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Thursday, November 3, 2011

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Chair

Mr. Blaine Calkins

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• (1835)

[English]

The Chair (Mr. Blaine Calkins (Wetaskiwin, CPC)): Good evening, ladies and gentlemen. Welcome to the fourth meeting of the Legislative Committee on Bill C-18. As was outlined in our organizational meeting tonight, we will proceed with the clause-by-clause consideration of Bill C-18.

At the end of the last meeting, I asked members to be mindful of the process that was decided upon, and I'm hoping we can stick to that.

I would like to welcome our legislative clerks here tonight, Mr. Wayne Cole and Ms. Joann Garbig, who are here to assist us. From the department, to provide technical assistance, we have Mr. Greg Meredith, as well as Mr. Paul Martin and Mr. Ryan Rempel.

Mr. Anderson, I believe you wanted to raise a question about the process.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Chair, at our organizational meeting, we passed the committee schedule, which included the clause that the chair limit debate on each clause to a maximum of five minutes per party per clause before the clause comes to a vote. For clause 14, there are a number of pages. Most of the proposed amendments deal with clause 14, so in the interests of fairness, we would like to apply that same clause to each of the parts of clause 14 that it has been suggested we amend. I think we have agreement around the table to do that.

Our suggestion would be that we go through the clauses by number, approve the ones on which there are no amendments, and come back to those on which there is some division and discussion, to deal with them a bit later. I think we have agreement around the table to do that.

The Chair: Is that acceptable? I think that's a more than reasonable way of proceeding. Is anybody opposed to this?

If that's the case, then I will proceed in that fashion. Thank you.

Mr. Martin.

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Mr. Chair.

Just before you proceed, I just want to establish for the record that normally a committee moves to clause-by-clause analysis of a bill after they're satisfied that they've heard all the witnesses that they wish to hear or need to hear. Quite often, that study would include a tour across the country, especially on a bill of this nature, which can

have a profound economic impact on the region that's represented by the Canadian Wheat Board.

I want to state categorically that I condemn in the strongest possible terms the fact that we are being denied the ordinary due process to allow this committee to do its due diligence in studying and providing oversight and scrutiny of the true impact of this bill on the rural prairie economy.

I can tell you, Mr. Chair, that I'm not alone in this point of view. I believe that my colleague from the Liberal Party feels, and I know that my colleague from the Green Party does, and we all feel that our rights as members of Parliament are being infringed upon, to the point where we're being denied the opportunity to do the job the people of Canada elected us to do, and that is to test the merits of legislation with rigorous debate, well-reasoned research and comment, and to hear from the very people that his bill in fact affects the most, which is rural prairie farmers.

So far, we're being asked to buy a pig in a poke. We're being asked to accept the anecdotal whims and notions of the Minister of Agriculture and his buddy, his parliamentary secretary. On their anecdotal survey and review of in talking to a few of their neighbours, they've decided to dismantle a six-billion-dollar-a-year corporation without even a business plan to take its place.

Let me say, Mr. Chairman, while I have the floor, that I disagree profoundly with the process. I resent it profoundly. In my 14 years as a member of Parliament, I have never seen the process of parliamentary procedure undermined and sabotaged in such a way. I challenge anyone here to show me an example ever in the history of Canada when a bill has been rammed through with this speed and without the oversight and the due diligence.

Again, I declare for the record that we think we are entering into a profound mistake, that we are doing a disservice to the people of Canada. We are not being allowed to do our jobs as parliamentarians. I resent it profoundly and declare it so. I want it on the record that this proceeding is a sham and a travesty.

• (1840)

The Chair: Mr. Martin, I've given you the floor to express yourself. Hopefully, you appreciate that you've had that opportunity, but tonight we are proceeding with clause-by-clause pursuant to the rules. Unless somebody has some reason why we shouldn't proceed, I am going to move along with what has been proposed—and has been agreed to—by Mr. Anderson.

Pursuant to Standing Order 75(1), consideration of clause 1 is postponed.

I am now calling clause 2. Is there any debate or discussion? Shall clause 2 carry?

An hon. member: On division.

(Clause 2 agreed to on division)

The Chair: We have an amendment for clause 3, so let's move on to clause 4.

Shall clause 4 carry?

Mr. Martin.

Mr. Pat Martin: Mr. Chairman, on a point of order, I thought, as I understood the parliamentary secretary, that the agreement we had tacitly put in place was that we would go through those clauses for which there are no amendments and deal with them, and then, when we hit a clause on which there is an amendment, we'd deal with it at that time.

It's not our intention to dispense with every clause that has no amendment and then come back and do the clauses, for the simple reason that there's an order, a systematic order, and some continuity associated with the bill as we walk through the various issues. For instance, we'd be bouncing back and forth from representation, etc.

The Chair: I've heard your comments. That wasn't my understanding of the agreement. My understanding was that we would dispense with the clauses on which there was agreement, in the sense that there were no proposed amendments, and then would go back and test the committee's will when it came to the amendments that were tabled. I'm operating on that presumption.

Mr. Martin, you're now saying that you didn't have that same presumption. Does that mean we no longer have consensus to proceed in that way?

Mr. Pat Martin: If I could answer the question, I honestly don't see the difference from a timeframe point of view. If we go through clauses 1, 2, and 3 and they don't have amendments, we deal with them. Then if we hit one where there is an amendment, we deal with that.

The Chair: Mr. Anderson, did you want to address this?

Mr. David Anderson: I can address it. I thought we had an agreement that we'd go through and come back to the ones that were contentious. It means, I guess, that people have to stay interested until the end, but we can certainly do it this way as well. It doesn't matter to us.

The Chair: Let's proceed in that fashion then.

(On clause 3)

The Chair: On clause 3, there is a proposed amendment.

Would somebody be prepared to move that amendment?

Mr. Pat Martin: The amendment is in my name, so I would be prepared to amend clause 3. The recommendation put forward by the official opposition is that in proposed subsection 3.02(1)—

The Chair: Mr. Martin, before you proceed—I apologize for interrupting—I've just been advised by the legislative clerk that if clause 2 was adopted, amendment NDP-1 cannot be put to the table. It is inconsistent with the earlier decision on clause 2.

Can you help me with this ruling, please...?

In the interests of consistency, the committee's decisions concerning a bill must be consistent with earlier decisions made by the committee. An amendment is accordingly out of order if it is contrary to or inconsistent with provisions of the bill that the committee has already agreed to, if it is inconsistent with the decision that the committee has made regarding a former amendment, or if it is governed by or dependent upon amendments that have already been negated.

That's the advice that has been given to me by the legislative clerk.

Mr. Pat Martin: We only agreed to it 30 seconds ago. Maybe we could just overlook it this time.

The Chair: I can't ignore the rules, Mr. Martin, so unless there's something else, I would have to rule that it is inconsistent and would be out of order to move at this time.

If that's okay, we have to move on. If that's the case, I am going to apologetically rule that the amendment is out of order and call the question on clause 3.

An hon. member: On division.

(Clause 3 agreed to on division)

(Clauses 4 and 5 agreed to on division)

(On clause 6)

The Chair: For clause 6, there is a proposed amendment.

Again, I have the same ruling here, put to me by the legislative clerk: if clause 3 is adopted, then NDP motion 2 cannot be put to the table, as it is inconsistent with an earlier decision that was taken as a result of clause 3, which was inconsistent because of the decision taken on clause 2.... Rather than read that same ruling into the record, I will have to rule that amendment NDP-2 is inconsistent and therefore cannot be brought forward, so I'll call the question on clause 6.

Shall clause 6 carry? On division?

An hon. member: On division.

(Clause 6 agreed to on division)

(Clauses 7 and 8 agreed to on division)

(On clause 9)

The Chair: Shall clause 9 carry?

My apologies. The NDP has a proposed motion, NDP-3. I have no comments here, so that motion, according to our process, appears to be in order if somebody wishes to move it.

Mr. Martin?

Mr. Pat Martin: I'll move it.

The Chair: Discussion or debate on the clause? Keep in mind that each party has five minutes to discuss or debate this particular clause.

•(1845)

Mr. Pat Martin: The motion is fairly self-evident, Mr. Chairman, if I can begin the debate.

We believe that one of the most offensive provisions of Bill C-18 is the interference with the farmers' right to elect their own directors. By virtue of this particular legislation, all of those democratically elected directors are fired.

Our intention in moving this amendment in clause 12 is that it would change the effect, so that instead of those directors being dismissed, they would in fact remain in office instead of ceasing to hold office on that day.

The Chair: I believe we're speaking to.... Are you speaking to the correct amendment, sir?

Mr. Pat Martin: I hope so.

Apparently, I'm not. I thought you said it was amendment NDP-3.

The Chair: That's what I have here. It's pursuant to clause 9.

Mr. Pat Martin: Excuse me—

The Chair: My apologies: my number says NDP-3, Mr. Martin. I apologize if the copy you have is inconsistent with mine.

Mr. Pat Martin: Right, just so that I'm abundantly clear on this, your analyst is saying that all of the clauses associated with the directors, the appointment of directors, the number of directors have already been approved, and so therefore our amendment associated with the directors being fired is out of order. Is that correct?

The Chair: I believe it was because clause 2 carried, which clearly set out the decision on the composition of the board of directors, any decision that would be proposed to change it has already been tested, if I understand that correctly....

Is that...?

A voice: In part 1 of the bill.

The Chair: In part 1 of the bill. That's correct.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Chair?

The Chair: Mr. Easter.

Is Mr. Easter subbed into the committee?

Hon. Wayne Easter: I don't have to be subbed into the committee, Mr. Chair.

The Chair: This is Liberal time, then, Mr. Easter.

Hon. Wayne Easter: That's good. It's nice.

There seems to be some confusion as I'm going through... I'm going through the act and having a hard time being assured that I'm on the same number that you're voting on—and you're going through it a little too rapidly, in my view.

Just clarify for us which section you were on, and what act...? Are you working from Bill C-18 itself?

The Chair: Mr. Easter, I have in front of me the proposed amendments and a sheet that carries me through in clause-by-clause. It's been prepared for me by the clerk. What I have in front of me, I can only assume you have in front of you. What I have in front of me is.... I've called up to clause 8, as carried in the bill on division.

I'm working on clause 9. The document I'm working from, Mr. Easter, has in the top right corner a stamp that says "NDP-3". Under that it says "Clause/Article 9" in the English version.

•(1850)

Hon. Wayne Easter: Mr. Chair, just try it this way. The clause that you're in.... I'm not worried about the amendment; I have it in front of me. But clause 9, in the act I'm working from, says, "Subsection 4(2) of the Act is replaced by the following...". Is that the one we're on?

The Chair: That's correct.

Hon. Wayne Easter: Okay.

The Chair: I'm sorry, Mr. Easter, for not understanding your question.

Mr. Martin, do you need a few minutes?

Mr. Pat Martin: Apparently I do.

The Chair: Okay.

Hon. Wayne Easter: Let me pose a question to....

The Chair: If you would like to resume with Liberal time, Mr. Easter, by all means, I'll grant you that today.

Hon. Wayne Easter: In clause 9, it says it "is not a Crown corporation". As I understand it, yes, with a crown corporation the government normally can give direction to it; however, in this bill, this is not a crown corporation, but basically the whole act—the whole Canadian Wheat Board—is going to be, when you go through it in full, micromanaged by the minister

How is that possible when this is not in fact a crown corporation? It's going to be run by the government, but it's not a crown corporation. How is that possible?

Mr. Pat Martin: I can shed some light on that, Mr. Chairman.

I have no intention of moving this particular amendment. It was submitted in error and I should not have moved this. As the mover, I would like to withdraw it.

The Chair: Do we have consent for the mover to withdraw the motion?

Some hon. members: Agreed.

(Amendment withdrawn)

The Chair: Okay, let's move on.

Thank you for the clarification, Mr. Martin.

Hon. Wayne Easter: [*Inaudible—Editor*]...question that I asked.

The Chair: If the motion is no longer before us on the floor because it's been withdrawn by the mover...

Hon. Wayne Easter: We weren't on the motion. We're in clause 9.

The Chair: Sorry. Clause 9?

Hon. Wayne Easter: Yes.

The Chair: Certainly.

Is there anybody here who wishes to answer that?

Mr. Greg Meredith (Assistant Deputy Minister, Strategic Policy Branch, Department of Agriculture and Agri-Food): The direction order power is in the act. It's very similar, if not exactly the same, in the bill as compared to the previous act. It enables the minister to provide direction to the board in the manner in which it operates. That's the kind of direction order that's consistent with the Financial Administration Act and the way crown corporations are dealt with.

Hon. Wayne Easter: For my second question on that, I'm just wondering how much authority the minister does have. We do know, under the previous act, that the minister placed gag orders on the board of directors when they spoke out and fired the chief executive officer. That would still be possible under this bill.

Mr. Greg Meredith: The members of the board, the directors, are appointed by the Governor in Council and could be removed by the Governor in Council.

Hon. Wayne Easter: So they sit at the pleasure of the minister, then.

Mr. Greg Meredith: That's not the language—it says the Governor in Council—but yes.

Hon. Wayne Easter: Okay.

Thank you, Mr. Chair.

The Chair: You're welcome, Mr. Easter.

Given that there is still time for debate, I don't see anybody else raising a hand to debate. So I shall call the question: shall clause 9 carry?

(Clause 9 agreed to)

The Chair: That's carried. Moving on to clause 10.... Sorry, it's clause 9.1. My apologies. There is a new clause proposed, clause 9.1. I didn't turn the page; sorry, colleagues.

There's a proposed amendment to add a new clause. This is a government motion.

Is there anybody who wishes to move that?

Mr. Hoback?

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

Before I move the amendment, I was going to seek some advice on it.

The goal behind the amendment I'm proposing here is to make sure the new entity has the ability to market any grains it sees fit. But by doing that, does it contravene the existing act? If you could give me a legal opinion on that, I'd just take some comfort in that.

Mr. Ryan Rempel (Legal Counsel, Legal Services, Agriculture and Agri-Food Canada): No. The difficulty in the existing act that this deals with is that subsection 18(2) of the existing act would prohibit the corporation from buying anything other than wheat and barley. What this does is provide an exception to that prohibition, so it can agree to buy any of the seven grains listed in the definition in the preliminary period before the coming into force of part 2.

• (1855)

Mr. Randy Hoback: And that buying would be, of course, after the new crop year is started in 2012, right?

Mr. Ryan Rempel: That's right, yes.

Mr. Randy Hoback: And then it would put the new entity on the same footing as everybody else in the marketplace. Would that be correct to say?

Mr. Ryan Rempel: Yes. In a sense, it corresponds to the section in the bill that allows others to forward-contract in wheat and barley. So just as others are able to forward-contract in wheat and barley, the Wheat Board can forward-contract in such things as canola or others of the seven grains.

Mr. Randy Hoback: In light of that, Chair, I now move the amendment.

The Chair: Thank you, Mr. Hoback. We have that amendment on the floor.

Mr. Easter.

Hon. Wayne Easter: I have a question for Mr. Rempel.

Would he, for the record, list the seven grains he's talking about that would be affected here?

Mr. Ryan Rempel: It's the definition of grain in section 2 of the existing Canadian Wheat Board Act. It would be wheat, oats, barley, rye, flaxseed, rapeseed, and canola.

The Chair: Thank you, Mr. Easter. Does that satisfy...? Okay.

Is there any further debate on proposed new clause 9.1? All in favour?

(Amendment agreed to)

The Chair: That is carried.

There is another amendment—in your name, Mr. Valeriotte—that is identical to the amendment that was just passed. In my discussion, the only reason yours did not come up first was that these were received on a first-come basis, and the motion from Mr. Hoback, which was identical to yours, was received by the clerk first. Therefore, I don't see any reason.... We can't actually proceed with it, so we're going to skip that and move on to clauses 10 and 11.

There are no proposed amendments to clauses 10 and 11. Shall clauses 10 and 11 carry?

An hon. member: On division.

(Clauses 10 and 11 agreed to on division)

(On clause 12—*Directors*)

The Chair: Moving to clause 12, it has a proposed amendment by the New Democratic Party. I have a ruling on this one. This goes back to an earlier decision that was taken by the committee: if clause 3 is adopted, which it was, the New Democratic Party's amendment 4 cannot be put as it would make the bill inconsistent with an earlier decision that was taken. I will have to rule that particular proposed amendment out of order according to our rules.

Therefore, there are no other amendments proposed for clause 12, so I will....

Mr. Easter, would you like to speak to it?

Hon. Wayne Easter: I have a question on that, Mr. Chair. It really does relate to the directors, and you may or may not allow this question, but for the directors who are to be appointed by the government, what are the conflict of interest rules surrounding these?

Are they allowed to hold shares in grain companies? Just what are the criteria on which a director can be appointed? There are all kinds of protections for these directors in this act—that they cannot be sued, etc., etc.—but we would certainly like to ensure that when they are appointed, they're actually there to do the job of the Canadian Wheat Board in the best interests of the farm community, not in their personal interests.

If we go back a while, one of the directors who currently sits on the Canadian Wheat Board as an appointed director was rejected by the agriculture committee by motion but is still there. So we would worry about the conflict of interest that these directors may or may not have.

Mr. Greg Meredith: The new purpose of the corporation, once the bill has passed, is to work in the interests of producers who choose to use the corporation. There are currently in the act no clauses that deal with conflict of interest, so the directors who are appointed will be working on behalf of the producers who choose to use the board.

• (1900)

Hon. Wayne Easter: If I might say so, Mr. Chair, that is extremely worrisome because, as Mr. Martin pointed out earlier, there is a lot of concern about how rapidly this is going through, and this is one of the key points. There's a fear among those—the 62%—who support the current single-desk selling that the new board may operate very differently. It may operate in the self-interests of a few individuals or a few grain companies. How is the government going to protect against that?

I was in Winnipeg last Friday, and what we're really seeing here, with this bill, is an expropriation of farm assets by the government. There has to be some way, for heaven's sake, to protect against a conflict of interest for somebody who may be working for Viterra or Archer Daniels Midland or Cargill in regard to basically using this corporation for either their self-interest or another company's self-interest. We're talking about the grain trade here.

Mr. Greg Meredith: If I could just go back to an earlier part of your first question, Mr. Chair, the liability clauses that the member refers to are standard clauses for most corporate entities. They just limit personal liability as long as the director is working with prudence and due diligence, and that requirement is captured in the new bill, in the interim act, in clause 16, which burdens directors with a duty of care, including acting “honestly and in good faith” to exercise the “care, diligence and skill” of a reasonably prudent person in the conduct of the corporation's affairs, which, again, binds the directors to a level of care and prudence that is typical of corporate—

Hon. Wayne Easter: I have one last question on this point, then. If that is the case, and the directors can't be sued—they're protected under the act—and they do not act in the duty of care—and I would question whether some of the current appointed directors are—then

what recourse does the farm community have? If a member doesn't operate with the duty of care, yet he's protected against being sued and the minister, for whatever reason, has appointed a friend and won't fire him, what's the recourse that farmers have against this agency?

Mr. Greg Meredith: Just to add a small clarification, the act doesn't say that directors cannot be sued. It says they cannot be held liable if they are acting with the due diligence and prudence required by the act in the interests of the corporation and the producers who choose to use the corporation.

I will ask counsel to elaborate on that.

Mr. Ryan Rempel: Yes, under proposed section 16 of the interim operations act, the directors owe their duty of loyalty to the corporation and have to act in the “best interests of the Corporation”. While the act does not have complex procedures for dealing with a conflict of interest, it's true that under proposed section 16 the directors do have a duty to act only in the corporation's interest. They cannot act in a different conflicting interest. So the duty exists; the complex procedures to deal with that duty are not present in the bill.

The Chair: Thank you, Mr. Rempel.

Thank you, Mr. Easter. The Liberal time on this section has expired.

Mr. Martin, you expressed an interest in addressing this.

Mr. Pat Martin: Yes, only to explore the content of that clause and to understand better how in fact our amendment is out of order. Nothing in our suggestion, I believe, contradicts what was passed on division in clause 3. In other words, we argue that every person holding office as an elected director immediately before the day on which this part comes into force and effect should continue to be a director.

Your clause 3 talks about the government appointing four other directors. We had other amendments that would have challenged the idea that the government should appoint the new directors. But I don't see anywhere where it's contradictory to have the current democratically elected directors maintain their position when the new bill comes into effect.

• (1905)

The Chair: Mr. Martin, I will explain the rationale as it's been explained to me by the legislative clerk.

Because an earlier decision has been taken on a previous clause, if we do change clause 12 as it's being proposed, your amendment changes the part when it comes into force. If we go back to clause 2, it will effectively make clause 2 ineffective because it would come into force, if I understand it that way.

If you would like to seek a more clear answer from the legislative clerk, I would be happy to give him the floor.

Mr. Pat Martin: I have a feeling that if I challenge the ruling it wouldn't succeed anyway, so let's move on.

The Chair: Thank you.

Is there any other debate on clause 12? Shall clause 12 carry?

An hon. member: On division.

(Clause 12 agreed to on division)

The Chair: Moving on to clause 13, I see no amendments.

Shall clause 13 carry?

An hon. member: On division.

(Clause 13 agreed to on division)

Ladies and gentlemen—

Mr. Easter?

Hon. Wayne Easter: Would you read the first words of clause 13? You're going so fast we can't keep up here. That's what happened on clause 2 and the five directors. There's no need to steamroll it through. You have until 11:59 tonight.

The Chair: You would like me to read clause 13 of the bill...?

Hon. Wayne Easter: Does it start, "In respect of the pool...?"

The Chair: That would be subclause 13(1) in the bill, "In respect of the pool...".

Hon. Wayne Easter: Okay, it's passed. That's fine.

The Chair: At this point, colleagues, I would like to suspend the meeting for 10 minutes. There is something that will help us rejuvenate and get us to 11:59 tonight, if we need to.

I don't think we need to suspend and eat over there. If you want, I'll suspend for about 10 minutes, and that should give us enough time to do the things we need to do. You're more than welcome to bring things back to the table if you so choose.

Is that acceptable to the members of the committee?

Some hon. members: Agreed.

The Chair: This committee stands suspended for 10 minutes.

• (1905) _____ (Pause) _____

• (1925)

The Chair: Colleagues, let's call this meeting back into order.

(On clause 14—*Enactment*)

Before we proceed, we are dealing now with clause 14 of the bill. Within clause 14 of the bill is virtually a new act, which has in it a number of its own clauses. My understanding of the agreement that we had when we were to proceed is that we would actually address the proposed amendments on an individual basis, rather than limiting debate to five minutes for each party for the entirety of clause 14, given the rather large number of amendments and the large number of clauses within the bill proposed in the clause of the act.

Keeping that in mind, the way I'm going to proceed is, in light of no proposed amendments to any of the sections within the new act within the clause, I will be simply asking if there is going to be somebody moving one of these amendments.

So going to the very first set of amendments that propose to change proposed section 6 of the new act, which is in clause 14, I will read out proposed section 6:

The object of the Corporation is to market grain for the benefit of producers who choose to deal with the Corporation.

Now, there are two amendments that are being put forward that affect this particular section of the act. The first amendment that was received was, in my documents here, NDP-5. There is also amendment LIB-2, which was received by the clerk after the amendment proposed by the NDP.

Mr. Martin, your amendment came into the clerk's office first.

Mr. Valeriote, your amendment came into the clerk's office afterwards.

There is a line conflict here, so what I'm trying to understand is, if we choose to dispense with or deal with or pass NDP-5, it would put amendment LIB-2 in a position whereby it would probably be out of order at that point in time if we tried to deal with it. I want to make committee members aware of that before we go on.

Mr. Martin, are you going to move NDP-5?

Mr. Pat Martin: Yes, I'd like to move NDP-5.

The Chair: Very good.

You have the floor, sir.

Mr. Pat Martin: Thank you.

By moving this amendment, it really speaks to the whole fundamental question of the Wheat Board, and I believe its greatest strengths and perhaps the biggest change associated with and caused by Bill C-18.

This clause, as it reads currently, essentially makes it a voluntary board. It's the right to choose whether to sell your grain through the Wheat Board or not. I would argue it's that the universality of the Wheat Board's single-desk selling that is its greatest strength.

The amendment that I put forward would in fact maintain the status quo, and the language would simply read, "The object of the Corporation is to market grain for the benefit of producers". Period, full stop, and delete this language: "who choose to deal with the Corporation".

I can speak to this briefly, not even using my own words. I implore committee members, and producers who may be watching this, to listen to the words of the American competitors on this subject.

Alberto Weisser, the chief executive officer of Bunge, said the single-desk "concept is brilliant". Robert Carlson, the president of the North Dakota Farmers Union, said he is "convinced the Wheat Board earned Canadian farmers big premiums compared to the U.S. prices and that the end of the monopoly will further weaken farmers and give more control to the giant multinationals". He said, "It's been consistently true" that the Canadian Wheat Board has earned more money for Canadian farmers.

It's because of the single-desk monopoly and the collective action of farmers that they've been able to command the hundreds of millions of dollars in premiums over the years for producers. It's really perhaps the shortest clause in the act, but it's the most damaging in terms of the demise of the Wheat Board.

So, therefore, that explains our motivation in deleting the language “who choose to deal with the Corporation”: maintaining the status quo that producers will in fact market their grain and that the object of the corporation is to market grain for their benefit, just as their mandate now is to return the maximum profitability to the producer.

• (1930)

The Chair: Thank you, Mr. Martin.

We still have a few minutes left. Would anyone else like to speak to this amendment? Okay.

We understand the terms of this proposed amendment and what it would do to the subsequent amendment, should it pass. All those in favour of adopting amendment NDP-5? All those opposed?

(Amendment negatived)

The Chair: The motion is defeated.

Mr. Valeriote, would you like to move your proposed amendment, please?

Mr. Frank Valeriote (Guelph, Lib.): Yes, Mr. Chair. You have a copy of it. The amendment proposes, of course, that we remove the words “for the benefit” from the second line of that paragraph. So it will read, “The object of the Corporation is to market grain of producers who choose to deal with the Corporation”.

The Chair: What you read is not what I have on paper. For clarification, what I have here is:

That Bill C-18 in clause 14 be amended by replacing lines 29 and 30 on page 5 with the following:

the grain of producers who choose to deal with the Corporation and the Corporation is accountable only to Parliament.

Mr. Frank Valeriote: I apologize.

The Chair: Is that what you would like to move?

Mr. Frank Valeriote: Absolutely. I was reading something I had jotted down in my notes.

The substance of this motion is the removal of the words “for the benefit”. Throughout the legislation it seems that the directors are accountable not to producers, but to the minister and the Governor in Council.

I have to express to you my displeasure, not with the chair, but with the speed with which this is being put through. As was said a few minutes ago when we were in the back room, this is not a process that any developing country would want to emulate or simulate if they were passing good legislation. We've had closure on debate. We've had time limited on hearing witnesses and we've had time limited on being able to present amendments.

Even when discussion was going on last night and some good ideas evolved from those discussions and the answers from witnesses, it was already too late for us to even propose amendments that might have arisen from those very discussions.

I hope this is not unparliamentary, but I'm frankly disgusted at the speed with which this legislation is being rammed through Parliament. We are changing the trade behaviour of an entire

industry in a few short days. I have to echo the sentiments originally expressed by Mr. Martin at the outset of these proceedings tonight.

I think “for the benefit” should be removed because it's really not for the benefit of producers. This legislation is for the benefit of the minister. I find that the words “for the benefit”, in fact, are somewhat ambiguous. They create an ambiguity so that you don't know whether the corporation is really accountable to producers or, as in the rest of the legislation, the directors are accountable to the minister.

Because those words “for the benefit” are vague, ambiguous, and somewhat subjective, who's to determine what is “for the benefit”? Right now, the legislation as it currently exists is clearly for the benefit of all producers. In my respectful opinion, I do not see that the substance of the legislation is for the benefit of producers. I submit, without belabouring the point, that this section be amended to read as I've said in my motion: “the grain of producers who choose to deal with the Corporation and the Corporation is accountable only to Parliament”.

• (1935)

The Chair: Thank you, Mr. Valeriote.

Is there anybody else who would like to address this?

Mr. Anderson.

Mr. David Anderson: I have one short observation and that is that Mr. Valeriote is certainly being consistent with the Liberals' past perspective in dealing with the Canadian Wheat Board Act; that is, there was no protection for producers in the mandate of the former act. In fact, it mandated the board to order the market, not to maximize profits and not to work for the benefit of producers.

So we think it's important that this phrase be in here, because the object of this corporation will be to market grain for the benefit of producers and, I should point out, for those producers who choose to deal with the corporation.

The Chair: Thank you, Mr. Anderson. There are 13 seconds of Liberal time remaining, Mr. Easter.

Hon. Wayne Easter: I'll make the point that Mr. Anderson is blatantly wrong. The Canadian Wheat Board produces an annual report, holds district meetings throughout the prairies, and is accountable to producers and has been.

The Chair: Perfect, Mr. Easter. That was exactly 13 seconds.

Is there any other debate on this?

Shall the amendment carry?

(Amendment negatived)

The Chair: Moving on, colleagues, we have, for proposed section 7 in the new act, a proposed motion numbered NDP-6 in your list. After review with the clerk, I have to start this with a ruling.

Bill C-18 provides for government liability for certain losses under part 2 of the Canadian Wheat Board (Interim Operations) Act—

Sorry, is that the wrong one...?

A voice: That's the wrong one.

The Chair: Okay. We have technical difficulties at the chairmanship.

Resuming debate, the ruling is that the motion is inadmissible because it is contrary to the principle of the bill, and I'll give the rationale that has been provided to me by the legislative clerk.

Bill C-18 provides marketing freedom for grain farmers. Amendment NDP-6 would allow the Wheat Board to prosecute farmers who do not sell their grain through the board. According to *House of Commons Procedure and Practice*, Second Edition, it is stated on page 766 that:

An amendment to a bill that was referred to a committee after second reading is out of order if it is beyond the scope and principle of the bill.

In the opinion of the chair, the introduction of the concept of *en matia* monopoly power for the board is contrary to the principle of Bill C-18 and is therefore inadmissible. That is my ruling, consistent with the rules we have. So I will have to move on, then, to the next proposed amendment, which will take us to proposed section 9 of the new legislation.

Mr. Easter.

• (1940)

Hon. Wayne Easter: As I understand it, you're dealing with each of these amendments, but then you will come back and go through these proposed sections that we're passing over?

The Chair: No. We would simply vote on the entirety of clause 14.

Hon. Wayne Easter: Well, there are quite a number of areas here in this bill that I think some of us would have questions on.

The Chair: Mr. Easter, the only option that I would have, then, is to return to the original motion of the routine proceedings, which meant that parties would have only five minutes to discuss the clause.

My understanding was there that was a gentleman's agreement at the table here that we would allow for discussion, insofar as those proposed sections in the proposed new act, which is introduced as part of clause 14, would be the ones we would debate. Then we would return to the entirety of clause 14. So I have to proceed on that. That's my understanding.

If we don't do that, Mr. Easter, then I will be forced as the chair to basically quash the gentleman's agreement, and we will simply return to the orders that were passed. We will simply have five minutes of debate dealing with the entirety of all of the amendments that have been proposed for clause 14, and I can't guarantee to you that we would get through all of them in that limited time—

Hon. Wayne Easter: Mr. Chair, it just goes to show how the original motion shut down debate, that's for sure, which is par for the government.

But when we come back to clause 14, then, will we have five minutes to raise some of the questions we have with the section in total?

The Chair: I think that would be consistent with the rules that have been passed to govern this committee's conduct, so I would have no trouble with that.

Going as meticulously as I can, the next clause would be proposed section 9 of the new act, under clause 14.

Amendments NDP-7 and NDP-8 apply to proposed section 9, but we can deal with them, because they're in different subsections of that particular clause. Is there a mover?

Mr. Pat Martin: I so move.

The Chair: Mr. Martin, the floor is yours.

Mr. Pat Martin: This is a two-part amendment, because we have changes to recommend to both proposed subsection 9(1) and proposed subsection 9(2)—although all of this, as you said, is within the context of clause 14, so I don't blame Mr. Easter and others for having a difficult time getting our minds around this.

I'll speak to both at the same time as a concept, even though we are going to vote on only what you're calling amendment NDP-7.

We believe the board of directors should have 15 directors, not five, as contemplated in the new legislation. I point out that proposed subsection 9(1) actually prescribes five directors, which would include a chairperson and a president, all of whom would be appointed by the government. We believe this is contrary to the spirit of the original Canadian Wheat Board and also, I believe, a breach of the commitment made by government to allow farmers to control their own destiny.

It's unbelievable to me that we could even be considering this idea that the heavy hand of the state would come in and fire all of the democratically elected directors of a non-profit cooperative organization and impose five directors chosen by the minister—it's Stalinist. I hear members on the government side calling the Wheat Board “communism” and saying they're lifting the iron curtain to provide freedom. It is the heavy hand of the state that is stamping on and trampling all over the rights of farm people by imposing these directors.

So by the first stage of this two-part effort here in proposed section 9, which is part of clause 14, we would reconstitute or maintain the status quo of 15 directors. The next stage proposes that farmers elect those directors in keeping with the principle of farmers being in control of their own destiny in the rural prairie farm economy.

If anyone else would like to comment on that, they can finish my time.

• (1945)

The Chair: Mr. Atamanenko.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Chair, I would just like to say that it's a very difficult time for farmers. The least they should be able to have is a say in this new entity, whatever it is. What we're doing is taking the power away from them. The government should at least have the decency to allow them to choose their directors however they see fit. Obviously, 15 would seem to be a good number to keep some democracy in the Wheat Board.

The Chair: Thank you, Mr. Atamanenko.

The NDP still has just under two minutes to address this.

Mr. Easter, you wanted to address this?

I will come back to you, Mr. Atamanenko.

Hon. Wayne Easter: Yes, I think this is a critical section, and I think it's a critical amendment that we should support, because the bill really moves the Canadian Wheat Board from being a body whose primary interests and primary business were to maximize returns back to primary producers; to negotiate with the railways to assure producer cars; to—in their so-called war room—look at the world so they could maximize those returns; and, in their transportation room, to work for the benefit of the lowest transportation costs and the efficient movement of grains...it moves the Canadian Wheat Board from that to being basically a body controlled by big government. That's the principle we see at stake here. The five directors seem to be accountable to no one other than to the minister.

So I have a couple of questions for the department, if they could answer them.

Currently, the Canadian Wheat Board, with its elected directors, has 10 districts, and in those districts they have annual meetings to which farmers can come out, raise the serious questions they have in what the Wheat Board is doing, ask questions through their information office, and whatever it may be they could.... David Anderson could get up in his district—because there's a pro-single-desk director elected there—and ask some hard questions.

Now, with the new board of directors, these five pansies for Gerry Ritz, how do they communicate with the farm community? Are they going to have district meetings to tell the farmers what they're doing, meetings where farmers can stand up in what were the 10 previous districts and raise questions and push the new diffused Canadian Wheat Board to work in their best interests?

How is that going to happen? How is that producer exchange, which has been very good under the board, going to happen under the new five people that Gerry Ritz will appoint?

Mr. Greg Meredith: Just as in the last act, this bill doesn't require directors to do that, but nothing in the act prevents it either.

Hon. Wayne Easter: So I wonder, could the parliamentary secretary, who has been the one pushing this bill, could he tell us, are these directors going to...? This is an important point, because this is about farmers having a say in their own marketing agency—

• (1950)

Mr. Randy Hoback: Freedom—

Hon. Wayne Easter: Yes, but would they have the freedom to ask what's going on? Are they going to go out to the country and meet farmers on the ground and report to them as the previous directors have done? Is that the intent? Are the directors going to do that or are they only going to listen for the memos and the call from the PMO or the minister's office?

Mr. David Anderson: Am I to answer this, Mr. Chair?

The Chair: You can if you like if you want to use this....

Because the question has been posed to the parliamentary secretary, I don't think this should be used up as Conservative time if you want to give an answer—

Hon. Wayne Easter: That's fine. I'd love to hear the answer.

Mr. David Anderson: Well, I think the answer is that we're confident that those directors will be communicating with farmers because, as we pointed out a little bit earlier, the “object of the Corporation is to market grain for the benefit of producers who choose to deal with” it. So of course the directors will be very concerned about producers and what producers would like to see. It will be moved at the—

Hon. Wayne Easter: Mr. Chair, would the parliamentary secretary tell us, are they going to hold meetings in the country with producers? Yes or no?

Mr. David Anderson: I don't think I'm quite done yet, Mr. Chair.

Hon. Wayne Easter: Yes or no?

Mr. David Anderson: I'm not quite done yet, Mr. Chair.

The Chair: Go ahead, Mr. Anderson.

Mr. David Anderson: I was pointing out that the object of the—

The Chair: I'll allow you to answer the question.

Mr. David Anderson: —corporation, as I said, is to market grain for the benefit of producers who choose to deal with the corporation. I am positive that those directors will be dealing directly with the farmers who choose—for the first time in what, 70 years?—to deal with the Canadian Wheat Board.

Hon. Wayne Easter: The answer is no. Let's be honest: the answer is no.

The Chair: Mr. Allen, I believe that you still wanted to address this clause. The New Democratic Party still has a minute and 50 seconds in which to do so.

Mr. Malcolm Allen (Welland, NDP): Thank you, Chair.

I think the government's proposal around this whole bill is about choice. I think that's what they're saying. If I've misunderstood it, I'll look to the “no” movement that says.... But I believe the acknowledgement was yes. If that's the case, this amendment now gives farmers the choice to actually...who want to choose to be there. This doesn't say that the folks who don't want to be there have to be forced into an election.

The folks who choose this voluntary association that you want, now get to choose who runs their voluntary association. Surely we can't ask for much more than what you're asking for them to do, which is to have a choice. Those who want to leave can go away; those who want to stay, can stay.

What we're saying to you is that the ones who stay should have the right to choose who runs the corporation and not have someone else being sent to them. That's what you disagreed with. Those are the farmers you fought for, who said, “We were told we had to stay”. Now you're telling the farmers who decided to stay on their own, “You have to take these guys or gals”. That's what you're telling them. You're not giving them a choice anymore about who runs the corporation they want to be with. You've made the choice that they have a choice, except for the choice of who runs it for them. They don't get a choice in that.

At least what we said our position was they all had to join if they want to sell grain, but they have the choice of who is going to run it for them.

How much democracy are you giving the folks who want to be there?

Hon. Wayne Easter: None.

Mr. Malcolm Allen: It's doesn't seem like it's very much if you're not allowing them to choose who should run the very association and the very corporation that they have voluntarily chosen to go with.

If I decide to buy shares in a company, I get a vote. I get to decide who the directors are. Maybe I only get one vote because I only have one share, but at least I get a vote.

Mr. Pat Martin: I think they're weakening. Keep it up.

Mr. Malcolm Allen: I have to wrap it up. The problem is that if you're going to have a voluntary association—and you've decided to do that—you have to at the very least give those who decide to be there the option of choosing who wants to run the corporation for them.

Mr. Pat Martin: I think you've convinced them.

The Chair: Thank you. That does use up the New Democratic time. The only time remaining is for the Conservatives, if they choose to address this.

We've heard the arguments for the amendment. I shall proceed now to a vote on the amendment proposed by the New Democratic Party, amendment NDP-7. Shall this amendment, which amends proposed section 9 of the act proposed in clause 14, carry?

(Amendment negatived)

The Chair: Moving on, we have an amendment to a different section of that clause. I believe this is proposed amendment NDP-8, and it is being proposed by Mr. Martin.

The section of the bill in question starts at proposed subsection 9 (2) with the words, "Four directors are appointed...", etc. This is to be replaced by the proposed amendment from Mr. Martin.

Mr. Martin, the floor is yours, sir.

Mr. Pat Martin: In other words, it's in order.

The Chair: It's in order. Yes, it is.

Mr. Pat Martin: I'm always the last to know, it seems.

Along the same vein of injecting some fundamental democracy to this process, regardless of whether there are going to be five directors, as the current Bill C-18 calls for, or the 15 that we sought in order to maintain the status quo through the last amendment that just failed, surely we can agree that it's in the interests of basic fairness and natural justice that the directors are, in fact, elected by the producers in accordance with the regulations that are set out after the fact by this act.

We're calling for all directors to be elected by the producers in accordance with the regulations, and for the president to be a director and be elected by the other directors in accordance with the regulations. In other words, all 15 are elected and then those 15 elected directors elect their president. It's basic fundamental democracy.

We believe that much of Bill C-18 is an affront to democracy. We're trying to restore some substantive participation of the producers in what shell is left over of the Wheat Board. We are on the record as saying that we have no confidence, frankly, that this voluntary Wheat Board is going to survive, but we're adamant that we're going to fight to the end to make sure that it is in its best possible shape, and that it is fair and democratic to the producers.

When I say that I suspect that the voluntary board will likely not be able to survive, I want to show you some of the very, very little bit of empirical evidence that has been made available to us as to how the Wheat Board has performed in times when they haven't had a single desk, when it has been voluntary.

This is a graph of the prices farmers were getting for their grain from 1917 to 1945, where it went through five different—

Some hon. members: Oh, oh!

Mr. Pat Martin: We have more current figures, too, if you'd like.

The point I'm making is that when there's a single desk, as shown in the tall bar in this graph, the prices are highest. When the single desk was eliminated in 1921, down they went. When the five-year Wheat Pool was put in place in 1924, up they went. When the pool was gone, down they come again. When the CWB single desk was put in place, they went up again.

I'll put it in simple terms so that everybody can understand the basic principle: Wheat Board, good; no Wheat Board, bad; voluntary Wheat Board, bad; compulsory single desk, good.

This is a very complex debate, but it all comes down to the fact that throughout history your side has no evidence that things are going to be better. We have 75 years—100 years—of empirical evidence that when there is a single-desk compulsory Wheat Board in place, it's to the advantage of producers. When it's deleted or struck down, the prices plummet and the return to producers plummets.

So we're urging members to support this idea in the interests of natural justice, basic fairness, and the democracy we all espouse to uphold, especially in Remembrance Week, when we are thinking about our veterans who went to war to fight for democratic principles. We are now watching a sad example take place here of their democratic rights being taken away from them, with, first, not even being allowed to vote on the future of their Wheat Board and, now, not even being allowed to vote for the directors of what voluntary Wheat Board is left. It's a disgrace.

● (1955)

The Chair: Thank you, Mr. Martin.

Does anybody else want to speak to this?

Mr. Allen, of the New Democratic Party, has 48 seconds remaining.

Mr. Malcolm Allen: Thank you.

I'll give my colleagues across the way the opportunity... They probably didn't want 15 directors. I understand that.

But I know you want to elect them and you want those folks who belong to the association voluntarily to run their own association. You certainly don't want to belong to an association, have someone else run it for you, and not have the opportunity.

So let's assume that it was 15 you didn't want. We're down to five now. Now we're looking at five being elected. For an association that voluntarily comes together to decide to do what it wants to do, at the very least you ought to allow them the choice of who it is they want to have run them rather than have somebody dictate who will run them, for them. That's what your complaint is about: the folks who were forced to be there against their will.

Now you're asking folks to join a voluntary association and have no mechanism to remove the five by voting. If they don't agree with them, they have no mechanism. I guess they could write a letter to the minister and say they don't agree with what the five have done, but that's the only recourse they have once they join, if they choose to do so.

• (2000)

The Chair: Thank you, Mr. Allen.

Mr. Malcolm Allen: I would assume it's five because—

The Chair: Mr. Easter, you have the floor.

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

Mr. Malcolm, part of the problem here is the government members, especially the minister and the parliamentary secretary. Even though they use the resources of the government to try to propagandize, they could never get the directors they wanted elected. You have a pro-single-desk director in the minister's riding and a pro-single-desk director in the parliamentary secretary's riding.

The only way they can get their own people in place is to shove democracy down and use the big hand of government to violate section 47.1 of the Canadian Wheat Board Act, fire the directors that are there, and put their own people in place. That's what we're seeing happening here.

I find it amazing that this government is talking about getting the big hand of government out of the farm community and letting farmers run their own business. What we're getting from this government is the direct opposite. We're getting appointed directors who are not only appointed but controlled by Ottawa. We've seen the memos that came out from Chuck Strahl when he was minister: putting gag orders on the board, firing Adrian Meisner.... The list goes on and on and on.

We heard the minister here last night. I'll not get into it, but the minister provided a substantial amount of misinformation. Here he is, invited to the board several times, but he never took them up on it. But he said the direct opposite, sitting in that chair last night.

So how is this board going to be run? By farmers for farmers? Absolutely not. The directors are appointed by the government in Ottawa. The board will be micromanaged by the minister from Ottawa and farmers don't have a say.

The parliamentary secretary wouldn't dare suggest that they're going to have meetings in the country. He wouldn't commit to that so that we'd have it on the record and could hold them to account.

Instead, it's going to be this tight little circle of their friends running the Canadian Wheat Board and running it into the ground. The assets that are there, the assets that that board has, it's just like they've been picked up with a big government crane that is taking those farm assets and using them for somebody else's advantage.

I found it astounding, Mr. Martin, when you were talking about prices—

Mr. Pat Martin: I have it here.

Hon. Wayne Easter: —that government members opposite were laughing. It's not funny, the loss of single-desk selling. The empirical evidence throughout the years has been that the Canadian Wheat Board returns more back to primary producers than the open market. It results in greater efficiencies in the transportation system. There's political and economic clout by the Canadian Wheat Board on behalf of the farm community.

The empirical evidence is there, but if there's one thing I will say about this government, it doesn't matter whether it's the crime agenda or any other agenda, they don't let the facts get in the way of their ideology. What this witch hunt on the Canadian Wheat Board is all about is ideology over facts. We know it; you folks just won't admit it.

Anyway, we will support that amendment, Mr. Martin, because your amendment takes it out of the hands of government, out of the minister's office, and out of big government, and puts at least some semblance of control back in the hands of primary producers, the people who would use the Canadian Wheat Board rather than have it run by an ideological government in Ottawa.

The Chair: Thank you, Mr. Easter.

Mr. Hoback.

Mr. Randy Hoback: Thank you, Chair. I think it's important that we set the story straight here on what's going on so that everybody understands.

Maybe there's some confusion, so let's clarify that this is a transition board. This board is not meant to be there for the long term. It's actually meant to be there for as short a term as possible, so that the farmers who choose to use the new entity, the new Canadian Wheat Board, will have the ability to control it and run it. I assume, then, that it will agree with us in creating a fast transition period, too, so farmers can actually replace these appointed directors.

The reality is that it's unfortunate that we had to go this way, but when you looked at the existing board that was there, it wasn't willing to embrace the changes that were coming forward. Instead of looking at the new changes, being excited about them, getting behind them, going out and making sales and signing up bakers and selling to millers, and proceeding as they should have, they actually proceeded in an effort of a scorched-earth policy. There was total disregard for the employees who are in place in Winnipeg, total disregard for the farmers who wanted to use the entity, and total disregard for the customers who actually wanted to buy grain through it.

So the minister was forced, in this case, to actually come through with this transition board. It's just there to help set up, during a transition period, a new entity to allow farmers to give it the input so it can work directly with the farmers who choose to use it. I can see all sorts of examples of different ways that it will help farmer participation in the new entity once it moves forward. When it looks at the co-op style and the co-op system for electing members and delegates, it may look at the old Agricore United system for electing delegates or the Saskatchewan Wheat Pool system. Or they may use a system where they use a per-acre basis, per share. Again, the new entity will have that choice and those options available to it. It's up to that entity to decide how that moves forward.

But it was up to the government, I think, and to the minister at this time, and I think he took on a responsible role here to ensure that the transition happens as smoothly and quickly as possible. He had people around the board table who are committed and making sure the new entity would survive. He was committed to the employees of the Canadian Wheat Board, who were committed to ensuring the farmers would have an entity to use and who were committed to the actual millers and customers who wanted to use the entity.

So I think the minister has done a good job. Is it the best way? If the existing board at the time had taken on the challenges and moved forward, he probably wouldn't have had to do this, but the reality is that the existing board decided to do everything they could to destroy it. I use the example of Thelma and Louise driving in their car off the cliff. Well, that's they would prefer to do instead of accepting the changes and actually moving forward and doing what's best for farmers and their employees.

Thank you, sir.

• (2005)

The Chair: Thank you, Mr. Hoback. Given that the time has virtually expired for the New Democrats and the Liberals, and I don't see anybody else from the Conservatives to speak on this, I must proceed to recording the vote on this.

However, before we do that, I want committee members to understand that the decision we take here on this particular amendment has ramifications for the next amendment. So if we take a look at it from the perspective of NDP-9, we see that if NDP-8 is defeated, then the NDP-9 motion cannot be put because it would be inconsistent with this decision.

Mr. Martin, you'll know that we cannot discuss the Governor in Council recommendation and so on and replace that if indeed the clauses remain the same. We couldn't have that inconsistency in the legislation—

Mr. Pat Martin: That's a good reason, Mr. Chairman, to support my amendment.

The Chair: I want committee members to be clear on the ramifications, which is why I express that now rather than after the division is taken.

I'm going to call the question now on amendment NDP-8. All in favour?

(Amendment negatived)

The Chair: Amendment NDP-8 is defeated. Therefore—

Mr. Pat Martin: A point of order, Mr. Chair.

The Chair: Mr. Martin on a point of order.

Mr. Pat Martin: I would like to know how many voting members are on the government side.

The Chair: There are seven members from the Conservative Party on the committee. I believe that everybody who voted did so in accordance with the rules we have. The clerk has confirmed that the vote was valid.

Mr. Pat Martin: As long as we keep the number down to seven, I'll be satisfied. There are more than seven people here.

The Chair: Well, there's more than one Liberal as well, Mr. Martin—

Mr. Pat Martin: He's not voting.

The Chair: I didn't see anyone vote who wasn't supposed to vote. Only the ones who are supposed to be counted would be counted, in any event.

As I previously stated, the motion NDP-9 cannot be put because of the defeat of amendment NDP-8, so we're going to move on.

I have a ruling to make on the Conservative Party of Canada—

Mr. Hoback?

Mr. Randy Hoback: I will not be moving my motion.

• (2010)

The Chair: Then I don't have to rule on yours.

Given that the amendment proposed by Mr. Hoback is withdrawn, that now moves us to amendment LIB-3, which I believe is identical in wording to the proposed Conservative amendment that was just withdrawn.

Mr. Valeriote, before I give you the floor, are you going to move this amendment?

Mr. Frank Valeriote: Yes.

The Chair: Mr. Valeriote moves that amendment, but I am going to give the ruling I was about to give if Mr. Hoback had moved his motion. This is a ruling that was given to me by the legislative clerk.

Bill C-18 provides for government liability for certain losses under Part 2 of the Canadian Wheat Board (Interim Operations) Act. The amendment seeks to amend the bill so that the government is liable for additional losses under that act. *House of Commons Procedure and Practice*, Second Edition, clearly states at pages 767 and 768:

Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation.

It's the opinion of the chair that the addition of liability for additional losses alters the terms and conditions of the royal recommendation; therefore, I rule the amendment inadmissible without the said royal recommendation.

My understanding—and I stand to be corrected here—is that this amendment simply cannot be put in the committee. If this amendment were to be put, I believe it would have to be put at report stage in the House of Commons, and a recommendation would have to be given by the government in order for it to be admissible.

Therefore, Mr. Valeriote, respectfully, I will have to rule that this amendment is out of order at this particular stage of the legislative process, so that would make it inadmissible.

Therefore, we will move on.

Hon. Wayne Easter: Can I ask a question, Mr. Chair?

The Chair: Mr. Easter.

Hon. Wayne Easter: Maybe this is for the legislative staff. The fact that this motion was ruled out of order here...if we have a motion and it's defeated here, we can't reissue it back in the House. In regard to the fact that the motion has been ruled out of order here, can we put it in the House as an amendment and try to do it there?

The Chair: Give me a moment to defer to the clerk.

It was ruled out of order here because it can't be moved here. It must be moved in the House and it requires the said royal recommendation in order to proceed. As your chair, I find no reason why this amendment could not be moved in the House of Commons should this bill pass this committee and be reported back to the House.

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

The Chair: Thank you for the question.

We're moving to an amendment proposed by the New Democratic Party. NDP-10 seeks to amend clause 14 in proposed section 25 of the proposed new act. Subclause 25(1) starts by saying: "The Governor in Council may, by order," and so on.

The motion is being proposed by Mr. Martin.

Mr. Pat Martin: I wish to move it.

The Chair: The floor is yours.

Mr. Pat Martin: Thank you, Mr. Chair.

The language we're seeking to amend is actually in section...I'm a little confused. It says it's replacing lines 1 and 2 on page 15, yet it would still be called subclause 25(1).

Can I ask if this is printed accurately? I thought we were seeking to amend...the first two lines on page 15 are subclause 25(3)....

The Chair: We need to do some version control on the two pieces of legislation.

Let's pause Mr. Martin's time until we get this consistent.

Was your version of the bill printed in your office or is it actually a bill printed by—

• (2015)

Mr. Pat Martin: It came from a kit at first reading, and it was distributed by the government.

The Chair: Let's get Mr. Martin a printed version of the bill.

Mr. Pat Martin: I think that's what they're digging up now.

The Chair: Mr. Martin, in fairness to you, because of this inconsistency, I'm going to restart your time.

Mr. Pat Martin: You are a prince of a guy. Thank you.

The Chair: Remember that.

Mr. Pat Martin: I will. It's duly noted. Thank you.

We are talking about the same clause 14, but it's subsection 25(1), under "Directions by Governor in Council". As you note, in Bill C-18 it reads, "The Governor in Council may, by order, direct the Corporation with respect to the manner which any of its operations..." etc.

The language I suggest is: "The Governor in Council may make recommendations to the Corporation with respect to the...". It may not "direct" the corporation. I guess it's self-evident what we're seeking to do. We want whatever is left of the Canadian Wheat Board, in its voluntary dual-choice capacity, to at least be independent from the direction and control of the government.

By having this language in Bill C-18, where the Governor in Council may by order direct the corporation, it might as well be a department of the government. It's not a crown corporation. It's not supposed to be a government agency or a government institution. It's not an extension of the Minister of Agriculture's office. Why should it be under the direction and control of the government?

If you people care about giving farmers choice, for God's sake let them run their own voluntary enterprise for marketing their grain, and don't have the heavy-handed state imposing their will on democratically-minded Canadian farmers.

I urge you to pass this amendment. It's a reasonable amendment. Let's face it: whose interests are we looking after here? We want to represent the people who elected us, but everything we've been doing here so far is serving the interests of the American agrifood industry, the multinational corporations that are just salivating to get their hands on this market share. It's like putting a ball and chain on the legs of the new directors if you're actually contemplating having the government dictate their affairs for them.

I'm not going to speak to this at length, but I strongly urge you to support NDP-10.

If any of my colleagues care to speak to it, they can have the rest of my time.

The Chair: Seeing nobody but Mr. Easter, we'll begin the Liberal time now.

Hon. Wayne Easter: Thanks again, Mr. Chair. This section goes to the heart of what this particular government always claimed to be against.

Let farmers run their own agency. Although the government's propaganda machine is going to talk about a dual market, there's no such thing. There's either a single-desk market or an open market. Their propaganda machine, and we've seen some of it—I believe Mr. Martin held up some of it last night—will be talking about the voluntary Wheat Board.

Well, read the section closely, Mr. Chair: “The Governor in Council”—the government, in other words—“may, by order, direct the Corporation with respect to the manner in which any of its operations”—any of its operations—“powers and duties under this Act are to be conducted, exercised or performed”.

This is not a farmers' marketing agency anymore, Mr. Chair: this is clearly the minister's little club of six. He will run it. He will direct it. The catch here is that we've heard the parliamentary secretary talk forever, almost hatefully, against the Canadian Wheat Board over the last number of years.

Their whole objective here—and I listened to Mr. Hoback earlier—is to have the Wheat Board fail, take the blame for that failure, and leave the government off the hook. Is that what this is all about?

The minister can direct them in any way, shape, or form, but when it comes to answering for what this new Canadian Wheat Board has done, who's going to answer for it? Is it going to be the minister? Of course not. It's going to be that head office in Winnipeg. In fact, I submit to you now, Mr. Chairman, that no matter what the minister directs the board to do, he will not accept responsibility at the end of the day for his direction. He'll point to Winnipeg, and he'll say “that Canadian Wheat Board”.

This is a farce, talking about letting farmers control their own destiny.... The only choice they have is, oh yes, market through the voluntary Wheat Board or market in the open market: it's the same thing. This new agency doesn't have assets. It doesn't have an elevator system. It doesn't have any authority to do hardly anything, but the minister's going to direct it.

I suggest to you, Mr. Chairman, that this is just beyond all reason, and that here we have in the act the farce that you're setting up a marketing agency for farmers, when the minister himself, with his little group of six, including him, is really going to run it, lock, stock, and barrel. The board's going to have to answer for anything that goes wrong and the minister's going to sit here in Ottawa as if he did nothing. What's it to do? Paint the Canadian Wheat Board guilty of all the things it's been accused of by the parliamentary secretary for the last years....

I submit, as I said in the House, Mr. Chair, that if there's anyone who took an oath of office and broke it, it's that parliamentary secretary over there.

• (2020)

The Chair: Thank you, Mr. Easter.

Seeing no other....

Mr. Pat Martin: Mr. Chair, the final—

The Chair: Okay, we'll go to Mr. Martin.

That's fine. You have half of the five minutes remaining, Mr. Martin.

Mr. Pat Martin: I don't think I need all that, but I did cut myself short to give others an opportunity. I want people to understand just how broad and sweeping Bill C-18 is in putting control and direction of the Wheat Board in the hands of government.

We introduced this clause by referring to the first line, but let me read the clause that I am trying to replace here: “The Governor in Council may, by order, direct the Corporation with respect to the manner in which any of its operations, powers and duties under this Act are to be conducted, exercised or performed”. That is absolute direction and control in every aspect and detail of their operations, from the rent they pay for their offices to what they pay their staff.

Earlier in the act, it even dictates that the government gets to say what the salaries of the CEO and president shall be. That's how prescriptive and absolute they want the control over this thing.

So even though they are talking about giving farmers choice, they are throttling any choice farmers might have about how to operate the shell that is left of their Canadian Wheat Board. I just hope people get a full grasp of the severity of Bill C-18 and why we feel it necessary to take these important steps to try to mitigate the impact of it and leave producers some control over their own operations.

We will also be seeking to amend the next clause. I am concerned that if this amendment is defeated we won't get a chance to talk about the second part of this proposed section. It also goes on to say: “The directors are to cause the directions to be implemented and, in so far as they act in accordance with section 16, they are not accountable for any consequences arising from the implementation of the directions”.

This is sort of giving a 007 licence-to-kill clause to the directors: as long as they're implementing what the PMO is dictating, they are somehow absolved of any normal fiduciary accountability and obligations that directors are normally subject to. So they're not directors anymore at all: they're stooges. They've turned them into five government stooges who don't even have the same liabilities that a normal director of a business or a corporation has. This is a recipe that's doomed to failure. I predict that it will be out of business in three years.

• (2025)

The Chair: Mr. Martin, your extended time is up. I will get to your point. You were worried that the next amendment wouldn't be admissible because it hinges on this one. I see no reason.... There's been no reason brought to my attention that we won't be able to discuss your next amendment, so the next amendment does not hinge on this one.

Is there anybody else who wishes to address this? I see no hands going up; therefore I will call the question. Shall amendment NDP-10, affecting proposed subsection 25(1), carry?

(Amendment negatived)

The Chair: Moving on, we have amendment NDP-11, which seeks to amend proposed subsection 25(2), which begins with the words, “The directors are to cause the directions...”.

Mr. Martin, this motion is in your name. Do you wish to move it?

Mr. Pat Martin: Yes, I do.

The Chair: The floor is yours.

Mr. Pat Martin: Well, I've made reference to it in my previous remarks, but it caused me great concern that the drafters of this legislation were directed to put language in place that would essentially cause the directors of the company, the government-appointed directors, to implement—it directs them to implement—the government's wishes and directions, and they are not accountable for any consequences arising from the implementation of those directions.

I'm confused by the choice of language. I can imagine what the intent was, but when language is ambiguous and open to where reasonable people can reasonably disagree on what they're after, you look to what the intent was of the drafters. I can only assume that the intent of the drafters, as directed by the government, was to put this safety valve in place for the directors, which makes them anything but directors.

I've been a director on an employee benefit fund, for instance, where you go through training about your fiduciary responsibilities, your liabilities, and your obligations. It's not something you go into lightly, because there are real ramifications.

Well, this seems to absolve them of any of those normal responsibilities and obligations to act in the best interests of the people you're elected—or in this case, appointed—to represent. I don't understand what the difference is between these directors and an employee of the minister. Therefore, I'm suggesting we delete that clause altogether and, by default, allow the ordinary rules of corporate governance to have primacy here, where a director would know what their role is as a director, and it's not to be the flunky of the Minister of Agriculture.

The Chair: Thank you, Mr. Martin.

Mr. Atamanenko.

Mr. Alex Atamanenko: I would just like to add that, from the beginning, when we started debating the bill and speaking out against the draconian consequences, we've talked about democracy and the fact that the government was not respecting the vote of farmers and did not even want to have a plebiscite.

Now, as we go through the bill, we see segments that in my opinion are flagrantly anti-democratic. You have directors who are making decisions to do what they want and it says they're not accountable; they don't have to accept the consequences of the decisions. Let's say you have a corporation. You have directors of a corporation. They're accountable to shareholders. We're accountable to our constituents. But here, we have people making decisions and, according to this act, they're not going to be accountable for their decisions. It seems preposterous. It doesn't make any sense.

There are threads of anti-democratic actions throughout this bill. This is a clear indication of one of them.

The Chair: Thank you, Mr. Atamanenko.

Mr. Easter.

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

Again, I think the Canadian public and the farm community should interpret these words for what they are. This section in this bill is atrocious for a government that said it was going to allow farmers to determine their own destiny and run their own industry.

The directors—and let's be specific here—are “to cause the directions to be implemented”. In other words, the minister gives an order and they have to ensure it's done, for pretty well whatever the order may be.

Mr. Hoback may say this is only an interim agency. Well, this is a \$5.6-billion corporation at the moment. It's responsible for the movement and sale of the grain of thousands of farmers. We could have this system in place for four years or more and the directors will have to implement every little whim that this minister has—and he has a lot.

Then, to make it even worse, the act says the directors “are not accountable for any consequences arising from the implementation of the directions”. The minister gives an order and the directors have to carry it out, but the directors don't have to be accountable for any of the consequences of that direction.

Mr. Chair, is this Canada we're living in? It makes you wonder. For a government that has talked about its express desire to allow farmers to run their own agency.... Farmers aren't running that agency, folks.

How can the backbenchers who have farmers in their communities allow such dictatorial legislation to pass? Can nobody stand up over there?

Is there not one member on that other side who can stand up and challenge the dictatorial aspect of this piece of legislation that first took the farmers' votes away, that made them voiceless, and that now, in this new volunteer Canadian Wheat Board...? It's completely voiceless. It's run by a collection of six under express orders that come out of the minister's office through the Governor in Council. My God, you should be ashamed of yourselves.

That's all I have to say, Mr. Chair.

●(2030)

The Chair: Thank you, Mr. Easter.

Mr. Allen, the New Democrats have approximately a minute and a half left.

Mr. Malcolm Allen: Thank you very much.

Mr. Chair, it has been said, but... The direction is coming from the Governor in Council. We understand who that is. So why do you have a board of directors? Why don't you just amend it to get rid of the five directors of the board and have someone who we'll simply call “the superintendent”? The Governor in Council can instruct the superintendent to carry out the specific orders and have it done. Just have a direct chain of command that says: you work for me, here are the directions, push them through.

To put up this quasi-board of directors that sort of has some semi-autonomy, or at least pretends to have semi-autonomy, but to then simply have the Governor in Council say “thou shalt go do”, and if you don't, we'll remove you, to say, “Well, you're responsible to the folks who voluntarily joined the organization and to look after them, but if you disagree with the Governor in Council, you'll be removed”....

You've asked folks to join and you've told them they'll be subject to someone else they can't get rid of—the five directors—which become the buffer. Why not make it a real buffer? Just make it an employee. Just say that a superintendent makes the direction and get rid of the five directors that aren't elected. Cut down on the cost. Hire one person and say: “Here are the orders. Take the orders and implement them.”

Be done with it. Streamline the operation. Cut down on the number of meetings. You would actually be telling Canadians what you're going to do anyway and make it plain.

The Chair: Mr. Allen, your time has expired.

Mr. Malcolm Allen: Thank you, Mr. Chair.

Mr. Frank Valeriote: Is there more time, Mr. Chair?

The Chair: There is.

Hon. Wayne Easter: Four and a half minutes.

The Chair: No. Less than two—

Mr. Frank Valeriote: It has occurred to me, in listening to the conversation, how draconian this proposed section 25 is that Mr. Martin and the NDP are trying to deal with.

The current board was and is working on behalf of producers. It's our proposition that in fact the intent of the legislation is to place producers at the whim of large agribusiness, the railway companies, and all the others who are salivating over the profits they're about to take from producers.

This proposed section would actually allow the minister—if he doesn't like the fact that the new or interim Canada wheat board is successful—to give direction to shut it down. That is the latitude given to the minister in this instance, and that ought not to be the case. The minister, whoever it might be, ought not to have that kind of latitude. That's why we'll be supporting these particular amendments.

● (2035)

The Chair: Thank you.

Is there anyone else who wishes to speak to this amendment?

I see no hands, therefore I will call the question: shall amendment NDP-11 carry?

(Amendment negated)

The Chair: Moving along, the next amendment proposed for this bill is amendment LIB-4, which affects proposed section 27 of the bill in clause 14. That begins with this sentence: “In this Part, ‘pool period’ means any period or periods...”.

Mr. Valeriote, do you wish to move your amendment?

Mr. Frank Valeriote: Yes, I do.

The Chair: The floor is yours.

Mr. Frank Valeriote: Essentially, the amendment would cause proposed section 27 to read:

In this Part, “pool period” means any period or periods that the Corporation may set as a pool period in respect of grain.

Essentially, it is really about latitude. It's about flexibility. I won't belabour the point except to say that in this newly competitive environment in which the Wheat Board will find itself, we believe, given that it will now, upon the passage of this bill, lack any physical grain handling assets or such, the interim board will in fact require some flexibility in its ability to offer pools that get the full benefit of initial payment guarantee.

We're hoping that the merit of that flexibility will be seen by the government. It's not intended to undermine the minister's discretion given by proposed section 25, not all. In fact, that minister's discretion given in proposed section 25 could cause the directors to indeed have to comply with the particular words that I'm suggesting be removed, but it enables the minister and the board, under particular circumstances and if there is a need, to extend the pool period beyond a year if necessary.

So I'm urging the government to consider that in this circumstance that kind of flexibility may actually be helpful. If you think it's not helpful, I'd like to hear why from anyone on the other side who thinks that kind of flexibility shouldn't be given to the minister, to the directors, and to the Wheat Board under this new environment.

The Chair: Thank you, Mr. Valeriote.

Mr. Anderson.

Mr. David Anderson: Well, I'm going to ask Mr. Valeriote a question, but then I would like to talk to Mr. Meredith about this section.

Mr. Valeriote, can you give us a reason why we need to exceed one year in the aggregate for the pool? Could you explain that to me?

Mr. Frank Valeriote: I can't anticipate an actual circumstance at this point, but I don't know why one would handcuff a new corporation, handcuff a new board, and even handcuff the minister should they decide in their interests to extend it beyond one year.

Mr. David Anderson: There's obviously no reason why it needs to be. Typically, the pools operate as year pools or six-month pools. The legislation allows the Wheat Board to set those up in whatever structure they want.

I'm just wondering if Mr. Meredith can fill us in. Does the present wording give the flexibility the board is going to need to establish the pools that it will likely need for the grains it's dealing with?

● (2040)

Mr. Greg Meredith: I think it's fair to say that the board does tend to work within these constraints already. I do think that the wording provided here gives the board more latitude.

The Chair: This is still your time, Mr. Anderson. Are you done?

Mr. David Anderson: No, I'm done. I think our wording is adequate from what I know of how the pools have operated over the years. I've been a part of that for most of my life, so I think this is typically the way farmers will expect it to operate.

The Chair: Thank you.

Mr. Easter, there is some time left.

Hon. Wayne Easter: Do you see, Mr. Meredith, any risk either to government backing or to the pool account by extending it as we suggest in this amendment? I hear what Mr. Anderson is saying, and that is typically the way, but this does give, as you said, Mr. Meredith, a little more latitude, a little more flexibility? Do you see any risk on the other side of assuring that this latitude is there?

Mr. Paul Martin (Director General, Policy Development and Analysis Directorate, Agriculture and Agri-Food Canada): The flexibility that CWB staff have mentioned to us in discussing this section is the possibility of running a number of concurrent pools, which in aggregate might add up to more than a year. I think our reading of these words is that it would be allowed because what you're talking about is the definition of "pool period".

As for the question of whether a multi-year pool is a greater risk for the initial payment guarantee than a shorter pool, that's something with which we don't have a lot of experience, so I'm not going to try to offer a factual answer to that.

Hon. Wayne Easter: If there's not a down side and it applies some latitude that the board believes it needs—and it has had extensive experience in this area already—then I can't see why it wouldn't be supportable by the government, Mr. Chair.

The Chair: Thank you.

However, that's the decision of the committee.

Mr. Dreeshen.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you.

I have just a quick comment. When you have a one-year pool, for the length of time the farmers are going to end up waiting for their money, I think that's something significant. So certainly the length of time that we have here would seem to make it work out properly.

The Chair: Mr. Storseth.

Mr. Brian Storseth (Westlock—St. Paul, CPC): I would just like to point out that Mr. Easter is putting words into Mr. Martin's mouth. That is not what he said.

Also, I did not hear any of the directors of the board who were here state that this is what they needed—not one. We had pro-choice and pro-board guys here and not one of them stated that this is a fact. Unless Mr. Easter can enlighten me on that, I've not heard the board say that.

The Chair: Okay, I appreciate the arguments that have been made. The decision rests with the committee, but thank you to our guests here for your answers.

Shall the amendment carry? All those—

Mr. Frank Valeriote: Can we have a recorded vote on this, Mr. Chair. ?

The Chair: Certainly.

Mr. Lafleur, would you please call the recorded vote?

(Amendment negated [See *Minutes of Proceedings*])

The Chair: Moving on to the next proposed amendment, from the Conservatives, amendment CPC-3, it applies to proposed section 28 of the new bill, which is part of clause 14. It seeks to affect proposed paragraph 28(2)(a).

Mr. Hoback, do you wish to table this amendment?

• (2045)

Mr. Randy Hoback: Yes, Mr. Chair. I will table this amendment.

The Chair: The floor is yours.

Mr. Randy Hoback: The intent here is just to put the new entity in the same field as everybody else so that it has the ability to go and undertake on-farm buying on a pooled basis. I think that's something the new entity will need in order to move forward. It puts them on the same level playing field as everybody else that the farmers will have an option to sell to. It's a fairly simple amendment.

The Chair: Thank you, Mr. Hoback.

Again, Mr. Valeriote, this is the identical motion that has been moved, and it's simply done in the order in which it was received.

Is there anybody else who wishes to speak to this?

Mr. Easter.

Hon. Wayne Easter: Yes, I just have a question that you can rule out of order, if you like, Mr. Chair. I'm just not sure where to put this in. My question is really to the witnesses.

The crop year ends on July 31. The current board, with its elected and appointed directors, has been operating during this crop year. The act, on the other hand, is firing those directors in mid-term, likely as soon as this act gets royal assent. Therefore, three-quarters or halfway through the year, the board of elected directors as it currently exists is gone, yet the numbers for the year on their success or non-success will come out sometime in the future.

Are there any implications or liability or whatever for those current directors after they're fired because of what happens during the rest of the crop year when the five that remain will still be in place?

This seems atrocious to me. If the government was being fair instead of ideological, I think they would leave the current board in place until the end of the crop year and let it finish its work in good faith. But that's not what is happening. Are there any implications for the current elected farmer-directors when they're fired and the rest of the crop year remains?

Mr. Greg Meredith: If I may just add a clarification to the member's question, the elected directors are not fired. They are just not part of the new voluntary board, and there is no liability for the remainder of the pool.

Just so members are clear, the powers of the board that exist under the single desk stay in place for this crop year. There's a provision in the interim act under proposed section 46 that allows the board to continue with those single-desk powers for three months after the end of the crop year so that any grain from the 2011-12 crop year that's still in the system has a chance to be marketed.

We've tried to give the new board the tools they need to carry out this crop year effectively—and there would be no liability for existing elected directors.

• (2050)

Hon. Wayne Easter: Are there any implications for current moneys in the system, such as the contingency fund?

Mr. Greg Meredith: No. Under the interim act, the potential uses of the contingency fund are broadened. But the government guarantee of the pooling of initial payments continues, and the government guarantee of the approved borrowing plan of the corporation continues.

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

The Chair: Thank you, Mr. Easter. You had a few seconds left, but I think we are at a point where we're ready to take a decision here. Shall amendment CPC-3 carry? All in favour? All opposed?

(Amendment agreed to)

The Chair: No one was opposed: look at that.

Given the fact that the amendments were identical, amendment LIB-5 now becomes redundant, so we will not address it.

Amendment NDP-12 seeks to affect proposed subsection 42(1) of the new act, as proposed in clause 14.

Mr. Martin, do you wish to move your amendment? The floor is yours.

Mr. Pat Martin: Thank you, Mr. Chairman.

Again, Bill C-18 seems to increase the arbitrary power of the minister as one of its main objectives and purposes, and we're seeking to retain at least the power of the farmers and producers to control their own destiny with the marketing vehicle they choose to participate in, even in the dual-system voluntary regime that's being put into effect.

Proposed subsection 42(1) says, "In exercising its powers and performing its duties, the Corporation must give effect to the provisions of the Agreement that pertain to the Corporation...", with the "Agreement" being the North American Free Trade Agreement.

In the interests of our own economic sovereignty and the dignity and the democratic rights of farm producers, we're suggesting the language be changed to say that "the Corporation may, if so directed by a plebiscite of its producers, give effect to the provisions of the Agreement that pertain to that Corporation".

I think this particular amendment has never been more timely or pertinent given the American attitude, our NAFTA partner's attitude, with their Buy American policy and what we anticipate is going to be a slamming shut of the border. You just wait until some of this Canadian grain starts flowing into the United States to see how well that's going to be greeted by senators of the American states bordering Canada, as grain truck after grain truck goes down to these milling facilities. There will be serious countervailing measures, we predict.

They've hated the Canadian Wheat Board already for generations. They considered it an unfair competitive advantage, but that's the operative word: they acknowledge that it has been an "advantage", so much so that 13 times they've gone to the GATT and the WTO and filed complaints against the Wheat Board.

Now that they contemplate the language in Bill C-18, which suggests that the corporation "must give effect to the provisions of the Agreement that pertain to the Corporation", the real impetus for Bill C-18 is revealed: to hand over the competitive trade advantage

of the Canadian Wheat Board to the American agrifood industry without even getting anything in trade.

It's the largest single trade concession in recent history, in living memory, and, without even getting anything back, we're giving up our trade advantage. At the very least, we should get up off our knees, stand on our hind legs, and declare that if the farmer producers agree with these provisions, then they "may" give effect to those provisions—not that they "must" or "shall".

I've negotiated about a hundred collective agreements and I know the difference between "may" and "shall". We want language that favours, to the best extent possible, the rights and the economic sovereignty of Canadians, not something that unilaterally forfeits our economic sovereignty and the trade advantage that we enjoy—or have enjoyed until this sorry night with the Canadian Wheat Board.

It reminds me of the softwood lumber agreement. I used that analogy that nobody liked about beavers and their genitalia, but Margaret Atwood was absolutely right. For some reason, every time we have an advantage and we're backed into a corner, we immediately chicken out and offer up to our tormentors that which is most advantageous and useful to us—in this case, the trade advantage that we enjoy with the Canadian Wheat Board.

So give us a break. We're on a roll here. The last amendment passed. We could end this night with a whole series of amendments passing with a little bit of flexibility, a little bit of pride. Where's our national pride? I'm a fiercely proud Canadian nationalist, and I don't like unilaterally forfeiting what I consider to be our economic sovereignty.

●(2055)

The Chair: Thank you, Mr. Martin.

Is there anybody else...?

The NDP's time has expired, Mr. Atamanenko. I'm sorry.

Mr. Easter.

Hon. Wayne Easter: Mr. Chair, I have one question for the witnesses. I would say that I certainly agree with Mr. Martin on the fact that the champagne corks will be popping south of the border. We've seen all kinds of statements from the U.S. wheat growers association and others about how happy they are with the government because it's doing away with single-desk selling under the Canadian Wheat Board.

The Canadian Wheat Board has given farmers an advantage the Americans wish they had.

This minister is serving up the Canadian Wheat Board on a silver platter to the Americans. We have to ask who the minister is really working for. It's obviously not Canadian grain producers, because we're giving our advantage away. It has been challenged 14 times by the U.S., and we've won every single time.

Mr. Martin is absolutely right. We're giving it up and we're not even getting anything in return. For those who think you will just be able to hop in your truck and drive across the border to deliver your grain over that 49th parallel, I think.... Howard Midgie is here and I think he could tell you that you're just not going to be able to drive down in a fleet of trucks and happily smile and dump your grain. There will be some serious push-back from the Americans.

My question to the witnesses is on this particular may/shall business. If that wording was changed to "may", would it really make any difference to this particular section of the agreement? It is related to the North American Free Trade Agreement. We've basically already given away our rights under that agreement, as I see it.

I guess the other point, talking about giving away our rights, is that once the Canadian Wheat Board is gone, there are some who think we'll be able to get it back with a future government down the road. That's not possible under the various trade agreements. Once it's gone, it's gone forever. This is an historic piece of legislation that I think could be called the sellout of Canadian farmers into the future. There is no way to re-implement it, as I understand it, under international trade law.

Mr. Ryan Rempel: I could make a few comments on this section. Using "may" or "shall" does make a difference. The use of "shall", as has been said, would obligate the corporation to abide by the relevant provisions of NAFTA. If it's changed to "may", it's merely optional for the corporation to abide by those provisions. In fact, in a sense, it's equivalent to not having this provision at all, because the corporation could voluntarily abide by those provisions if it wanted to.

The other thing I should point out is that the similar provision—or in fact the identical one—is in the act now, and there is a similar series of provisions in the Financial Administration Act that apply to crown corporations.

• (2100)

The Chair: Thank you very much.

We'll go to Mr. Merrifield.

Hon. Rob Merrifield (Yellowhead, CPC): It's interesting listening to the opposition on this. They seem to think that we're giving something up. In reality, what you really need to do is look at what farmers are telling us and at what farmers are doing.

When farmers, out of frustration, had no choice but to try to make a point on this and try to get the best price they could for their product, they tried to move their product across the 49th parallel into the U.S. market. They didn't get push-back from the U.S.; they got push-back from the Liberal government. In fact, they put them in prison, in jail, for that protest.

Hon. Wayne Easter: [*Inaudible—Editor*]...broke that—

Hon. Rob Merrifield: That's where they got the push-back.

Mr. Martin was suggesting that we're giving something up because he feels that it's going to compromise the price and that the wheat pool monopoly has created such a great marketing price advantage for farmers. I have yet to see an American truck storm the

49th parallel to come north to try to capitalize on the Wheat Board price. It has always been the other way around.

Farmers are speaking with their actions on this. That's why they're going to other products rather than wheat and barley, and that's why they're trying to move their products south rather than north. I'll just leave it at that, because that speaks volumes for this clause.

The Chair: Given that we've all had an opportunity to speak to this I'll simply call the question. Shall the amendment carry?

(Amendment negated)

The Chair: The amendment is defeated. This brings us back to the main clause. There are no more amendments dealing with clause 14. Therefore, I will put the question to the committee—

Hon. Wayne Easter: Excuse me, Mr. Chair, you said we would have an opportunity—

The Chair: Yes, I did.

Go ahead, Mr. Easter.

Hon. Wayne Easter: I have a question for the officials.

This section, in part or in whole, as I've said several times, really takes the democratic control over the Canadian Wheat Board out of producer hands and puts it basically into the hands of the minister's office. No doubt you folks will have some say in that as well. This is a new concept. I don't even believe the original Canadian Wheat Board, with the three commissioners, had perhaps as much control from the minister's office placed on it as this particular one does.

I'm wondering if the officials here could name any other federal organization that has a board of directors structured as it is here. Also, could you tell me what model was used within the department to come to this new structure of a board of directors that is non-accountable to the farmers, the very people who they're supposed to be doing business for, that is completely dictated and controlled by big government in Ottawa? Is there any other model out there that you're following? How did you come to this particular conclusion?

Mr. Greg Meredith: Just to reference back, the purpose of the new voluntary board would be to work for the benefit of producers who use the new board.

I'm making assumptions that may be wrong, Mr. Chair, but I think the member is referring to provisions such as proposed section 25. I would just remind members that this section is virtually identical to what's in the current act. So you could say that if there were models it would be the current act, and there are very similar models in the Financial Administration Act with respect to crown corporations that have similarly constituted boards.

• (2105)

Hon. Wayne Easter: That's one of the problems with the current act; we've had experience under the current act, Mr. Meredith. That is where the minister placed a gag order on the board of directors and fired the CEO without cause, and there were quite a number of other pressure tactics that they used against the board. That is one of the reasons why we feel so strongly. We've already had experience with this minister and the previous minister. That was used to the elected board's disadvantage, so that is one of our concerns.

I come back again to my original question. Is there any other marketing institution or marketing agency in this country that is based on this model of a board of directors that is unaccountable to the very people who they're supposed to be serving?

Mr. Greg Meredith: To be frank, Mr. Chair, we would have to get back to the committee to answer precisely.

The Chair: Mr. Easter, I appreciate the point you're trying to make with your question. I don't think it's within the scope of this particular legislation.

If there is no other discussion on this clause, then I will put it to the committee: shall clause 14 carry as amended?

(Clause 14 as amended agreed to)

The Chair: I declare clause 14 as amended carried.

Colleagues, before we proceed, we've been seated here for quite some time. I propose that we suspend for five minutes for a health break before we accidentally whiz through the rest of the bill.

• (2105) _____ (Pause) _____

• (2115)

The Chair: Let's resume the meeting. I have a feeling that the sooner we get started, it will reflect proportionally the time that we can be finished.

Colleagues, given the fact that we're proceeding I think quite amicably, I am looking at our paper here, and clauses 15 through 41 seem to be uncontentious, because there are no proposed amendments for any of those clauses. With your consensus, I would ask that we vote on all of these clauses at once.

Shall clauses 15 through 41 carry?

(Clauses 15 to 41 inclusive agreed to)

(On clause 42—*Submission to Minister*)

The Chair: Those clauses are carried. Moving on to clause 42, we have three proposed amendments. They're all Liberal amendments: LIB-6, -7, and -8.

Is everybody at the appropriate stage in the act?

Mr. Valeriote, these are your amendments. Do you wish to move amendment LIB-6?

Mr. Frank Valeriote: Yes, I do, Mr. Chair.

The Chair: The floor is yours, sir.

Mr. Frank Valeriote: Mr. Chair, just for the sake of ease of discussion and understanding, when I speak I'm really speaking of all of the next three amendments. While I know I'll have to move them later, I nevertheless will speak to all three because they are all connected to one another.

It has to do with the need for the corporation, before four years has transpired, to submit an application for continuance under one of the three pieces of legislation described in paragraphs 42(a), (b), and (c), either the Canada Business Corporations Act, the Canada Cooperatives Act, or the Canada Not-for-profit Corporations Act.

The effect of all three motions would essentially be to remove the requirement to submit the application first to the minister for his approval.

I said this yesterday, although I have yet to receive a satisfactory answer, that this really is—and I'm not trying to be inflammatory here—just a continuance of the minister's insatiable urge and need for control for no good reason in this instance.

Any group of farmers can come together and form a corporation under any one of these three referred to pieces of legislation. You file the necessary documents. Typically they are articles of incorporation.

You yourself explained that the Canadian Wheat Board is not discontinuing; it's continuing in a new form. Well, it will be continuing beyond that, through what we're calling continuance, under one of these three pieces of legislation, but it would nevertheless have to comply with the requirements of one of those three pieces of legislation.

Ultimately, the people who decide that are not the minister or the Governor in Council, but the bureaucrats who are there to look at any documents submitted to them in the normal course of business for incorporation under any of those three pieces of legislation.

By then, the CWB will have to make this application or it will cease to exist within a year after that. After that point in time, after they become a new corporation, there will be no more guarantees by the government. There will be no association, really, with the government, no association whatsoever. That means there will be no liability or exposure for the government, essentially, and that means there will be no taxpayers' money at risk.

While I know that you've probably come into this meeting tonight with the understanding that there will be no concessions whatsoever—and I don't mean that to be inflammatory, I understand how this works—I would think that at the very least you would enable this corporation, since it is about to be birthed into a private corporation...give it the dignity of having that opportunity not controlled by the minister but under its own control, so that it can file its articles under any of those three pieces of legislation and continue, should they choose to do so.

It really is that simple, gentlemen. It's that simple. It is something that you would want if any two or more of you decided to come together and continue as a cooperative under any of those three pieces of legislation.

• (2120)

In fact, we speak of freedom—you speak of freedom, you shout freedom when you talk about this bill—and yet there is no freedom throughout the course of the four years for the farmers, except to engage the board or not engage the board. But there's no freedom for those who have engaged the Canadian Wheat Board because it will be the minister—

The Chair: Mr. Valeriote, your five minutes have expired. If you want to finish your thought quickly, go ahead.

Mr. Frank Valeriote: I'm asking you to give this board the freedom to proceed and continue under the new legislation without permission by the minister.

The Chair: Mr. Valeriote, given that we're back on the... We're out of clause 14. I look at the proposed amendments. You spoke to all three of these amendments at once because you had to under the circumstances of the five minutes given for this clause.

I will ask you what your personal wish is. The committee could vote on each of these individually, or we could vote on all three and have the vote apply to all three at once. Given they're all your amendments. I will—

Mr. Frank Valeriote: I'm happy to vote on each one individually.

The Chair: Individually, okay, but the Liberal time—

Mr. Frank Valeriote: I'd like a response from the government. I would like a response from the government or from Mr. Rempel, who is the lawyer here, to tell me if I'm wrong.

The Chair: Mr. Anderson is going to have time.

Your time has expired.

But I will allow a brief response, Mr. Rempel, if you choose to do so. Is there anything there in Mr. Valeriote's testimony that you saw as a question to which you would like to respond? Is there anything...?

Mr. Meredith?

Mr. Greg Meredith: Yes.

The purpose of having ministerial oversight is because taxpayers' dollars are at stake. At the beginning of the fourth year, you can imagine a situation, however unlikely, where government guarantees have been invoked for borrowing purposes, including for purchases of real property, with taxpayers' money backing up those borrowings. If the corporation were to go private, the taxpayers would be on the hook for those moneys.

This is simply an insurance policy so that the privatization model doesn't put taxpayers' funds at risk.

The Chair: Mr. Anderson.

Mr. David Anderson: I think Mr. Meredith said it all. It's the point that we've tried to make with Mr. Valeriote for the last couple of days but he still doesn't seem to accept or understand.

The Chair: Very good.

Given the fact that the Liberal time has expired on this and I don't see anybody else prepared to speak to it—

A voice: Can we have a recorded vote?

The Chair: We can have a recorded vote.

I'm going to call the question on amendment LIB-6: shall the amendment carry?

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

The Chair: The amendment is defeated.

I will now do the same for amendment LIB-7.

• (2125)

Mr. Frank Valeriote: Could I have five minutes?

The Chair: You've had your five minutes on clause 42, Mr. Valeriote.

Mr. Frank Valeriote: Oh, it's not broken down into three separate...? Okay. Thank you.

The Chair: No, that's why I was asking you how you wanted to proceed on the voting on this.

Mr. Frank Valeriote: That's fine.

The Chair: On amendment number 7, all those in favour—

Mr. Frank Valeriote: Sorry? Amendment number 7...?

The Chair: Yes, I'm talking about amendment LIB-7. Do you want a recorded vote on that as well?

Mr. Frank Valeriote: Yes, I do, but you have told me I have no more time to speak. Is that correct?

The Chair: Well, you can ask for a recorded vote. I think that's—

Mr. Frank Valeriote: I'm asking for a recorded vote.

The Chair: Okay.

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

The Chair: I declare the amendment defeated.

I will do the same for amendment LIB-8.

Mr. Frank Valeriote: I would like a recorded vote again, Mr. Chair.

The Chair: Okay, Mr. Valeriote.

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

The Chair: I declare the amendment defeated.

Colleagues, moving on, shall clause 42 carry?

Some hon. members: Agreed.

An hon. member: On division.

(Clause 42 agreed to on division)

The Chair: Colleagues, clauses 43, 44 and 45 appear to be non-contentious insofar as there are no amendments. I suggest that we vote on those three as a block. All those in favour of adopting clauses 43, 44, and 45.

(Clauses 43 to 45 inclusive agreed to [See *Minutes of Proceedings*])

(On clause 46—*Application of Part*)

The Chair: Clause 46 has a proposed amendment in the name of Mr. Martin.

Mr. Martin, do you wish to move your amendment?

Mr. Pat Martin: I would like to move my amendment.

The Chair: The floor is yours.

Mr. Pat Martin: Mr. Chair, I'm seeking to introduce into clause 46 on the dissolution of the Canadian Wheat Board the notion that such a significant thing should take place only on the condition of a plebiscite to be ratified by the producers themselves. I believe that this is a vestige of a great Canadian institution that should be preserved and incorporated into whatever the new incarnation of the model is going to be.

The notion is that farmers should be running the Wheat Board and directing it, instead of appointed directors, and that it should be up to them, if and when they see fit, to dissolve the new incarnation. I don't think this should even be a matter of debate.

The Conservatives have pushed forward these changes. In their haste, they have run roughshod over everything that's good and decent about parliamentary democracy. Even they, in their haste, should be able to see the value in leaving the future of the Wheat Board in the hands of the producers who will live and die by it or stand by it.

It's a shame, I think, that we have to argue this aggressively over what should be a fundamental principle of democratic justice. This is an agency of civil society. This is not an arm of the government. It was never intended to be. It was put in place to protect prairie farmers from being gouged and exploited by the robber barons in the grain companies and the robber barons in the railway industry.

My friend Ryan Rempel is from Winnipeg and he knows that in Winnipeg every mansion on Wellington Crescent was built by the robber barons—the grain barons and the railway robber barons. David has heard me tell this story before, but believe me, we are well aware of why they formed the Wheat Board in the prairie region. We are well aware of its merits, and we are very proud that it's a great Canadian institution.

It worries me and it concerns me that the Conservatives' hidden agenda that we all talked about has finally started to materialize. Now that they have their majority, these great Canadian institutions will start to topple one by one. You watch: it'll be the CBC next. Or maybe it'll be the dairy marketing board in the province of Quebec. They have these things in their crosshairs as they try to recreate Canada in the image of the United States.

If Ronald Reagan were here, he'd be singing *When Irish Eyes Are Smiling* with the current Prime Minister. They'd be doing a little tap dance on the grave of the Canadian Wheat Board.

I urge my colleagues to throw us a bone here: this is a pretty minor amendment. If and when the Wheat Board decides to dissolve, what do you guys care if it's by plebiscite of the producers instead of by dictate of the minister?

● (2130)

The Chair: Thank you, Mr. Martin.

Mr. Allen, there's a minute left.

Mr. Malcolm Allen: Thank you, Mr. Chair.

This goes back again to a voluntary association.... It's interesting that when part 4 talks about the dissolution it talks about a period of five years. I know that this government has continually said that there's a transition period, and there are five years, so don't worry.

Well, it says here “within five years, or any shorter period specified by the Governor in Council”, so the five years isn't an exact piece. It's a maybe. There's no definitive “you get five years to figure this out”. If the Governor in Council decides it should be a shorter period, it'll be a shorter period. So it won't be five years.

So what we're saying here is that your obligations to the taxpayers are fulfilled; that's rightfully so. Mr. Meredith talked about the

protection of taxpayers' money, so that's protected. The only entity that would be left after you took back the money owed to taxpayers—correctly so—would be the corporation in name, that's all, with no assets, just simply the Canadian Wheat Board. Really, all this amendment does is say to let them dissolve it if they choose to, because there isn't an entity there other than an incorporated name—

The Chair: Thank you, Mr. Allen. The five minutes for your party have expired.

Is there anybody else who wishes to speak to this amendment?

Mr. Easter.

Hon. Wayne Easter: Just quickly, Mr. Chair, I think the amendment makes a lot of sense. Mr. Martin's argument is that there's no assurance from government that this will go for the full term. I believe that if you go back and look at the transcript of what the minister said last night, he would like to see this done as quickly as within a year, so there's really no assurance that this corporation will be in place, with the government guarantees and all that matters, for any given length of time. That is worrisome.

It's another situation where the government members will likely vote against this amendment because it puts control back in producers' hands, and it seems to be something that Conservative members don't see eye to eye with. They do not want producers to be in control of their own marketing institutions in this country—bottom line.

The Chair: Thank you, Mr. Easter.

Are there other interventions? Seeing none, I will call the question: shall the amendment carry? All those in favour? All those opposed?

(Amendment negated)

The Chair: I declare the amendment defeated. Moving on, shall clause 46 carry?

Mr. Frank Valeriote: Can we have a recorded vote?

(Clause 46 agreed to [See *Minutes of Proceedings*])

● (2135)

The Chair: Clause 46 is carried. Moving on to clauses 47 through 64, they do not appear to be contentious, as there are no amendments provided, so with your consent—

Mr. Martin?

Mr. Pat Martin: Is that accurate? Our final amendment in fact amends clause 64 by adding clause 64.1.

The Chair: I will recognize that amendment because it adds a new clause after clause 64.

Mr. Pat Martin: Fair enough. It's still numbered clause 64, so I was—

The Chair: Okay. That's a fair question, sir.

Notwithstanding the fact that we will deal with the amendment creating a new clause 64.1—

Mr. Frank Valeriote: Can we have a recorded vote again, sir?

The Chair: If we were to have a recorded vote we would have to

Mr. Frank Valeriote: We could do it en masse.

The Chair: Would you like a recorded vote en masse for each and every one of them?

Mr. Frank Valeriote: No. You said all of them.

The Chair: Okay. That's fine. For clauses 47 through 64, this is a recorded vote.

(Clauses 47 to 64 inclusive agreed to [See *Minutes of Proceedings*])

The Chair: We have a proposed new clause 64.1 through amendment NDP-14.

Mr. Martin, do you wish to move your amendment?

Mr. Pat Martin: I'd like to move my amendment.

The Chair: The floor is yours, sir.

Mr. Pat Martin: This is fairly standard boilerplate language to introduce a mandatory review at the two-year anniversary and subsequently every five years thereafter. That's the way this is phrased. It's normal, but it's necessary in our view given that this is being downplayed by the Conservatives.

Those of us on the opposition benches recognize that these reforms to the Canadian Wheat Board, which we believe are going to destroy the Canadian Wheat Board, are sweeping major radical changes to the economy of the prairie region. This shouldn't be entered into lightly. It should have been given more than two days of testimony by witnesses. We should have been given more than one day for us to prepare the amendments for the clause-by-clause treatment of this bill.

Surely the government owes the Canadian farm economy and community the mandatory two-year review and a report to Parliament of the findings of that review, so that we can track and monitor in an official way, not only through the standard instruments as they exist, but to track it and respond to the impact. Especially in the absence of any meaningful impact study, it would be irresponsible not to legislate a mandatory review at the two-year and five-year anniversaries.

The amendment also goes on to say that "the Minister must have a report on the review laid before each House of Parliament on any of the first 30 days on which it is sitting after the report is completed". Again, this is standard boilerplate language that any veteran MP would recognize in many different pieces of legislation.

• (2140)

The Chair: Thank you, Mr. Martin.

There are about two and a half minutes of NDP time left.

Mr. Atamanenko.

Mr. Alex Atamanenko: I would like to reinforce what Pat said. If the government is so sure of what it's doing, then surely it will support our amendment to have a review. We're saying that there should have been an analysis. There hasn't been. If the members opposite are sure, then let them support this amendment and add to the act so we can have a review. It's as simple as that.

The Chair: Mr. Allen.

Mr. Malcolm Allen: Thank you, Mr. Chair.

The government would only actually have to do two reports. I know the amendment talks about more, and we would hope you would do more, but your expectation is that the corporation will be on its way in a private way within five years—or within five years it doesn't exist. So the government would only have to do one at the two-year anniversary. If the corporation, by the minister's own hand, says "on your way" at year four, the government will not actually have to do two.

At the very most, the government is only going to have to do two reviews done by the minister and reported to the House. That's it. That's all it has to do, no more than that. The government's own legislation says it's on its way anyway. It's not going to be around in perpetuity, because that's what is decided in the legislation itself.

So the cost factor is two reports. I'm sure my colleagues over there are saying they have to watch the taxpayers' dollars. Well, they'll have to do two reports. That's basically all they'll end up doing.

As my colleagues have pointed out, it's normal for the House to understand, when legislation has an impact, what that impact is, normal to report it back to the House so the House can understand what happened.

If the impact is as great as the government says it will be, surely it would actually want to make that report and that review, to give it back and say that everything is wonderful, that the government told everyone it would be wonderful, and it is, and here's a report to prove it's wonderful. It would actually support the government's own belief that it's actually a wonderful thing.

The Chair: Is there anybody else who would like to speak to this proposed amendment?

Mr. Zimmer.

Mr. Bob Zimmer (Prince George—Peace River, CPC): Mr. Chair, I would like to know if it's the intent to have only two reports. Or is it to report back in perpetuity. Can you clarify?

The Chair: The New Democratic Party is out of time to respond. If I have the consent of the committee, I would grant a brief answer from the sponsor of the motion.

Mr. Pat Martin: As I read it—and we can let the technical people respond as well—it says, "Two years after the coming into force of this section and subsequently every five years...".

As Mr. Allen says, in all likelihood the second report would never have to take place because the Wheat Board as we know it would cease to exist.

The Chair: Thank you, Mr. Martin.

Actually that used up your time, Mr. Zimmer, but keep going.

Mr. Bob Zimmer: I'd also like to ask the witnesses to answer the same question, please.

Mr. Greg Meredith: The way I would read it, it would be in perpetuity if the organization continued to exist. I think the interpretation that there would be two reports is probably accurate.

Mr. Ryan Rempel: Technically, the way it's drafted, it would survive, but subsequent reports may be pro forma, may be very minimal, I expect.

The Chair: Thank you.

Mr. Valeriote from the Liberal Party.

Mr. Frank Valeriote: Could I offer a friendly amendment?

The Chair: I'm not sure that follows the normal rules, but I will let you entertain Mr. Martin....

Mr. Frank Valeriote: I would recommend that clause 64.1(1), which is the proposed amendment by Mr. Martin, read that, two years after the coming into force of this Act, prior to any application made pursuant to subsection 42(1), and upon such application being made, no such reporting requirements shall be further required.

The Chair: Just for my own edification, the clause you're referring to would be the clause that would propose to wind down the organization. Is that correct?

Mr. Frank Valeriote: It's the clause that would propose continuance under one of the three pieces of legislation, the Canada Business Corporations Act, the Canada Cooperatives Act, or the Canada Not-for-profit Corporations Act, the clauses to which I referred to earlier.

• (2145)

The Chair: Could you just pause for one second, please?

I'm going to confer with the clerk to make sure the proposed amendment is in order.

Would you mind reading it one more time as you've already stated? Take your time.

Mr. Frank Valeriote: If I'm looking at his clause, it would be that two years after the coming into force of this section, and prior to making any application, pursuant to subsection 42(1) of the act, and upon such application no such further requirement to report...no, it's that such further requirement to report to Parliament shall cease.

The Chair: Mr. Martin, do you accept that as a friendly amendment or shall we proceed down the path of a subamendment and deal with it individually?

Mr. Pat Martin: I don't think there is such a thing as a friendly amendment in my experience, but I'm not averse to the idea. I can't stop him from moving a subamendment. I would support the subamendment.

The Chair: Mr. Valeriote, for the purposes of the rules, I think we should deal with this as a subamendment.

Do you wish to speak to the subamendment? The Liberal Party still has 1 minute and 40 seconds.

Mr. Frank Valeriote: Only briefly, and thank you, Mr. Chair.

It makes total sense that this new transformed interim corporation, as it is, report to Parliament within two years, and prior to making any application before it should be, in terms of the legislation, "commercialized", under part 3.

The Chair: Very good: we've heard the terms of your subamendment. The question before the committee now is on the subamendment.

Mr. Frank Valeriote: Could I have a recorded vote?

The Chair: Before we do that, Mr. Valeriote, Is there anyone else who would like to speak to the subamendment?

Mr. Valeriote has asked for a recorded vote. I'll call the question. The question is on the subamendment.

(Amendment negated [See *Minutes of Proceedings*])

The Chair: The subamendment is defeated. We're going to move back to the amendment.

Mr. Frank Valeriote: Can we have a recorded vote?

The Chair: Mr. Lafleur, the question is on the amendment. We have a recorded vote.

(Amendment negated [See *Minutes of Proceedings*])

The Chair: I declare the amendment defeated. As that was an amendment to propose a new clause, we have no further clauses in this bill to deal with, other than going back to clause 1.

Shall clause 1, the short title, carry? All those in favour?

• (2150)

Mr. Frank Valeriote: Record the vote, please.

The Chair: It's a recorded vote, Mr. Lafleur. The question is on clause 1.

Mr. Brian Storseth: On a point of order, Mr. Chair, you really can't call for a recorded vote after you've called the question. I could quote you the pertinent page in O'Brien and Bosc, if you like, but you did call the question.

The Chair: Mr. Valeriote.

Mr. Frank Valeriote: On that point of order, Mr. Chair, I think you were reasonably quick to call the vote following requesting discussion.... With respect, I understand that we're anxious and it's late, but I think I was in time to ask for a recorded vote.

The Chair: I'll give you this one, but if Mr. Storseth raises it again, I will respect the rules and procedures. I am talking quite slowly and moving quite slowly, purposely, on the request of your colleague Mr. Easter.

We will have a recorded vote.

(Clause 1 agreed to [See *Minutes of Proceedings*])

The Chair: The clause carries.

Moving on to the title, shall the title carry?

Mr. Frank Valeriote: A recorded vote again, sir.

(Title agreed to [See *Minutes of Proceedings*])

The Chair: Shall the bill as amended carry?

Mr. Frank Valeriote: Recorded vote again, sir.

(Bill as amended agreed to [See *Minutes of Proceedings*])

The Chair: It is carried.

Shall I report the bill as amended to the House?

• (2155)

Mr. Frank Valeriote: A recorded vote again, sir.

The Chair: We will have a recorded vote.

(Bill C-18 as amended reported to the House [See *Minutes of Proceedings*])

The Chair: That vote carries.

Before I call the last question, which is the question on whether we should reprint or not, I first of all want to thank all of the witnesses who appeared before this committee.

I also want to thank our current support here tonight, Mr. Meredith, Mr. Martin, and Mr. Rempel, for their insight.

I would like to thank our clerks, who did an excellent job under the circumstances.

Mr. Lafleur and Mr. Novoa, thank you for your excellent representations in helping me in my first attempt to chair a committee.

I would also like to thank our legislative clerks, Ms. Garbig and Mr. Cole, for their assistance here this evening.

I would also like to take this opportunity to thank our analysts from the Library of Parliament, Mr. Fréchette and Ms. Courtney.

Colleagues, today is Ms. Courtney's birthday, so congratulations are in order there.

I would also like to thank all of you as colleagues. This particular piece of legislation is very much a contentious issue that reaches

deep into the hearts of the members around this committee table and of the members of Parliament who are seized with this very, very difficult issue.

I would like to personally thank each of you for the decorum you've shown and the respect you've shown me as chair. I've done the best I can within the confines of the rules that were provided to me as a chairman, and I certainly was honoured to have this opportunity to do so.

Moving on to the last, Mr. Valeriote.

Mr. Frank Valeriote: Mr. Chair, I know that on my own behalf—I can't speak for everyone—I would like to thank you for your sense of decorum, your composure, and your even-handedness in permitting all of us the opportunity to speak as we so desired and giving us the flexibility we sought. We very much appreciate the work you've done.

The Chair: Thank you for your kind words, Mr. Valeriote.

There's a last clause that needs to be dealt with before we are done with this: shall the committee order a reprint of the bill?

Some hon. members: Agreed.

The Chair: That is carried.

This legislative committee stands adjourned.

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