



House of Commons  
CANADA

# Standing Committee on Agriculture and Agri- Food

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AGRI • NUMBER 041 • 1st SESSION • 38th PARLIAMENT

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EVIDENCE

**Tuesday, May 10, 2005**

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**Chair**

**Mr. Paul Steckle**

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## Standing Committee on Agriculture and Agri-Food

Tuesday, May 10, 2005

•(1535)

[English]

**The Chair (Mr. Paul Steckle (Huron—Bruce, Lib.)):** Ladies and gentlemen, we want to begin our meeting.

This afternoon we want to look at the issue of doing our clause-by-clause study of Bill C-40. This is a bill that is set to amend the Canada Grain Act and the Canada Transportation Act. It's an act we want to have amended before we leave this place for summer.

My legislative clerk this afternoon is Wayne Cole. He's the person who's been assigned to this bill and who will be assisting as we move through this process this afternoon.

We have received two amendments on this bill. They've been submitted to the clerk, and I believe they were distributed to each one of us earlier today. You also have an agenda for today's meeting, and the amendments are listed there. We will be taking votes on these as we go through.

Given there are no further questions, we will begin.

(Clause 1 agreed to)

(On clause 2)

**The Chair:** I call clause 2.

Yes, Ms. Desjarlais.

**Mrs. Bev Desjarlais (Churchill, NDP):** It's under clause 2 that I would suggest the amendment I provided be introduced. The amendment would be that the wording in clause 2 be amended by replacing line 9 on page 1 with the following:

(a) shall notify the Commission immediately after grain of any grade received into, in or discharged from the elevator, is mixed with grain of any other grade; and

The reasoning for this, Mr. Chair, is many groups have indicated that there is a risk that if certain products are mixed and go forward to another area that doesn't allow that type of mixing of a product, it could create a trade problem. I think within the agricultural industry, already we've had enough problems related to trade issues for different reasons. I'm not going to get into them all, Mr. Chair, but I think this is just a precautionary method of making sure that if there is an issue there would be notification ahead of time.

**The Chair:** Okay.

Mr. Easter has some comment.

**Hon. Wayne Easter (Malpeque, Lib.):** Yes. Thank you, Mr. Chair.

I understand the intent of Bev's amendment. It is one thing we certainly heard at the hearings I was involved in in western Canada: that the producers want the integrity of the grain supply system to remain. They also made it very clear that they want the government to act quickly on a border notification system.

At first blush—and we've only seen it today—we have concerns with the amendment, with the word “immediately”; that it may be cumbersome for that to be done, with the number of transactions that are in place. I guess I would question Reg on the implications of this amendment.

**The Chair:** Reg, can we have your views on the amendment as it's structured?

**Mr. Reg Gosselin (Director, Corporate Services, Canadian Grain Commission):** We don't think this amendment is workable, because there are significant quantities of grain that are mixed routinely in elevators: twos are mixed with ones, threes with twos. It happens with all kinds of grains; it's a very dynamic environment. And frankly, the beneficiaries of the mixes are producers, because what we're trying to do in the system is maximize the amount of grain that hits the top grade. We are trying to constantly make sure we have the most marketable commodities available for sale.

We at one time had rules that were identical to this. Every time a grain was mixed, we would require the operator to advise the commission. We moved away from that, largely because it is not something we need to know. We can reconcile the mixes after the fact through a registration cancellation process that's been in place for quite a long time.

We are trying to address the kinds of concerns you have expressed here by putting in a regulation that will require people to tell us, when they are requesting an official inspection of grain, whether the grain is of Canadian origin or foreign origin. We think that will be adequate to ensure that we don't get a mix.

But the kind of thing you're proposing, unfortunately, is really too much of a burden for operators and for the commission.

**The Chair:** Yes, Mrs. Desjarlais.

**Mrs. Bev Desjarlais:** You mentioned you have this type of a system in place, and the reason it's being brought forth is, as Mr. Easter indicated, it came up as a concern at a number of the meetings by those individuals involved.

You've mentioned having a system in place before. My understanding is that the system that was in place before was in place before a computerized system. In this day and age with computerized systems, is it not being recorded at the time that the mixes are happening? Is that not already being done? When the mixes are taking place, isn't it saying this much is going from here, this much is going from there? Isn't it happening already?

**Mr. Reg Gosselin:** We inspect, in a way, all the grain going into the elevator and going out of the elevator, but we're not present whenever the operator is managing the stocks within the facility necessarily. For example, if the grain has gone in as a number two and we've registered it as a number two and it's shipped out as a number one, then we'll have it inspected as a number one. But for the transactions that occur within the elevator, we're really not present at all times within that time.

The regulation that we're proposing will require the operator, however, to tell us if it's been mixed with grain of foreign origin. We think we can accomplish the same thing through the regulatory provision.

**Mrs. Bev Desjarlais:** That's different from what you were saying, that this is going to be too cumbersome. You're now saying you can do it through regulation. I'm saying I'd like to see it in legislation. If it's not cumbersome as a regulation, how is it cumbersome in legislation?

• (1540)

**Mr. Reg Gosselin:** What we're suggesting is this provision is requiring the operator to tell us every time there's a mix occurring in the elevator. The regulation will require the operator to tell us whenever there's a mix of grain of foreign origin in Canadian grain. That's really what we're trying to address here, as opposed to trying to address all the mixes that can occur in the elevator.

**Mrs. Bev Desjarlais:** When the operators mix, do the operators not note that mix? Isn't that happening right at the time that they mix?

**Mr. Reg Gosselin:** Yes.

**Mrs. Bev Desjarlais:** In the new computerized elevator systems, they're doing that already, right?

**Mr. Reg Gosselin:** Yes, they are. They maintain—

**Mrs. Bev Desjarlais:** How is it an issue, then, making the notification? I'm willing to accept that immediately—right this minute—might be a bit of an issue, and it might be better to say daily or weekly. But to suggest that it's cumbersome when I believe it's already happening within the computerized elevator systems.... With the old elevators, we didn't do it. It was a bunch of paperwork. But now within the computerized elevator systems.... That's the wonderful marvel of these great big huge elevators that are now taking up the area throughout the prairies. When we got rid of all those cumbersome old wooden elevators and put in these great big new ones, part of the gain was that great computerized system. So I don't see where there should be an issue.

**Mr. Reg Gosselin:** The problem, from our end, is that you have a significant quantity of grain being handled, and only a small portion of it is foreign grain. The provision that you're proposing would require us to address all of the grain that's being handled at the elevator, as opposed to addressing what we're really concerned

about, which is the foreign in the Canadian. So it's requiring us to do a bunch of work when really we're trying to address a relatively small portion of the movement of grain to the elevator.

**The Chair:** Mr. Ritz has a comment.

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** I have a couple of concerns over this.

How stringent do you see this being in place? It says "after grain of any grade received into, in or discharged from the elevator is mixed with grain of any other grade". Are you saying that the elevator tanks and conveyances and so on would have to be cleaned in between? They are cleaned to a certain standard now, but maybe not to the standard that you're seeking here. With respect to the blending, too, as much as it's done at the elevator to try to up the grades for producers, we've got blending done at terminal as well, and this doesn't speak to that at all.

I'm not sure just exactly what you want to come out of this, Bev.

**Mrs. Bev Desjarlais:** Actually, my understanding is that when the new systems are in place, there is an indication already on the computerized system as to what the mixes are, so it shouldn't be a hassle.

With regard to the indication that it was going to be done in regulation, my concern is that we're going to have a period of time when there won't be regulations in place because they often get delayed, as you well know, for a year, two years. If there's an indication that it's going to be done in regulation, can we then have assurances that the regulations will be in place before the legislation is in place, so that they go together, so that we don't have a risk to the industry?

**Mr. Reg Gosselin:** That's a technical question, but my experience has been that it has to be consequential. You have to get the statute done and then you get the regulation in place as a result of the statutory amendment.

We're not proposing to abandon what's in place now until we have a new regulation in place. In other words, we're going to make sure that there are no mixes of foreign grain in Canadian grain happening, even while the changes are being done.

**The Chair:** Roger.

[*Translation*]

**Mr. Roger Gaudet (Montcalm, BQ):** I don't understand at all. My question is quite simple. A milk carrier stops at a producer and than at another one and puts all the milk in the same tank. Do we do the same in the case of grain? Please enlighten me, because I do not understand what Ms. Desjarlais means.

**Mr. Reg Gosselin:** Generally speaking, you are right. For example, some wheat graded number 1 from a producer is put in a storage bin together with the number 1 wheat from another producer. If you have number 1 wheat and if I have also have some number 1, all this wheat is stored together and shipped as wheat number 1.

However, if you have some number 2 wheat and if I have some number 1 wheat and if they are mixed, this is done so that both producers have number 1 wheat. We are trying to ship grain of the highest grade possible.

We have an issue with this proposal. We do not need to be advised every time this type of thing is being done. What we are concerned with is only the mixing together of American and Canadian wheat. We at the commission do not need to be advised every time some Canadian wheat of various origin is mixed together. What concerns us is the mixing of foreign and Canadian wheat.

• (1545)

**Mr. Roger Gaudet:** That answers my question. I know that in the case of milk, they visit each producer and take a...

**Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ):** A sample.

**Mr. Roger Gaudet:** That's it, a sample. Then all samples are tested. Some may contain 4.3 per cent of fat, others may be at 4.2 per cent. Producers are paid according to the fat content. I thought that it was a similar system in the case of grain. My question have been answered.

**Mr. Reg Gosselin:** You are right. It is quite similar, except that we have three different grades for superior wheat. The goal is to always maximize the quantity of number 1 wheat in order to provide more revenues to producers.

**Mr. Roger Gaudet:** Thank you.

[English]

**The Chair:** Next is Mr. Easter.

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

I don't know if you have the proposed amendment in front of you, Reg, but if we were to amend it to take out “immediately” and have the amendment read “shall notify the commission after foreign grain”—we would add “foreign” before “grain”—would that complicate things, or would it do basically what you want to do via regulation?

**Mr. Howard Migie (Director General, Strategic Policy Branch, Department of Agriculture and Agri-Food):** Could I make one comment first?

In trying to implement the WTO decision, which was concerned with providing national treatment and not treating foreign grain differently, the amendment we proposed to the new regulation was going to address the question simply of ensuring about the mixing of foreign grain with Canadian grain. It would be dealt with by having the origin indicated, whether it was Canadian, foreign, or mixed, so we're being quite neutral. I think if we were to try to specify something that only applied to foreign, we might be back in the same problem we had earlier—it would be at least perceived that we weren't providing national treatment.

One possibility would be to take the proposed regulation and put that in the bill. That would give you comfort that it would be implemented at the same time, but it only deals with the issue of mixing foreign grain with domestic grain; it doesn't deal with the question of grades of Canadian grain being mixed. There's no reporting requirement needed in that area, and the WTO decision didn't speak to it.

**The Chair:** Yes, Ms. Desjarlais.

**Mrs. Bev Desjarlais:** Just so we get clarification, I'd be totally in agreement that if it was a foreign.... That's obviously what we're

trying to address here. I have a bit of a concern that, as you're saying, we can't put it there because the WTO ruling might affect it, because we're giving different treatment. Obviously, that would be the reason to do the notification of all. However, if the regulation you were proposing would somehow address this, if you've got that much concern over this mistreatment in the legislation, I'm curious whether or not that same concern is going to be with the regulations, and we have less control over what follows with those regulations. Maybe we are going to have a real problem here.

**Mr. Howard Migie:** Earlier, when we presented, I gave a view of the wording in the regulation, but it deals with the licensed grain dealer, or the elevator company, really: “shall advise the commission of the origin of the grain and, if it's of mixed origin, to indicate that”.

It's really neutral in terms of the words. It doesn't specify treatment of foreign grain differently. It's saying that when you report the origin of the grain, and then whether it's mixed, that's the information we need. It could be Canadian origin or it could be foreign origin. So it's providing national treatment, whereas if you limit it just to foreign, I think you'd be raising a concern that it appears we're treating it differently. As I mentioned last time, there's no real impact from what we have currently. It's not as if we're preventing imports from coming in because of these words.

**Mr. Reg Gosselin:** Yes, I might add that we were very careful to make sure we didn't tack on any extra requirements for Canadian product. What we're trying to make sure is that we minimize the impact on the system but at the same time make sure we clearly indicate what is of foreign origin and what is of Canadian origin, so that we can sell grains confidently to export markets as being of Canadian origin.

• (1550)

**The Chair:** Mr. Anderson.

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** I just have a question. I understand the discussion here. Are you planning through the regulations, then, to be able to keep track of the foreign grain that's coming through? You can't put it in legislation? You're saying you will keep track of it in the—

**Mr. Reg Gosselin:** We had originally planned to develop a regulation that would address the concern around identification of the origin. I guess what's being offered, as an alternative to the wording that was submitted to the committee, is that we put the wording of the regulation into the statute, which would require that somebody delivering grain or requesting an inspection certificate identify the origin—whether it was Canadian or foreign.

**The Chair:** Okay, we must move on.

I think Mr. Easter has one comment, and then I'm going to ask Ms. Desjarlais to have the last word, because it's her amendment.

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

I think Mr. Migie raised a very important point about what I had suggested by using the words “foreign grain”, because it was made very clear in the WTO ruling that we had to provide national treatment. We don't want to put a cure in place and end up being in the same position we were in previously, so we will be opposing the amendment. But I emphasize again the need to get the regulation done—there are concerns out there—and the need that there be a border notification system set up with all the agencies involved as quickly as possible.

**The Chair:** Okay. Ms. Desjarlais, we've heard a lot of commentary, and I think some reasons why we shouldn't perhaps go ahead with this amendment, but I want you to feel comfortable. Are you satisfied that the regulations would be satisfying your concern?

**Mrs. Bev Desjarlais:** Well, I would only be satisfied if I saw the regulation and believed it was actually going to be put in place, but I'm actually a bit baffled by the comments. I'll review the comments when we get the minutes back from these committee hearings. Basically what I'm asking is what you say you're going to be doing in regulation anyway, but somehow you're concerned about doing it because it's going to go against the WTO ruling. I'm having a bit of a time getting past the question, if you can put it in regulations, why can't you put it in legislation? It's just to have the clarification; I'm not convinced we're going to have it.

**The Chair:** Okay, can I ask the people at the table here: can we give assurances that we're going to have the regulations that will accommodate exactly what Mrs. Desjarlais is trying to accommodate, and that they would be forthcoming quickly?

**Mr. Reg Gosselin:** It is our intention to have the regulation in place by August 1, and we're going to seek an exemption from pre-publication to make sure that happens, so that we don't delay the implementation of the regulation. We have talked to the trade people, including the Wheat Board and so on, and I've indicated what we're proposing to do in the regulation. From their standpoint, they are satisfied that they can address the proposed change within the timeframe we have established of August 1.

To answer your question, we will get it done for August 1.

**The Chair:** Okay.

**Hon. Wayne Easter:** I'm not clear about your point exactly, because I think what the witnesses said is it would be identification of the “origin” of the grain, and Bev's point is “foreign”. I don't want us to be trapped into saying it's exactly the same, but it will do—

**Mrs. Bev Desjarlais:** I'm in agreement; “origin” is fine with me. I'm in agreement that “origin” is fine.

**The Chair:** Yes, I take that back. I intend to accommodate the broader...

**Mrs. Bev Desjarlais:** Yes, I don't have any problem with that.

**The Chair:** Are you prepared to take the amendment off the table, or do you want it on and voted on?

**Mrs. Bev Desjarlais:** I think I'd still like to see it voted on, Mr. Chair.

**The Chair:** Okay, we're going to call the question.

(Amendment negated)

**The Chair:** Okay, we've had a good discussion.

Yes, Mr. Anderson.

**Mr. David Anderson:** I'm wondering if I can bring up an issue, just before we get into repealing number two here. I had a couple of questions. I was going through our material. CP Rail made a submission; they raised a couple of points. I'm just wondering if we could address them—there are two or three points—prior to repealing these. I just want, I guess, to get some information as to why they didn't come forward, and the witnesses' opinion on them.

Have you seen the document? Are you familiar with the document? It's a one-page letter from CP.

**Mr. Howard Migie:** I haven't seen it, but if it's the same as what was proposed before, it's really on the Canada Transportation Act portion. The concern we do have with it is that right now the provision that's here, the amendment, deals with imports. It covers imports; it mentions the word “imports”. If the goods are in transit according to our normal definitions of “in transit”, then it would not be eligible for the revenue cap. But the proposal CP had was really to have a different definition of “in transit”. That would mean U.S. grain coming into the prairies as imports and then moving, let's say, to B.C. ports would not be eligible for the revenue cap.

Our view is that if we were to implement that kind of proposal, it would just not be consistent with the traditional definitions we have applied in this country for both “imports” and “in transit”, and we would have another challenge to the decision that would probably be successful. The ruling the WTO made said we have to provide national treatment to imports. We do not have to provide national treatment to something in transit, and that's what this amendment does. What CP's amendment does, in my view, is change the definition; it puts in a definition of “in transit” that would cover imports that then go to B.C. ports for export.

In our view, we wouldn't be complying with the WTO panel decision if we were to implement this particular proposal, but it does deal with the Transportation Act, not the Grain Act, in terms of order.

**Mr. David Anderson:** I'll ask for clarification, then. Their proposal would take that U.S. grain out of the revenue cap entirely, because it says it doesn't matter if it stops and goes again. You are saying you can't do that. The grain that comes in and is put in a facility will have to be considered in the revenue cap. Is that correct?

**Mr. Howard Migie:** If U.S. grain came in and then went to Thunder Bay for domestic use, it would be covered under the revenue cap, but otherwise it wouldn't. If it goes to the west coast, it wouldn't be covered at all.

●(1555)

**Mr. David Anderson:** If it stops at an elevator, it's covered? If it stays in the cars, are you saying it is or it isn't? If we bring grain in from North Dakota, at what point does that grain go under the railway revenue cap?

**Mr. Howard Migie:** If it's brought in as imports—

**Mr. David Anderson:** What's your definition of an import? Is that stopping somewhere in the system?

**Mr. Howard Migie:** When the product comes in, there would be a tariff or certain customs documents. Right now there is grain that comes from the U.S. and goes through Canada in transit back down to the States. It's in bond, virtually; it's clearly in transit. What we're talking about is covering imports, product that comes in probably by truck. But if the people brought it in by rail and dropped cars off and then later picked them up, you might have some debate as to where you draw the line and when a product might be....

But the principle is, if it's imported and then exported, we have to provide national treatment, and CP's proposal doesn't do that.

**Mr. David Anderson:** This is important to western Canadian farmers. You're saying basically, then, that any wheat that comes into western Canada, unless it's just in transit, in and out, will be considered to be part of the revenue cap. Is that correct?

**Mr. John Dobson (Senior Policy Coordinator Grain Monitoring, Surface Transportation Policy, Transport Canada):** That's as long as it meets the other requirements of the definition. If it goes to Vancouver, it has to be for export. If it enters the country and is used domestically in western Canada, then it doesn't meet the other definition of revenue cap.

**The Chair:** We need to have the vote now.

(Clause 2 agreed to on division)

**The Chair:** We're on new clause 2.1. Does somebody want to move that one?

**Mr. Gerry Ritz:** I move that.

**The Chair:** A question needs to be asked of the officials today. Given that this could possibly require money, if we did an independent inquiry here, would this be a matter of needing a minister's power to do that? How would this work?

We're talking about an independent review. This would be going outside our mandate. Could a minister do that? Well, he could obviously do that, but we'd have to go back and seek the authority of the House to do that, would we not?

• (1600)

**Mr. Howard Migie:** There is a cost, obviously, to do a review. There is a review in other legislation that doesn't specify a cost along with that. I'm not sure what we say in terms of whether it's.... There would be a cost to it. The costs for a review are not usually huge. They can be, obviously, if you make it huge. But we have done reviews where.... I think of the transportation legislation. There was a review within one year. We had three to five people who did a review, and it wasn't a large cost. I don't think we've gone back for legislation to get money for that particular purpose, that I'm aware.

**The Chair:** We'd have to go outside to do this, would we not?

**Mrs. Bev Desjarlais:** Point of clarification.

**The Chair:** The other thing is, this is not just looking at Bill C-40. Is this beyond the mandate of Bill C-40?

**Mr. Howard Migie:** It might be.

**The Chair:** We're talking about looking at the whole act.

**Mr. Howard Migie:** I don't have any expertise to say whether it's outside the mandate of Bill C-40.

**Mrs. Bev Desjarlais:** My point of clarification, Mr. Chair, is to the clerk. This type of clause often gets put into legislation. The legislation then goes to the House for final approval. If the House approves it, this spending is then approved in the time that it comes. Is that not the case?

**The Chair:** Mr. Cole.

**Mr. Wayne Cole (Procedural Clerk):** What I was concerned with was the provision that the review be done not by the minister but by some outside body and that this might constitute a new class of—

**Mrs. Bev Desjarlais:** So it's the independent side that you're talking about, not the comprehensive review.

**Mr. Wayne Cole:** No, as you point out, reviews are very often done or very often included in legislation. It's the fact that it would not be done by the department or would not be done by the commission. It would have to be done by some outside body, and that could entail expenditure. I was just seeking information as to whether or not the minister already has the power to make that kind of provision.

**The Chair:** Mr. Easter.

**Hon. Wayne Easter:** The way I think I would envision it, Mr. Chair, is something similar to the review that was tabled before a committee last week that the clerk sent out to committee members. I think that's what's in the minister's mind. We talked about it prior to coming here. It says "the Minister shall cause: (a) an independent", and I think our understanding is the process would be somewhat similar to the process that was followed to come up with the report that was tabled with the committee just a week or so ago.

**The Chair:** I personally haven't got a problem with it, but we have to have the answers to these questions before we proceed in adopting it.

Yes, Mr. Migie.

**Mr. Howard Migie:** I just add that I have been informed that it doesn't require money in the sense that it would be, if you will, part of our A-base spending, so that the money issued to this kind of a review would not require any special measures.

**The Chair:** And we're well within our mandate in doing Bill C-40. It's a mandate of an exploration, a review, of the complete Grains Act. It's not outside our mandate to do this.

**Mr. Howard Migie:** The bill is strictly to implement the WTO panel decision, and we've limited it to that. I can't comment on whether this is too broad, but it goes beyond what the WTO requires in that sense.

**The Chair:** Madame Rivard, then Mr. Anderson.

[Translation]

**Ms. Denise Poirier-Rivard:** Are we not going beyond the royal recommendation? We should make sure that we are not extending beyond the royal recommendation for this section.

[English]

**The Chair:** I can't answer that question.

Mr. Easter.

**Hon. Wayne Easter:** Mr. Chair, at the last meeting we had, I had asked the question for some legal people with the committees' office to check that out. It's our understanding we're not clearly.... When we met with producers over this issue, producers want a commitment from the government that they will do a review of the Canadian Grain Commission in terms of all the other issues that are out there. I think that's fair.

This amendment proposed puts it in the legislation. We don't have a problem with that. We think it locks the government into doing the kind of review that producers want. As long as it's legally possible for us to do so, we don't have a problem with that.

• (1605)

**The Chair:** That's the reason that we're questioning this. It's to be sure we're doing this in legal terms.

Mr. Anderson.

**Mr. David Anderson:** I would think we are within the legal mandate. The title of the bill is simply "An Act to amend the Canada Grain Act and the Canada Transportation Act". I would think you would be able to accept an amendment to let us go back in and make a review of those amendments. The purpose of it may be to reach WTO requirements, but that's not the title of the bill. I don't think we should have a problem with this.

**The Chair:** Is there anything further from our experts at the table?

Mr. Gosselin.

**Mr. Reg Gosselin:** I spoke to our legal counsel just before the meeting. Obviously it is a bill that professes to address the foreign grain issue. When you consider the act, which encompasses a lot more than just the foreign grain—the foreign grain is only a relatively small portion of the issues addressed by this statute—there is a question of whether it's way beyond the scope, but I don't have a formal legal opinion that suggests it isn't.

**The Chair:** Ms. Desjarlais.

**Mrs. Bev Desjarlais:** This is just for clarification, and I apologize for not being the critic who is here all the time, and this amendment just coming up now. Mr. Easter has indicated the producers wanted to see a review, but I'm wondering why there would be a question now, and whether or not this would be an order. If it's just purely this type of review, if it's not required for what we have to do within this legislation, can it not just be left and done through some other method, just so we don't have any problem with it?

**The Chair:** It was made pretty clear to us that they want a complete review of the act. I think we need to have heard that. I think this is what—

**Mrs. Bev Desjarlais:** So it's not just of the implications of this bill—it's of the whole act.

**The Chair:** It's the whole act, but nevertheless.... The question I asked was whether we are within the mandate of doing Bill C-40 to ask for a review of the whole. There appears to be no difficulty in doing that.

Yes, Mr. Ritz.

**Mr. Gerry Ritz:** Mr. Chairman, if we're going to have a problem adding this type of amendment to this little bill, we are never going to be able to add the truth in dairy terms into Bill C-27, as we're planning on doing here later in the week. Let's get our heads around the fact that the committee can make these recommendations. We take it to the House. If the House as a whole has a problem with it, the bill will be voted down. I see no problem in putting this in.

**The Chair:** I think we've had good discussion. I have had no compelling reasons given for not putting forward this amendment. I'm going to call the question on the amendment for new clause 2.1.

Amendment agreed to) [See *Minutes of Proceedings*]

(On clause 3)

**The Chair:** Clause 3 is on the table. Is there anything on that?

Mr. Anderson.

**Mr. David Anderson:** I have a couple of questions. It's a bit of a follow-up on what I was asking before, but I'm interested in knowing about car supply in western Canada. After this bill is passed, there can be no discrimination between foreign wheat and Canadian wheat. Is that correct?

**Mr. Gerry Ritz:** In car access.

**Mr. David Anderson:** In car access.

**Mr. John Dobson:** I believe that's correct, yes.

**Mr. David Anderson:** And actually you said the system, insofar as you can't make a discrimination between the wheat that's coming in and the Canadian wheat.

**Mr. John Dobson:** Not based on country of origin.

**Mr. David Anderson:** We heard the other day that a couple of grain companies didn't think there would be much movement into western Canada with this wheat. I'm not so sure that's true. Is there nothing we'll be able to do to protect our producers, in order to use our own system, once the legislation is passed?

**Mr. Gerry Ritz:** Peak times.

**Mr. David Anderson:** Peak times would be a good example, as Mr. Ritz mentioned. We have times of the year when the system's overloaded as it is. Actually, I had a grain company tell me the system is not going to be able to handle a regular crop next year, given the carryover we've got now. Now we're talking about bringing in some other grain as well.

**Mr. John Dobson:** In terms of your last comment, the railways would normally be getting together with the grain companies to do their planning, to see how many cars they'll need. Hopefully they will, in fact, provide sufficient capacity for moving the anticipated crop.

The analyses we had done, by the Western Grain Elevator Association and by the grain monitor, concluded that significant amounts of grain would not be diverted from the U.S. system into the Canadian system. Notwithstanding that, however, if grain were to be diverted and there were problems during peak periods, the railways and grain companies have commercial tools to manage those peak movements.

•(1610)

**The Chair:** Mr. Ritz.

**Mr. Gerry Ritz:** On that point, are you saying, Mr. Dobson, that Canadian producers now have access to the Mississippi barge system at the same rates, and at any time we want?

**Mr. John Dobson:** It's a commercial system.

**Mr. Howard Migie:** We do periodically access the U.S. system to go to Latin America or Mexico. We go for—

**Mr. Gerry Ritz:** I understand that, but generally it's railcar and on through.

**Mr. Howard Migie:** It's all commercial. It's a question of the buyer and the seller getting together in agreement.

**Mr. Gerry Ritz:** Yes. They cannot deny us that access and use the excuse that the system is full or they haven't got room or whatever. That's no longer valid.

**Mr. Howard Migie:** No.

**Mr. John Dobson:** It's commercial.

**Mr. Gerry Ritz:** So it's reciprocal.

**Mr. John Dobson:** Yes.

**The Chair:** Anything else on that clause 3?

(Clauses 3 and 4 agreed to on division)

**The Chair:** Shall the bill as amended carry?

**Some hon. members:** Agreed.

**Mr. Gerry Ritz:** You forgot the title, Mr. Chair.

**The Chair:** There is no title.

**Mr. Gerry Ritz:** There is no title? It says "Shall the title carry?"

**The Chair:** Yes, we took that out.

**The Clerk of the Committee:** That's why there's a short title.

**Mr. Gerry Ritz:** I see. Scratch that.

**The Chair:** Shall the chair report the bill as amended to the House?

**Some hon. members:** Agreed.

**The Chair:** Shall the committee order a reprint of the bill as amended for the use of the House at report stage?

**Some hon. members:** Agreed.

**The Chair:** That takes us to our next order of business, which is an in camera part of our meeting.

Thank you, gentlemen.

We'll suspend for just a few moments while we clear the house.

*[Proceedings continue in camera]*

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