HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Agriculture and Agri-Food

AGRI • NUMBER 043 • 2nd SESSION • 41st PARLIAMENT

EVIDENCE

Tuesday, November 4, 2014

Chair

Mr. Bev Shipley

Standing Committee on Agriculture and Agri-Food

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● (1600)

[*English*]

The Chair (Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC)): Thank you very much, everyone.

We're back and we're going to continue on with amendments. We are now at clause 75 and the amendment is NDP-11.

(On clause 75)

Madam Brosseau, please.

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Thank you, Chair. I propose:

> That Bill C-18, in Clause 75, be amended by adding after line 4 on page 51 the following:
>
> "3.3 The Registrar may not cancel the registration of a variety under paragraph 74 (j) of the Seeds Regulations unless the Minister has, after consultation with Canadian farmers, determined that the cancellation would not be detrimental to their interests."

From how I understand it, right now a company can request in writing to take any variety off the market. What this amendment is trying to do is make sure that there is better transparency and consultation required when seeds are made inaccessible. It also makes sure that farmers' interests are taken into consideration when it comes to which varieties are deregistered and makes sure that producers can plan and anticipate any changes.

This is a consultation that we want to have enshrined in this bill.

The Chair: Debate?

Mr. Eyking, please.

Hon. Mark Eyking (Sydney—Victoria, Lib.): I can see what the amendment is about, but I'm wondering if some of the staff can comment on it. Is there a slight possibility that if a seed company for some reason found something wrong with their seed—a disease like clubroot or something in it—and they wanted to pull it from the market or pull it from the system, would this prevent them from doing it?

The Chair: Go ahead, please.

Mr. Nicolas McCandie Glustien (Manager, Legislative Affairs, Canadian Food Inspection Agency): To answer very quickly, the CFIA and the registrar are already able to remove a seed from the variety registration list on our own initiative if there is something such as a disease or there's a harm because of the seed. We would take action in that situation ourselves rather than wait for the company to come forward.

Hon. Mark Eyking: Are you saying there's already something in place the government can do and that this is not needed?

Mr. Nicolas McCandie Glustien: I can give you a little bit more background information on the variety registration process.

There are two ways that cancellation is done. It can be done at the CFIA's initiation for a number of reasons: disease—it's maybe no longer resistant to disease—it's a harm on the market, there's no value in it, it might infringe on another variety. It can be done at the request of the company itself, the registrant. They would initiate the cancellation

The policy of the CFIA when someone initiates a cancellation in this way is that we look at it and we put it out there for comment and thought from the industry and the stakeholders. The process of cancellation when it's initiated by the registrant can take up to three years, so we receive comment on that. The policy of the CFIA is that if there's value from that seed still remaining in the marketplace we would delay that cancellation until the registrant and the farmers affected could work out how the benefits could be addressed. If there's a seed in the marketplace you need time to make sure it can be brought off the marketplace if a registration is cancelled.

From our perspective the processes are already in place to make sure that seeds are not cancelled and then taken off the market when there's still a benefit.

Hon. Mark Eyking: That's what my question is. I'm just using a hypothetical situation. Let's say there is a seed that's been out there a bit and the farmers are buying it in February or March and they're not seeding it yet, but the seed company says there's some clubroot in it or there are some weed seeds in there and it needs to be yanked. What this says is that the minister would have to go consult with the farmers and that could delay the process of yanking it from the system. That's just a hypothetical, but it could.....

Mr. Tony Ritchie (Executive Director, Strategic Policy and International Affairs, Canadian Food Inspection Agency): That's correct.

The Chair: Mr. Lemieux, please.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Thank you, Chair.

As I read the amendment I'm wondering if there's a problem that we don't know about because I don't remember this coming up in committee from witnesses. The amendment would make me think that it happens at least frequently enough to warrant an amendment, where varieties are taken off the market and the farmer is left saying, “What just happened? Why did that happen? I'm disadvantaged somehow.”

What I'd like to ask the officials is, based on Agriculture Canada experience, how often is a variety removed from the market? Does it happen a lot? Not very much?

Mr. Nicolas McCandie Glustien: We can speak a little bit from experience over the last twenty-some years or so. In the wheat field, I was given some numbers. Around only 2% of varieties have been deregistered during that period of time. This isn't a situation that has been identified as a problem to us in that way. You have the two regimes operating at the same time, variety registration and UPOV plant breeders' rights, and we just aren't seeing this issue.

Mr. Pierre Lemieux: Okay, 2%. Again, it's not something we heard from witnesses at committee.

Thank you.

The Chair: Mr. Allen, please.

Mr. Malcolm Allen (Welland, NDP): I appreciate the numbers. Mr. Lemieux says the numbers aren't particularly high, but then again, we're dealing with UPOV 78 and the regime now, and we're about to change that regime. He may be correct; I don't remember exactly who we talked to about that, but I can tell him that we've been talking to people for the best part of this year on numerous fronts when this bill was first introduced at the beginning of the year. They may not all get to committee because you can't get every witness to committee, Mr. Chair, as you know. You do a splendid job with the clerk at getting a good variation, but obviously not everybody can come. That's fair game. It's not only those folks we would talk to; we would be remiss if we didn't talk to others.

There is a concern, once UPOV 91 comes, that having varieties out there that companies own that aren't covered for them necessarily, they may deregister. That's a concern. I'm not saying it's a reality; it's a concern. The nature of this was that if I don't own that intellectual property under UPOV 91, because it's a variety that sits there at the moment, I'll deregister it and I'll bring you a new one. Now I can make money from that one, because I can't make it from this one. That's the concern that farmers have expressed to us, albeit not sitting in the witness chairs maybe, but that's what they're saying. There will be a change in the intellectual property coverage based on this legislation, which will pass; government has the numbers to make it so.

That being the case, that was the concern we heard from across the country, from a number of farmers saying, “Okey-dokey, this is going to be like the pharmaceutical industry. I'm going to change the colour of the pill and I'm going to re-register it and I'm going to get another *x* number of years out of it. I'm going to put a buffer in it and I'll get something else out of it. I'll get rid of all the other ones where I can't make money, so now you've got to come to me and buy the one because all the others are gone.” That's the concern.

It's not a reality yet. It may not even be a reality, but that is the overriding concern that folks have, that the registrants will simply say, as was pointed out, they can come and ask for it to deregister. Yes, indeed, you'll do due diligence about how long it takes to do that, but ultimately it will be the farmer's onus to actually convince you that there's value in leaving it as a registrant. If they can't do that, you'll deregister it, because that's the process that you have to work with, which is fair. It's not unfair, it's just fair; that's just how it is. It's not something you're willfully doing or not willfully doing; it's simply the process.

That's a concern. For them, this became the safeguard spot, saying, “Hey, just leave the stuff out here. If it's of no value, nobody will use it any more and it'll just disappear, like many other varieties over the years. When everybody stopped using them, nobody cared about them, they let them go, and eventually pretty well everybody deregistered even if they weren't deregistered by not buying them any more. That's what this speaks to, because the system is about to change; that's the concern that they have. This becomes the safeguard. If things don't get deregistered just because somebody decides as a company I can make more money if I get rid of them, that's the concern. No more, no less than that.

● (1605)

The Chair: Thank you.

Mr. Lemieux.

Mr. Pierre Lemieux: First of all, it's a comment I made during committee on several occasions. The move from UPOV 78 to UPOV 91 does involve some change, but really it's an extension of plant breeders' rights that are already inherent, for the most part, in UPOV 78. It's not a leap from no plant breeders' rights to UPOV 91. It's an extension of rights, for the most part, that are contained within UPOV 78. I'm hoping that Mr. Allen will agree that a 2% incident under UPOV 78 and simply extending the plant breeders' rights under UPOV 91 is not a cataclysmic change in plant breeders' rights —it's more like an evolution forward—and does not really pose a risk to farmers across Canada.

The other thing I would say is, if I understood the analogy he was giving, that plant breeders might pull product A to come out with product B because they can make more money and it might be only a small technical change of some kind. But I would go back to what we discussed this morning, which is on page 3 of the act. When you look at the plant breeders' rights, first of all it's not retroactive, but second, what is it that is protected? Well, there are the four key characteristics: it has to be a new variety, it has to be distinguishable, it has to be stable, it has to be homogeneous. So it has to be a new variety of plant, and I don't think changing the colour of the seed or something like that would necessarily put it into that category.

The Chair: Mr. Allen.

Mr. Malcolm Allen: I used the colour analogy because that's what happens in the pharmaceutical world, not necessarily the seed world.

I think Mr. Dreeshen would correct me if I'd suggested that somehow they try to colour the seed because that's not really what they would do. I would accept the fact if he did because he has great expertise as I said this morning and I have great respect for his input here.

I disagree with my friend across the way, Mr. Lemieux, when it comes to “this is just an evolution” or “this is just a minor change from UPOV 78 to UPOV 91”. If it was such a minor change, we wouldn't have seen all of the folks lined up here as witnesses banging the drum and saying we need to get there because this is a leap forward—a giant leap forward, some of them said—and because without it, we will not get innovation.

It's not a minor change. This is a significant change from UPOV 78 to 91. If it was a minor tweak, Mr. Chair, I would suggest to you that you'd probably get unanimous consent on the bill. If it was simply on that one particular subject and wasn't an omnibus bill, you might actually get unanimous consent on the bill. The reason you don't is because these are indeed, under UPOV 78 to UPOV 91, significant changes, and that's why you have significant discussion. As much as my friend would like to minimize it, it's not the case.

There were witnesses, who were the government's witnesses, who were in favour of UPOV 91, clearly banging the drum loud and clear and saying, “We need this in the worst possible way”. I don't think they need minor change in the worst possible way. They were looking to get something that was actually going to be of great benefit to them. I don't disagree with that because it is of great benefit to them.

This is a benefit to farmers. We're trying to keep things in a kind of equilibrium here, where farmers have a fallback position that perhaps—and this is a perhaps, there's no guarantee in this—folks may try to deregister material that's already registered.

That's all it's about; nothing less, nothing more. Simply saying if the material doesn't get used over a period of time, it just simply disappears, but indeed if it does have value to farmers, it'll still be there and some company won't simply put it into the chain to try to deregister it.

As it presently stands, based on what I've heard from our expert witnesses, right now they could put it in that chain and the process would follow as to whether you deregister or not. The process would be for farmers to prove there's value, which can be onerous for some of them to do. What does that mean exactly in the longer term for individual farmers to try to prove there's value to that, versus a large company that can show, “Well this one's better for you”? It may well be, but the problem is I'll have to pay more for that than the other one. That's the dilemma they face.

That's why that amendment's here.

I see that our friends across the way have seen the great piece that's in there and that they'll want to actually say yes to this one.

● (1610)

The Chair: Is there further debate?

(Amendment negatived)

The Chair: Shall Clause 75 carry?

(Clause 75 agreed to)

The Chair: Shall Clause 76 carry?

(Clause 76 agreed to)

(On clause 77)

The Chair: On clause 77 and NDP-12.

Madam Brosseau.

Ms. Ruth Ellen Brosseau: Once again, we've seen somewhere this amendment before and I'm bringing it again for the second and last time:

> That Bill C-18, in Clause 77, be amended by replacing line 7 on page 53 with the following:
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> “time to time, with the consent of Parliament.”

I'm moving this amendment and I'm asking for support. It's to limit incorporation by reference.

The Chair: Is there any debate or discussion?

(Amendment negatived)

The Chair: Ms. May on PV-5.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): I'm also on clause 77 with Green Party amendment 5.

It's the same basic point that was defeated in relation to the Feeds Act and the Fertilizers Act.

This attempts to amend clause 77 by deleting lines on page 53 in order to remove the permission given to a minister to make the decision solely based on foreign science. It's the way it's worded. I don't object to looking at science from around the world, but again, the way these clauses are drafted doesn't mention Canadian science at all. That's the concern.

That's the recommendation and I imagine the debate has been had.

The Chair: Thank you very much.

Is there any debate?

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

The Chair: Shall clause 77 carry?

(Clause 77 agreed to)

The Chair: We'll move now to clauses 78 through 94. There are no amendments.

(Clauses 78 to 94 inclusive agreed to)

The Chair: I believe that takes us to clause 95.

(On clause 95)

On that clause we have amendment NDP-13.

I would ask Madam Brosseau to present it, please.

● (1615)

Ms. Ruth Ellen Brosseau: Thank you, Chair. I propose:

That Bill C-18, in Clause 95, be amended by replacing line 27 on page 63 with the following:

"(o.l) exempting, with justifiable conditions,"

I am moving this amendment and asking for support because I don't think we've had enough justification for inclusion of these exemptions. I recognize that some might be necessary, but I think that this amendment adds better language by recognizing that the exemption has to have some justification and conditions.

The Chair: Thank you very much.

Are there questions, or is there is debate on it?

Mr. Pierre Lemieux: I'm wondering whether, once again, we could have.... I'm not sure why, but right now the bill is worded "with or without conditions". In other words, there may be times when conditions are required; there may be times when conditions are not required.

I'm not too sure exactly what this particular amendment is doing. It's "with justifiable conditions". It's eliminating the "no condition" situation—that's the way I would read it—and is inserting a word, "justifiable". But I don't understand the problem with the wording "with or without conditions". That covers the full spectrum. Why we would constrain that and offer only one imposed solution, which is that you must have "justifiable conditions", I don't quite understand.

The Chair: Would you like to respond to that?

Ms. Ruth Ellen Brosseau: I don't know whether we can get any kind of commentary from the experts about what this change would mean.

The Chair: Mr. McCandie Glustien.

Mr. Nicolas McCandie Glustien: The exemption authority is a regulation-making authority giving the Governor in Council the authority to make regs—for this one, to exempt something. This is the normal way that exemption authorities have been written for most of our statutes. You can exempt something without conditions or with conditions, and those conditions would be set out by the GIC.

The Governor in Council would propose the conditions. From our perspective, those would be justifiable, in that we've developed a case for them, we've put them through the regulatory process, the proposed reg has gone through GIC 1 and GIC 2, and there has been comment. That's really the justification for those conditions.

I don't think the wording "justifiable" adds anything, and it also removes the ability to exempt something completely, without conditions.

The Chair: Thank you.

Is there further debate?

(Amendment negatived)

The Chair: Shall clause 95 carry?

(Clause 95 agreed to)

(On clause 96)

The Chair: We'll now move to clause 96 and will go to the first NDP amendment, numbered NDP-14.

Madam Brosseau, please.

Ms. Ruth Ellen Brosseau: Thank you, Mr. Chair. I move:

That Bill C-18, in Clause 96, be amended by replacing line 30 on page 65 with the following:

"time, with the consent of Parliament."

Again, it's to limit the incorporation by reference.

I think I can guess how this is going to go.

The Chair: It's hard to believe that.

Ms. Ruth Ellen Brosseau: I'd even bet on it, but I'm not going to go there.

The Chair: Thank you.

Mr. Allen, please.

Mr. Malcolm Allen: I've heard my friends across the way, who seem to love incorporation by reference. They may one day be sitting on this side of the table and regret the fact that they introduced incorporation by reference. As has been said many times by those of us and those who are older than me, "Be careful what you ask for". That is because at some point in time it may be utilized in a way you may not have anticipated. It's all well and good when you have control and you have power, but it's not necessarily so when you don't.

I know that Mr. Harris has that understanding, because at one time he was on the opposition benches and he knows what it feels like to be on that side of the ledger. It was a long time ago, I recognize that, Mr. Harris. And you were, indeed, a very good opposition member when you were there, sir, if I may put that on the record.

Clearly for us, the piece is that when you incorporate by reference and you do this to legislation over and over again, regardless of what you feel is a business way of getting things done expeditiously, ultimately you take parts away from our role as parliamentarians, and that's the piece you should think about.

I recognize that this is the direction this government is taking, and you have every right to do that. I think there are some times when you take the reports back to the folks who are sponsors of the legislation, the minister, you should think about incorporation by reference and whether that's what you really want. As I said, at some point there may well be someone else doing things by reference that you won't like. Ultimately, one ought to think about whether you want to give up the powers of a parliamentarian to incorporation by reference, or whether you want to maintain them for all of us, because it is about all of us as parliamentarians.

I think you're eroding that piece, and I think it's a mistake. I understand that you don't, and I respect the fact that you don't agree with us. We'll see how the vote goes, Mr. Chair. I am a betting man from time to time, when I think I can really win. Scotsmen never like to part with their money so I'm pretty sure I'll win this one. It will be 5 to 3 for sure. I'm not sure about my colleague and whether he'll vote with us or not.

● (1620)

The Chair: Is there further debate?

We have NDP amendment 14.

(Amendment negatived)

The Chair: I'll now move to PV-6 and Ms. May, please.

Ms. Elizabeth May: Thank you, Mr. Chair.

This is the Green Party's sixth amendment to Bill C-18. As the previous amendment, this one is in relation to the Health of Animals Act, again to stress the need to maintain Canadian scientific capacity and remove the discretionary ability of the minister to rely solely on foreign evidence.

Thank you, Mr. Chair.

The Chair: Thank you.

That's been brought forward before, so is there any discussion on it, please?

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

The Chair: I will move to clause 96.

(Clause 96 agreed to)

The Chair: There are no amendments between clauses 97 and 108. May I assume that we can group those and approve those?

Some voices: Agreed.

(Clauses 97 to 108 inclusive agreed to)

The Chair: We now move to clause 109 and I would ask Madam Brosseau if she would present NDP-15, please.

Ms. Ruth Ellen Brosseau: That Bill C-18, in Clause 109, be amended by replacing line 5 on page 75 with the following:

"time to time, with the consent of Parliament."

Once again, to limit incorporation, I'm not sure how this one is going to go, but I am asking for support of this amendment.

The Chair: Thank you very much.

Is there any discussion on amendment NDP-15?

(Amendment negatived)

(Clause 109 agreed to)

The Chair: We don't have any amendments on clauses 110 through 113. I ask consent that we approve those clauses as written.

(Clauses 110 to 113 inclusive agreed to)

(On clause 114)

The Chair: We will move to L-2. Mr. Eyking, please.

● (1625)

Hon. Mark Eyking: Thank you, Chair.

We're moving into another category that deals with fines and penalties. As we can see, the minister is going to have discretion and they're pretty hefty fines. For minor violations it will be $5,000, for serious ones, $15,000, and for the very serious, $25,000.

It concerns me a lot, and there is no doubt about it, that Canadians and farmers and the rest of the world want to feel that they have the safest food possible when they buy Canadian food. We all agree on that. What I have a problem with is these fines.

I've been in the farming business and the inspectors came on our property, and a lot of times they would coach us on how to better our products and how to better handle our products. When we had the presentation from the Canadian Cattlemen's Association, their concern about this part of the bill was that it has gone from the CFIA being a bit of a coach to being a bit of a referee. When you look at these penalties they are pretty hefty. For instance, if you have a farmer who has a carrot packing line and one of the packers forgets to put on his or her hairnet and an inspector sees that, all of a sudden there is a $5,000 fine for a minor violation. There is no rhyme nor reason to that kind of fine for that situation.

There is no doubt if you have a big killing plant, and they are processing chickens, and the water is not done right and there is salmonella in the water then big fines have to be put in place for big, serious offences.

I have a problem with the amount of the fine. Some inspectors might have a little bit of an axe to grind with some of the farmers and all of a sudden are slapping on fines. Not only could that cripple a farmer, but it could also slow down his production. I have a real problem with that.

We need something in place. We definitely need an appeal process in place so that if a farmer or somebody else is producing food and making jams or whatever and gets this big fine, they can go to an appeal and there is some sort of board consisting of farmers and people in the food industry for the people who have been fined to go to.

It's heavy-handed. I don't think it's going to help the agriculture industry. It will just drive big fines instead of helping to move the industry forward, especially when you see the cutting of many inspectors that we see in the system, so there are fewer CFIA inspectors. I see this as starting up a new system that's really not going to make our food any safer. It's going to hit people when they can't afford it and it gives too much power to the inspectors.

That's why I'm changing. It says this:

That Bill C-18, in Clause 114, be amended by adding after line 24 on page 77 the following:

"(1.1) Section 4 of the Act is amended by adding the following after subsection (1):

(1.1) Before the Minister makes a regulation designating a violation under paragraph (l)(a) or fixing a penalty in respect of a violation under paragraph (l)(c), he or she shall consult with a cross-section of persons and businesses involved in the agriculture industry."

That way, Mr. Chair, the inspector knows he can't go willy-nilly and put these fines on without some repercussions or without the individual having some say in the process.

We have to have a watchdog in place from the food industry because at the end of the day the food industry wants to be safe and healthy. They need to be involved if programs are going to be set up like HACCP. They also have to be involved, when fines are implemented, in how much the fines are.

That's why I'm putting in this amendment. It was also stated by some witnesses that this part of Bill C-18 has some concerns about the amount of penalties that are in place.

● (1630)

The Chair: Thank you, Mr. Eyking.

Mr. Dreeshen, please.

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

I have a couple of comments on some of the discussion taking place. First of all, I want to make sure it's on the record that there are more CFIA inspectors; there is no cutting of CFIA inspectors. If we have that on the record, that's the first part.

Second, and this ties in to some of the things that you, Mr. Eyking, mentioned a short time ago concerning an order paper question. You had asked about increasing the administrative monetary penalties, making sure they're dissuasive; you were asking whether the minister was planning to increase them to ensure that they were dissuasive. We have one side in which you question whether there's a need, but we're also taking a look at other situations and maybe this should happen.

The other aspect of inspectors is that they do a great job. They're not going out looking for people to fine; they're trying to ensure safety and all of these types of things. I think it does a disservice to those who work in the industry to suggest that they're going out trying to increase their dollar value or something like that.

The Chair: Mr. Eyking, please.

Hon. Mark Eyking: I'm not saying that the inspectors are not doing the right job; I'm just saying that the fines are in place. If you had a police officer stop you for a parking ticket or whatever, and all of a sudden they could fine you anything they want up to $5,000.... This is too broad for the type of violation that could happen, and it could put people out of business. I just don't see having these huge amounts as making our food industry safer.

Yes, I've stated that we may have to look at some of the fines that are in place, but there has to be some merit to the big numbers put on them. I use the example of the person who forgot their hairnet on a packing line. All of a sudden, a big fine comes for this farmer and well, yes, the inspector puts the fine there, and all of a sudden for a minor offence it's $5,000. I think there has to be somebody or some body to be a watchdog over how much....

And there's no appeal process, unless the government can tell me about an appeal process for somebody who gets those big fines to go to to plead their case, saying, “Look, this inspector came in, there was a change of shift, and something was forgotten.” But I don't see any appeal process here for farmers who are going to be dinged with these big fines.

The Chair: Thank you very much.

Mr. Lemieux, please.

Mr. Pierre Lemieux: Thank you, Chair.

I'm not sure the discussion we're having is actually about what is in front of us as an amendment. For example, I don't see an appeal process being delineated within the amendment here. But I will tell you that there is an appeal process. I'm on the website right now, and CFIA has a complaints and appeals office. If a fine has been levied against an individual or an organization, they can file a complaint to the complaints and appeals office, and it will look at the quality of service, administrative errors, regulatory decisions. There is a process in place.

Going back to what the amendment is actually talking about, one concern I have is that the type of consultation being advocated in paragraph 1(c) is vague in terms of how broad that consultation must be. For example, would consultation for a regulation through the regular gazetting process be sufficient, or is it not sufficient? It's unclear here.

For example, there's a separate consultation required outside of the gazetting process, outside of the normal regulatory process, and the fact that it's not clear can allow someone to challenge the validity of a violation by saying, “You didn't consult broadly enough: you didn't consult me”, or “you didn't consult them”. So it's too broad.

Right now, the minister has the authority to make regulations. There is a consultative process that takes place through the regulatory process. This just seems to be blurring what kind of consultation should take place, when it should take place, and how wide it should it be. I think that is going to lead to a host of future problems.

As I said, if someone has grief with something to do with the application of a regulation or with the application of a fine, there is already a complaints and appeals process through the complaints and appeals office at CFIA.

● (1635)

The Chair: Mark, do you have a short comment?

Hon. Mark Eyking: The Canadian Cattlemen, when they were presenting here, hit the nail on the head with the problems they had with the killing plant in Alberta and how the government should have handled that differently. I bring that back to the government being more of a coach instead of a referee.

Yes, the minister has to consult with the industry sometimes to see if these protocols are taken properly, that make the industry better, instead of just coming down hard on the industry without improving it. I encourage my colleagues to look at this because it's not saying much in here. If you really look at it, it's saying the minister has to consult with the industry on an ongoing basis to see if those amounts are applicable or if they're really helping the industry move forward. That's all it's asking here. I think the Cattlemen were bang on with this and I think this addresses their concerns.

The Chair: Any more discussion?

On amendment 2 of the Liberals.

(Amendment negatived)

The Chair: Shall clause 114 carry?

(Clause 114 agreed to)

The Chair: We have clauses 115 through 124, again there are no amendments to those. We support the clauses being carried.

(Clauses 115 to 124 inclusive agreed to)

(On clause 125)

The Chair: We will now move to clause 125.

If we could turn to Mr. Lemieux, please.

Mr. Pierre Lemieux: Thank you very much, Chair. I'm happy to move amendment G-2.

I'm not going to read it because we have it all in front of us. It's been submitted and it's quite technical in nature. What I want to let the committee know is that this amendment has been moved based on consultations that the minister and officials have had with stakeholders. It has to do with AMPA and it has to do with guarantees.

Rosser was involved in some of these consultations and I'm just wondering if he might put into layman's language some of the technical jargon that we have regarding this amendment.

Mr. Rosser Lloyd (Director General, Business Risk Management Programs Directorate, Programs Branch, Department of Agriculture and Agri-Food): Thank you, Mr. Chair.

I did want to mention again that this did come out of our consultations and it was highlighted by one of our administrators, the need for this amendment. It intends to ensure that we don't put obligations on our administrators at this program that were never intended.

I'll explain a little bit specifically on this one. Our act allows for two things. It allows for a guarantee of the repayment that an administrator makes to a producer and it also allows us to pay the interest on the first $100,000 of the advance that the administrator makes to the producer. We have organizations like the Feeders associations that already have repayment guarantees from the province. They don't need our guarantee, but they would like to access our program for the $100,000 interest-free benefit.

Section 5.1(2) of the act outlines the provisions that need not be in our agreement with those organizations that simply want to access the interest-free benefit because they have no guarantee. Those guarantee provisions need not be in those guarantee agreements. What we have here is an oversight that section 19(1)(c) was not included in that list in 5(1)(c). What 19(1)(c) does is describes the administrators' liability and how we would apply it.

If we don't fix this we're going to end up with an agreement with an organization that has no guarantee in it, talking about what the administrators' liability is in the case of a default to a producer. Obviously, that's not a logical conclusion.

● (1640)

The Chair: Comments?

Mr. Eyking, please..

Hon. Mark Eyking: If that's in layman's terms why don't you try the complicated side of it?

What did you hear from the producers you talked to and what producers told you that this all needed to be changed?

Mr. Rosser Lloyd: It wasn't the producers. It was the administrators of the program who went through this line by line with us They said, “You missed 19(1)(c) in this list of provisions that shouldn't be in the agreement with the organization where we don't have a guarantee”. It was the Ontario Cattle Feeders Association.

Hon. Mark Eyking: You're kind of saying you guys didn't do your homework when you put this forward in the first place and somebody caught this from your own administration, and you're trying to tweak it back.

Mr. Rosser Lloyd: It was an oversight going in. It's a complicated piece of legislation. This should have been added to this particular clause during our consultations after first reading with the administrators. It was caught, and we're fixing it.

The Chair: Mr. Allen, please.

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

Since some of us know the program, these may not have been real layman's terms, but the explanation was understandable, and I appreciate it. As to the oversight, oversights are oversights; these things happen. I'm not going to criticize that piece.

The only comment I'd make around it and the clarification, which I think I now can agree with—because we were struggling to figure out exactly where you were going with this, so we appreciate the clarification—is that I don't think there were witnesses whom you asked that question of, because I don't remember your being in the room to ask the question of the witness.

So these were “consultations” beyond those with the witness, were they?

Mr. Rosser Lloyd: Yes.

Mr. Malcolm Allen: That's what I thought. It's okay to do it that way, it seems to me. I guess if we bring that issue up, it's okay for us, too; we don't have to hear the witness.

The reason I'm putting this on the record is that Mr. Lemieux has quite often asked across the way, in the case of our amendments, what witness did you hear that from? Well, I didn't hear this from the witness Mr. Lloyd heard it from, but that witness helped you get it right, and that's important.

We've heard from other folks beyond the witness table, because we couldn't get them to the witness table for reasons of time, who have helped us craft some other amendments. I just want to make sure that's on the record as well.

Mr. Lloyd, well done, and full marks for catching it. It is important that we not come back to try to fix this; it's important that we actually do it now. You've clarified it for us, and we appreciate it. Thank you.

The Chair: Mr. Lemieux.

Mr. Pierre Lemieux: You know, we did hear it from a witness. The minister was here, and he—

Mr. Malcolm Allen: I wasn't here.

Mr. Pierre Lemieux: Oh, well, Malcolm, we have minutes to all these meetings.

Mr. Malcolm Allen: I didn't hear him.

Mr. Pierre Lemieux: Our witness, the minister, was kind enough....

But the point is that I'm not questioning what witnesses you might have heard this from; it's more a question of what stakeholders you've heard certain things from, so that I can better understand the amendments.

The bill was tabled back in December, so obviously it has been out for eight or nine months, and it's fair to say that your side, our side, the officials, and the minister have been consulting, even though not every person who provided feedback or comments has come in front of committee. But on that particular point, the minister himself was here.

Thank you.

The Chair: Thank you, Mr. Lemieux.

Is there any further discussion?

I call the question on amendment G-2.

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

(Clause 125 as amended agreed to)

The Chair: Clauses 126 and 127 have no amendments. Can we have a motion to approve clauses 126 and 127?

(Clauses 126 and 127 agreed to)

(On clause 128)

The Chair: I'd like to move to clause 128.

To present amendment G-3, we'll hear Mr. Lemieux, please.

Mr. Pierre Lemieux: Thank you, Chair. I'm happy to move amendment G-3. It simply changes a bit of the wording in the English text to say “continuously owns the agricultural product”.

This came about again from feedback from stakeholders. The language in the French text was better than the language in the English text. The discrepancy was noted, and so this is simply changing the English text to better match what was in the French text, because the French text captured more thoroughly what was meant in the first place. It's really just a translation amendment.

● (1645)

The Chair: Mr. Allen.

Mr. Malcolm Allen: Mr. Lemieux has answered the question. I'm not going to ask the officials to reiterate what he has just said; a nod of the head will probably suffice. We thought it was a translation piece and we just wanted to be clear, and clearly the parliamentary secretary has said it is. I believe the officials are concurring.

Thank you, Mr. Ritchie.

He is nodding yes. One should always be careful how one moves one's head, Mr. Ritchie. We keep an eye on all of you down there, if you seem to be winking at us as if to say, “yes, we agree; we'll be letting you know”.

Thank you very much. We're fine.

The Chair: Shall amendment G-3 be approved?

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

The Chair: Shall clause 128 as amended be carried?

(Clause 128 as amended agreed to)

(On clause 129)

The Chair: We shall turn to clause 129 and amendment G-4.

Mr. Lemieux, please.

Mr. Pierre Lemieux: Thank you, Chair.

I'd like to move amendment G-4. It is lengthy. There is a lot of text here. We all have it in front of us so I will not read it.

I will say that this is an amendment being made to the advance payments program. It came out of consultations once again that were held with the minister and his officials and stakeholders.

I will just give a bit of explanation to it. The minister is responsible for paying interest on the first $100,000 in accordance with section 9. The amendment clarifies that the producer continues to be responsible for the interest on amounts over $100,000 in the case where, through no fault of the producer, the product becomes unmarketable.

In addition, the reference to section 22 clarifies that if a default occurs following the application of section 11, the producer becomes liable for all the interest including the portion for which the minister pays the interest on behalf of the producer.

So we certainly did receive some feedback from the administrators of the APP. In fact, one of them was here, the Agricultural Credit Corporation, and made a comment that clarifying these types of clauses was helpful.

The Chair: Comments?

Mr. Eyking, please.

Hon. Mark Eyking: To the parliamentary secretary, what does this change? The first $100,000 is interest-free, and after the first $100,000 you pay interest. Wasn't that already in here?

Mr. Pierre Lemieux: Yes. What was not clear, which is why the amendment is in place, was what happens in the case where a producer, through no fault of his own, is unable to market his product. There is interest on the first $100,000, it's just the minister in his generosity is paying it. This is just clarifying that the producer is responsible for the interest on the remaining amount that he's borrowed over $100,000. Then the second part is clarifying that should a default of loan repayment altogether occur, then the farmer is responsible for interest accrued on the entire loan, including the first $100,000.

I don't believe that's a change. I believe it's a clarification.

Hon. Mark Eyking: It's been that way all the time.

Mr. Pierre Lemieux: Yes, it's just the act wasn't clear enough so it's been clarified.

The Chair: Mr. Allen.

Mr. Malcolm Allen: It behooves me to say the minister is generous if he absorbs all of that interest. I actually thought it was the Canadian taxpayer. But if your minister is that generous, I would like to borrow the first $100,000 on the next home I buy, and I promise not to default.

But if I could put it to our folks at the end, is this clarifying or changing?

Mr. Rosser Lloyd: It's clarifying.

Mr. Malcolm Allen: Thank you.

The Chair: Further questions on amendment G-4?

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

(Clause 129 as amended agreed to)

The Chair: There are no amendments on clauses 130, 131, and 132. We have a motion to accept those amendments as they are.

(Clauses 130 to 132 inclusive agreed to)

(On clause 133)

The Chair: That would be, Mr. Eyking, LIB-3, please.

● (1650)

Hon. Mark Eyking: Thank you, Chair.

At the onset of this bill I thought $400,000 was enough, but as witnesses started coming forward many producer groups and farmers explained how farms have changed: the size of farms, and the amount of money it takes to get through a year. Sometimes it can take millions of dollars. They were saying the $400,000 limit was just not realistic in today's agriculture environment.

Many came forward. We had the Canadian Canola Growers and others, especially grain farmers who are dealing with a lot of money from the start of the year to whenever. It seemed to me that some have mentioned that it should be increased, and I heard $600,000 was a more practical amount.

So my amendment is straightforward. It states:

> (b) for all agricultural products produced by a producer or a related producer, to the extent that advances for the agricultural products are attributable to the producer under subsection (2), $600,000 or the amount fixed by regulation.

So that would change from $400,000 to $600,000. Then it goes on and carries through with the maximum amount of all advances that are eligible for the guarantor, back to $600,000 again.

So there it is. I think we have witnesses to state that. It is a loan. It's not an outright grant. So I'm putting that forward.

Mr. Randy Hoback (Prince Albert, CPC): A point of order.

The Chair: On a point of order, please.

Mr. Hoback, please.

Hon. Mark Eyking: I have one more comment.

The Chair: Just a point of order, though.

Mr. Hoback.

Mr. Randy Hoback: Chair, I'd just like to ask the clerk about the admissibility of this, because it's actually a money request in an amendment. Is that actually allowed, an amendment to do that, in light of this bill? Would it not be beyond the scope of the bill?

The Chair: I think we may want to get some comments.

Hon. Mark Eyking: If I could finish, that's what I was just going to do, Mr. Chair. I was going to ask if—

Mr. Randy Hoback: Address my point of order, though, Chair. I'm asking about the admissibility of his actual amendment, because he is requesting an increase in funds.

Hon. Mark Eyking: I was just going to ask that, but, go ahead. You asked my question.

Mr. Randy Hoback: I'm looking for clarification from the clerk on whether this is actually admissible or not.

Mr. David-Andrés Novoa (Procedural Clerk): Let him ask the question.

The Chair: Okay, I'm going to let Mr. Eyking ask the question, and I think we'll get an answer to that from our departments.

Hon. Mark Eyking: Okay. So my question would be to the department—

Mr. Randy Hoback: So it goes in a circle.

Hon. Mark Eyking: I know we're good buddies, Mr. Hoback, but you cut me off when I was ready to ask the question—

Mr. Randy Hoback: I'm sorry, I apologize.

Hon. Mark Eyking: —but that's fine. It's a good thing you're watching my back.

I'm asking about the advances. Are they eligible or guaranteed under the Agricultural Products Marketing Act? Can it be higher than $400,000 when it's fixed by regulation?

Mr. Rosser Lloyd: Mr. Chair, it would be our position that, yes, they can be raised above the $400,000 through a regulatory process.

The Chair: So, the answer, Mr. Eyking and Mr. Hoback, is that, yes, through regulations, it can be done at committee, it can be done at this stage, without taking it back to the House at report stage.

Mr. Eyking, are you done?

Hon. Mark Eyking: Well, I just....

The Chair: I shouldn't asked that because I know you'll add more.

Hon. Mark Eyking: Well, I'll wait, because I have my comments to ask. But I'm hoping that my colleagues will vote for this. This has been brought to us by organizations. It's admissible under the Treasury Board guidelines.

This committee went through the whole rail act and we put a lot of work into it, especially the opposition amendments. The government was set on not approving any of our amendments when we were doing the rail act. Now, I think this is one of the last amendments here. The minister came forward and said he was very open to our making amendments that made sense and that fit in the act. Up until right now, the government has not entertained any of the amendments from the opposition. This one makes sense, and it's right there. I'm just hoping that the government finally, in good faith, like the minister told them to, looks at some of our amendments. But if they're not, it'll just be a continuum of where the rail act went. We, the opposition, are just wasting our time coming here with amendments when the government is set to denounce them.

I'm jumping the gun, but I'm hoping that the government will see it in good faith. Committees work together, and sometimes an amendment makes sense, especially with the witnesses who came forward. Sometimes the government makes a bit of a mistake, or not quite a mistake, but it didn't hit the target where it should have been. I'm hoping that the government will vote for this amendment.

● (1655)

The Chair: Thank you.

Mr. Hoback, please.

Mr. Randy Hoback: Well, Chair, I guess I'm going to back your opinion on admissibility. I question it, though, because it is going to have an infringement on the crown and it does have financial implications.

But, even with that being said—and you've ruled on that accordingly—we're seeing the numbers here since 2006: on average, only 20% of the participants receive advances over $100,000; and, on average, only 2% actually hit the $400,000 limit. Now, our witnesses here have said that they can change that number through regulatory means if they so choose somewhere down the road if it is required. So I think they do have the flexibility and the ability to do that down the road if they see that need. Again, I don't think we need to have this amendment come forward. It's basically sitting here right now. It's a $400,000 limit, nobody's hitting the $400,000, and there's lots of flexibility if, for some reason, somewhere down the road they need to raise it.

The Chair: Mr. Eyking.

Hon. Mark Eyking: Witnesses have come forward, and I mean, the canola growers themselves. I think they mentioned the 20 million tonnes of product they're doing and the amount of money they're going through. I mean it's a reality. It's the reality of the numbers that changed in our industry.

I know the member says, yeah, well, we can change this on the fly. Well, it won't be changed on the fly. Do you know why? There's nobody who can deny that they didn't hear this from witnesses. It's a loan and it helps farmers get through the whole year.

The statements made by the government are just not washing here. I think it's blatantly saying they just don't want the opposition to have any say in this bill. It's the same as previously in the last bill we did on the rail issue and that's where they're at.

I'm not totally shocked. I talked to the NDP beforehand and I said let's give them a shot. They alluded to me that these guys were not interested in giving us any amendments.

I'm pretty disappointed that's the way you guys are going to roll. It's not the intent that the minister had when he came forward. He was wasting our time by telling us that we can come with amendments. We've put a lot of work in these amendments and you guys shot them all down.

So, this one here is a no-brainer, but I mean the government has the majority at this committee and they can continue on and do what they did, but we spent a lot of time.

Chair, I've got to commend you for the job you did, because we're one of the only committees that got up and running when we came back in September. We all did a lot of work. We had witnesses come right from across this country. I was proud that our committee got up and running when others didn't. I was proud of all the people who came forward. I think that to not change this amendment is just a kind of a slap in the face not only to the opposition members, but also to a lot of the people who came forward with these recommendations.

It's in their purview. It's affordable. It's the right thing to do. I think it's just a shot at the opposition to say, opposition, you have nothing to bring forward in legislation in this country. There you have it right there and it's evident right now and I can see where the government's going with this.

The Chair: Thank you.

Mr. Dreeshen, please.

Mr. Earl Dreeshen: Thank you, Mr. Chair.

There's just a couple of things that I'd like to go through. When a person takes a look at the size.... A lot of time you discuss family farms and helping out small farmers and that type of thing, but I think you'd be surprised just how big the farm would have to be in order to meet that $400,000 that could come to that operation.

I think sometimes the numbers that were given before, it was a small percentage that even get above the $100,000. I think that's a significant aspect of it. I think I heard numbers of 2% to 6% were pushing the $400,000. There are a lot of aspects to it. When we first started talking about the advance and making sure that it had some flexibility, that did happen while we were talking about the grain delivery issues we were having.

So I think if a person's trying to put two of these things together, then it was important to make sure that farmers understood that it was there and that they could have used this as a program to help them out as far as their operation was concerned.

Having said that, yes, the Canadian Canola Growers did come and suggest that it wouldn't hurt increasing it. They are the administrators of the particular program that we're speaking of. I think they may have been speaking to their capacity to be able to handle that. But as far as the reality as to what is required out on the farm, you take a look at, if you are big enough that you would be entitled to a $400,000 loan through this particular program, you're dealing with other financial institutions as well and the question is whether or not the federal government should have to deal with that.

I think the $400,000 is where it should be, without the other dramatic aspects of it.

● (1700)

The Chair: Thank you.

Mr. Lemieux, please.

Mr. Pierre Lemieux: Thank you, Chair.

Chair, let me just start my comment by saying I really do take exception to Mr. Eyking's comments, that somehow we owe him or we owe the NDP an amendment. We've gone through 20 amendments, they haven't had one passed, therefore we should just pick one and here....

I take exception to that because that's not the way this works. We have amendments in front of committee. I feel that we've had very constructive dialogue back and forth about the amendments. Every amendment that's been submitted has been reviewed thoroughly, and there has been good conversation back and forth. I'm not saying everyone agrees with what everyone is saying about the amendments, but what I'm saying is that no one has said that's a Liberal amendment, we're not voting for that.

Instead we've discussed the content of the amendment: what are the implications on the bill, what are the implications on stakeholders, why would someone be in favour of it, and why would someone not be in favour of it. Every single amendment that we have discussed has been reasoned, there has been intelligent discussion, and there have been well thought out comments made. I don't buy this "You owe us now because...", which is basically what you were intimating.

The second thing I'll say is this. I want to go back to what Mr. Hoback was saying. We have to think about these numbers here. In 2006 the loan limits were raised. We're talking about eight years ago. When you look at the actual data, if you have 100 farmers who go for an APP, only 20 of that 100 are asking for a loan that's greater than $100,000—only 20. Only 2 out of 100 farmers even get close to $400,000. So when you look at the data and you look at the history of this, we already raised the limits and no one is bumping up against the $400,000 limit in any sort of large, quantifiable number and saying that this is failing farmers across Canada. It's not, actually. It's serving a need and only 2% are bumping up against the $400,000 limit.

I think the last point I'll make too, and I think it's a very important point, is that this is a tool in the farmer's tool box. It's meant to help him secure some financing. It's meant to ease the pressure of seeking some financing. In no way is this intended to replace all the credit he might need to run his farm. This is just a tool that's meant to be quick, it's meant to be accessible, and it's actually meant to be advantageous. With 0% interest on the first $100,000, it's advantageous. But in no way is it expected to meet all of the capital needs, or the loan needs, of a farmer. It's just a tool.

When you put that into perspective and you put into perspective the data that has been collected since 2006, I think that although the amendment is well intentioned, it's not actually necessary.

Thank you, Mr. Chair.

The Chair: Mr. Eyking, quickly.

Hon. Mark Eyking: Well, Mr. Lemieux, you don't owe me anything. I think you owe me a bottle of wine, if anything. But I don't think you paid for that wine that I brought back from the Okanagan Valley, which was interprovincial by the way. But anyway....

No, you don't owe me an amendment. This is a good amendment, it stands on its own. I think it was discussed by some of the witnesses that yes, the uptake now is 2% to 3%. Looking at the numbers it'll be 10% next year, no problem, who will go over the $400,000.

You can't say just because a small group of farmers may need it or use it that we should not go for that group. If you're a big-shot lawyer and you're making a lot of money does that mean you shouldn't get your wages from being an MP? I don't know. That's the logic of saying that group should be left out because it's only a small group. It doesn't wash.

I'm not going to make much more of a comment on this. I know it's a good amendment and I know it's one that you'll have to revisit in a couple of years when the numbers of farming.... The farms are getting bigger. There are fewer farms, the numbers are going to be there. You're going to have to address this sooner or later so you might as well address it now. That's my take on it.

● (1705)

The Chair: Mr. Hoback please wrap it up.

Mr. Randy Hoback: I appreciate what Mr. Eyking's saying, and I appreciate what the opposition's doing. I'm very aware what some of the witnesses have said.

But let me highlight the fact again. There are a lot of changes going on to AMPA in this piece of legislation. There are some drastic changes on the payment and repayment in that process. That may change the statistics somewhere down the road. I think we should wait and see what those numbers do.

When they do change, if they should happen to change, I understand—and correct me if I'm wrong, Mr. Lloyd—you have the flexibility to not only change the interest-free portion amount, but even the total amount. So not only the $100,000 interest free, but you have the ability to say now it reflects $500,000 or $600,000. It's not something that we need to put in this piece of legislation at this point in time. You already have the flexibility to do that.

Right now I would suggest that we wait and see what actually happens with the farm gate and how they use the new rules that come into AMPA, and then make a decision somewhere down the road on what's adequate for farmers. The information we have right now says this is more than adequate and is not justifying a reason to raise it.

I think you're just a little premature, Mr. Eyking, on saying we should raise it before we have data that suggests we should be raising it. We haven't seen that data at this point in time.

The Chair: Last time....

Hon. Mark Eyking: Mr. Hoback, if you're saying that the department has all this flexibility to pick whatever number they want, why even have the $400,000 in here? Why don't they just base it on whatever the farmer comes up with? If it's $200,000, why even have a limit? If you're saying that they have the flexibility to do whatever they want, then take it out of the bill altogether.

The Chair: Mr. Hoback.

Mr. Randy Hoback: Again, through the chair, of course we need guidelines for the officials and administrators of the program on what they can or can't do. If you don't have guidelines, then they think anybody can do anything. It's the wild, wild west.

The reality is these are accurate guidelines. It takes taxpayers' interests into account. It still provides the requirements that farmers actually do require. Again, if there's something in the future that could suggest it should change, they have the ability and the flexibility to make those changes.

The Chair: Thank you, Mr. Hoback.

We have amendment Liberal-3.

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

Hon. Mark Eyking: Sorry, Chair. How many were in favour of this?

The Chair: I just had two hands.

(Clause 133 agreed to)

The Chair: Clauses 134 and 135 have no amendments, so can we take those and approve those as 134 and 135?

(Clauses 134 and 135 agreed to)

(On clause 136)

The Chair: We'll move now to clause 136, and we have amendment G-5. I would ask Mr. Lemieux, please, to speak.

Mr. Pierre Lemieux: Thanks, Chair.

I'm happy to move amendment G-5. Again, it's quite lengthy, so I'm not going to read it. What I will do is just try to explain it in plain English.

This amendment is basically talking about how the crown can recover amounts owed to it under the program. The amendment actually clarifies provisions pertaining to a limitation period. There's a limitation period, and this adds more legislative precision regarding the minister's ability to manage default files. It's primarily dealing with default situations.

To give you an example, the amendment clarifies that there's a six-year limitation in place, and the amendment clarifies that the six-year limitation period restarts upon the producer's acknowledgement of the debt, and describes what constitutes an acknowledgement. In other words, there's a default situation that occurs, and that could start the clock ticking on six years. However, if some point after that the farmer or the producer acknowledges they have a debt—there are certain provisions which form what that means "to acknowledge", and that is contained in here as well—then the clock starts again, so the first six years won't expire when he acknowledges it at the three-year mark, for example.

These provisions are consistent with other statutes, and in fact the wording here has been drawn from the Canada Student Loans Act, so it's something that's been seen before.

● (1710)

The Chair: Thank you.

Mr. Allen.

Mr. Malcolm Allen: Let me look to my friends down at the end. I'm not sure who is going to take on the question, but let's leave it open to whomever. This is a significant amendment. It may be boiled down to two sentences as to why it was needed, but we're looking at a significant amount of wordage and sections in a government bill, so if I could have some clarification.... Not that I don't believe Mr. Lemieux, he started out well. To be truthful, he did, with a kind of plain language, and then it got slightly convoluted, it seemed, and the Canada Student Loans Act got thrown in for good measure.

Some hon. members: Oh, Oh!

Mr. Malcolm Allen: Some of us used to have student loans. Mine was paid off a long time ago, so I'm not really sure where that one was going.

If I could, I'm not sure, Mr. Lloyd, whether you're going to be the designated spokesperson, but I did tip you off in advance that I wanted to talk about this one.

The Chair: Mr. Lloyd, do you want to take this on?

Mr. Rosser Lloyd: Again, I'll come back to what the advance payments program does. We do two things. We guarantee the repayment of the advances, and we pay the interest on the first $100,000. If we go through the year and the producer fails to repay, we go in and pay the bank that gave the money in the first place. We pay on the producer's behalf. The debt becomes a debt due to the crown and we take collection action going forward from there.

In the current legislation, there is a limitation period of six years. We saw an opportunity to provide greater clarity around how that six-year limitation really works and what our ability is beyond that. To do that, we relied on other pieces of legislation. This is where the Canada student loans come in as a model upon which to build what you have here in front of you.

Yes, there are a lot of paragraphs, but the principle is fairly simple. It says that once you acknowledge a debt, the clock starts ticking again on the six years. You go in, you make a payment of whatever, you acknowledge the fact that you owe that money, and the clock starts ticking again on the six years.

The subsequent paragraphs say what constitutes an acknowledgement of that debt. Should it be a payment, a written acknowledgement that you owe the money, or a performance of an obligation under the security agreement? We have a number of provisions under this—and if you wish, I can let Sara go through each one of them—that state, "Okay, if I take this action, it's actually an acknowledgement of debt, and it actually starts the clock ticking again."

The Chair: Go ahead, please.

Mr. Malcolm Allen: I have an additional question. What would actually constitute a limitation?

Ms. Sara Guild (Acting Manager and Senior Counsel, Agriculture and Food Inspection Legal Services, Department of Justice): The period is six years, if that's what you mean.

Mr. Malcolm Allen: Exactly.

Ms. Sara Guild: It's six years today, before this bill, and when this is passed, it's still going to be six years. A lot of different schemes have this type of codifying common law principles or Quebec civil law principles that give a kind of consistency in the application. The limitation period isn't changing in terms of the length. It's still six years, but now you have clarity and more legislative precision in terms of the rules that surround collection of a debt in terms of acknowledgements and limitation periods.

Mr. Malcolm Allen: If I'm hearing you correctly, the limitation period is six years. If I can use a stopwatch analogy, the issue becomes when do you actually start that clock. Is that what we're really trying to drive at? This gives it a specific period, such that we say "this is when it starts", whereas before, there may have been a place where there might have been confusion as to when it started. Or am I just headed somewhere wrong here?

Mr. Rosser Lloyd: You're right on, but I would add the fact that it starts and restarts. When there's an acknowledgement of the debt, you click the stopwatch again and it restarts again.

Mr. Malcolm Allen: It's like me running the 100 yards these days. I sort of ran the first 35 and then walked the last 65, so you restart the clock on me since I'm never making the sub-10-seconds—maybe the sub-10-minutes. That's fair enough. I appreciate that. That actually was a heck of a lot simpler than what you wrote. Understanding that law societies get paid by the word, I get that. It would have been much simpler if you could have written it that way, but I recognize that legislation can't be written this way.

Thanks to both of you for that clarification.

● (1715)

The Chair: Mr. Allen, is there anything further?

All those in favour of amendment G-5?

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

(Clause 136 as amended agreed to)

The Chair: Clauses 137 through 153 do not have any amendments, so I'd ask if we could approve those clauses.

(Clauses 137 to 153 inclusive agreed to)

The Chair: Thank you very much, colleagues.

We're wrapping up towards the end. That takes to us to clause 153.1. I would ask Madam Brosseau, please, to present it.

Ms. Ruth Ellen Brosseau: Thank you, Chair.

I'm moving:

That Bill C-18 be amended by adding after line 6 on page 101 the following new clause:

REVIEW AND REPORT

153.1 (1) Five years after the day on which this Act is assented to, and every five years after that, the Minister must cause an independent review of the provisions and operation of this Act to be undertaken.

(2) The Minister must cause a report of the review to be laid before each House of Parliament on any of the first 15 days on which that House is sitting after the report has been completed.

The intent of this amendment is to make sure that we have a chance to review this piece of legislation every five years and that parliamentarians are kept informed of the conclusions of the review, because this is a very important act. We know from testimony we heard at committee, and because we have been studying this for about a year now, we know that this is very important. A lot of this will be decided and rolled out in regulations, so that's why we think it is important to have a review in five years, simply to ensure that farmers' interests are being taken into consideration.

That's about it.

The Chair: Thank you, Madam Brosseau.

I'll go to Mr. Eyking first.

Hon. Mark Eyking: When we talk about this much legislation and how much this affects farmers, I think it makes sense that it should be reviewed every five years. It sounds like one of those amendments that the government would have a hard time voting against.

The Chair: Mr. Lemieux.

Mr. Pierre Lemieux: I have not so much a question as a comment.

Although I understand the intent of this amendment, I think it is important to recognize that the agricultural growth act is not an act in its own right. It's legislation that is called an amending statute, so it's going to amend, as you've clearly pointed out, nine other pieces of legislation. Basically, once the provisions come into force, the act is basically spent. It's going to go into those other acts to amend those other acts. The agricultural growth act, Bill C-18 itself, doesn't have any life to it once its provisions have been implemented in the nine other acts.

The other thing I would point out on the five-year review period, is that when you look at the nine different acts it impacts, there are different review periods associated with those different acts. To give you an example, the PBRA has a ten-year review window. The AMPA has a five-year review period. The FDMA, Farm Debt Mediation Act, has a five-year window. So the proposed amendment doesn't actually address what you ultimately want, and I don't think we want to go through all the acts and specify something that has already been specified in certain of those acts already.

● (1720)

The Chair: Mr. Allen, please.

Mr. Malcolm Allen: It's an interesting comment by my friend across the way, that there are some that are and some that aren't. I take what he says. that this really is an amending of the act for many things. That's part of the problem of how we see it.

Not only that, the reason we tried so hard to change the incorporation by reference is that so many of these things may change, and we wouldn't actually see them come to us as parliamentarians per se. The intent of reviewing what really is an omnibus act is always difficult because it is exactly that and it affects so many other bits and pieces. I think it might have been deemed out of order if we had suggested a five-year review of this act or that act. The clerk might have said that we're not actually studying that act per se, so we may not have been able to actually do that. That was why we tried to look at it as one piece, albeit we know that this affects different legislation.

I hear what my friends across the way have said. My hope is that there would be some understanding that this is indeed a comprehensive change to agriculture in this country, and that some form of review, whether those pieces are in the statutes now and in those acts that this bill will change... If they are not, hopefully the government will think about it and decide to place review pieces inside those particular acts that may not have them at the moment. I would suggest that the term of five years is an appropriate one so that we can actually take a look to see if this worked the way it was intended or if there are problems with what it was intended to do.

I don't have a value judgment on that, because I don't know. You may well have gotten it right and you may well only have to tweak it. Or you may have to take it back and say, “Oh my goodness, it's time for the drawing board.” But then again, it may be somebody else who's doing it for you, because you might be on this side of the House. It's for Canadians to decide how that happens next year.

Let me just leave it at that, Mr. Chair. As Mr. Eyking has said, thank you for steering this through. I think you've done an admirable job, sir. I greatly appreciate it.

To my friends across the way, it's always a pleasure. I think there were some good comments coming back and forth, as Mr. Lemieux has said. Let me be clear: in this game, you win some and you lose some. That's okay. That's the way it's played. I don't have a problem with that. I do appreciate the conversation back and forth. In my view, it was respectful. We don't agree on certain things. Who would have thought that in Parliament, we don't agree in an adversarial system? That's just the way it is sometimes. Hopefully we'll be able to craft other amendments at some point in the future that we may agree on more than we did on some of these, Mr. Chair, but let me end my comments there.

The Chair: Thank you very much for your comments all around.

I don't see any other hands up for discussion. On new clause 153.1, amendment NDP-16, those in support?

(Amendment negatived)

The Chair: Shall clause 154 carry?

(Clause 154 agreed to)

The Chair: We're almost done.

Shall clause 1 carry?

Some hon. members: Agreed.

The Chair: Shall the title carry?

Some hon. members: Agreed.

The Chair: Shall the bill carry as amended?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Mr. Pierre Lemieux: Please do.

The Chair: Shall the committee order a reprint of the bill?

Some hon. members: Agreed.

The Chair: First of all, colleagues, I want to thank the staff at the administration at the end of the table for spending this time with us in helping to clarify this and to bring about the clarification needed in some of the questions.

Colleagues, as Mr. Allen aptly said, I want to thank you for the cordiality with which the committee operates and with which this bill went through. We did have very good discussion. The bill will get reported to the House very soon.

The meeting is adjourned.