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CANADA

# **Standing Committee on Agriculture and Agri- Food**

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**EVIDENCE**

**Tuesday, June 5, 2007**

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**Chair**

**Mr. James Bezan**

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## Standing Committee on Agriculture and Agri-Food

Tuesday, June 5, 2007

• (1535)

[English]

**The Vice-Chair (Mr. Paul Steckle (Huron—Bruce, Lib.)):** The chair has called the meeting to order.

Yes?

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** I would like to make a motion.

My motion is that we go to the APF report, that we go through it and finish it prior to returning to the motion we've been discussing, and that we then take it up with the other two motions we have before us at that time.

**The Vice-Chair (Mr. Paul Steckle):** A motion has been put to the floor.

I'd like to say to the committee that in a preceding meeting—I think four meetings ago—we had the majority support of the committee to set an agenda whereby we would deal with two motions. One has been dealt with, and the second one is in process. At such time as that motion has been dealt with, we will be moving to the APF. Unless I see unanimous support, I would suggest we deal with it in that way.

Do I have unanimous support to move to the motion as...?

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Mr. Chairman, I have a point of order. I believe that at the start of any meeting, a motion such as Mr. Anderson has put forth is a fair amendment to the agenda, and I think it's very appropriate. I think you have to have what you would call a regular vote on the issue and not ask about another motion.

**The Vice-Chair (Mr. Paul Steckle):** The motion is not debatable, I am told. I was pursuing a set of rules that I think are in order, but I will put the question. It's not debatable.

**Hon. Wayne Easter (Malpeque, Lib.):** Not debatable at all?

**The Vice-Chair (Mr. Paul Steckle):** It's not debatable.

In that case we will move to the question. Do you want to move directly to the APF studies, or do you want to continue with the motion of Mr. Atamanenko?

That is the question: do you want to continue where we left off at the last meeting, or do you want to go right directly to the APF report?

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Are you asking me?

**The Vice-Chair (Mr. Paul Steckle):** I am asking for the vote. The question has been called.

**Hon. Wayne Easter:** I have a point of order, Mr. Chair.

**The Vice-Chair (Mr. Paul Steckle):** There are no points of order.

**Hon. Wayne Easter:** The fact of the matter is that we were working under different rules under the previous clerk.

**Mr. David Anderson:** Will we be discussing this? If we're going to have a discussion about this, then we need to have a discussion.

**The Vice-Chair (Mr. Paul Steckle):** I'm going to call the question.

**Hon. Wayne Easter:** I want the rules read out here.

I'm demanding the rules be read out, because the previous clerk did not rule that way. We were allowed to debate.

**Mr. David Anderson:** We just did on Thursday. You weren't here, Wayne. He made exactly the same ruling.

**Hon. Wayne Easter:** You guys started five minutes early.

**Mr. David Anderson:** You weren't here, we started, and we did exactly this.

**Hon. Wayne Easter:** I have every right to ask for the rules.

**Mr. David Anderson:** It's the same ruling.

**The Vice-Chair (Mr. Paul Steckle):** Let's hear the clerk's reading of the rules.

Let's listen to the clerk when the clerk gives his verdict.

**Mr. Chad Mariage (Procedural Clerk):** On page 450 of *House of Commons Procedure and Practice*, Mr. Chair, it is stated: As a general rule, every question that is debatable is amendable. Exceptions are the motion to adjourn for the purpose of an emergency debate...

Motions decided without debate or amendment generally include:

- motions that the House do now adjourn;
- motions to proceed to the Orders of the Day;
- motions that the House proceeds to another order of business;

—which is what we've done just now—

- motions that the debate be now adjourned; and
- motions that the question be postponed to a specific day.

**Hon. Wayne Easter:** Is that for a committee or the House?

**Mr. Chad Mariage:** The Standing Orders state that the Standing Orders apply, insofar as they are applicable, in committee.

**Hon. Wayne Easter:** Okay, thank you.

**The Vice-Chair (Mr. Paul Steckle):** Okay, are you satisfied?

**Hon. Wayne Easter:** Yes.

**The Vice-Chair (Mr. Paul Steckle):** You've heard the verdict.

The vote has been called, and the question has been asked on the motion put forward by Mr. Anderson.

(Motion negatived [See *Minutes of Proceedings*])

**The Vice-Chair (Mr. Paul Steckle):** We will proceed to the orders of the day and will continue with the motion of Mr. Atamanenko.

Do you want to first of all introduce the motion again? We have to have that—

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** I actually have a true point of order, Mr. Chair.

**The Vice-Chair (Mr. Paul Steckle):** Okay.

**Mr. Ken Boshcoff:** A week ago I was asked to withhold my resolution to support the Canadian cattlemen on transition funding. I did so in utmost good faith, assuming that it would be debated, discussed, and passed a week ago Tuesday evening, and it still hasn't been dealt with.

I ask the clerk where that item is and when we can expect to deal with it.

**The Vice-Chair (Mr. Paul Steckle):** Are you talking about the deferral of your motion, along with Mr...?

**Mr. Ken Boshcoff:** Yes, I did that in order that these others—

**The Vice-Chair (Mr. Paul Steckle):** Yes, and yours will be dealt with—

**Mr. Ken Boshcoff:** I wasn't expecting a filibuster, Mr. Chair.

**The Vice-Chair (Mr. Paul Steckle):** The agreement at that day was—and this is the motion—“That the Committee completes the study of Mr. Easter's and Mr. Atamanenko's motions before studying the Agricultural Policy Framework draft report and, after the draft report study on APF is completed, it will study the motions from Mr. Boshcoff and M. Bellavance.”

So we need to complete the work of the APF report before we continue on with motions.

Mr. Atamanenko.

**Mr. Alex Atamanenko:** I'm not sure how appropriate it is, but I do have—

**The Vice-Chair (Mr. Paul Steckle):** It's appropriate for you to speak to this motion because that's what we're dealing with.

**Mr. Alex Atamanenko:** Is it appropriate to talk about an amendment to my motion? Because I think what I say may satisfy David and we could get this moving really quickly.

**Mr. David Anderson:** I haven't seen anything of this.

**The Vice-Chair (Mr. Paul Steckle):** Basically, I would suggest that because it's your motion you can amend it, you can change it, you can do basically whatever you like. You'll have to meet with the approval of this body here before we move on, so if you want to

introduce that and then have debate on the amendment, that is the way I would see it.

**Mr. Alex Atamanenko:** Okay. So I will propose the amendment and I will say a few words on it.

• (1540)

**The Vice-Chair (Mr. Paul Steckle):** Do you want to read the amendment?

**Mr. Alex Atamanenko:** Okay. The proposed amendment is this:

That the Standing Committee on Agriculture and Agri-Food write a letter to the Honourable Sheila Fraser, Auditor General of Canada, indicating the Agriculture Committee's unanimous support for an investigation into the government's conduct and spending by the Department of Agriculture and Agri-Food throughout the recent Canadian Wheat Board barley marketing plebiscite.

The reason for making the amendment is that it takes away the reference to the National Farmers Union. I understand that Mr. Anderson is not opposed to having the Auditor General have an investigation, but is more concerned with having the committee setting historical precedent by officially supporting one interest group over another, and therefore fears that the independence of the committee would be called into question.

David also stated at the last meeting that “It could have been worded far differently, and probably would have been a far better motion, if Mr. Atamanenko wanted to call in the Auditor General herself.” I have taken Mr. Anderson's concerns and comments to heart and am prepared to propose this friendly amendment in the hope that it will satisfy all parties and bring about a consensus as to how to proceed.

So I'm prepared to propose that the motion be amended to remove the reference to the National Farmers Union, and I just read that out. I would of course then expect that in exchange for making this friendly amendment we could get unanimous support for the motion, and that the resulting letter to the Auditor General would be composed and distributed to the members of the committee for review prior to our next meeting on June 7, at which time the committee will come to an agreement on the final text of the letter prior to conducting any other business.

In other words, if the committee is in agreement, I'm prepared to make that amendment, and then if we could have that letter ready for our final approval before next meeting, we could move on with business today and also next time.

So that's basically what I have to say on that.

**The Vice-Chair (Mr. Paul Steckle):** For the benefit of all us, to understand clearly your amendment, I'll read what I think we have heard from you: “...the Honourable Sheila Fraser, Auditor General of Canada, indicating the committee's unanimous support for the submission to the Honourable Sheila Fraser calling for an investigation...” and continuing on with the rest of the wording. Is that it?

**Mr. Alex Atamanenko:** Do you want me to read that out for you again?

That the Standing Committee on Agriculture and Agri-Food write a letter to the Honourable Sheila Fraser, Auditor General of Canada, indicating the Agriculture Committee's unanimous support for an investigation into the government's conduct and spending by the Department of Agriculture and Agri-Food throughout the recent Canadian Wheat Board barley marketing plebiscite.

**The Vice-Chair (Mr. Paul Steckle):** Is that pretty clear? Okay, there is a speakers list. We'll begin with Larry Miller.

**Mr. Larry Miller:** No, I was going to speak actually to a point of order, Mr. Chairman, and then I heard a bit more information, so I don't need to.

**The Vice-Chair (Mr. Paul Steckle):** Are you okay with that?

David, do you want to comment?

**Mr. David Anderson:** Yes, absolutely. If someone else wants to go ahead, that's fine but—

**The Vice-Chair (Mr. Paul Steckle):** Ken.

**Mr. Ken Boshcoff:** I have a question for the mover. What if this resolution passes and it's not unanimous?

**The Vice-Chair (Mr. Paul Steckle):** Yes, the question from Mr. Boshcoff to you, Mr. Atamanenko, is that you're asking for the unanimous support of this committee. What if there is less than unanimous support for it? Do you still want this amendment?

**Mr. Alex Atamanenko:** The goal is to write a letter to the Auditor General—

**The Vice-Chair (Mr. Paul Steckle):** But I think the word “unanimous” is the operative word here that we're having some difficulty with. If you don't find unanimous support for your amendment, does that mean your amendment fails, or do you want to take that word “unanimous” out of there?

**Mr. Alex Atamanenko:** I would be willing to do that, as long as the motion is passed.

**The Vice-Chair (Mr. Paul Steckle):** I think it makes it a little more palatable to take that word out. I don't know. I can't prejudge the vote, but I would suggest that this may cause us some problems.

Is there anyone else? Wayne.

**Hon. Wayne Easter:** Yes. On that point, Mr. Chair, I think it would be better if it was really that the standing committee write a letter requesting an investigation into the government's conduct. That can be done by majority vote. There's no question the government will want to cover up some of the facts and the costs that they've spent in terms of the parliamentary secretary's letter-writing campaign, in terms of the minister's travels across the west, which were specifically targeted to attacking the Wheat Board and undermining its credibility. I think it would need to be—

• (1545)

**Mr. Larry Miller:** No, it's a point of order. What Mr. Easter is proposing is an amendment.

**The Vice-Chair (Mr. Paul Steckle):** Sorry, I was working on some—

**Mr. Larry Miller:** All I'm suggesting, Mr. Chairman, is that if he wants to propose an amendment, then he should propose the amendment.

**The Vice-Chair (Mr. Paul Steckle):** Okay, you've made your point of order.

Mr. Easter, do you have—

**Hon. Wayne Easter:** I was just suggesting a friendly amendment to Mr. Atamanenko, but in any event, if you want to try with the unanimous support first, that's fine. I'll hold it until later.

**The Vice-Chair (Mr. Paul Steckle):** Okay.

Are there any other questions? Yes, David.

**Mr. David Anderson:** I'm going to talk to this, Mr. Chair.

Did we remove “unanimous” from that or not? I didn't hear whether—

**The Vice-Chair (Mr. Paul Steckle):** Basically he was wanting unanimous consent to put a friendly amendment forward. I think really it's inconsequential.

**Mr. David Anderson:** In the form it's in, we're not going to give our consent to that. I can tell you that right now. Mr. Atamanenko never talked to me prior to bringing the amendment here.

What I said the other day was that I thought it was not the role of the committee to be taking the position of a third party, as a specific position of the committee. So that was part of my opposition to the motion. I did make the suggestion to Mr. Atamanenko that it would be far more appropriately worded if he were to take out the third party.

I did not commit us to supporting that, and we are not going to support the motion. But we may be able to make some amendments that would enable us to do that. So I'm going to ask if I can make a couple of amendments to the motion as well, and then perhaps we can come to support for—

**The Vice-Chair (Mr. Paul Steckle):** If it's an amendment, there's another amendment, but we have to deal with the last one first.

I think what we're going to do is put his amendment forward and vote on that. Are you prepared to let us do that?

**Mr. David Anderson:** As long as we get the opportunity to do our amendments to the motion.

**The Vice-Chair (Mr. Paul Steckle):** Mr. Atamanenko, because he is the mover of the first motion, has the prerogative of putting forward a change to his motion, if he wishes to do that.

At this point in time, that is the motion we're now dealing with, as we've just heard it worded. If you want to make an amendment to that motion, you're on.

**Mr. David Anderson:** I can make that amendment now, or do you have to pass that before we make the amendment to it?

**The Vice-Chair (Mr. Paul Steckle):** We'll reread the motion. Is there agreement on taking the word “unanimous” out of there?

**Mr. Chad Mariage:** I'll reread the motion as per the discussion that Mr. Atamanenko and I had:

That the Standing Committee on Agriculture and Agri-Food write a letter to the Honourable Sheila Fraser, Auditor General of Canada, indicating the Agriculture Committee's support for a thorough investigation into the government's conduct in spending by the Department of Agriculture and Agri-Food throughout the recent Canadian Wheat Board barley marketing plebiscite.

**Mr. David Anderson:** I would add as well an additional section, which is that we call for investigation into the conduct and spending by the Canadian Wheat Board throughout the recent Canadian Wheat Board barley marketing plebiscite, as well as calling for an investigation into the conduct and spending by the Saskatchewan and Manitoba governments throughout the recent Canadian Wheat Board barley marketing plebiscite.

Mr. Atamanenko wants to look into the government spending and conduct. We add the Canadian Wheat Board to that, because it's a government agency and it's appropriate that we do that, and also the Saskatchewan and Manitoba governments to find out their role, their conduct in spending in the recent barley marketing plebiscite as well.

**The Vice-Chair (Mr. Paul Steckle):** That's a fairly broad amendment. Does someone have the wording?

**Mr. David Anderson:** It's specific to two things.

**The Vice-Chair (Mr. Paul Steckle):** We need to have the exact wording before we can have a vote.

• (1550)

**Hon. Wayne Easter:** I have a question. I'm not sure of the procedure here. I don't know whether, as a federal committee, we can actually investigate a provincial government. I think we can call them forward to question them.

Second, why the Parliamentary Secretary to the Minister of Agriculture would be calling for an investigation into the Canadian Wheat Board is amazing to me, because he and his minister do have the authority to ask the Wheat Board questions. They have the authority now, under access to information. Is it that the minister and his parliamentary secretary just never talk to the Wheat Board, or what? They are responsible for the Wheat Board and they're asking for an investigation. That sounds ludicrous to me, but if that's what they want to do, I have no problem.

**Mr. Larry Miller:** Are we debating this?

**The Vice-Chair (Mr. Paul Steckle):** We're just getting the wording. Once we have the wording, then we'll have a debate.

**Mr. Larry Miller:** Mr. Easter seemed to be debating; that's why I'm questioning it.

**The Vice-Chair (Mr. Paul Steckle):** We'll try the wording as we believe it's deemed to be requested.

**Mr. Chad Mariage:** Mr. Chair, the amendment, as far as I understand it, would be as follows:

That the Standing Committee on Agriculture and Agri-Food write a letter to the Honourable Sheila Fraser, Auditor General of Canada, indicating the Agriculture Committee's support for a thorough investigation into the government's conduct and spending by the Department of Agriculture and Agri-Food and the Canadian Wheat Board throughout the recent Canadian Wheat Board barley marketing plebiscite.

**The Vice-Chair (Mr. Paul Steckle):** Have you got that, David? Does that cover you?

**Mr. David Anderson:** Actually, I'd like to add a subamendment. It was pointed out to me that the Auditor General may not have the authority to investigate the provincial governments, so I think we should include a letter of invitation to the provincial auditors general to investigate the provincial governments in Saskatchewan and Manitoba to determine their conduct and spending as well. If the federal Auditor General doesn't have the authority, we would invite the provincial auditors general to do that.

[Translation]

**Mr. Roger Gaudet (Montcalm, BQ):** I have a point of order, Mr. Chairman.

[English]

**The Vice-Chair (Mr. Paul Steckle):** I'm not an expert on this issue, but I think we're getting far too broad here in terms of what we want to do. If we want to have other investigations on this, I think that could be done at another time.

**Mr. Larry Miller:** I have a point of order, Mr. Chairman.

I think that the point of order, Mr. Chairman, with all due respect, is that you're debating the motion. I think your job is to chair.

**The Vice-Chair (Mr. Paul Steckle):** Mr. Miller, that's not a point of order. I'm going to be calling the question very shortly on the amendment, and that's what we're dealing with right now—the amendment. Until we've dealt with that, we're not dealing with anything else.

Go ahead, Mr. Gaudet.

[Translation]

**Mr. Roger Gaudet:** It's simple, Mr. Chairman. After listening to the motion introduced by the Parliamentary Secretary, I find it hard to see how he can ask the provinces to investigate. When Option Canada went to Quebec, they didn't want to investigate their own organization. They want the province to do it. Quebec investigated, and now they want Saskatchewan to investigate. However, they don't want Canada to investigate Option Canada. That poses a problem for me.

[English]

**The Vice-Chair (Mr. Paul Steckle):** Mr. Anderson has agreed to pull everything away from the provinces and simply deal with the Canadian Wheat Board. That's the only thing that is changed in the amendment.

I think Mr. Miller wanted in first. Do you still want in?

**Mr. Larry Miller:** Yes. I didn't realize I was first, but yes, I do.

I was certainly ready to support it with the provinces in, simply because I do believe the Auditor General would have informed us one way or the other, and whether we have the power or not, we wouldn't have got ourselves in trouble, in my opinion. Regardless of that, Mr. Anderson has changed it, and I'm willing to support that.

I think the main gist of this motion and Alex's original one is that if we're going to do an investigation, then we do an investigation of all parties, including the Canadian Wheat Board. I've heard Mr. Easter say he has no problem with that, and I'm glad to hear that.

In terms of the provinces, I'd like to see at some point that the Governments of Manitoba and Saskatchewan are included in some kind of check, because anything that has an involvement with the federal government and the agriculture ministry comes essentially down to this committee, because we deal with that. I think we—

• (1555)

**The Vice-Chair (Mr. Paul Steckle):** I want us to get back. We're getting away from the amendment. The amendment is sticking with the Canadian Wheat Board.

**Mr. Larry Miller:** Okay, well, I certainly support that. I think the Canadian Wheat Board shouldn't have anything to fear here if everything is above board, Mr. Chairman, and we go from there. I'm in support of the amendment.

**The Vice-Chair (Mr. Paul Steckle):** Go ahead, Mr. Atamanenko.

**Mr. Alex Atamanenko:** My purpose in making the amendment is because of the concern David expressed in regard to the National Farmers Union. It's not my intent to call for an investigation into all other parties involved; it's my intent in the motion to have an investigation of the government's conduct, and specifically into those points that were in that letter. Hopefully they will come out in this investigation. That's the intent of my motion.

**The Vice-Chair (Mr. Paul Steckle):** Okay, but we're dealing with the amendment.

Go ahead, Mr. Easter.

**Hon. Wayne Easter:** Mr. Chair, I would agree with Mr. Atamanenko that really what the motion does, to a certain extent, is change the intent, but if we're going ahead with that amendment, then I will be making a subamendment that we add to that the Prime Minister's Office, etc.

**The Vice-Chair (Mr. Paul Steckle):** You can do that a little later. You can do that.... Would you rather do it now or do it afterwards?

**Hon. Wayne Easter:** I'll do it afterwards.

**The Vice-Chair (Mr. Paul Steckle):** Okay, let's deal with the amendment. I'm going to propose that the question be called on the amendment—

**Mr. David Anderson:** There's a question of order here.

**The Vice-Chair (Mr. Paul Steckle):** This is your amendment.

**Mr. David Anderson:** Yes. We had Mr. Atamanenko's amendment, and you allowed me to subamend that, but now you're asking Mr. Easter to wait on his subamendment—until when?

**The Vice-Chair (Mr. Paul Steckle):** It would be until we've dealt with this one here.

**Mr. David Anderson:** Okay.

**The Vice-Chair (Mr. Paul Steckle):** Are you okay with that? It's your motion.

**Mr. Alex Atamanenko:** What are we voting on now?

**The Vice-Chair (Mr. Paul Steckle):** We're voting on adding the words “and Canadian Wheat Board” after “Agri-Food”. We have just a few words in there. We're changing it somewhat, but that's the amendment.

**Mr. Larry Miller:** This is on the amendment—

**The Vice-Chair (Mr. Paul Steckle):** It's Mr. Anderson's.

(Amendment negated)

**The Vice-Chair (Mr. Paul Steckle):** Now, Mr. Easter, you had something you wanted to add.

**Hon. Wayne Easter:** Yes, Mr. Chair. Having seen how this government operates, I do not believe...and I'd ask for Mr. Atamanenko's counsel on this, maybe.

I really believe we should be amending this to say the Prime Minister's Office, the minister's office, and the office of his

parliamentary secretary, because that's where I expect the hidden costs are. I doubt if there's a whole lot the Department of Agriculture itself has done, but there is certainly work that went on within the Prime Minister's Office and the minister's office and the parliamentary secretary—

**Mr. David Anderson:** I have a point of order.

On a couple of occasions already, Mr. Easter has made fantasy allegations, and if he's going to be making them, I'd like him to back them up with some evidence. He's saying I've participated in particular things. He doesn't name them. So I think if he's going to be slandering somebody, he needs to come forward with some specific evidence—

**The Vice-Chair (Mr. Paul Steckle):** We need to have language that is appropriate to go into an amendment here.

**Hon. Wayne Easter:** The point is, Mr. Chair—

**The Vice-Chair (Mr. Paul Steckle):** Can we put that in short language, so that we can deal with it? Then we'll have—

**Hon. Wayne Easter:** Yes, I will add to it, after “Agriculture and Agri-Food”, “the Prime Minister's Office, the Minister of Agriculture and Agri-Food's office, and his parliamentary secretary”. We probably should be throwing in the Conservative Party, but we'll leave that one out for the moment.

**Hon. Charles Hubbard (Miramichi, Lib.):** Do you mean the old one or the new one?

**Hon. Wayne Easter:** I mean the new one.

**The Vice-Chair (Mr. Paul Steckle):** Here is the amendment.

**Mr. Chad Mariage:** The amendment to the motion would read as follows. I'll read the entire motion as it would be if it were to be adopted.

That the Standing Committee on Agriculture and Agri-Food write a letter to the Honourable Sheila Fraser, Auditor General of Canada, indicating the Agriculture Committee's support for a thorough investigation into the government's conduct and spending by the Department of Agriculture and Agri-Food, the Prime Minister's Office, the office of the Minister of Agriculture and Agri-Food, and his Parliamentary Secretary's office throughout the recent Canadian Wheat Board barley marketing plebiscite.

Is that correct?

• (1600)

**The Vice-Chair (Mr. Paul Steckle):** You've heard the wording. Is there any discussion?

**Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC):** This amendment certainly suggests that something inappropriate has happened, and I haven't, either here today or anywhere else, heard any evidence of that. I think it's inappropriate for our committee to be casting a net like this, one that just tries to essentially capture as many political actors as possible without any real reason to believe there's anything there. This is a fishing expedition.

The initial motion from Alex called for the investigation of spending by the government. Certainly implicit in that is a suspicion that something inappropriate was done. Again, I haven't ever heard any evidence to that effect.

If you're going to investigate the government, given that the Wheat Board's opposition to any freedom of choice for barley producers is well known, there was a bit of balance in that, but to then take that a step further and essentially throw in the Prime Minister and the agriculture minister and the Parliamentary Secretary to the Minister of Agriculture—I don't know what's next. They can serve the rest of us on the government side on the agriculture committee.

I think it's clearly just a reactive fishing expedition and I think it's inappropriate. I don't see where this is going, other than just trying to make an issue that's already very political even more inappropriately political.

**The Vice-Chair (Mr. Paul Steckle):** Is there anything further?

Go ahead, André.

[*Translation*]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Unlike Barry, I believe that the original motion referred more to the department, and thus perhaps to public servants. We've just added the political component, political players.

When you call for an investigation, you don't necessarily presume that people are guilty. I think it's after the investigation that you know whether people have something to hide or not. We could investigate some very interesting things. For example, there is a lady, Ms. Charlton, whom we have never heard here in committee. We wanted to summon her with regard to the propaganda that was to be spread about the Canadian Wheat Board and its adversaries. So I think that's an asset that could be interesting. If people have nothing to hide, there is no problem in conducting an investigation on that subject.

[*English*]

**The Vice-Chair (Mr. Paul Steckle):** I was looking the other way and I don't know who is first. Larry, are you first?

**Mr. Larry Miller:** Mr. Chairman, this motion, further to what Barry and André just said, is certainly trying to imply that something out of the ordinary went on, and of course that isn't right.

The thing—and I guess I shouldn't be surprised—really shows Mr. Easter's true colours. The original motion deals with the NFU, and I don't know whether he's here speaking as a Liberal MP today or as a past president of that group, but obviously he's trying to get a little bit more skin or hide for the sake of politics.

I don't know whether this motion is procedurally out of order or not, but the intent of it I think we all know. Sure, we all want to make sure everything flows right here, but when you're going to investigate something, you should investigate it all. You can't pick and choose.

Mr. Chairman, if the opposition parties decide to gang up and get political and not really look into anything else, yes, they have the numbers to do that, but it's not right, and this motion isn't right in some of the things—

• (1605)

**The Vice-Chair (Mr. Paul Steckle):** Well, that's—

**Mr. Larry Miller:** Mr. Chairman, I have the floor. I think I can speak to this amendment.

I think this issue has gone beyond the debate of fairness. We have some high priorities, sitting right here, that we should be working on today, and we're not. We're dealing with crap like this.

Do you want everybody to sit here while I recite the birthdates and birth weights of everybody in my family? I could do that. I'm not going to, but I could do that. And I have a large family.

I guess my point here, Mr. Chairman, is let's cut the crap. Let's get down to business on the things we've worked hard on for the last year. Let's get on with them. The original motion and the amendments are purely political, and nothing else.

I'm going to leave it at that.

**The Vice-Chair (Mr. Paul Steckle):** Mr. Anderson.

**Mr. David Anderson:** Thank you, Mr. Chair. I appreciate the opportunity to have the floor and I thank you for that chance.

I want to talk a little bit about this. I think once again Mr. Easter has gone over the line that he likes to cross to try to get a reaction.

I made it clear on Thursday that I thought that if Mr. Atamanenko was going to bring the motion forward and it was going to be appropriate, he should bring it forward in his name, call for the investigation, and take the third party out of that. He has done that. We're not going to support the motion, but I actually think the motion is written in a form that the committee can consider and vote on. Of course we've got a situation now in which someone has taken it to the *n*th degree and to a point where it's basically ridiculous. Probably the result will be that the Auditor General may say it is just not worth trying to cast this net, because it's gotten so broad and so wide that there's no point in even getting involved in this.

What's also important is that I brought up the consideration earlier of talking about what the provinces are doing and what their involvement is and what the Canadian Wheat Board's involvement is, because I think that if we're going to do an investigation, as Larry said, we need to take a look at what each of the players has done in this barley plebiscite. Actually, the committee has the authority to do some of that stuff themselves. If we were to choose to go looking for those kinds of answers, we can do that. Wayne actually challenged me and the minister to do it, and I think the truth is that we can do it. I don't know how much of that information can be considered confidential, but the reality is that it's important that the committee begin to do that as well.

The Canadian Wheat Board certainly has a vested interest in this. A number of the directors in particular have been very clear that they have an interest in what's going on here. I had a chance to attend a Liberal function in Saskatoon a couple of months ago and saw a number of the directors standing on the stage with Mr. Easter and the Liberal leader. I had to wonder what the political connection was, because they'd made a decision that they were going to take part in a particular political situation. At that level we need to talk about whether we should be investigating that Wheat Board's conduct and possible spending in the period of the plebiscite.



There's good reason for doing this, because we have a long history of the Wheat Board's being involved politically. I don't know if you're familiar with that, but it goes back to the fact that there were times when they were actually buying tickets to Liberal fundraisers in Winnipeg. They did that; they bought them, and I think they later were reimbursed, because they decided it was politically wrong for them to be doing that.

Certainly after the 2004 election, when Mr. Alcock was made minister, it was only a short time later that the Canadian Wheat Board made the decision that they were going to hire his campaign manager to do their government relations for them. They did that, and clearly they had an interest in being involved politically.

They made a number of other decisions that were political as well. They hired David Hurley to do polling for them. He's done polling for them over a number of years. He was the Liberal federal campaign manager working with Paul Martin, and he's working with the Canadian Wheat Board. There's a long history, and there's a reason we would certainly want to take a look at the Canadian Wheat Board's role in the plebiscite over the last few months.

I think it's also important that we take a look at what the two provincial governments on the Prairies are doing, if we can possibly find out what they've been up to. They were using Saskatchewan egg and food facilities for meetings and for sending information, so clearly the forces that did not want change in the Canadian Wheat Board had access and opportunity to use Government of Saskatchewan resources as well. When we challenged them on that, they said they hadn't done it and then later admitted that actually they had, but said they had only supplied the room. Somehow the fax machine, I think, or one of the computers was involved as well.

Clearly the Saskatchewan government has been interested in this issue, and it would be very interesting for us to find out what role they've played over the last year as well.

Even more than that, the Manitoba government and in particular the agriculture minister have been very clear on their position on this file and the fact that they would like to make sure no changes take place to the Canadian Wheat Board and the marketing system, in spite of what western Canadian farmers want.

Once again I would remind people, as I did the other day, that 68% of the farmers in western Canada had chosen in the plebiscite to support choice, and that those results were entirely consistent with the annual report we had from last year—which I have a copy of here—in terms of the choice farmers wanted for barley and for wheat.

• (1610)

I think we can certainly make an argument that we need to take a look at what the governments have done, and I would also argue that it would be interesting to know what they're going to do. Farmers have made a decision that they want change on August 1. We're going to bring that change about, I hope. It's clear now.

Mr. Easter, we heard today in question period that the Canadian Wheat Board forces are lining up with the big multinational companies and they're going to try to stop farmers from getting an improved return from the marketplace in the new crop year, it appears.

That is a real concern for me, because the board and these companies have been signing these contracts for years. It's been impossible for farmers to find out what the contracts are or their conditions, even what the prices on the contracts are. Now we're finally in a situation where farmers will be able to see clearly what the marketplace has to offer, and it looks as if a group of people is going to be lining up to try to keep farmers from being able to see that. So I hope that doesn't happen.

It's important to farmers, who are eagerly anticipating the change in price at the new crop year. They're looking forward. It could be up to \$2 a bushel difference just on barley. I'm reading some of the material that's being put out by the maltsters; they claim there's a loss of \$50 million to them in the system if we go ahead with this, and I don't know if it's to them and to the board. That indicates to me that somebody has been signing contracts at far below the present market value of the grain. It'll be very intriguing to find out what that amount is after the new year when farmers are able to sign their new contracts and have a price that is market-related. For years, we haven't had that.

Particularly this last year, as we've gone through this whole debate about the Canadian Wheat Board, we've been in a situation where the PROs, the Canadian Wheat Board pool return outlooks, as I understand it, have been below the spot price; they had been below it for 11 months, and I think they've continued to be below that mark. So if you say that the Wheat Board gets average prices, how can they be below the average market price for at least 11 months in a row? That's one of the reasons farmers want the choice they're demanding for the new crop year.

There's certainly some vested interest in this thing. If we're going to begin to look at them, I think we need to take as wide a look as we possibly can, ask some questions of the two provincial governments that have the resources, certainly, to use against farmers. I hope they will not be combining with the big companies and the Canadian Wheat Board to squash western Canadian farmers. I would hope that if they do that, members on the opposite side would reconsider their position on this and say they need to stand up for farmers and not just go with what they've always gone with, which is that the system needs to be maintained as it is. Clearly there are opportunities for farmers to benefit in the next year, and we need to be able to provide them with that.

This committee also has a bit of a history on this issue as well. I don't think I need to remind some of the members of the committee that the committee itself took a strong position in...what year was that? Was it 2002 when we made the report? In 2001-02, we came with the report from the Standing Committee on Agriculture, and it was a good report, a strong report. It was one that, as far as I remember, was unanimous.

Recommendation 14 was in that, which read—and I'm going to read it in here because it was supported by all the parties here today—and that is, "Whereas additional on-farm activities..."

I may be wrong, because I think our NDP agriculture critic at the time wrote a minority report to that, but the rest of the parties here supported it. This is how the recommendation reads:

Whereas additional on-farm activities and local value-added processing are an excellent way to give farmers more influence in pricing, the Committee recommends that the board of directors of the Canadian Wheat Board authorize, on a trial basis, a free market for the sale of wheat and barley, and that it report to this Committee on the subject.

So in 2002, this committee made a recommendation that we set up, on a trial basis, a dual market at least, or it says a "free market", for the sale of wheat and barley. That was agreed to by the Bloc, the Liberals, and us at the time.

So we thought that was important. There were four parties then, because at the time we sat, I think Mr. Borotsik was on the committee as a PC, and those of us who were Alliance agreed with it, the Liberals agreed with it, as did the Bloc. There was a consensus at that time that we needed to do something different.

• (1615)

I find this intriguing. Mr. Easter constantly refers to his report, but this deals with this issue prior to his ever writing that report: that whereas we need additional on-farm activities and opportunities, we need local value-added processing, which is an excellent way to give farmers more influence on prices. So even at that time we realized that farmers needed other opportunities and that we were not giving them a chance to take advantage of those.

I want to talk a bit about some of those opportunities. Come August 1, there are going to be opportunities for western Canadian farmers.

One of those opportunities was the Prairie Pasta project, which was put together in my part of the world, southwest Saskatchewan, where folks wanted to be able to bring their own grain to their own processing plant. They were going to be able to deliver their own grain without having to go through the Canadian Wheat Board, and they would realize, as our motion said, the additional local "value-added processing" opportunities from that.

The project went ahead. It went in fits and starts, and then the Wheat Board said no, we're not going to let you do that. Those growers actually thought they had an agreement from the board that they would be allowed to deliver their own grain to their own processing plant. It was moving along well. It looked as though the plant would be profitable, and it was the Canadian Wheat Board that said they were not interested in doing that.

At that point the farmers said, if we can't have that opportunity of delivering our own grain, then there's no point in going ahead with this project. If we do go ahead, we would lose control of it. We don't have control over deliveries. We have no way of knowing if we're going to have the proper supply for the project. And so the Prairie Pasta plant in Swift Current, Saskatchewan, was not able to go ahead.

There was another group that said, well, how about trying to deal with the Americans? There's a pasta plant in North Dakota, and how

about making a deal with them? We'll basically have an identity-preserved type of situation. There will be a certain amount of grain committed to that plant, and you give us the opportunity to deal with them. The project was moving ahead. I can tell you a bit about it so you understand more clearly.

The Prairie Pasta Producers were formed in 1999. They wanted to form a large-scale pasta plant, as I mentioned before. There was lots of farmer interest in this project, and there still is.

If you talk to prairie farmers about the possibility of marketing their durum at a processing plant, they will get excited about that. That's one of the reasons we had such strong support for Mr. Ritz's bill last fall. I think it was Bill C-300, the private member's bill that would have allowed farmers to deliver grain to the processing plant that the producers themselves owned. It was a great initiative—a great bill. Unfortunately it was one that the opposition voted down, for political reasons. Once again, farmers in western Canada were denied the same opportunities extended to farmers in Ontario, and farmers in Quebec, the Maritimes, and British Columbia. We can begin to see why farmers in western Canada are a bit frustrated by this.

Anyhow, when the Prairie Pasta plant project was announced there was a lot of interest in it. Farmers saw it as an opportunity for them. They began to raise money for that plant, and they were able to do that. But as I said, the Wheat Board was not going to allow them to do farmer direct delivery to their own plant.

In 2001, they came back as a new generation co-op. I think people had told them, we like co-ops, and let's see if we can't set it up as a new generation co-op. They were trying to set up a direct working relationship between themselves and the Dakota Growers Pasta company in Carrington, North Dakota. It seemed to be a logical fit for everyone, and negotiations began. Actually, the Canadian producers were going to buy shares in the Dakota company as well.

There were a couple of direct trial shipments. I assume that people on the board went along with this and let people deliver these trial shipments of bin-run durum to members in Dakota. They were using the Canadian Wheat Board buyback. The durum was good, as western Canadian durum always is, and the plant wanted to buy more. They felt it was important that they have the opportunity to access western Canadian wheats. Trucking costs were expensive there, so they set up a rail project to move the grains.

•(1620)

These farmers are innovative. They are moving ahead. They're trying to find a project that will work. They're making the adjustments that need to be made in order to make this work. The rail project and the whole concept was actually agreed to by the Canadian Wheat Board. The frustrating part was that once it was set up and appeared to be feasible and appeared to be going ahead, the Canadian Wheat Board then started to change the price. If you understand the buyback, you know a little bit of the frustration that farmers have, because when, for example, as a producer, I have my grain in the bin and I want to market it to somebody else, I have to go to the Canadian Wheat Board and say that I'd like to buy my grain back from them. It is sitting in my bin. It never leaves my bin, but I have to deal with them. I have to say that I am going to sell it to them at the price they say, and I'm going to buy it back from them at the price that they tell me I have to pay. That price varies. It just moves back and forth depending on their decision.

At that point, for the Prairie Pasta plant, the Canadian Wheat Board started moving the buyback up, and all of a sudden it began to be non-feasible for the producers.

I should note that this Dakota Growers Pasta plant is the third largest miller of durum in the United States, so these guys weren't just dealing with somebody who was working off their farm. Prior to this whole operation, they had never before purchased Canadian durum. They thought it was good. They wanted to set it up.

This was frustrating for the farmers. They never got access to the United States through this even though they thought they had this project going ahead. They've gone ahead in the future. They've changed the structure of their company to try to make it more palatable, to make it work. They've gone to the Canadian Wheat Board in the past. They've asked them to give indication that they would allow deliveries under the arrangements that they've made, and the Wheat Board basically finally told them, "Sorry, we're not going to allow that", and so that deal was cancelled.

That deal was worth up to three million bushels of durum annually out of western Canada. It is a deal that was cancelled because there was a political decision made that western Canadian farmers could not have that choice.

Mr. Chair, that obviously ties into the opportunity that people want to have with barley come August 1.

In 2005 and 2006, the Dakota Growers actually came back with another suggested strategy. They said, "Why don't we set up a strict IP program so that you provide us with one type of grain? We'll hire you to grow it, and you deliver it right to us." It would really be a closed loop system. The seed would come from the Dakota Growers, and it would go back or be grown under contract, and returned to the mill. Once again, negotiations just dragged on and on, and the opportunity was lost, so there is a real frustration. That's the area of durum. There is the real frustration among producers that they never had the opportunities they thought they should have had and would have had if our recommendation had been followed.

The Standing Committee on Agriculture and Agri-Food at that time had a lot of wisdom in making that recommendation. Hopefully

we'll have enough to actually reject this motion that's been put before us today.

It's important that we do something with barley, Mr. Chair. I have had a number of letters from people over the last few months about the differences they have found between the barley pricing in the United States and that in Canada. They point that out to me as a reason we need to do something in western Canada in order for us to be able to access the same opportunities as U.S. producers have had.

Brian Otto is a farmer from Warner, Alberta, which is right by the Montana border. He grows barley as well. He's actually a sharp producer. He keeps track of what the prices are doing on both sides of the border, and that's brought some real concerns to him.

I just want to talk a little bit about what's happened over the last year and the necessity of our moving.

I see Charlie is holding up his beer-tasting card, and I hope he's not getting too dry just yet.

•(1625)

**Hon. Charles Hubbard:** That's the barley now. It's over there.

**Mr. David Anderson:** Exactly, there's an opportunity for us to use more barley as well. As soon as we're done here, everybody can race over there and use up their share of barley, if they possibly can.

Mr. Otto did a comparison on a number of different varieties of wheat last fall. He felt that was important and he felt farmers needed to understand what's going on in the system across the border. He had done a comparison between the price of spring wheat with protein at 13.5% under the Canadian Wheat Board monopoly and spring wheat with protein of 14% in the United States. Because we use a different system of measuring protein, those two levels are pretty much identical; they're equivalent.

He thought he would try to be as fair as he possibly could, so he took the October 19 Minneapolis December futures quotes of \$211 for his comparison. That day in Shelby, Montana, the cash price for 14% protein spring wheat was \$4.75 per bushel in U.S. funds, which at that time amounted to \$5.32 per bushel in Canadian funds. If he delivered his grain in Shelby, Montana, he would have been able to get \$5.32 a bushel for it.

He went back and said let's do something comparable in the Canadian system. He took the Canadian Wheat Board's fixed price contract for October 19 to use his comparison. They quoted hard red spring wheat at a fixed price off the Minneapolis futures of \$211. They always include a basis in there to protect themselves, and it was about \$12. They take off their own adjustment factors, so they took \$5 off per tonne in an adjustment factor and it ended up being \$219 Vancouver. He took off his elevator deductions for freight, handling, and cleaning, which are well over \$1 a bushel. That brings us to another important issue for western Canadian farmers and that, of course, is the cost of transportation and handling fees. Mr. Otto's fees on that grain alone were \$45 a tonne. You're looking at almost \$1.25, or more than \$1.10 for handling and freight on the grain. That put his price at \$174 when compared to Shelby. His net price was \$174.

That shows, Mr. Chair, if you do the math, that \$21 went missing out of that. On the Canadian side of the border on that day, his discount was \$21.43. I know that may not be important to most of the people who are sitting here, because it's just a number, but I think that's around 65¢ to 70¢ a bushel. If you take your average farm and you've 100,000 bushels of grain in the bin—and in that part of the world that's not unusual, but at 60¢ or 75¢ per bushel that's a lot of money—you begin to see why farmers are frustrated with the system.

Larry is a producer, and I know some of the other people here are. When you think about \$60,000 going out the window just because you can't access a price that's available somewhere else, it's surprising that farmers aren't a lot angrier than they are. I'm often surprised why that isn't the case.

He compared hard red spring wheat as well, and winter wheat, and he found some of the same things had happened. I won't read it all to you, but he says that in the end it cost his farm \$45,000 just on one winter wheat crop alone. If he's got \$45,000 on just his winter wheat on his farm, how much is it costing western Canadian farmers? It's tens of millions of dollars at the very least. It's really frustrating.

He makes the point and says he often hears people say that if we open things up in western Canada, that leaves people at the mercy of the big multinationals. The question he asked is, why is the price higher in Shelby, Montana, than it is under the single desk system? What's going on? Why do we get less money for our grain than producers do who use the open markets in the United States? What are the reasons for that, especially when people say there's the threat of the multinationals who are going to be taking our—

• (1630)

**Hon. Wayne Easter:** Point of order.

**The Vice-Chair (Mr. Paul Steckle):** On a point of order, Mr. Easter.

**Hon. Wayne Easter:** Would the parliamentary secretary provide the documentation for that? He's talking spot prices now and again, but all the documentation shows historically over time the Wheat Board always did far better than the open market has. That's what the empirical studies show. If the parliamentary secretary wants to table some of those, we're willing to listen.

**The Vice-Chair (Mr. Paul Steckle):** Okay, the point of order—

**Hon. Wayne Easter:** But we're not willing to listen to this hypothetical stuff he's producing.

**The Vice-Chair (Mr. Paul Steckle):**—has been made in query to comments made by Mr. Anderson. Could you provide those?

**Mr. David Anderson:** I can absolutely provide them. I can't give them to you right now, but after the meeting, I can give the clerk a copy of what I'm using.

**The Vice-Chair (Mr. Paul Steckle):** I would greatly appreciate it if you would do that.

**Mr. David Anderson:** I think you may be surprised where these documents have appeared when you see where they're from.

That's good. I appreciate that Mr. Easter wants the facts. I don't know how many empirical studies have really been done out there. There have been a number of political ones done. It's interesting, because when the Canadian Wheat Board does a study, they usually go back to the one or two economists they use on a regular basis. And sure enough, they reconfirm what they've said before, and I guess it would be a real surprise if they didn't, because then they'd be contradicting what they said before. So I don't know how he would expect them to take a different position from what they have in the past.

I'm going to give him some empirical data. He wants to listen to that. I'm going to talk about barley, because this is important. This is directly tied into this motion and the barley plebiscite and all the things that are important to farmers on August 1.

He actually addresses the issue by saying that the Wheat Board claims that they give premiums, and they've used Mr. Richard Gray to try to substantiate that. But Mr. Otto says he doesn't know where they're getting their information from. He did a comparison of barley prices in Shelby, Montana, and again, the Canadian Wheat Board system. He said that in January 2007 barley prices freight-on-board in Shelby, Montana, were \$7.50 a hundredweight. This worked out to about \$3.60 U.S. a bushel or \$4.25 Canadian a bushel net to the producer. Now, that's a pretty good price for barley. I think most people would be pretty happy if they could get \$4.25 a bushel for their barley.

But the malt market price, according to the Canadian Wheat Board's PRO at that same time, was \$205 a tonne, which, after taking off the freight and handling, works out to be \$3.37 a bushel.

So if Mr. Easter wants empirical data, there's a figure of \$4.25 on one side of the border and \$3.37 on the other side. And that is, I think, 88¢ a bushel. So again, if the—

**Hon. Wayne Easter:** Mr. Chair, I have a point of order.

Empirical data means a long-term study backed up by sound analysis, not a spot price today and tomorrow. You have to do it over a year. That's what you need for empirical data.

This is hypothetical malarkey.

**The Vice-Chair (Mr. Paul Steckle):** Is that understood? Mr. Anderson, do you understand the term?

**Mr. David Anderson:** Well, I understand what Mr. Easter's trying to do, which is to distract attention—

**The Vice-Chair (Mr. Paul Steckle):** He's given a definition of what empirical studies are. Are you in agreement? Is that your understanding of it, as well?

**Mr. David Anderson:** In terms of my understanding of the data, as I see it, Mr. Otto went down and compared prices. He did it on a number of occasions. And on each of those occasions, it showed that the Canadian producers were not getting an amount equivalent to that of the Americans. So I would consider that, over time, to be empirical data as well. I think it's important data.

When you say that you can't compare spot prices to PROs, well, you can over a year, because the PRO over the year ends up being what the farmers get. You can take a look at what the spot prices were through that whole year, and then you'll have an idea of what people in a more open market had. When people tell me that the spot price for 11 months in a row was above the PRO, that tells me that somebody is marketing the product at a discount. I think that's about as empirical as you can get, and Mr. Easter knows that. He's well aware of that.

Anyway, farmers are smart enough. When they elected us last year they knew full well what our policy was, and that policy was that we wanted to give them some marketing choice in barley and wheat and grain transportation issues, as well as grain marketing issues. We've been moving ahead on that. We've been clear about what we're doing.

Actually, we've done a number of things since last year. I think it's probably important that the committee be reminded of them, because those are the kinds of things that apparently some of the opposition think are important to spend some time studying.

Last year on July 27 we had a round table in Saskatoon. We invited a number of organizations. We had representatives from, I think, 30 organizations. Representatives from the provinces were invited. One of the Wheat Board directors was there as well. So we had a round table to discuss marketing choice and how it could work in the future. It was actually a very good meeting. We sat down and got a number of good suggestions about how we should go ahead implementing marketing choice.

•(1635)

**Hon. Wayne Easter:** I have a point of order again, Mr. Chair.

Just to clear up the facts, would the parliamentary secretary answer this: was the Wheat Board director there representing the Canadian Wheat Board in an official capacity or was he there as a producer who was elected to the Wheat Board? That's important to know. There's a big difference.

**The Vice-Chair (Mr. Paul Steckle):** Can you answer the question?

**Mr. David Anderson:** Actually, Mr. Chair, it was interesting, because through the fall we heard from a number of directors on this issue, including, I guess, the ones who were on the podium at the Liberal fundraiser in Saskatoon. I'm not sure whether they were there as directors. They were certainly introduced as directors of the Canadian Wheat Board. So I don't know if they were there as directors or as individuals who support the Liberal Party's position.

The round table was a great success. It was a good thing to have those people come in and have a discussion. We had a great day, and came out of that with a number of suggestions as to where to go from there in the future. They suggested that the minister should sit down, put together a task force to examine the issues, and put some specifics to this whole project to make sure that we could then move ahead and bring marketing choice to western Canadian farmers.

In early October, Minister Chuck Strahl... Actually, it was later than that; I think actually in September the task force was put together, because in late October the recommendations came back. So they had about a month or six weeks to do their work.

The task force came back with a number of recommendations. They actually talked about setting up a Canadian Wheat Board II. I found it interesting the other day in the House...and Mr. Easter was referring to that as an entity that they seemed to be willing to consider as a viable alternative to what we have now. We did a late show the other night.

So it was good to hear that this has gotten some traction in places where, in the past, people maybe hadn't been willing to talk about it or to accept it. The task force came back with a number of suggestions that were found to be very useful.

Also throughout the fall, a number of Wheat Board directors who resigned were replaced with people who were willing, as government appointees, to support the government's direction and policy on the Canadian Wheat Board. It was good to see those folks in place. They were willing to support prairie farmers.

Again, we see that 68% of prairie farmers want choice. Those directors are willing to listen to those prairie farmers, to take their voice to the board table. We know that a number of directors were refusing to do that. No matter what the results—it could have been 90% in favour of choice—I believe a number of directors there would not be willing to accommodate that option.

All last fall we heard from the opposition and a number of others that they wanted to have a plebiscite on barley. There were a lot of people in western Canada who just felt that they should have the freedom, that we don't necessarily need to have a plebiscite but they should be given the freedom to market their own grain. But clearly the minister listened to a number of other voices and he said we would have a plebiscite and make this fair, consult with farmers and find out what they were thinking about this.

So he announced on October 31 the intention to hold a plebiscite. We did that. The point of it was to find out what farmers thought about barley and how it should be marketed. It was clear, as I went through the other day, that we had strong support and that the farmers were directing us that we needed to make some changes to the Canadian Wheat Board. So we have been moving in that direction.

It was interesting as well that one of the promises we made during the election campaign was to bring in an accountability act to change the way government was done. In that act was an amendment to include the Canadian Wheat Board under the Access to Information Act as proposed. That was done as well.

So that's another change that's been made. Farmers have been calling us to say thank you for that. It's important that the Canadian Wheat Board be under the Access to Information Act so that farmers can find out what's been going on there.

The minister has made a commitment that in the future at some point, he's also going to hold a further plebiscite on marketing grain. We'll look forward to that. I know that a lot of the farmers are particularly interested in that. The farmers right now who are really anxious to see some change are the organic farmers in western Canada.

I don't know, Mr. Chair, if you know this, but the Wheat Board does not market organic grain, or it markets very little, so the farmers are responsible for marketing their own grain. But there's a bit of a catch there: they have to go through the Canadian Wheat Board buyback.

• (1640)

Once again, farmers are coming to us and saying the Wheat Board doesn't market their grain. They'd like the same opportunities as they have in Ontario and other places to market their own grain. They've got organic grain. They're not a threat to the big bulk growing of grain across western Canada. Why can't they have the freedom to market their own grain?

So I think you're going to see more and more of the organic farmers coming forward. I understand they've done some informal surveys of their members and they've got 80%-plus support in favour of being able to do their own marketing. I hope they'll come forward and let us know that, and then we can move on that as well.

March 28 was a good day for western Canadian producers. The minister was proud to announce at that time that 62% of producers had voted for increased marketing choice for barley; 38% had said they want to maintain the single desk. So out of that plebiscite, that consultation, and the work we've done on that, we're prepared to move ahead with a regulatory minimum on August 1. I think we've got an exciting time coming for farmers.

Mr. Chair, I'm going to close and give some other people an opportunity to speak on this issue. I'd like to reserve the right to speak a little bit later as well, if I can have that. I think it's important that we don't get carried away, as Mr. Easter has, with this amendment to Mr. Atamanenko's motion, that we vote down the amendments. Preferably, I'd like to see the whole motion thrown out so we can get back to doing our work, which is the APF report, which the government has wanted to do now for two weeks, and we've been denied that opportunity.

I'll turn it over to some of my other colleagues.

**The Vice-Chair (Mr. Paul Steckle):** Thank you, David.

As a reminder, we are dealing with the amendment Mr. Easter brought forward. That's what we're talking about now.

Mr. Easter.

**Hon. Wayne Easter:** Thank you, Mr. Chair.

I believe Larry said the amendment goes beyond the right of fairness, or something along those lines. Mr. Chair, I was initially fairly satisfied with the motion. I really do feel the motion doesn't go far enough, because it is only looking at the department, not necessarily the minister's office. I think we'll find that the department is probably shaking its head at the government's activities in this regard.

If you look at the regulation, it's not written like a regulation normally is, where you outline the pros and cons in a substantive way. In fact it states the concern right there, that there will be liabilities as a result of the breaking of contracts.

However, the parliamentary secretary, in terms of trying to go on a witch hunt with his amendments against anybody who happened to support the reward, including the provincial governments, the fellow had no choice but to put forward the amendment on the Prime Minister's Office, the minister's office, and the parliamentary secretary for the following reasons. I'm not overly concerned about whether the amendment carries or not, but the reasons should be stated.

It is well known that the Prime Minister, right from before he was in Parliament, basically had an ideological dislike toward the Canadian Wheat Board. There's no question that his office would be involved, because nothing happens in this town unless the Prime Minister's fingers are on it.

In terms of the minister, you have to look at the fact that he has issued directives to the board—an elected farm board. There was only one directive ever applied against the Canadian Wheat Board by a minister. That was when the Russians invaded Afghanistan and there was a blanket directive across all government agencies saying not to do business with Russia. That was the only time. However, since this minister, it has been almost a directive a week. But of course the minister won't sit down and really discuss the issues with the Wheat Board.

We need to see what's going on in his office, because he did issue the gag orders and directives on this, directives on that. He fired directors from the board, who were there for their international marketing expertise or their financial expertise so they could actually maximize their marketing authority for the producers' benefit. The minister fired those directors in order to put in people who were basically ideologically driven against the Wheat Board. You really have the enemy from within. If it were an elected director, it would be a different story.

I'm not going to take a lot of time, Mr. Chair, but the list goes on and on.

We have seen the firing of the CEO. The chief executive officer, Adrian Measner, was basically given a choice: he could break the law and keep his job or he could obey the law and be fired. The CEO is supposed to take his direction from the board of directors, not the minister. He is supposed to take his direction from the board of directors, and that was what he was doing. But because he wasn't abiding by the minister's wishes and he had no choice but to speak out on it as directed by his board, he was fired and replaced by another individual.

That individual, the new CEO, sat in that chair up there, with the parliamentary secretary sitting beside him. He gave us some facts on the Algerian marketing and the parliamentary secretary spoke against the appointed CEO, as if we shouldn't believe him. The minister and the parliamentary secretary had access to those facts. Why didn't they read the documentation provided by the board? They continue to perpetuate misinformation in order to undermine the board.

•(1645)

The parliamentary secretary probably does work 28 hours a day, because the amount of letters I've seen in the media from the parliamentary secretary perpetuating some of the misinformation and his dislike for the board is quite unbelievable.

The parliamentary secretary also spoke about the question in the House today, and I'll close on these last two points.

The government, the minister, the Prime Minister, the parliamentary secretary don't understand that the government should be held responsible for their actions. The PS spoke a few minutes ago about the task force. One of the recommendations of the task force—and I don't have the report before me, but it went somewhere along this line—is that the task force recognize the necessity to clear existing contracts prior to open market implementation. That couldn't be done in these short months.

When an international company does business with an agency, an institution that has Canada on it, they believe they're doing business with Canada as a nation. And when government actions force that institution to violate international contracts, our reputation for many things is destroyed around the world.

That's what's happened here. The government changed how you market. There's no question in my mind, yes, the spot prices for barley are high today; they will be low some day again as well. The empirical evidence on every study shows that the Canadian Wheat Board has always been able to take advantage of those high markets. And they have been. That's what the data will show.

But now we've got a situation where contracts are going to be violated as a result of the government action. Today in the House, the parliamentary secretary tried to make the point, because I raised a question, that I'm supporting the malting industry rather than the producers. That's not the case at all, because do you know who will pay the bill at the end of the day? If the malting industry sues the Canadian Wheat Board for violating their contracts, which they have every right to do, then everybody who ships through the Canadian Wheat Board...because it's the farmers who pay the bill, and because the government has put the Wheat Board in this position without doing the long-term planning, without looking at the negative consequences. Even in the gazetting it said there could be...liabilities wasn't the word, but it mentioned the contracts—

•(1650)

**Mr. David Anderson:** I have a point of order, Mr. Chair.

**The Vice-Chair (Mr. Paul Steckle):** Mr. Anderson.

**Mr. David Anderson:** I'm wondering if Mr. Easter could clarify. Did he say the Canadian Wheat Board is going to violate contracts? Is that what you just said?

**Hon. Wayne Easter:** The Canadian Wheat Board, Mr. Anderson, as you full well know, with the changes in marketing, will likely not be able to live up to its contractual obligations. Those are the facts. That's what the malting industry is saying.

**Mr. David Anderson:** Excuse me, Mr. Chair, I have a point of order.

Can you clarify that? Is that because those contracts are too low to access the barley?

**Hon. Wayne Easter:** No.

**Mr. David Anderson:** What's the reason?

**Hon. Wayne Easter:** Mr. Anderson, the fact of the matter is—

**The Vice-Chair (Mr. Paul Steckle):** I'll have to—

**Mr. David Anderson:** Just a point of clarification on that.

**Hon. Wayne Easter:** I'm sorry, Mr. Chair.

**The Vice-Chair (Mr. Paul Steckle):** Through the chair, please.

**Mr. David Anderson:** I'm sorry about that.

**Hon. Wayne Easter:** Mr. Chair, I think Mr. Anderson's question is a good question. The malting industry has written a letter to our chair and copied it to all of us concerned about this matter. They say in that letter: "It should be made clear that the risks and potential losses that could accrue to the industry are not due to these sales having been made at prices that were too high or low relative to the market at that time. These sales were made at competitive values."

What they're doing is making the point in this letter that there are implications for producers, for the Canadian Wheat Board, for the malting industry, for our export reputation abroad, and for Canada's reputation. They've written this letter to our chair asking for, basically, an emergency meeting so we could discuss this with them and the Wheat Board, I would think. And the reason—

**Mr. David Anderson:** Is this a clarification again?

**The Vice-Chair (Mr. Paul Steckle):** I think he's finishing off.

**Mr. David Anderson:** Does that mean that when the contracts were made there were no protections made on them through the futures markets? Did someone make them into a market without protecting themselves?

**Hon. Wayne Easter:** That's a question you should raise if you allow this body to come before the committee. The malting industry is asking for a meeting with us because the Minister of Agriculture, who's ultimately responsible for these decisions, has decided not to meet with them. But we need to have an investigation on all the government players who have been involved in this misinformation campaign against the Canadian Wheat Board.

The last point I would make is that the plebiscite Mr. Anderson talked about in his remarks is probably the most fraudulent plebiscite we've ever seen in Canadian history. The bottom line is that 13.8% supported the destruction of the Canadian Wheat Board in that plebiscite. That will be the ultimate impact of the government's move if they continue to go ahead with the plebiscite on wheat as well. The minister has stated his intent to go in that direction.

I think we can be assured that our international reputation for marketing wheat, barley, or anything else from this country has been thrown into jeopardy by the actions of the government on this matter. As a result, farmers will suffer, our marketing agencies will suffer, and Canada's reputation will suffer. That's why we need a fairly strong investigation into how the government handled itself in this whole sad affair.

• (1655)

**The Vice-Chair (Mr. Paul Steckle):** We have moved from Mr. Easter to Mr. Atamanenko. He gets the next word on the amendment.

**Mr. Alex Atamanenko:** I'll answer you right now. We were just talking—

**The Vice-Chair (Mr. Paul Steckle):** Through the chair, please.

**Mr. Alex Atamanenko:** Mr. Chair, David said this other motion has gone a little bit too far. If we go back to my motion as I amended it to start off this meeting, is he and the government side ready to vote now and get on to the other business?

**The Vice-Chair (Mr. Paul Steckle):** The amendment is before the meeting right now, so we'll deal with that. I'm only your chair. This meeting will decide the future of this motion.

Mr. Gourde.

[*Translation*]

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Thank you very much, Mr. Chairman.

First of all, I would like to congratulate the parliamentary secretary because Mr. Easter admitted that he was working very

hard, 28 hours a day. I'm incapable of that. After 22 hours of work, I have to sleep at least two hours.

**Mr. Roger Gaudet:** You're too tough.

**Mr. Jacques Gourde:** Mr. Easter troubled me when he talked about the contracts that may not be met at the Canadian Wheat Board. I find that crazy because we know that, in a real market, those who have resale contracts usually have in their possession the quantities of grain necessary to cover their sales. That's fundamental and of the basis of markets.

In the mechanics of purchase and sale, when you sell grain, you have it in your possession or you have something to guarantee its delivery. I'm convinced that the Canadian Wheat Board has all the grain that has been sold currently in stock. We can't think that future contracts won't be met even before the grain has reached the Canadian Wheat Board. If Mr. Easter has additional information to provide us, we would be pleased to hear it. Otherwise, he can surely withdraw that part from his speech.

Mr. Anderson told us about the concerns of western farmers. When I was parliamentary secretary to the Minister of Agriculture and Agri-Food, I had a chance to understand the problems of western Canada. I even asked Mr. Anderson for advice so I could understand what was going on at the farms. As a producer myself, I was very much interested in knowing and understanding the problems of grain marketing.

In addition, we learned that Agriculture and Agri-Food Canada had done a lot of research into varieties adapted to Canada's regions. During 20 years of research, those varieties yielded grain of superior quality. In certain regions, regardless of thermal units, you could have superior quality barley for making malt, naked oat or oats for making cookies of a certain quality level and a lot of organic products.

Those farmers did not have the opportunity to add value to their grain. In my opinion, that's nonsensical because there are grains worth \$50, \$60 to \$100 more per tonne. These aren't grains that can't be found in phenomenal quantities. There are markets of 25,000 or 30,000 tonnes, and sometimes even only 10,000 or 15,000 tonnes. These grains are produced in Canada by specialized farmers using varieties developed by those producers, Agriculture Canada and private partners. However, the grains had been mixed in other silos and turned up in slow-growth markets. In my view, that's nonsensical and virtually scandalous. We're talking about Canada's reputation for high-quality grains, but when we can't market superior quality grains, that is 10% superior and often used for human food, that's nonsensical.

Let's compare the situation with that of Quebec. The Fédération des producteurs de grains du Québec markets grain individually, not collectively. Quebec producers always have the choice, year after year. For example, they have chosen to market grain for human consumption collectively, but to market wheat, corn, barley and oats used for animal feed individually, on their farms.



There are specialized oat producers in Saguenay—Lac-Saint-Jean who sell naked oats. They have a high-quality oat, but it is regional. In Saguenay—Lac-Saint-Jean, they produce special quality oats as a result of the particular climate there. Over the years, they have developed, together with Agriculture and Agri-Food Canada and other private partners, varieties that have enabled the Olofée Farm to process oats into oatmeal on site, which western producers cannot do. Today, they can export oatmeal to make cookies around the world.

• (1700)

This marketing and regional development tool is a very good example for western Canadian producers, who don't have it. Quebec producers can process their grain and give it a second and third value-added and export those products around the world. This is a very great source of pride for them, their families and their region.

That is why I am happy to be taking part in this debate today and to give David my support for what he told us about.

As producers, we do not often have a chance to develop our products. Often it's the story of the life of a producer who transmits a very high quality product to the next generation. These are specialized ways of doing things in the region and methods that have been developed by families or a group of families that have wanted to share their knowledge with neighbours or other farmers with whom they agree on how to proceed to develop a product used in processing and further processing. These regional successes are often the envy of the rest of world as well. Europe has developed an enormous number of regional products in this way.

So it is one of our government's priorities to develop certain regional products where it is possible to do so. The value-added generated in our regions will assist in helping farmers live off their products.

Marketing methods differ from province to province. Western Canada has chosen to market collectively, but today we must adapt to the reality of the global market, that is to say quickly, and we must develop mechanisms in order to have the opportunity to respond very quickly to those markets.

Thank you. I hope my remarks have informed the members of our committee.

[English]

**The Vice-Chair (Mr. Paul Steckle):** Thank you, Mr. Gourde.

**Hon. Wayne Easter:** I have a point of order, Mr. Chair.

There has been some discussion, and if we can move to the original motion as amended, I will be willing to withdraw the amendment that's in debate now that would cause an investigation into the Prime Minister's office, the minister's office, and the parliamentary secretary. That way we can hopefully move to vote on the motion.

(Amendment withdrawn)

**The Vice-Chair (Mr. Paul Steckle):** Now we'll go back to the original motion. Mr. Miller now has the right to continue with the motion as we originally amended it earlier today.

Mr. Miller.

**Mr. Larry Miller:** Can you reread the motion?

• (1705)

**Mr. Chad Mariage:** It reads:

That the Standing Committee on Agriculture and Agri-Food write a letter to the Honourable Sheila Fraser, Auditor General of Canada, indicating the Agriculture Committee's support for a thorough investigation into the government's conduct and spending by the Department of Agriculture and Agri-Food throughout the recent Canadian Wheat Board barley marketing plebiscite.

**The Vice-Chair (Mr. Paul Steckle):** Those are the changes that were asked for by Mr. Atamanenko, the original mover of the motion.

**Mr. Larry Miller:** I'm going to reserve my time. You can call the motion. If it's successful, I'm sure there will be a minority report prepared and filed.

(Motion agreed to )

**Mr. David Anderson:** We will be filing a minority report, as Mr. Miller pointed out. We'll take care of it.

**The Vice-Chair (Mr. Paul Steckle):** We'll move to the next order of business.

**Hon. Wayne Easter:** On a point of order, Mr. Chair, it was agreed at the last meeting that the minority report to the report we passed last Wednesday would be in to the clerk in a translated condition today. Can we expect that report to be tabled forthwith in the House of Commons? That's the report on the options program.

**The Vice-Chair (Mr. Paul Steckle):** I'll ask the clerk to respond to that.

**Mr. Chad Mariage:** I have received the dissenting opinion on that report. It will be tabled as soon as we're able to contact the chairman and append the—

**The Vice-Chair (Mr. Paul Steckle):** Does that satisfy you, Mr. Easter?

**Hon. Wayne Easter:** It could be the vice-chairman who tables it as well.

**The Vice-Chair (Mr. Paul Steckle):** That if it's ready to be—

**Hon. Wayne Easter:** It needs to be tabled forthwith, is what I'm saying.

**The Vice-Chair (Mr. Paul Steckle):** Would it be ready now to be tabled?

**Mr. Chad Mariage:** It's finished now—

**The Vice-Chair (Mr. Paul Steckle):** Or by tomorrow?

**Mr. Chad Mariage:** —it could be tabled tomorrow, if that's the desire of the committee.

**The Vice-Chair (Mr. Paul Steckle):** Is it the wish of this committee, then, for the vice-chair to table that report?

**Some hon. members:** Agreed.

**Mr. David Anderson:** You can use the standard timeline, which is three days.

**Hon. Wayne Easter:** It can be tabled tomorrow, though.

**The Vice-Chair (Mr. Paul Steckle):** It can be tabled tomorrow. But do I have majority support for the chair to table it?

**Hon. Wayne Easter:** Yes.

**Mr. Larry Miller:** On a point of order, is it still the standard time—three days? If there's a set time, then we need to....

Could the clerk read me the procedure on that, please?

**The Vice-Chair (Mr. Paul Steckle):** I think there are times when it isn't three days. I know that, because I've tabled them.

**Mr. Larry Miller:** I honestly do not know, Mr. Chairman. That's why I'm asking.

**The Vice-Chair (Mr. Paul Steckle):** Yes.

**Hon. Wayne Easter:** I think we can expect, Mr. Chairman, that it will be tabled forthwith. That's what we said the other day.

**The Vice-Chair (Mr. Paul Steckle):** That was in the original wording. I know that.

“Opportunity” appears to be in the wording, but we'll clarify that.

Mr. Gaudet.

[*Translation*]

**Mr. Roger Gaudet:** Mr. Chairman, why do you need—  
[*English*]

**The Vice-Chair (Mr. Paul Steckle):** Sorry, Mr. Gaudet. Mr. Atamanenko is first. I've been working on semantics here.

**Mr. Alex Atamanenko:** Just as a clarification, it's my understanding that this letter that's going to be composed will be available to us on Thursday, so we can approve it and then get on with the other business.

**The Vice-Chair (Mr. Paul Steckle):** Yes.

**Mr. Alex Atamanenko:** It is a question for Jean-Denis.

**The Vice-Chair (Mr. Paul Steckle):** Mr. Gaudet.

[*Translation*]

**Mr. Roger Gaudet:** I would also like to have some clarification on the question. You are the Chairman, are you not? So we do not have to ask anyone permission to—

[*English*]

**The Vice-Chair (Mr. Paul Steckle):** I'm vice-chair, yes.

[*Translation*]

**Mr. Roger Gaudet:** All right.

[*English*]

**The Vice-Chair (Mr. Paul Steckle):** I have the authority of the chair while I'm in this position. Sometimes I'm relegated to the other side, where I don't have this position. I rather like it on that side, as well.

Now, since the next order of business is to move to the report, can we do that? Do all of you have copies of the report with you?

We need someone to move that the committee go in camera. Do we have a motion to go in camera? Yes, we do have.

We'll suspend for just a few moments, and then we'll reconvene.

[*Proceedings continue in camera*]

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