Marketing Agency back when we first had the tampering scare in B.C. with regard to turkey just before Thanksgiving. We believe there should be a much better enforcement mechanism and also a criminal-charging ability in those situations, with very strong compliance mechanisms. We believe this is moving towards that.

So having given you some of the positive areas, certainly the rationale behind this bill seems to be that we need a consolidation of inspection and enforcement powers to increase harmonization and reduce overlap and duplication and have CFIA work from a single piece of enforcement and inspection legislation. We believe that can be very, very helpful.

Let me also then come back to the ambiguity issue. We believe some of the ambiguity can perhaps be cleared up through the development of regulations within this bill, but certainly if that is the case, we also need careful and deliberate consultation with the industry to make sure that those regulations then clear up some of those concerns.

Let me very quickly give you some examples of where we're looking for clarity and intent—and you do have our document.

First of all, with regard to the new definition for "regulated product" and giving the minister the authority to license farms, and with that also license perhaps animals and other products, we really need to have a clear understanding of the intent of licensing in relation to regulated product and the justification of including the licensing of animals and plants as regulated product.

• (1545)

My second point on ambiguity is the use of the word "appropriate". The minister may do something where he deems it appropriate. What exactly do we mean by appropriate? Is there a definition of what is or what is not appropriate, and when the minister would step in and use a judgment based on the appropriateness of a situation?

My last point is on clarity and intent. I should say here there is a positive aspect to this bill in subclause 12(3) where it says "No person shall be convicted of a contravention of a temporary order unless"—and then in my own words—"the people who could be vulnerable have been aware of what they need to look after". Then it talks about making sure sufficient notice has been given. That's very positive.

But in subclause 16(2) it says “No person shall possess a regulated product that the person knows or should know has not been imported in accordance...”. We would like to see something like “knowingly imported” there. How do you judge whether a person knows or should know? If we could include the word “knowingly” that would be a little clearer. As long as a person doesn't intentionally do something, let's make sure we work through a process of incentive and encouragement, rather than of punitive actions.

Then on financial responsibility, perhaps CFIA can clarify this for us, but we've very concerned that nowhere does there seem to be any financial responsibility put on CFIA's shoulders with regard to their role in enforcement, etc. What would their financial responsibility be? In fact, we are concerned about what would happen to the automatic or mandatory compensation that flows through CFIA, say in the case of a reportable disease. We really need to have a definition of that or clarification of that, especially given the fact that the costs and liabilities associated with the enforcement of the bill are also for the public good.

As all of you know, farmers are always willing to do something for the public good, but we simply don't want all the accountability and culpability to fall on the shoulders of the industry. The agency in charge of enforcement, or making judgment calls sometimes, should also have some liability and culpability.

With the wide and sweeping powers that are indicated in this bill, there needs to be a little more on the accountability aspect. In the last paragraph we suggest something like an oversight mechanism, to make sure that these wide and sweeping powers are not exploited or taken advantage of.

Under food safety and regulations we have a concern. Again this speaks to the ambiguity of the bill, where it says no person shall prepare a food with water that is not safe. First of all, we need a definition of what is safe and what is unsafe water. Secondly, when you look at “preparation” under definitions it says that it includes growing and producing. So we need some clarification on what level of growing and production you can use this type of water. Clearly you don't need to use the same type of water to irrigate your products as you do to wash food in a restaurant. So we need more clarification, and it's imperative that we have a concrete definition of safe water.

Under setting parameters we have a concern. You all know that the industry has shown a lot of leadership over the last ten years in developing on-farm food safety programs. With increased enforcement powers of the CFIA, we're concerned that they will suddenly step in and start enforcing on-farm food safety programs as mandatory programs. We feel that through encouragement and incentives, on-farm food safety programs are working well. Farmers realize they have to go there, but it works much better through industry leadership than it would by imposing a regulation through CFIA. We need to keep that separation there as well.

We need clarification on the use of temporary orders. How do temporary orders compare to regulations? When is it appropriate to have a temporary order in place until we get a regulation? What is the strength, scope, and applicability of a temporary order compared to a regulation?

• (1550)

I think I'm going to leave it at that. I don't want to go on too long, but certainly there are more concerns listed in that paper. Suffice it to say that we're willing to continue to work with those who are working on this to make sure we clarify this, and to make sure that during the development of regulations our concerns are addressed.

The Chair: Thank you very much, Mr. Friesen.

Thank you both for good presentations and for doing both within the ten minutes.

We're going to stay with the five-minute rule today. I counted the heads. We have 50 minutes, but I know what happens, we lose a few minutes, so let's stay with the five-minute rule.

Diane, we are going to have you honoured first.

Ms. Diane Finley (Haldimand—Norfolk, CPC): Thank you both for coming today. I really appreciate your input. You've obviously given a lot of thought to this.

I have one question for both of you. In the document, it indicates a two-year leeway period during which time the CFIA can lay charges in the event that it has shut down an operation or such. In theory, it can shut down an operation and have up to two years to lay charges. Have either of you addressed that? I'd be interested in your opinions on that option.

• (1555)

Mrs. Cathy Holtlander: I haven't specifically looked at that, but in the framework of... For example, in the avian flu situation, it did seem that the CFIA was rather draconian in how it handled the small-scale backyard producers. Perhaps there just isn't enough accountability required of the CFIA to make sure that what it is doing is actually fair and reasonable. Some of the trade issues might override fairness to the individual producers, particularly the independent smaller-scale producers. There would be a concern there with respect to accountability and the framework of trade and safety issues not being completely defined in terms of balance.

Mr. Bob Friesen: I think that question probably speaks to accountability, responsibility, and culpability. But I would like to make a distinction between whether there has been intent to harm, or whether something happened unknowingly. Clearly, if there's something that happened unknowingly, we wouldn't want CFIA to come back to an industry member and say, “Two years ago this happened and we've now found out that it was as a result of what happened and what you did”. But if there is intent to harm, say in the case of tampering, we certainly would want the full weight of the law to be behind that, and if it took two years to lay charges, that certainly would be acceptable.

I think we need to make a distinction between whether there was intent to do whatever action has resulted in a dangerous situation and whether it was inadvertent and as a result something happened. But certainly the participant wouldn't be accountable. I think that should be addressed under accountability and culpability.

The Chair: Mr. Bezan.

Mr. James Bezan (Selkirk—Interlake, CPC): What is the Beyond Factory Farming Coalition? I'm not familiar with your organization at all. Who do you actually represent?

Mrs. Cathy Holtslander: It's a fairly new organization. It's a coalition that's been in existence for approximately two years. Our members include organizations such as the National Farmers Union, Canadian Organic Growers, Union Paysanne, Canadian Labour Congress, a variety of provincial organizations such as the Society for Environmentally Responsible Livestock Operations of Alberta, and local organizations that have been dealing with issues coming out of intensive livestock operations being proposed or developed in their areas.

Mr. James Bezan: What is your primary objective?

Mrs. Cathy Holtslander: We are promoting sustainable livestock production. Our vision is livestock production for health and social justice. We're promoting livestock production that supports communities, family farmers, good livelihoods for farmers and workers, and so on.

Mr. James Bezan: Your recommendation is that this bill be defeated?

Mrs. Cathy Holtslander: Yes.

Mr. James Bezan: What should we do then in the interim? We have an agency that's been operating for about nine years now without any real mandate, without any regulations, without an act to tie everything together with what the government wants to accomplish. What exactly are you proposing as a stopgap measure?

Mrs. Cathy Holtslander: We don't want to go ahead with Bill C-27 because it would entrench the CFIA's current mandate and operating style and so on, and would give it more power. We think we should have a food inspection agency that's focused on health and safety and the integrity of Canadian agriculture and let another body look after the trade promotion aspect of things.

A model for this could be the United Kingdom Food Standards Agency, which reports directly to Parliament and whose mandate is consumer protection and health. We think if we had a Canadian Food Inspection Agency that focused on that aspect of things then we certainly would want to have an enforcement function that was well defined and appropriate. But when we have this mixed business of promotion of trade and commerce, this connection with the American regulatory system that the government is promoting through this smart regulations initiative, and the close relationship with the largest industry lobbyists, the big Cargills and Tysons and so on, driving or having such a close relationship with the regulation-making aspect of things, we don't think it's safe for the smaller independent producers and processors to end up being under what we expect would come out of Bill C-27.

•(1600)

The Chair: Your time has expired.

Madame Rivard.

[*Translation*]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Thank you, Mr. Chairman.

Thank you, ladies and gentlemen, for being here to answer our questions. This will help us make our decisions.

According to Bill C-27, the mandate of the Canadian Food Inspection Agency includes three components: to protect consumers,

to harmonize health, safety and inspection practices, and, finally, to promote agricultural trade and commerce.

Do you think there is a contradiction between the first and third components of this mandate? If so, why?

[*English*]

Mrs. Cathy Holtslander: Yes, we see a contradiction between protecting health and safety and promoting trade and commerce. For example, the companies that are trying to expand their markets and increase trade will be looking for ways to compete on price in the international market. If they can use methods that are maybe less environmentally friendly, if they can use substances that may not be that safe for the health and for environment, if they can have things like antibiotic residues and so on and use hormones and stuff to enhance growth, then that can affect health but it will help their bottom line. So we see a contradiction between health protection and promoting trade and commerce because the advantage would be to cut corners on health and safety in order to reduce cost and to increase profits for trade and commerce purposes.

[*Translation*]

Ms. Denise Poirier-Rivard: As far as seeds are concerned, is it not contradictory to see on the one hand the government agency responsible to protect public health and the environment against the potential risks from technology also to have the responsibility, on the other hand, to promote those technologies which benefit mostly the big international industry of GMOs?

Do you think there is a conflict of interest there? What should be the role of the agency in the whole debate on GMOs?

•(1605)

[*English*]

Mrs. Cathy Holtslander: I think an appropriate role for the Canadian Food Inspection Agency would be to ensure there was full testing, good scientific investigation, a full review of data, public debates, and so on before allowing things like GMOs to be approved. Furthermore, the Food Inspection Agency should not be engaged in things like licensing agreements where they would actually profit from the sale of a GMO once it was licensed. There are some fairly severe conflicts of interest there.

The Chair: Mr. Friesen.

Mr. Bob Friesen: First of all, I should say CFA believes in a science-based system, so if the CFIA is promoting GMOs that have had the health assessment and the environmental risk assessment done and deem the GMOs as safe both to human health and to the environment, we have no problem with CFIA going in that direction.

One positive aspect of the CFIA being involved in food safety but also in helping promote high-quality and safe food in Canada is that we can really build a solid reputation internationally when our international markets see that our food safety agency, first of all, in the case of on-farm food safety programs, is validating those programs across Canada. Also, the agency that is in charge of safe food can indicate publicly that certain things have been done to make our food safer and of higher quality.

Having said that, I really need to say this, that the CFIA needs to show a little more discretion and responsibility when it comes to some of the things they say publicly. I point to what they did just before Christmas with regard to BSE. They talked about all the tests that had been done on animal feed and said that a certain very high percentage of those tests showed there was foreign or animal protein in the feed yet they had no clue as to what the source of that protein was. There was no need for them to publish that, especially given the fact that exactly during that time I phoned a farm organization in the U.S. and told them our system was as safe as their system. He said, well, what about this article in the newspaper where CFIA is saying they have no clue as to what's in your feed?

There needs to be much more accountability and responsibility in that regard, but I think that if we do this right, it can very much help to promote our safe food around the world.

The Chair: Thank you.

Now we move to Mr. Easter.

Hon. Wayne Easter (Malpeque, Lib.): Thank you, gentlemen.

I'll go first to Bob because I think you're the first one who has mentioned an oversight body. How would you see that being structured and how would you see it working? Are you thinking of oversight for CFIA in basically all areas of responsibility?

Mr. Bob Friesen: In our presentation we list that there should be requirements set out to ensure accountability for the administration, maintenance, training, communication, and enforcement with respect to CFIA duties. That is simply giving the agency wider, sweeping powers. More enforcement authority may be very beneficial as long as we have a mechanism that makes sure they don't abuse that wider, sweeping power and authority.

Hon. Wayne Easter: Bob, the thing on the oversight body, though, is that to a certain extent oversight is a ministerial responsibility, at least on the administration side.

I'm thinking more of other areas, and avian influenza would be a prime example. I'm wondering if you have any thoughts on how an oversight body might be helpful in some of the operational efforts of CFIA as they go about their day-to-day operations in terms of making sure we have a safe food supply.

• (1610)

Mr. Bob Friesen: That's an excellent point. First of all, I know we should make sure it isn't political. Again, we believe in a science-based system and we don't think politics should be involved.

However, some time ago, you will recall, we did have a stakeholder advisory committee for the CFIA. For some reason we haven't identified, that stakeholder advisory committee was dropped. That might be a good start, where that stakeholder committee could evaluate situations such as the avian influenza process. Where were there loopholes? Where were we vulnerable? Where could we change the system so it would work better? I think that would be a great start.

Hon. Wayne Easter: That's something we have to give serious thought to, Mr. Chair.

Cathy, in terms of your presentation, I do note that you comment on the bungling of the avian influenza issue. You're probably aware

that there was an internal report done and published by CFIA as well, looking at some of the things that happened there. But the bottom line is that we have to look at the results. On avian influenza, although it caused a lot of financial hurt in B.C., they did indeed stop avian influenza from spreading any further.

I've had the experience of the potato wart in Prince Edward Island. As an agency that is going to protect the food supply and our markets—and from my perspective, we have to do both—they had to make tough decisions. When we had potato wart in P.E.I., they destroyed backyard gardens. I submit to this day that although we didn't like it at the time, we would have had a much greater problem if we hadn't done that, and we probably wouldn't be back in the market yet. So in order to do their job, they do have to take aggressive action in terms of it not being as simple as it sounds.

As James mentioned, you note that the bill should not be passed. Our objective is to pass it, improve it where it needs improvement, and make it work for the farm community and for the general public. What I'm saying is that we're going to work to get it passed. Having said that, do you have any changes that you would suggest to make the bill better in terms of how it's structured?

I note your appeal process. That's something we have heard a fair bit about, and we may need to look at that as well. But beyond just dropping the bill, do you have any suggestions we can work with?

Mrs. Cathy Holtlander: What I would do is go back a step and restructure the CFIA's mandate. The CFIA should be an independent agency focusing on food safety and the integrity of agriculture, along the lines of the British Food Standards Agency, and we should separate the food quality and safety aspects from the trade and commerce aspects. If we did that and had not just an open but participatory process that involved a wider range of Canadian citizens in developing the regulations for food safety, it would have the result of us having a top-notch food safety reputation in fact as well as in PR. We would then be able to have access to more markets than just the United States.

As you know, Canadian exports in agriculture have been increasingly going to the States. With today's announcement that the government wants to go forward with the smart regulation recommendations, those recommendations are to basically not have Canadian regulations and to adopt American regulations wherever possible in order to integrate our economies. They've specifically mentioned agriculture. If we are going to be able to go forward with Bill C-27, go forward with smart regulations, what we're going to end up with is a food system based on American regulations. Those regulations are not as good as ours, and it will be much harder for us to extricate ourselves from USDA-driven agricultural structure and food safety. Canadians have much higher confidence in our food than Americans have in their food, and we should go in the direction of increasing our quality and of having higher standards.

After the BSE crisis, you say the avian flu was dealt with swiftly and it was tough. Well, BSE might have been dealt with if the CFIA was willing to go for 100% testing. It has resisted that, and that has to do with the American linkage.

• (1615)

The Chair: Your time has expired, Ms. Holtlander. I'm sorry, but we have to move on or we're not going to get around.

Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): I thank you both for coming today.

Mr. Friesen, you're almost like a member here, so it's always good to see you again. I'm particularly interested in your issue with intent and inadvertent cause, because that's one of my deep, deep concerns with this bill. I have a lot of concerns about the vagueness of the bill and the powers that CFIA has with this bill, and the effect it could have on producers.

This is why I want to hear your opinion, Ms. Holtslander, because you're new here and it's the first time you've appeared here. But it seems to me that when we meet in our committee and talk about CFIA and ask CFIA officials questions, we hear great answers from them. What we hear out in the field is often different. Maybe if we had chicken shit all over the floor here, we might get better answers some days, but it seems there's a real difference between the rarefied answers we get in Ottawa and what we see in the field.

Mr. Easter's example of what happened in Prince Edward Island's a good one, I think. We need to look at concrete examples of CFIA in action to be able to judge the future of this bill.

So my question to you would be about your concern at the power to bring in these permanent injunctions, this seeming lack of transparency, and this ability to prosecute. Have you seen examples of CFIA in action that have already impacted small producers?

Mrs. Cathy Holtslander: I did hear about a situation in B.C. B.C. has brought in new meat inspection regulations. When Bill C-27 was introduced, the CFIA's press release or its website said they were going to bring Canada's regulations up to what B.C. was doing. So in B.C., they're having federal inspections in all of their meat inspections now. That's had a severe impact on the smaller producers, the independent producers and small abattoirs in the region.

One proposal put forward was to have federally inspected mobile abattoirs to help serve the remote communities, particularly bison producers. When this proposal was taken to the CFIA, their answer was simply no, with no explanation or rationale as to why they wouldn't agree to inspect this good innovation to serve a market.

We're concerned this kind of heavy-handed situation, which is unfair to the small producer, would develop if Bill C-27 were passed for all of Canada. It would really have a severe impact on the ability of rural communities to develop, or at least have a local economy in addition to an export economy, and to develop a better rural infrastructure in terms of livestock production and processing.

Mr. Charlie Angus: The other question I have on Bill C-27, which I think is the one I hear in public when people hear about it, is on standards. I think that regulating standards is fine, but we have very high consumer confidence in Canada—much higher than they have in the United States. I'm told there's something like 60% confidence in meat in the U.S., and we're way above 80% here.

The question is, what standard are we applying? I'd like both of you to answer. Personally, I can't see us applying any other standard than the USDA standard, because that's where the power is. If we go to their standard, what is that going to mean for our producers, the confidence of our consumers, and our ability to go into large

markets, the other export markets, where we need to be? The bill doesn't seem to explain whose standards we're going to apply. So I'd like both of you to address that.

• (1620)

Mr. Bob Friesen: I agree with you. We have to set a very high standard.

We export over 60% of our agricultural production. Guess what? We need to have a very high level of confidence around the world in our products, and we need it to continue. This is why you will also see farm leaders in support of very stringent regulations as far as making sure we do not do anything that jeopardizes the reputation of our food and the confidence the consumers have in it.

We also believe the way we ensure that we have safe food should be consistent across Canada. One of the last things we need in Canada, and even around the world—we talked about this in the International Federation of Agricultural Producers as well.... Any food that is on the shelf has to be safe. We should not get to a point where we have some food that is very safe, some food that is a little less safe, and some food that's even less safe. We would not want food safety to become a competition issue—in other words, someone in B.C. who could say their food is safer than the food they have in Saskatchewan. We need a consistency there, and we also need to be able to show the same consistency around the world.

Let me put it this way: we can't put too much energy into ensuring and maintaining that reputation. But having said that, again, when you talk about this within the context of this bill, farmers are prepared to accept their share of accountability and culpability as long as they are recognized for the due diligence they practise, and as long as any more widely sweeping powers are not abused.

The Chair: Very quickly, as we're already over our time.

Mrs. Cathy Holtslander: Okay.

My comment is that in the smart regulation report the recommendation is that Canada limit the number of specific Canadian regulatory requirements. It says that at times it may be difficult to engage the United States in cooperative regulatory interests and that it may be in the public interest for Canada to simply align its approach to that of the United States. So I don't see a strong commitment to having made-in-Canada regulations there.

It seems to be saying that if it's too tough to have made-in-Canada regulations, we'll go with the American regulations. I really believe the Americans are hiding their BSE problem. I think if we went to the American regulations, we would be going downhill, and I don't think we should.

The Chair: Thank you very much.

Mr. Ritz.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Thank you, Mr. Chairman.

Ladies and gentlemen, thank you for your presentations here today.

The purpose of this bill I guess is really to streamline all aspects of gate to plate. I'm concerned that we can actually get there through legislation like this. There are a lot of problems with this particular bill, but I don't think we can throw the baby out with the bathwater. I think we definitely have to go there. We are an exporting nation, with 85% to 90% of what we produce going offshore. Our largest importer is the United States, and Canada is its largest importer, though there's quite a difference in terms of the size.

I'm thinking, Ms. Holtslander, your presentation might be just a day late if we look at what the Prime Minister signed on to in Crawford, Texas, yesterday. This is the way things are going in this integration of the Canadian and the American markets. There's some good and some bad. I share some of your concerns, but I'm not quite as concerned about the Monsantos and the Cargills of the world. They do as much business in Canada as anywhere else, and they're reasonable corporate partners.

If there's a concern about size—that being big isn't a good thing—I see one of your member agencies is the Canadian Labour Congress, which of course represents the auto pact and the auto sector. Perhaps it would start breaking down the factory system to get the union and the factories spread out across the country, but I don't think it would want to do that.

My concerns border more on the cost to the farm gate. I'll address this question to Bob. In terms of the farm organizations that you represent, how do we make sure we act responsibly and take every chance to minimize that excess cost to farm gate?

• (1625)

Mr. Bob Friesen: You're absolutely right, 100%. This has us concerned, and it's another reason we would like clarification on the financial responsibility for that one. Reading the bill now, it appears that the CFIA can do just about anything it wants. In some cases it can make what seem to be almost subjective judgment calls. It can do almost anything it wants, but at the end of the day it looks like the financial accountability will all accrue back to the farm gate. We need to make sure that this doesn't happen.

Mr. Gerry Ritz: Have you worked towards that? I know you just had your meeting. Have you talked about what types of provisions we need to put in the bill to make sure that doesn't happen?

We need far better locked down, nailed down compensatory rates, different things like that...and liabilities. It always gets passed on down. How do we stop that? Is it possible to put that type of thing in this bill, or is that more part of the oversight that isn't in here, that needs to be attached?

Mr. Bob Friesen: That's a good question. I'm not an expert when it comes to the legalities of drafting a bill, but I think we need to address it in the bill as much as we can, address it in the development of the regulations as best as we can, and then again have that oversight committee and certainly, as a start, get back to that stakeholder advisory committee. I think those three could complement each other.

I also agree that we need to revisit the compensation under the Health of Animals Act. That's something we did somewhere around eight years ago, I believe, and given the experiences we've had now, we need to revisit those and make sure they are still relevant to the industry.

On my last point—and this was mentioned a little earlier—with regard to avian influenza in B.C. and also the potato example, you do things you know are not going to be popular because we want to make sure we can maintain our reputation, but then when the decision is political as to whether the border opens or not and has nothing to do with science, that's the frustrating thing about it.

But the industry will also tell you with regard to avian influenza that there the agency didn't have quite enough flexibility in saying that two barns of poultry, I believe it was, should be destroyed, because the industry had the gut feeling that it was AI, and yet they couldn't order those flocks destroyed until they had the confirmed tests.

The feeling there is that if they had just gone out and quickly done away with those two flocks, they might have prevented it spreading later on. So in that case, there wasn't quite enough flexibility on the agency's part. They didn't want to order them destroyed before they were sure they had AI, because only when they were sure they had AI could they also guarantee that they would get the compensation through the Health of Animals Act.

Mr. Gerry Ritz: In the American model, the outbreaks in Delaware and Texas, I think it was, they did exactly that. They went in and took the barn right out and nipped it in the bud.

Of course, the hearings in Abbotsford were a recipe for disaster. I know Mr. Easter talked about the report that came down, certainly written by the CFIA and edited by the CFIA, and no dissenting voices were allowed to be part of that report. It was very much self-serving.

Mr. Bob Friesen: Another thing, if I may, to your first point about our markets with the U.S.—and I think Mr. Angus was referring to that and I missed it earlier—the more integrated our markets, the more we are going to have to respond appropriately with our regulation.

I don't mean for a second that we need to undermine or do it at the expense of our sovereignty, but clearly we have to be willing to take a very close look at where we can harmonize our regulations—and of course this refers to all other aspects, and Mr. Steckle will know what the issue is in pesticide management. The more our markets are integrated, the more we have to be willing to harmonize the regulatory system wherever we possibly can.

Mr. Gerry Ritz: We need to build consensus, no doubt about it.

The Chair: Okay, your time has expired by one minute.

We're now going to move to Mr. Kilgour.

Hon. David Kilgour (Edmonton—Mill Woods—Beaumont, Lib.): I would like to thank you for coming, as everyone else has done.

I must say, Ms. Holtslander, I think your brief is excellent. I read every word of it, and I would commend others to follow your model. I also share your skepticism of the CFIA. I've had one particularly very bad experience with them. I think they were overly risk-averse from a safety standpoint, but very unfriendly to....

I take it you're convinced they're not friendly to producers. Is that part of your concern?

•(1630)

Mrs. Cathy Holtslander: Yes, but particularly the smaller producers.

Hon. David Kilgour: You think, for example, it would hit the small producers harder than the middle-sized or large producers. Can you give us a little more of your thought on that?

Mrs. Cathy Holtslander: For example, they can require information to be kept and collected and given to the CFIA as one of their regulatory powers under Bill C-27. Depending on how that was set up, it could be set up as a barrier to the smaller producer or the smaller processor.

If it was a requirement for quite high-tech DNA information or some very sophisticated computerized information type of requirement that would require a lot of investment or time, and so on, it would be easy for a big company such as one of those big feedlots or big hog barns to do, but for the smaller independent farmer, that would be a pretty onerous requirement.

Hon. David Kilgour: Would you like to see it split, from a trade promotion and a safety standpoint? Do you think this could be done?

Mrs. Cathy Holtslander: I'm not quite sure I understand.

Hon. David Kilgour: Have one part deal with safety and another part deal with helping producers get their products to market, at home and abroad.

Mrs. Cathy Holtslander: Yes, I think if the safety aspects were done in a way that is reasonable, fair, and rigorous, you could have it actually help the trade side, because you'd have a good-quality product.

My concern is that you could end up having the standards be watered down in order for some players to get access to some markets and at the same time keep out their competitors, which are the smaller players, by having regulations set up that will be onerous to the smaller player but not to the bigger player.

Hon. David Kilgour: Well said.

Mr. Friesen, Bill C-80, as you know, had an industry advisory board, which you mentioned today. Have you not been able to find out why that was taken out of Bill C-27? With all the clout the Federation of Agriculture has, they won't tell you why they didn't leave the ministerial advisory board in this bill?

Mr. Bob Friesen: The ministerial advisory board? No, I was referring to the stakeholder advisory board.

Hon. David Kilgour: Well, whatever the....

Mr. Bob Friesen: The minister-appointed stakeholder advisory board. We've been talking to agriculture ministers for a few years, urging them to bring it back.

Hon. David Kilgour: What kinds of arguments do you get back from the officials for why it was taken away?

Mr. Bob Friesen: We haven't heard any arguments for why it was taken away.

Hon. David Kilgour: Could you give us a draft wording of what you think would be an appropriate—

Mr. Bob Friesen: Absolutely.

Hon. David Kilgour: When do we need that, Mr. Chairman?

The Chair: We want everything before the committee by April 21.

Is that satisfactory?

Mr. Bob Friesen: Yes.

The Chair: We want to have all amendments, every possible conceivable viewpoint that could be brought forward, before the committee by April 21.

Hon. David Kilgour: I have just one last question. If the inspection is delayed on a shipment for a long time, the value of the goods deteriorates, of course. Who do you understand would be liable for that under this bill?

Mr. Bob Friesen: Well, that's exactly our fear with this bill—it's too ambiguous as to who would be accountable and who would be financially responsible. That's why we need more clarification, either in the bill or in the regulation, as to who would be responsible, what the reason for the delay was—to make sure these costs don't accrue back to the farm gate.

Hon. David Kilgour: Nobody has consulted you on the details of how this bill is being drafted?

Mr. Bob Friesen: We're being consulted today.

Hon. David Kilgour: This is the consultation?

Mr. Bob Friesen: Yes, correct.

Hon. David Kilgour: Well, I'm sorry to see that—

Mr. Charlie Angus: That's not what CFIA told me when I met with them. They said they did consult.

The Chair: This doesn't confer with committee. This is our job, to flesh out all of these details.

Hon. David Kilgour: Well, Mr. Chair, every other industrial group in the country goes and consults with the officials, and they basically—if I understand it—work out with the officials what will be a fair deal for both sides. All the stakeholders.... Why wouldn't they have done it with the Federation of Agriculture and Ms. Holtslander's group?

Mr. Bob Friesen: I would be very happy if this committee would recommend that from here on in, whenever the government proposes a bill, the industry be consulted in the writing of that bill. But that's just not the way the process has worked in the past, for example with regard to species at risk legislation. We get the draft of the bill, and that's when we begin to have our opportunity for input.

•(1635)

The Chair: I just want you to know, it's not the chairman's suggestion that he agrees with that principle; that's the principle that's being applied.

Hon. David Kilgour: Mr. Chair—

The Chair: We have to move on. Your time has expired.

Hon. David Kilgour: Well, that's outrageous. I would like to say—

The Chair: We move to Mr. Gaudet, five minutes.

[Translation]

Mr. Roger Gaudet (Montcalm, BQ): Thank you, Mr. Chairman.

Following from Mr. Kilgour's questions, I would like you to send to the committee the improvements that you would like us to make it to Bill C-27. In that way, when we come to clause by clause study — from April 21, if I understand correctly — we will have the opportunity to look at your recommendations and see if they are acceptable or not. I would like you to do this before April 21.

Here is my first question: you said that CFIA has a double mandate. What is it?

[English]

Mrs. Cathy Holtslander: I was quoting from the CFIA document that it's to contribute to a safe food supply and to facilitate trade in food, animals, plants, and related products. That was from their annual report of 1997-98.

The dual mandate is to regulate for health and safety and to promote trade and commerce.

[Translation]

Mr. Roger Gaudet: All right, thank you.

You also said that CFIA does not have an excellent record as far as transparency and communication is concerned, a problem that would not be resolved by Bill C-27. On the contrary, the Bill would give more powers to the Agency to collect, share and use information, even with foreign governments and private sector organizations.

Could you explain your position on this issue?

[English]

Mrs. Cathy Holtslander: That's from clause 8. Clause 8 says:

The agency may enter into an arrangement concerning the collection, use and disclosure of information with any government agency, department of government or prescribed organization, in Canada or elsewhere, for the purpose of administering or enforcing any law or carrying out an investigation.

That's where they get the authority to collect and share information.

There's nothing in here that requires it to increase its communication with Canadians or to explain rationales for decision-making, to communicate better with Canadians. Bill C-27 does not address that. And because under clause 8 the CFIA will be authorized to make arrangements with foreign governments and organizations that CFIA can prescribe—they can name these organizations in other countries—they would not be subject to Canada's laws for privacy or disclosure of information or access to information. I think that's a vulnerability. People dealing with the CFIA may end up having their information being collected and used by foreign governments, and we could do nothing about that.

[Translation]

Mr. Roger Gaudet: What do you think of the new head of the Canadian Meat Council, who has worked to 34 years for the CFIA? Do you think he might be in a conflict of interest in his new position as head of that Council?

[English]

Mrs. Cathy Holtslander: I think it's a very close relationship. It's like the revolving door between the high levels of bureaucracy and the industry lobbyists. They have an unfair access to the process of making regulations compared to, for example, the person I buy my

beef from, who's an organic farmer near Hudson Bay, Saskatchewan. What access does he have to the CFIA to shape the regulations?

I think it is an unfair relationship that the larger industry lobbyists have with the CFIA compared to the independent producers.

• (1640)

[Translation]

Mr. Roger Gaudet: Before closing, I would like to make a comment: I have much more faith in small producers than in big producers.

[English]

The Chair: Thank you very much, Mr. Gaudet.

Now we move to Mrs. Ur.

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Thank you, Mr. Chair.

I also thank you for your presentations. I found them very interesting.

I'm going to take the devil's advocate route here. I'm in that kind of mood this afternoon.

We're all fairly agriculturally based here, but what if a really urbanite MP who knew nothing about agriculture came to this presentation today and listened to both presentations? The CFIA is endorsing Bill C-27, with really good changes that I certainly agree with. Then we have Cathy, who is not supporting Bill C-27. It's very difficult for members of Parliament to try to extract which way to go when each case presents totally different reviews of Bill C-27. It makes the situation very interesting and difficult, to say the least.

When we say we want agriculture to try to come to governments with one voice, it makes our job a little bit easier, because we certainly want to do the best for all agriculture. I came to Ottawa to represent the little guy, because the big guy seems to have ways to get to committees and be heard. So I respect your position, Cathy, but I'm going to have to differ in your viewpoints on CFIA. Because of its science-based nature and the good science we had with BSE, we were the first country that was able to sell boxed beef in such a short time. That's because it was science-based. Can things be improved? Probably. We are constantly growing.

When we were in Abbotsford as a committee on the avian flu, I saw—and I don't know whether you would agree with me—that CFIA has excellent policy and science-based techniques, but what they needed was another arm, like a DART team, with the expertise to go in and attack the situation.

Would you be more comfortable with CFIA if there were another arm of that agency?

Mrs. Cathy Holtslander: I would analyze the problem a bit differently. From the communications I've had with people in the Abbotsford area, the decisions on how much to cull, when, and how were made without fully using the science that was available to them, and without calling upon and learning from the experience in other places, such as The Netherlands, Italy, and even the United States. They took action that really wasn't science-based.

It seemed to be somewhat politically motivated, with the purpose of appearing to take strong, fast, draconian action for the sake of a trade relationship. The people who were sacrificed were the smaller producers. They were dealt with very badly, as you heard when they spoke to the committee, and they have not been properly compensated. So I don't think having a team to carry out a bad decision based on wrong information is going to improve the situation.

Mrs. Rose-Marie Ur: Thank you, Ms. Holtlander.

Mr. Friesen, regarding Bill C-27 to reduce overlap and duplication, moving it from ten and putting eight areas into one piece of legislation or one area of inspection, do you think that will weaken their capability to do their job well? Will it have a negative impact on the industry?

Mr. Bob Friesen: I don't think so. It speaks to the desire we've had for quite some time to make sure we don't have legislation and policies developed in silos. The more we can facilitate the process working well and being more efficient, the better off we'll be.

Mr. Chair, if I may also address some of your earlier points, we support the intent of the bill and the changes to it because we have thousands and thousands of farmers whose livelihoods depend on having a very rigorous food safety and food regulatory system. We have to make sure we continue to strengthen that.

The other point I want to make is on this distinction between small producers and large producers. First of all, small does not mean safe. Secondly, small producers should have no different criteria for food safety from large producers. We are here to produce safe food. Whether the producer is small or large is not a food safety issue, but I think a consistent, very strong, rigorous application of a regulatory system helps further that cause.

•(1645)

Mrs. Rose-Marie Ur: I couldn't agree more on that point on financial responsibility. There, too, I agree. Whether it's large or small, it shouldn't be passed down to the primary producer. The old saying goes, "they say and we pay". That has to change. Through the vertical integration of that food product there should be checks and balances, and each one along that food chain should be part of that financial obligation to recover the costs for whatever part they have to play.

How would you articulate that in the legislation to ensure that this indeed happens?

Mr. Bob Friesen: That's a very good question, but we'd certainly be willing to submit that.

Mrs. Rose-Marie Ur: I'd like to hear that from you, because I think it's really important. That somehow has to be enshrined in there to ensure that our primary producers aren't left holding the whole cost.

Mr. Bob Friesen: Great. Thanks.

The Chair: Mr. Bezan.

Mr. James Bezan (Selkirk—Interlake, CPC): Thank you, Mr. Chair.

I really appreciate the comments you've made today, Bob. I think it's been very constructive and has looked at the bill very objectively.

Some of the groups we've had in here haven't provided a whole lot of valuable input, in my opinion, so it's good to see that you guys see some good in it and see some bad.

On the one area of oversight, how would you think we should implement that into the legislation? Should it be a parliamentary committee that has oversight on CFIA, or should it be some combination of industry and government? What is CFA's position on oversight?

Mr. Bob Friesen: I think we would be quite flexible in what that oversight committee should look like. I think the primary objective behind that is just to make sure that the CFIA doesn't abuse the powers it has, that we can be very responsive very quickly if there is a problem and we feel that a change could improve how the CFIA works. As far as its membership, we're always adamant that those committees need to have a good representation from the industry and from stakeholders, but there might be others who would have an idea as to who else should be part of the membership of that committee.

Mr. James Bezan: One area we're talking about is accountability, and I think by having oversight you start getting accountability. The one thing we are creating with this bill is super-inspectors. We already have examples and situations where inspectors have gone in and made decisions either by mistake or maliciously, and right now there isn't any real recourse. The one thing I know is that the Beyond Factory Farming Coalition doesn't want to see us getting tied in too closely with U.S. systems, but the one thing the USDA has is a very transparent system so that if you feel you've been wronged, here's the appeal process—this is what you're entitled to; this is the compensation. This applies across the board, whether you're a big processor, a small processor, or a producer.

Would you like to see things along that nature implemented in this bill? Because right now they're completely ignored.

Mr. Bob Friesen: I have two points on that one. I don't know what you call them...super-inspectors. Let's be clear about one thing, and I think I alluded to it earlier. Farmers do not respond very well to actions, if we have actions that would justify the definition of a super-inspector. They want to practice due diligence. They want to work with the CFIA and the industry to make sure that what they do works and what they do continues to enhance our reputation for safe food. So however we can do that, or the best way we can do that, the better off we're going to be.

Anecdotally, there is evidence of where, you're right, they walk into say a small processing plant and put down all sorts of demands that may be what you might call almost frivolous demands, simply because they want to show their authority. I think there has to be some sort of a mechanism that ensures that there is an appeal process or there is a place where they can go and say look, this is happening.

I can also tell you from my experience in the poultry industry that in talking to the processing industry they were afraid of reprisal if they complained about how the CFIA was working in their plant, and of course the CFIA basically has the last word and they really feared that sort of response. We need to have a system in place that ensures that this doesn't happen if we're going to increase the powers the CFIA has.

As far as them making a mistake and then simply leaving the matter in the hands of the industry is concerned, you're absolutely right, and this is what we're afraid of when it comes to accountability, responsibility for the financial aspect of this. There has to be a process in place so that, yes, the industry is willing to work with the CFIA in partnership, but we have to have some very clear lines as far as accountability and financial responsibility and culpability are concerned.

• (1650)

Mr. James Bezan: One part of the legislation that also brings about some concern is that not everything is done here by order in council and by the power of the minister. Some of it is being done and implemented through the president. The president of the CFIA is there, in my opinion, to administer the agency and make sure they're following through on the act. But in this bill the president does have some powers to look at the methods, equipment, and processes they're going to be using and implementing, again without any oversight or industry recommendation. Did you look at that? Did clause 24 raise any red flags for you?

Mr. Bob Friesen: It always raises a red flag when it talks about "at the discretion of the minister" because it's our understanding—and somebody can correct me if I'm wrong—that when it says the minister can do whatever when he deems it appropriate, it does not really mean it has to go to the minister, it's simply that the agency the minister is in charge of can do it. So again we have to ensure that any increased powers aren't abused.

The Chair: Thank you very much, Mr. Bezan.

Mr. Drouin.

[Translation]

Hon. Claude Drouin (Beauce, Lib.): Mr. Chairman, I want to thank our witnesses. Their comments will allow us to improve or clarify various clauses of this Bill.

I would like to check something with Mr. Friesen that was raised by some of my colleagues a few moments ago. Since there had been no previous consultations and since you believe that there might be some irritants or, at the very least, a few things that should be clarified, I would appreciate it if you could send us a document indicating what you would add or change to improve various causes of the Bill so that we could do our best to help you and to protect our producers. I would strongly encourage you to do that.

Thank you very much.

There has been a lot of talk about integration. I would like some clarification. Even though I do not yet have the green thumb, I learn as quickly as possible. I see that our two markets are integrated but our regulation seems to be much stronger than the one in the US. This does not prevent us from having good results in agriculture and, according to Mr. Friesen, to be able to export up to 60% of our production. So, it may not necessarily be a disadvantage to have stronger regulations, even within an integrated market.

Is that the case or am I completely mistaken?

[English]

Mr. Bob Friesen: No, I don't think you're off track. I think you raise a valid point. When we talk about integration and harmoniza-

tion, I think we have to be cautious about that as well. I think we have to take a close look at how we can harmonize our regulation in such a way that it doesn't become a competitiveness issue. Because our markets are integrated and because of where the margins are in the primary production sector, we should look at where we can get a competitive advantage or where we can at least equal the competitiveness through a modification of the regulatory system as long as it doesn't jeopardize our own food safety regulatory system. Clearly, we still have an awful lot to stand on when it comes to our reputation, with our rigorous regulatory system and our reputation for safe food. I absolutely do not think we should look at harmonization at the risk of losing that rigorous regulatory system or that reputation. But if it is only a matter of competitiveness, then I think we should take a serious look at it.

• (1655)

[Translation]

Hon. Claude Drouin: Thank you.

[English]

The Chair: Are you finished?

[Translation]

Hon. Claude Drouin: No, I have a final comment.

Mrs. Holtslander, you stated that health and safety do not necessary go hand in hand with trade and exportation. Don't you think, on the contrary, that this should reassure foreign countries and allow our producers to have the reputation of selling safe and healthy products?

[English]

Mrs. Cathy Holtslander: Yes, actually. I think high standards made in Canada, properly enforced standards, help us with our trade and help us with our international reputation.

However, when you look at the smart regulation initiative to actually integrate the Canadian regulatory system with the American regulatory system, you see what we have is a reduction in Canada's standards for food safety. This would tie us to the American market and lock us out of the European, Japanese, or any other market that has a higher standard than the American standard.

If we're trying to integrate our livestock system with the American livestock system, we sell our cattle, pigs, or whatever to them and they sell theirs to us. Now, if we say you can't sell cattle in Canada with certain antibiotics in their system and the Americans say their producers think that's going to help them have faster growth rates and higher profits, then how do we say we won't let your cows in but we want you to let ours in? When you're trying to integrate the systems, you have to have the same rules in both countries. Now, our other trading partners or potential trading partners will say, "We think those drugs are a problem and we don't want them in the meat our people are eating; sorry, you can't trade with us."

If we have a high standard that's made in Canada, we can trade with anybody, but if we're integrating with the Americans and their standards are lower, we're locked in and we lose choices.

The Chair: There's a clarification requested.

Mr. Gerry Ritz: Cathy, this is on what Claude was asking. You were saying you were concerned about the American standards dumbing the Canadian standards down. I'm wondering, if that's true, then why does Japan buy more American foodstuffs than Canadian foodstuffs? They're very particular about what they buy and who they buy it from because they're very concerned about food safety, so I'm wondering why that is.

Mrs. Cathy Holtlander: I don't know.

Hon. David Kilgour: I have a point of order.

The Chair: I can't take many more points of order; we're going to be late getting out of here. A lot of people have to fly and we have half an hour.

I want to thank the witnesses for coming today. We have differences of opinion, but I think we all want a safe, guaranteed

food supply for all Canadians and for those who depend upon our markets for their supply of food.

I will say to you, as I've said to all witnesses, you have until the 21st to bring forward your thoughts, motions, recommendations, and changes. Bring them forward and they will be put on the table. As you can understand, I'm at the will of these people. We will only take that bill back to the House once we think it's right, and we want you to be part of that. If you can help us do that by the 21st, we will take your views and they will be incorporated into what will be our future bill.

Thank you again. Have a great Easter weekend.

[Proceedings continue in camera]

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