

**Mr. McGrath:** I do not intend to go into the committee's report in detail: it is before the House. Suffice it to say that the report contains many very worth-while recommendations. The fact that my colleagues and I are dissenting from the report does not in any way mean that we do not support any of its recommendations or findings. On the contrary, Mr. Speaker. Many of the findings and recommendations in the report are the direct result of our interest; however, it is our opinion that the committee failed on two important grounds. In spite of evidence to the contrary, even an admission by the Minister of Agriculture that he shared some of the blame, the committee in its report to the House failed to lay the blame where it belongs, that is, squarely on the shoulders of the Minister of Agriculture. It makes a rather faint-hearted attempt in the report to absolve the Minister of Agriculture of any blame whatsoever regarding the destruction of the 28 million eggs. I quote as follows from page 16 of the report:

The committee recognizes that the Minister of Agriculture does not have any direct control over the operation of the Canadian Egg Marketing Agency.

We intend to show during this debate that not only was the minister responsible, but that a lot of the problems plaguing the agency today are a direct result of the failure of the minister to take an active interest in the first year of the agency's operation, especially since it was supposed to be a pilot for other national marketing agencies to be established under the National Farm Products Marketing Agencies Act. Second, we cannot be a party to the committee's report because in our view the committee did not have an opportunity to hear all the facts pertaining to the operations of CEMA and the destruction of surplus eggs because of the time-frame imposed upon the committee by its order of reference. The committee had less than two months to call witnesses, examine the evidence and prepare a report for the House. The Minister of Agriculture said, during the debate setting up the committee—and I quote from page 490 of *Hansard*:

Let the nation get all the facts which it has not received to this date.

We did not get all the facts. Let me give the House three illustrations of what I mean. First, the committee never had an opportunity to examine the management committee of CEMA, that is to say, the committee which is in charge of the day to day operations of the agency. How can one properly carry out the terms of reference of the committee without examining the body which is most closely involved?

● (1530)

Furthermore, after the committee had concluded its public hearings and had commenced its sessions in camera to draft its report, a letter was circulated to all committee members by CEMA's auditors, Touche, Ross and Company, indicating that the auditors could not issue an audit of the agency's financial accounts which would be in accordance with generally accepted auditing principles, and here I am paraphrasing. I might say that this evidence was produced as a result of a question directed to the auditors by my colleague, the hon. member for Vegreville (Mr. Mazankowski). In a letter to CEMA dated October 24, 1974, the auditors stated that the inventory records of the agency were inaccurate and not up to date at the time of

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the auditors' examination. The letter also contained this startling revelation:

There were several locations where eggs were stored and could not be examined by us because the locations were not known to us or to the agency at the date of the examination.

That evidence was crucial to the committee's investigations. Obviously, the implication here was that there could have been considerably more than 28 million eggs destroyed. We shall never know, because CEMA itself did not seem to know; at least, the auditors were unable to locate stored eggs because the locations were unknown to CEMA. So the number destroyed may have been 30 million, 40 million, or more. It might have been as high as 100 million. On October 5, 1974, the last day of the committee's public hearings, the provincial ministers of agriculture, following meetings in Ottawa with the federal minister on the future of CEMA, issued a statement containing a number of recommendations the effect of which was to place CEMA under trusteeship for two years. This report did not come before the committee until the final day of public hearings, when there were no further opportunities open to us to examine witnesses or to hear new evidence. The key recommendations in the ministers' report are as follows:

1. For an initial period of two years, CEMA should consist of a two-part administration: (A) CEMA proper, to consist of ten provincial representatives, plus (B) a five-member executive committee.

2. The provincial representatives should be selected by the commodity egg board in each province and should be acceptable to the other signatories to the plan in each respective province.

3. The executive committee should consist of: three persons appointed by the federal minister after receiving nominations from the provincial ministers; the chairman and vice-chairman of the Canadian Egg Marketing Agency.

This report was not presented to the committee for examination. Moreover, its recommendations were adopted only on division according to a letter which the ministers themselves sent to the committee. Surely the House has the right to know which provinces dissented. We are entitled to know what position the Minister of Agriculture for Canada took in respect of those recommendations. As I say, this report came at the end of the committee's hearings and we had no opportunity to obtain this information.

Whether the recommendations are good or bad is irrelevant at this point. The point is, they represent a complete reversal of attitude toward CEMA. For example, when the publicity about CEMA in connection with the destruction of eggs had just begun, there were complaints that consumer representation on CEMA was inadequate. It was not suggested at any time that producers should not have any say in the conduct of their own marketing boards. But that is the attitude taken by most of the provincial ministers. It is up to the minister to decide whether to implement these measures or not. We hope the Minister of Agriculture, who is not in the House at this moment, will address himself to this question before the debate concludes.

The evidence to which I have referred, coming, as I say, at the end of the committee's hearings, totally discredits, in my view, the report which is now before the House. That is why my hon. friend from Lisgar (Mr. Murta) will be moving an amendment later this day to refer the report to the Standing Committee on Agriculture where members