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Chair: Mr. Kody Blois



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• (1125)

[English]

The Chair (Mr. Kody Blois (Kings—Hants, Lib.)): Colleagues, I'm going to open the meeting. I know our whips have the practice of trying to allow 10 minutes after a particular vote, but I'm looking around and I see complete quorum, and I have quietly had a conversation with all of you. I believe everyone has voted, so I would seek, as your chair, unanimous consent to proceed notwithstanding the agreement we have with our parties, because we're all sitting around the table. Are we good with that?

Some hon. members: Agreed.

The Chair: Colleagues, happy Canada's Agriculture Day. There is lots of stuff happening here on the Hill. We're no exception. Today, let me start by saying this is meeting 91 of the House of Commons Standing Committee on Agriculture and Agri-food.

You know all the reminders, because we've been through this song and dance before.

Today we are continuing our study on the efforts to stabilize food prices.

We have the COO of Costco, Mr. Pierre Riel.

Thank you, Mr. Riel, for being here and for your patience through some of our procedural elements that delayed the opening of the committee.

Colleagues, I'm going to do my best to try to maintain our time and continue to move.

Mr. Riel will have opening comments, and then we will proceed to the first hour of study of Bill C-355 in the name of Mr. Lewis.

Without any further ado, I'm going to turn it over to you, Mr. Riel. I know you wanted a couple of extra minutes. That's okay by me, as your chair. Go ahead.

[Translation]

Mr. Pierre Riel (Executive Vice President and Chief Operating Officer, Costco Wholesale International and Canada, Costco Wholesale Canada Ltd.): Good morning, Mr. Chair, vice-chairs and committee members.

As you know, Costco's unique organizational structure sets it apart from other grocers. Costco is a warehouse club that enables members to benefit from purchasing power. This helps us keep our prices as low as possible. Through good times and bad, Costco's daily mission has stayed the same. This mission is to offer our

members quality goods at the lowest possible prices. This is Costco's business model.

You have asked grocers about their strategy to help stabilize food prices for Canadians. Costco's answer is the following. We'll stay true to our business model. By working to provide the best possible prices for our members, we'll help stabilize and lower food prices for all Canadians.

Our time-tested business model shows that our strategy works. Given the value that we offer to the market, our membership base is strong. It has grown significantly in recent years. In addition, our membership renewal rate in Canada and the United States is over 92%.

In our confidential presentation submitted to the committee on November 2, 2023, we provided significant details about some specific methods that help Costco stabilize and lower food prices. To be clear, this presentation includes only a few examples of our actions in this area and isn't exhaustive.

Publicly, we can share the following information. We've invested even more in our employees. We have 53,000 employees in Canada, up from 48,000 in 2021. Our starting hourly wage was increased to \$18.50 in September 2023. This is above the highest minimum wage rate required in all the provinces where we operate. The average hourly wage is up from \$27.63 in 2019 to \$30.20 today.

A few things bear repeating. Just over 57% of our employees work full time for 40 hours a week. Our part-time employees are guaranteed a minimum of 25 hours per week, but they work 28 hours per week on average. All our full-time and part-time Canadian employees and their dependents have access to health care benefits paid in full by Costco. We also have one of the best defined contribution pension plans in Canada. A cashier who has worked full time at Costco for six years makes over \$70,000 a year.

We've also continued to invest in our Kirkland Signature private label brand. We've increased the number of food items for the label by over 12% since 2019. Kirkland Signature products are designed to match or exceed the quality of national branded items, resulting in savings of around 20%.

We've invested in Canadian suppliers. Over 61% of our Kirkland Signature items are now manufactured in Canada. We've mitigated price increases and accelerated price decreases as input and commodity prices drop, despite the weakening of the Canadian dollar.

We're always looking to decrease prices for our members. For example, since the start of 2023, we've decreased prices on hundreds of items. We'll continue to decrease prices when we can. We continually comparative shop at our competitors to ensure that we're living up to our promise to our members to offer the best prices.

We continue to face pricing challenges. The cost of commodities continues to increase. The Canadian dollar remains weak against the American dollar. We continue to receive multiple price increase announcements from our suppliers. For example, some provinces have minimum milk prices. This often means that we're forced to charge more for milk than we would like. As a result, we decided to make regular donations to the Breakfast Club of Canada. Since 2016, we've donated over \$1.6 million to the club.

With respect to the grocery code of conduct, we strictly adhere to the principles of our code of ethics, which require us to obey the law, take care of our members and employees, respect our suppliers and reward our shareholders.

It isn't difficult for us to support the principles of the code. We'll continue to review how the proposed code will work, who will choose to apply it, how disputes will be resolved and, in the end, how it will really impact—

• (1130)

The Chair: Excuse me, Mr. Riel. We're having some technical issues with the interpretation.

[English]

When I was listening, I was hearing both English and French coming through at the same time.

I will talk—

A voice: It was English and English.

The Chair: Oh, it was English and English. I'm sorry.

I guess I was listening to Mr. Riel and the English translation, and maybe I got them both mixed up.

I'll continue to talk in English for a few minutes

[Translation]

I'll also say a few words in French.

I'm told that the issue has now been resolved.

[English]

Okay.

I'm sorry, Mr. Riel, to take your time away. You still have another 45 seconds or whatever time—

Mr. Pierre Riel: If you don't mind, I would like to go back to the code of conduct and my comment on it, just to make sure we're clear about that thing.

[Translation]

The Chair: That's fine.

[English]

Go right ahead.

Mr. Pierre Riel: I think it's a very important subject.

[Translation]

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

Mr. Pierre Riel: Okay.

With respect to the grocery code of conduct, we strictly adhere to the principles of our code of ethics, which require us to obey the law, take care of our members and employees, respect our suppliers and reward our shareholders.

It isn't difficult for us to support the principles of the code. We'll continue to review how the proposed code will work, who will choose to apply it, how disputes will be resolved and, in the end, how it will really impact food prices for Canadians.

Costco is invested in the communities in which it operates. We continue to open new stores, what we refer to as warehouses; hire new employees; pay good wages and support local suppliers. Costco is committed to its mission and ensuring that it always offers the highest quality products at the best possible prices.

Thank you.

The Chair: Thank you, Mr. Riel.

We'll now open the floor to questions.

We'll start with the Conservatives.

Ms. Rood, you have the floor for six minutes.

[English]

Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC): Thank you very much, Mr. Chair.

Thank you, Mr. Riel, for being here today.

Mr. Riel, the Prime Minister summoned the grocers to Ottawa last fall, and I'm just wondering whether you could tell us if you were part of those meetings last fall.

Mr. Pierre Riel: I was part of one meeting with Minister Champagne.

Ms. Lianne Rood: I understand that the government gave a list of asks to the grocers to help reduce grocery prices for consumers, and I'm just wondering, what specific recommendations did you ask the Liberal government to initiate, and have any of those recommendations been acted upon?

Mr. Pierre Riel: You know, Costco's point of view on this, and my personal point of view, is we all need to work together. I think there's a lot that can be done to help consumers across the country.

It starts with the infrastructure in Canada, and we have some work to do. Rail is something that can be improved. Ports can be improved. I think that, if we all sit together and work on it, the consumer is going to benefit from it. That was my main suggestion to the minister.

Ms. Lianne Rood: The government promised Canadians that they would lower food prices by Thanksgiving, and we know they've broken that promise. We heard from other CEOs that they had instituted a price freeze over the Christmas holiday period and into the new year, and extended it, and I've heard from suppliers that some of them are not allowed to ask for price increases, regardless of whether their costs have been going up. My question is, did you participate in those price freezes, like the other retailers did, and how much do you anticipate food prices are going to increase in 2024?

Mr. Pierre Riel: At Costco we don't freeze prices. We work with our suppliers and we negotiate with them. If they come to us two weeks before Christmas, we're going to be a little bit tougher and say, "You know, let's wait," because it's not a nice gift for consumers, but we don't freeze prices. If we can decrease prices because the currency goes down, we do it the day the currency comes down, so for us, it's not a practice. The practice is the best possible price every day, and that's what we do because we're selling memberships and we're about the sales. Our members trust us to negotiate the best deal, so we cannot freeze the price for a couple of months in our....

• (1135)

Ms. Lianne Rood: Are you seeing cost increases from your suppliers? Are the requests coming to you at this point?

Mr. Pierre Riel: There are more and more coming.

Ms. Lianne Rood: Okay.

We know, Mr. Riel, that front-of-pack labelling is going to cost consumers \$8 billion. We've actually heard in this committee that the new plastics ban on fresh produce is going to cost the industry at least \$6 billion.

Given your business model—and I know there's a lot of it in your stores—what will this do to food costs, food availability and food waste?

Mr. Pierre Riel: We didn't do an evaluation yet of the exact incremental...but for anything you try to do on things that's not a basic thing, obviously the cost of the good is going to increase and the retail price will increase.

That's another thing that we need to work on all together. Mandating things and not looking at the effect on the consumer.... To me, it's something we all need to look at.

That's what we do at Costco on a daily basis.

Ms. Lianne Rood: Will that plastics ban affect the cost of the food in your store? Do you anticipate that the costs of what you're selling will increase?

Mr. Pierre Riel: I think it will in certain cases. I think produce waste can be a problem. The CPMA has come up with some studies saying that the waste is going to increase by 30%.

We'll see. We still need to evaluate it, but everything that you add to the net landed cost, consumers will have to pay at some point in time.

Ms. Lianne Rood: On that same point, as cost increases for suppliers—and you've mentioned that suppliers are asking for cost increases—what do you think the effect of the carbon tax is on the cost increases that you're seeing at the retail level?

We know that the carbon tax is a significant cost to our farmers and our producers and it's going to increase again on April 1.

Have you seen an effect on your business with the rise of the carbon tax on the cost of doing business and the costs passed on to families?

Mr. Pierre Riel: Because we're low emission, at this point, we're not the ones paying it, but we're paying it in our utility bills. We're paying it in the propane we're selling. We're paying it in a different way.

Everything you expend at a point in time—you have to if you want to pay your salary or your expenses—is all part of the net cost.

Ms. Lianne Rood: Another complaint I hear from many businesses is how our regulations incur costs that must be passed on to consumers. You just mentioned the cost of your utility bills. Obviously, when you see an increase in heating your stores, you're going to have to pass that on to the consumer somehow, whether it's in cost increases on memberships in your case, or cost increases on the food that consumers are buying.

Again, with the potential plastic packaging ban, how do other regulations that are mandated by the federal government affect the costs that you pass on to Canadian consumers?

If you don't have that at your fingertips, is that something you can pass on to this committee at a later date?

Mr. Pierre Riel: We'll look into it and get back to you on this.

Ms. Lianne Rood: Have you seen an increase in your trucking costs in getting food to your warehouses since the carbon tax has been put on and we see it increasing?

Mr. Pierre Riel: There is a fuel surcharge in the market.

Ms. Lianne Rood: The carbon tax is a direct cost.

Thank you.

Mr. Pierre Riel: Yes. We're paying for gas for our own fleet.

Ms. Lianne Rood: Thank you very much.

The Chair: Thank you very much.

We'll now turn to Mr. MacDonald from Prince Edward Island.

I'll pass it over to you, my friend.

Mr. Heath MacDonald (Malpeque, Lib.): Thank you, Chair.

Thank you, Mr. Riel.

Mr. Riel, we've brought grocery store chains before us.

I'm just wondering, in your point of view, why are we here? How did we get to this point? Why are we having to call grocery store chains before parliamentary committees to discuss pricing mechanisms?

Mr. Pierre Riel: I think the consumer out there is worried. I think you represent the consumer, so I think that's why we're sitting here.

We also represent our own members. For us, everything we can do to lower prices would be better for business out there. The more consumers who can afford to buy their food, the better it will be for Canadians. That's what it's all about.

For me, in my very honest opinion, let's work together on this.

Mr. Heath MacDonald: How will Costco ensure that its pricing mechanisms align with its own code of conduct?

You spoke relevant to that. I just want to know how you will interpret the new code of conduct to build it into the fairness and transparency that you discussed in your preamble.

• (1140)

Mr. Pierre Riel: In our practice and in our day-to-day business, we see the supplier as a partner. At the end of the day, we're just selling goods. That's what we do at Costco. If you don't have a partner, if you don't have procurement, and you don't have the supplier to supply you, what are you going to sell?

It's important for us that the supplier makes some money because at the end of the day, if they don't, they're not going to be able to supply the consumer.

We're basically in the middle of the two. We have to do a good job serving the member and we have to do a good job negotiating with our vendors to make sure we get the best fair price out there.

That's what I call respect. I think if we respect vendors, a code of conduct will not necessarily need to be a necessity because you can deal with it.

Mr. Heath MacDonald: Just on the supply chain, we talked about climate change, transportation and so many other things that are happening around the world. How is Costco affected? How are the pricing mechanisms affected if there is flooding in California, such as for romaine lettuce or something to that effect?

Can you give us any indication of some of the travesties we are seeing around the world that are having an effect on farming, on the farming community and then, obviously, on the supply chain to your stores?

Mr. Pierre Riel: It's getting tough out there because of all of this. You mentioned romaine hearts. That is an item that for probably the last five years we're out of stock for a couple of months of the year because of what's all happening. Obviously, when there are no offers out there and there's not enough product, the tendency is that it's a little bit more expensive. That's just a common practice.

Having said that, what we've been doing at Costco is searching across the world to try to get the fruits and vegetables to serve our customers. I'm in charge of international for Costco. I was in Australia last week with our buyers over there and communicating with the buyer in Canada to try to find some sources of product. I was in China three weeks ago. There are things that we can look to supply, even from Canada, and now we're shipping some products out of Canada to those countries.

I think that's the key. The key to the future is procurement. If we want to feed our kids, we're all going to have to work together again.

Mr. Heath MacDonald: Overall, the code of conduct promotes transparency and integrity. You talked a bit about that. It also talks about accountability. What do you see as important for regulations or policy in regard to the grocery store chains on ensuring accountability across the board for all retailers?

Mr. Pierre Riel: I think it's that each of the retailers be responsible and treat people well. I don't think you need a regulation to do that. I think the common practice is to treat people fairly, and you get something back.

Fairness is very important in this business. I've been at Costco for 37 years. Are we perfect? No, we're not, and I will never say we are, but I will say that if there's a problem, we want to do the right thing. If a vendor has a problem with us, he has to call us, and we'll sit down and we'll deal with the problem, and I think each of us should do the same.

Mr. Heath MacDonald: Yes. Okay.

Thank you, Chair.

The Chair: Thank you very much, Mr. MacDonald.

[*Translation*]

Mr. Perron, you have the floor for six minutes.

Mr. Yves Perron (Berthier—Maskinongé, BQ): Thank you, Mr. Chair.

Thank you, Mr. Riel, for joining us again today. We know that we often ask you to come and see us. We appreciate your availability and your clear answers that flow well.

I'll focus on the code of conduct. From the start, in your discussions with the other committee members, you've been saying that every grocer must treat people properly and that you basically don't need a code of conduct since you have stuck to your business model and you have a code of ethics, for example.

I understand all this. I can also see it when comparing your answers to questions with the responses from previous witnesses. However, the code of conduct may be necessary for other grocery chains. You're part of an ecosystem. Correct me if I'm wrong, but you said in a previous meeting that you agreed with the idea of a code, while adding that it didn't change much for you since you already had positive practices.

Are you still prepared to adhere to a code of conduct, should an agreement be reached?

Mr. Pierre Riel: If an agreement is reached, I would still be prepared to do so, because we apply the principles. If the principles are upheld, if a good protocol is established to ensure a clear understanding of how disputes will be resolved—if necessary—and if we know all the costs involved, I would be ready to adhere to it.

We weren't involved in the negotiations from the start, nor were we asked to be. However, the Retail Council of Canada, or RCC, keeps us informed of developments.

If the code of conduct is well defined and involves respecting suppliers, we can only support it, since we already apply the principles.

• (1145)

Mr. Yves Perron: If neither Loblaws nor Walmart were to sign this agreement, for example, how would Costco react?

Would Costco agree to adhere to a code that isn't observed by all industry players?

Mr. Pierre Riel: It would be difficult to agree. In my opinion, the code is made for the industry. It doesn't matter which players participate. It matters that the industry participates.

Other countries where we do business have codes of conduct in place. For example, England has a code. We aren't required to adhere to it, even though people in England must abide by the code. Australia also has a code. We don't adhere to it, nor are we required to. We already offer savings of around 25% to 30% compared with our competitors.

I don't call it participation when not all players are around the table.

Mr. Yves Perron: Don't you think that it could have a ripple effect?

Mr. Pierre Riel: When they share all the details of the code of conduct, we can make a decision. Right now, we don't know enough details to say yes or no. It's too early to say today that we'll adhere to it when not all the details have been worked out yet.

Mr. Yves Perron: You spoke of your philosophy and respect for members. I assume that, if a code of conduct were introduced, either on a voluntary basis with everyone's signature or through legislation, Costco would have no problem participating because it would benefit the industry. Let me know whether I'm misinterpreting anything you said.

You said earlier that you were monitoring your competitors' prices. That way, you know what's happening in other places. I think that it would benefit everyone if a code of conduct were es-

tablished. I'm sure that you agree with that, but correct me if I'm wrong.

Mr. Pierre Riel: I think that we agree. However, we need to know more, because there's work to do.

Mr. Yves Perron: Lastly, I would like to talk about transparency. When all the grocery chain representatives spoke to us for the first time, the Competition Bureau was conducting a study. The catalyst for this study was the significant increase in grocery chain profits.

When we asked grocery chain representatives about this, they said that their profits hadn't been boosted by food products, but by other goods, such as pharmacy products. However, when we asked them for details and breakdowns to check whether they were telling the truth, they said that they couldn't provide this information because they were in competition.

At that initial meeting, I asked each representative, including you, to commit to providing these figures to the Competition Bureau. Everyone agreed to do so. A few weeks later, I received the Competition Bureau's report. In the first pages of the report, the bureau lamented the fact that it hadn't received the figures from everyone.

My question is straightforward. Did Costco provide its figures to the Competition Bureau?

Mr. Pierre Riel: We provided the figures that we were able to supply when asked for them. If the Competition Bureau wants to call us back and ask for something else, it can do so.

Mr. Yves Perron: I understand that you provided some figures, but perhaps not all the figures requested.

Mr. Pierre Riel: I wouldn't say that. If you receive something that doesn't fulfill your request, you should call us back to clarify the request and see what we can do.

You must understand that our company is public. We'll do our best to collaborate, as we do all the time. We have nothing to hide. However, there are five major retailers. This means competition, and we want to make sure that the same rules apply to everyone.

Mr. Yves Perron: You said that you provided the requested information.

Mr. Pierre Riel: We believe that we did. However, if the Competition Bureau doesn't agree, it can call us back.

Mr. Yves Perron: Thank you.

The Chair: Thank you.

Mr. MacGregor, you have the floor for six minutes.

[English]

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Thank you very much, Mr. Chair.

Mr. Riel, thank you for appearing before our committee again.

On the subject of the costs of transporting goods for your company, I think around this day, diesel prices in my neck of the woods are hovering around \$1.70 a litre, compared with about a year and a half ago, when it went up to \$2.30 a litre. I guess your company has noticed similar fluctuations?

• (1150)

Mr. Pierre Riel: Yes, absolutely.

Mr. Alistair MacGregor: Absolutely.

Then if you compare that with the pre-pandemic price of fuel, I'm sure you've seen a great change as well.

Mr. Pierre Riel: Absolutely.

Mr. Alistair MacGregor: It's interesting to note, to the Conservatives' point, those price increases have happened at a rate much greater than the carbon tax and also at the same time when oil and gas companies are reporting record profits. That's just something to put on the record.

Anyway, I wanted to move on to my questions here. I want to congratulate you because, first of all, I know your company is membership-driven, so people make an active choice to get a membership to shop there, and I think we've seen the results. I think you were recently voted Canada's most respected grocery retailer, while we saw Loblaws fall to thirteenth and Sobeys drop to ninth. Why do you think Canadians are losing faith in companies like Loblaws and your competitors?

Mr. Pierre Riel: I can talk about Costco; I'm not here to talk about the others.

I will say that Costco is working very hard. On a daily basis, our team looks at what we can do to gain and maintain the trust of our members. When somebody decides, as you said, to pay to come to shop somewhere, you have to offer something. If you don't give them the pricing and the quality, why should they pay to come to shop? That's our basic philosophy and our basic concept. We're going to continue as best we can to do that on a daily basis.

I will say the "utopia" of Costco is to be able to sell merchandise at cost and to make some money with the membership and other things. That would be the best. If we can do that one day, that's the utopia, and it will be good for us. It's not easy to do, but that's what we're aiming for.

Mr. Alistair MacGregor: Mr. Riel, in your opening comments—correct me if I'm wrong—you said that a starting wage at Costco is \$18.50 an hour, and that the average wage is \$30.20 an hour. With some of your competitors, we've noted that some of their employees have to go on strike, because they can't even afford to buy the food where they work. Some are having to bolster their food purchases with trips to the food bank. It was reported in the news that your competitor, Sobeys, has recently offered a five-cent raise to their minimum wage employees.

What goes through your mind when you see that kind of trouble in your competitors' labour market pool—the fact that their employees are struggling, they're having to fight for even a nickel a raise? How does that compare with the employees who work at Costco?

Mr. Pierre Riel: Again, I can talk about the employees at Costco. We're very fortunate to have the employees we have. I would not be sitting here today without my employees. Costco would not have millions of members in Canada without them. During the pandemic, in all of that time, the employees were there at the front end, at the cash, stocking the floor, day in and day out, to make sure that consumers got the food.

I'll tell you one thing: Thank you to our employees. Without them there's no need for Pierre. It's essential for us. Everything we can to give back to our employees, we'll do—the best we can.

Mr. Alistair MacGregor: You talked about the benefit plan that's available to them—full health care benefits and a defined contribution pension plan. I'm just curious if you've had any reports from employees who are struggling with day-to-day living? Are any even at the starting wage struggling with the cost of living and able to get by on that wage where they live?

Mr. Pierre Riel: We have roughly about 250 employees per store, and our warehouse managers are very close to people. If we hear something we'll do our best to help. Our employees are our family. For us, they're like a member. You need members to get employees; you need employees to get members. Those two things are essential.

Nothing is eternal in life. We have success, because of them and because of our members, so we need to maintain that relationship. If we hear something about an employee suffering, we'll do our best to help that employee. If there are some out there, then I invite them to call us. We'll do the best we can, again, to help them.

Mr. Alistair MacGregor: I also want to ask a question on the grocery code of conduct. That of course is a big topic for this committee. We've heard the noises that both Walmart and Loblaws have made with respect to the code. Now, the conversation is transitioning from a voluntary code to a mandatory code.

What is your feeling on what the federal government should do next if we have this reticence from two of your competitors? How do we step in as legislators, as policy-makers, to make it a fair code for everyone? In your opinion, does everyone have to be a part of this code in order to make it a fair place to compete in Canada?

• (1155)

Mr. Pierre Riel: I do believe that if there's a code, everybody should be participating. That also includes multinationals, because we're talking a lot about the retailers, but we also need to talk about the suppliers. They're part of that. This was brought to the attention of everybody based on some supplier having some difficulty with some retailers. Having said that, you need two to dance. I think you need everybody to participate.

All of us should look at it as beneficial for the consumer. I think it would be way better if everybody participated, and if we have a law to make that happen. That's my opinion.

Mr. Alistair MacGregor: Thank you.

The Chair: Thank you, Mr. MacGregor.

Thank you, Mr. Riel.

Colleagues, just to give you a sense of how we'll finish the rest of our day, I'm going to do the second round—so we'll do turns of five and five minutes, and two and a half, two and a half minutes. That should take us until about 12:10. If there are any final burning questions, I'll allow for a quick intervention for a minute from anyone on the Liberal or Conservative side. Otherwise we'll then move on to Mr. Louis's bill.

We'll go to you, Mr. Epp, for five minutes.

Mr. Dave Epp (Chatham-Kent—Leamington, CPC): Thank you, Mr. Chair.

Thank you, Mr. Riel, for appearing today.

I'm going to continue to thank you for your knowledge of the status of the grocery code of conduct in Australia and the U.K. We had another retailer appear at this committee who professed no knowledge of the workings of the code in other jurisdictions, which I must admit I found rather incredible. I appreciate your knowledge in sharing that.

If I understood...from your testimony, Costco is obviously a member of the U.K....and participates?

Mr. Pierre Riel: No, we're not. We were not asked to be a part of it. In the U.K., we're working under a licence called a commercial licence. We're more dictated by the trade business. To be able to operate stores we need to have a trade licence, which is a different approach.

Everybody who does £1 billion or more in sales is the way they are selected in the U.K. The last one to come in was Amazon, and a couple of others, which we were not asked to do.

Our code of ethics applies in every country we do business. For us, the principles are there. I think that if somebody—a vendor—will think that we need to be there, they will probably do what they have to do to force us to get there.

Mr. Dave Epp: I also heard from your testimony that in Australia, where it is a voluntary code, you are not participating.

Mr. Pierre Riel: We are not, because—

Mr. Dave Epp: [*Technical difficulty—Editor*] the same code.

Mr. Pierre Riel: Yes.

Mr. Dave Epp: Right.

You were quoted in an article on April 17 of last year as saying that you would participate in the code if the goal of the code was lower consumer prices. The experience from the U.K., with the existence of a code, has been exactly that.

Would you stand by that statement from about a year ago?

Mr. Pierre Riel: You know, I'm standing by the statement that if it will help the consumer, but I think there's a little thing we need to add to the statement here: We need to define that code.

Mr. Dave Epp: Right.

Mr. Pierre Riel: We don't have that yet. Everybody's talking about a code with a lot of things, and it's not done yet. It's very tough sitting in my seat and saying I'm for it when we don't know how the disputes will be fixed. We don't know who will participate. We don't know if the multinationals will be in. There are things that need to be done prior to a decision being made.

That doesn't mean we're against the principle. Absolutely we're for the principle of the code, because that's what we do in our code of ethics, but there are things that need to be defined. When they are presented to us, we will look at it. If it makes sense, we will say yes.

Mr. Dave Epp: I will circle back to the multinational issue that you raised. Do you find that your experience with vendors to be different on the basis of vendor size? Do you find the relationship with vendors to be more cantankerous or more difficult or more friendly with larger or smaller vendors?

Mr. Pierre Riel: I think it's like a lot of things in life—there's something different in everything. I have to say that if you treat people well and you are respectful in negotiating, then any vendors will recognize that.

At the end of the day, you're dealing with human beings. You're not dealing with the name of a company. There's no name of a company without the people inside it.

The Chair: I'm sorry. I have to stop the clock for a second. We might have had a slight slip in translation....

Go ahead, Mr. Epp. It's back to you.

Mr. Dave Epp: Thank you.

Mr. Pierre Riel: To me, that's the thing. When respect is established between vendors, then the size of the vendor doesn't matter.

• (1200)

Mr. Dave Epp: So you would not see the need to carve out exemptions on the basis of vendor size. I'm hearing you call for participation by vendors as well as retailers. Am I correct?

Mr. Pierre Riel: Yes.

Mr. Dave Epp: Is that irrespective of the size of the vendor?

Mr. Pierre Riel: I think so.

Mr. Dave Epp: Thank you.

In terms of U.S. versus Canada and the level of competition, would you say that you face a similar amount of competitive pressures from your competitors in the U.S. versus in Canada? I'm talking about the retail landscape.

Mr. Pierre Riel: At Costco the concept is different, because we sell a membership. In the U.S. there are other member clubs. In Canada there was one and it's no longer here. In other countries you also have other ones. If you compare membership clubs, there is more competition in the U.S.

Mr. Dave Epp: Right.

Mr. Pierre Riel: If you compare the number of groceries, this may be a little bit more, but there's a lot more population. It depends on which state you are in and in which area you are.

I don't spend a lot of time there, because I've been travelling the world, but I've been in Seattle for the last two years. There is competition in Seattle like there is competition in Toronto. In those massive cities, there's massive competition. There are more stores because there's more population.

Mr. Dave Epp: What advice do you have for this committee? Are you participating in the code discussions right now?

Mr. Pierre Riel: No.

Mr. Dave Epp: Okay. You're waiting. Did you participate?

Mr. Pierre Riel: We did not participate in the code. We were informed through the RCC.

Mr. Dave Epp: Right.

Mr. Pierre Riel: We asked them questions. What we know about it is that there was a consultant hired. The committee is now two members from the RCC and—without giving names—from Metro and Sobeys. We're waiting for them to come back to us to see what will happen. We were not invited to be part of that committee.

Mr. Dave Epp: Thank you.

Thank you, Mr. Chair.

The Chair: We will turn it over to Ms. Taylor Roy.

You have up to five minutes.

Ms. Leah Taylor Roy (Aurora—Oak Ridges—Richmond Hill, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Riel, for being here.

I appreciate your code of conduct and ethics that you have in Costco. I know that you have been co-operating and working with the government. Thank you for your submission. However, we still are dealing with high grocery costs. For me, as a representative in Aurora—Oak Ridges—Richmond Hill, that's a great concern to many of my constituents. That is one issue.

The other is for independent grocers who feel that it's very difficult to compete with the large chains and with, as you mentioned, more competition in especially the smaller areas. For the smaller regions of Canada it is important.

You mentioned that you thought it was very important to work collaboratively with the government to address these issues. I know that we had committed to stabilize prices. Actually, my colleague across the way was incorrect when she said that we were going to bring them down. We had said that we were going to try to stabilize prices with the grocers.

When I look at the many, many articles that talk about why grocery prices are or have been so high in Canada—I'm looking at one here from CTV, but I have read many of them—they talk about supply chain issues stemming from the pandemic. They talk about the geopolitical turmoil in Russia. They talk about extreme weather and climate change as well as many other factors.

When you're dealing with these kinds of issues, what do you think we can do collaboratively with the grocery retailers and other players in the chain—as you have mentioned, there are many—to try to bring some more relief to consumers who are struggling right now?

Mr. Pierre Riel: That's a wide question, so—

Ms. Leah Taylor Roy: It is.

Mr. Pierre Riel: My recommendation would be for all of us to look at what we can produce in Canada a little more. That would be my first thing.

Ms. Leah Taylor Roy: Yes.

Mr. Pierre Riel: I will say that if we're all sitting together as a group, looking at the variations in industries—at farmers, secondary manufacturing and tertiary manufacturing—I think there's a way to look at it and ask if there some way that we can support those small and medium-sized businesses to become a little bit larger, to a degree that everybody can sustain, honestly. That's important.

To me, you're going to avoid a lot of costs the closer the product is to the consumer. There's absolutely no doubt. I think we have multiple good things in Canada. This is a great country. I love this country. There are a lot of resources. We have a lot of ways of doing things. We have a lot of creativity. We have a lot of nationalities around us, which should help us to do better. We should learn from each other.

I'm a strong believer that if we focus on producing more in Canada without forcing anybody, but just by working together, then there's a way, and the consumers will benefit from it.

● (1205)

Ms. Leah Taylor Roy: That's fantastic. Thank you.

Also, the value of the Canadian dollar was impacting grocery prices—

Mr. Pierre Riel: Yes.

Ms. Leah Taylor Roy: —so the more we produce here, the better.

You're saying to not just look at farming but also at some of the secondary and tertiary manufacturing as well, and at doing more here. I agree. Of course, that would also help with our climate change issues.

Mr. Pierre Riel: Yes.

Ms. Leah Taylor Roy: The shorter the distance we transport things, the less we have to pay for the rising costs of gas and fuel as well.

That's one interesting....

Do you work to support any Canadian manufacturers or businesses? Do you extend vertically at all in your chain?

Mr. Pierre Riel: Absolutely we do. I'll give Kirkland Signature as an example. The Kirkland Signature detergent made in Canada is exported to China right now. We opened a sixth store in China this year. We're going to open a seventh one in June. The Kirkland Signature detergent is made in Canada.

Ms. Leah Taylor Roy: Okay.

Mr. Pierre Riel: The maple syrup is probably one of the best examples. We're the largest seller of maple syrup in Japan, and that's all coming from Quebec. It's the Kirkland Signature maple syrup.

That's the way you're going to help those industries to develop a little larger. Then we're becoming well known. It's not just Costco; it's also the producer.

I think there's a way to get efficiency from it, and at the end of the day, it's going to be a better price.

Ms. Leah Taylor Roy: I have one last question. It's just on the independent grocers.

We value small business in Canada. We value local services and our downtowns. A lot of them are the local independent grocers.

What do you think can be done to help them compete against some of the larger chains that are right now dominating the market?

Mr. Pierre Riel: I think, again, there's a variation in the way you do business when you're a smaller grocer or you're in a small town. I'm from a small town. When I go back to my town, I'm trying to buy local. The reason is not just to make sure that you support your community; it's that you get a different approach. They know their people and that. Those independent grocers do well what they do because, at the end of the day, they serve the member. They take the time with the customer—I called the customer “the member”, but that's obviously in my language. Having said that, I think being closer to the consumer is something that will help everybody.

We're going to be in Rimouski, and we're in Sudbury, in those small towns, and when Costco goes and opens in a small city, I often get this question: Are you competing with them? I think we're helping them because they can come to buy from us at a better price and resell the goods. We have proven that across the country. We're operating in Chicoutimi, in Grande Prairie, in Medicine Hat, in some size of city. Then we can support everybody.

Ms. Leah Taylor Roy: I'm not sure that my independent grocers would agree with wanting that, but I understand what you're saying.

Thank you.

[*Translation*]

The Chair: Mr. Perron, you now have the floor for two and a half minutes.

Mr. Yves Perron: Thank you, Mr. Chair.

Mr. Riel, thank you again for your clear responses. I would like to obtain some equally clear answers in the next few minutes. It won't be awkward for you.

At the start of your remarks earlier, you said that you were sticking to your model and that you provided confidential documents in November. Was there really anything new in these documents, or was the goal simply to explain to committee members your usual practices?

Mr. Pierre Riel: Was there anything new? We've been doing this every day since our founding. It's part of our original concept.

Mr. Yves Perron: So there was nothing more to add in response to the request from the minister. I want to address this.

We're meeting with you for the second time. We already carried out a study and drew some conclusions, such as the need to introduce a code of conduct. We then started the process again at the request of the minister. He wrote a letter to the committee asking us to meet with you and check whether you tried to lower prices in response to his request.

You're basically saying that you already lower prices as much as possible, that you can't do anything more and that you're carrying on as usual. Is that right?

Mr. Pierre Riel: Exactly. That's our business model.

Mr. Yves Perron: Okay.

Mr. Pierre Riel: We couldn't sell membership cards if our prices matched our competitors' prices.

Mr. Yves Perron: So the initiative taken by the minister hasn't changed anything in your case.

Mr. Pierre Riel: I can't say that the initiative hasn't changed anything. I think that it brought the group together and raised awareness.

Mr. Yves Perron: It has shed some light.

● (1210)

Mr. Pierre Riel: That may be the case for some people. However, I'm sticking to my role.

Mr. Yves Perron: Okay.

You said earlier that a code would need legislation to work. Did I understand what you said to the other members? For a code to work, if not everyone adheres to it, legislation is needed. With legislation, you will—

Mr. Pierre Riel: No. I didn't say that legislation would be needed. I said that it would be much better if everyone were on the same page. I don't know whether forcing people will achieve anything.

Mr. Yves Perron: Okay. I just wanted to make sure that I understood you correctly. I'm glad that I asked the question.

Ms. Rood spoke earlier about plastic use. This issue ties in with the topic at hand.

Costco's packaged goods often have multiple layers of plastic. Do you have a task force working on trying to reduce packaging? Can you take 10 seconds to talk about this?

Mr. Pierre Riel: We're indeed reducing the use of plastic. I'll give you an example. Roast chicken used to be packed in a plastic dome. Now it's packed in a recyclable bag. We're significantly reducing the use of plastic. The chicken that used to be packed in a plastic dome was transported on full pallets to avoid being crushed. The chicken is now packed in a bag, and this bag will be available worldwide. I've seen this packaging at Costco in Taiwan, and now it will be available worldwide.

These examples show that we're reducing the use of plastic. We must make this extra effort.

Mr. Yves Perron: Thank you, Mr. Riel.

[English]

The Chair: Mr. MacGregor, take us home.

Mr. Alistair MacGregor: Thank you very much, Chair.

I think, Mr. Riel, it's safe to say that Canadians are quite hyper focused on the price of food these days, and we do have some worrying statistics in Canada showing the extremely high rate of food bank usage and so on.

Recently, Loblaw, in that environment with the hyper vigilance, tried to eliminate the discounts that are applied to fresh food that is going to expire soon. I think their plan was to reduce it from a 50% discount to a 30% discount. They said they were following what some of their competitors were doing. That provoked widespread outrage, and they were forced to climb down.

I'm just wondering, what is Costco's policy on that, on fresh items that may be close to their expiry date? What's your discount policy?

Mr. Pierre Riel: There's no discount policy. When it's close to the date, we give it to the food bank or to an association for pickup. Everything in the bakery that still has a day left, it's picked up before the expiration, and so with that, it's still good to eat. That's what we do. We're giving tons of merchandise on a daily basis across Canada.

Mr. Alistair MacGregor: Do you have an opinion on what might have prompted Loblaw to have made that decision in that environment, given the hyper focus that many Canadians have?

Mr. Pierre Riel: Again, Mr. MacGregor, I'm here to talk about Costco.

Mr. Alistair MacGregor: Okay. Fair enough. We'll leave it at that.

Thank you, Chair.

The Chair: Mr. Riel, I just want to ask one question.

You mentioned that in Australia it's a voluntary code. You've talked about the code of ethics that you have in terms of how you deal with your suppliers, and I can appreciate that. Was it the view that the code of ethics that Costco has was superior to the code that was put in place in Australia? What would have prevented Costco if you already have really strong ethics in that regard...was it to not join a voluntary code just because of the view that you already have a lot of those strong principles in place? Was there something—

Mr. Pierre Riel: I think that in Australia, you know, when that was established, we were probably in about 10 locations, so our size of business was not as big. I think that with what we were already doing in Australia with our vendors and everything, the need was not there.

When the need will come, if we believe that, then we're going to have to look into it. At this point, there doesn't seem to be a need there.

The Chair: In Canada specifically, I appreciate you would have more than 10 stores. You were rhyming off a number of the loca-

tions you have across the country, and I know you have some in Nova Scotia. I appreciate that you haven't been part of the discussions, so you don't have the actual text of the code that is being contemplated, but—

Mr. Pierre Riel: We did receive some texts, you know—

The Chair: Okay.

Mr. Pierre Riel: —but we're not part of the committee.

The Chair: I think this committee is focused on how we can encourage those larger retailers in the country to join this. We think this is important. We've heard consistent testimony. You've talked about the great relationship that you have with suppliers.

What is it that would be in a code that talks about just putting some parameters around a commercial relationship of respect and trust that would be concerning for you from a Costco perspective?

You mentioned that there is still some uncertainty. You now said that you have to—

Mr. Pierre Riel: I think it's the dispute part of it. Something goes bad, and a retailer or a vendor brings it to the code, and we cannot come to the conclusion of a negotiation or something. What mechanism is going to work?

That's what is not defined at this point, as far as I know. Maybe I missed something, but, as far as I know, it's not defined at this point.

The Chair: What does your code say? You mentioned you have a code of ethics for Costco.

• (1215)

Mr. Pierre Riel: Our code is to do the right thing, so—

The Chair: I want to lay in on that, because if you have a dispute with a vendor right now—

Mr. Pierre Riel: Yes.

The Chair: —that supplies Costco, what is the mechanism to resolve that dispute?

Mr. Pierre Riel: We do have a vendor agreement. You can have arbitration, as an example. That's what you can do at a point in time. I don't remember the last time we won an arbitration, to be very honest.

There is something that I think is essential for the committee to understand. As a retailer, if I don't have goods to sell—I am not selling here this morning—I need to get the goods, so I need my vendors. The vendors are more important than we may have a tendency to believe, I think.

That's where it changed, the parameters around a vendor. You treat them fairly, they treat you back fairly, and, at the same time, you define prices.

When you define a price, you define the cost of transportation, the packaging costs, where the product is coming from and the utilities and rights. If everybody can put what I call a “menu of net landing costs” and define their cost, and it makes sense, why would Costco say no to the vendor? There is no good reason, so at the end of the day, all of that is part of the respect you build with your vendors.

There is the mechanism because you always have big vendors and, as a company, you do millions of dollars in sales. You really have to respect the contract you have in place, obviously, but those things, generally speaking, are solved on a face-to-face basis.

The Chair: Everything you've said and everything this committee I think has been able to ascertain about how those conversations are going with the code of conduct I don't think would be mutually exclusive to what your values are as a company, so I guess we'll see where this lands.

Thank you, Mr. Riel, on behalf of the committee members. Thank you for being here today. We will let you enjoy the rest of your day and get back to doing the good work for Costco and its members.

Colleagues, I'm going to suspend just for—

Mr. Pierre Riel: Can I just add something?

The Chair: Go ahead, Mr. Riel.

Mr. Pierre Riel: I would just like to say thank you again to my employees, my vendors and the members.

We have millions of members in Canada and roughly 4,000 vendors. Without them, Costco would not exist, so thank you, employees; thank you, vendors; and thank you, members. That's why we're here.

Thank you very much.

The Chair: Thank you very much, Mr. Riel.

We're going to suspend, colleagues, for just two minutes, and then we'll have Mr. Louis up for Bill C-355.

Thank you.

• (1215) _____ (Pause) _____

• (1220)

The Chair: Colleagues, we're going to bring the meeting back to order.

Welcome to the second hour.

Colleagues, pursuant to the order of reference of Wednesday, January 31, 2024, and the motion adopted by the committee on Thursday, February 8, 2024, the committee is commencing its consideration of Bill C-355, an act to prohibit the export by air of horses for slaughter and to make related amendments to certain acts.

I would now like to welcome the sponsor of the bill, who is no stranger to this committee, Mr. Louis, the MP for Kitchener—Conestoga.

Mr. Louis, it's good to see you.

Of course, this is traditionally where we have an hour of opening panels from the private sponsor, so I'm going to allow you to make an opening statement.

Colleagues, we are pushed a little bit for time. I'm going to try to go until about 1:10 or 1:15, which should give us at least two rounds, if not more, to ask Mr. Louis questions, and then we'll go from there.

Mr. Louis, it's over to you.

• (1225)

Mr. Tim Louis (Kitchener—Conestoga, Lib.): Thank you, Chair.

It feels great to be here in this room, but in a different chair.

I'm also honoured to be here in Ottawa as I appear before you on unceded Algonquin Anishinabe territory. Also, today we're celebrating Canada's Agricultural Day, in celebration of the hard-working farmers who feed us.

I'm honoured to appear before you, my colleagues on the agriculture committee, to speak on behalf of my private member's bill, C-355, which aims to prohibit the export of live horses for slaughter by air.

As a member of Parliament and a Canadian who values our special relationship with horses, I bring forth this bill, convinced that this practice must come to an end.

It's time for Canada to join other countries that have already banned the export of live horses for slaughter.

Horses hold a revered place in Canada's history, serving as steadfast companions in our fields and communities. From Mennonite families in my community relying on horses for traditional transportation and for farming to this day, to the iconic images of the Royal Canadian Mounted Police, our bond with these majestic animals is deeply ingrained in our national identity.

Every year in Kitchener—Conestoga, in the township of Wilmot, our community hosts the New Hamburg fall fair. The first event of the fair is always the draft horse pull event, where the strength and grace of these majestic animals are showcased.

These are the same breeds of horses that are being exported for slaughter by air to be eaten raw as a high-end delicacy.

However, despite our reverence for horses, thousands are exported by air annually for slaughter, subjected to distressing conditions during transportation. It's unacceptable that these intelligent and sensitive companion animals endure such suffering, especially considering their significant roles in our history and our society.

Having engaged in consultations with stakeholders, I've worked hard to understand various perspectives. Bill C-355 specifically targets the export of live horses for slaughter by air, reflecting our commitment to animal welfare, while also acknowledging the importance of farming communities feeding Canadians.

Bill C-355 is a stand-alone piece of specific legislation that will not disrupt other livestock sectors, but focuses solely on banning the export of live horses for slaughter by air.

With approximately 2,600 Canadian horses exported for slaughter by air annually, this practice constitutes a relatively small industry. Most exports originate in western Canada, with horses raised on feedlots before enduring long journeys in cramped conditions.

With regard to the timeline to implementation, the bill allows for an 18-month implementation period to align with the natural life span of horses raised for slaughter.

This 18-month timeline strikes the balance between practical considerations and the commitment to ending this practice as soon as possible.

Since the beginning of this practice, I've worked inclusively, considering perspectives of stakeholders from various backgrounds. The bill has garnered support from both sides of the House, reflecting a shared belief in the importance of stopping the practice of exporting live horses for slaughter by air.

Canadians overwhelmingly support this initiative.

In conclusion, let's work together across party lines and put an end to this cruel practice.

I thank you for this opportunity, and I look forward to your questions.

The Chair: Thank you, Mr. Louis. We'll get right to that.

We're going to start with Mr. Barlow for up to six minutes.

We go over to you, Mr. Barlow.

Mr. John Barlow (Foothills, CPC): Thanks, Mr. Chair.

Mr. Louis, thanks for your presentation. Can you tell me what current regulations or laws, in the Health of Animals Act or the Live Animals Regulations of the International Air Transport Association, the current shippers and exporters are breaking?

Mr. Tim Louis: I don't have those laws in front of me, so I cannot.

Mr. John Barlow: That's because they're breaking none of the current laws. In fact, they are exceeding them quite handily.

Do you know the International Air Transport Association regulations on the size of the crates animals, horses specifically, should have in air transportation? Do you know the size of those crates under the IATA regulations?

Mr. Tim Louis: I do. I know the horses are shipped in containers that are actually smaller than a single stall for a horse.

Mr. John Barlow: In fact, the regulations for the IATA require a 1,300-pound horse to have about 14.2 square feet. Currently, the transportation crates used by Canada are almost twice that much at 22.85 square feet, so this is actually exceeding international rules.

Is the Canadian Food Inspection Agency present to inspect each load of horses before transportation?

Mr. Tim Louis: The Canadian Food Inspection Agency is present until the wheels are up and the plane takes off.

• (1230)

Mr. John Barlow: If they are being inspected to ensure that they meet all of the rules, what rules are being broken that would necessitate this bill's being brought forward?

Mr. Tim Louis: I have respect for the Canadian Food Inspection Agency and the work on food safety they do, their work on animal health and their work on plant health. They are going to be here to speak about that bill. They have appeared at this committee many times. I look forward to their contributions.

Mr. John Barlow: Are they breaking any laws by CFIA standards?

Mr. Tim Louis: We will determine that when they get here. We have witnesses who are coming with various degrees of opinions.

Mr. John Barlow: In the actual wording of your bill, you're saying that horses are in cramped conditions, are uncomfortable and can become wounded, injured and that there are fatalities. But clearly, the international and Canadian laws in terms of the transportation regulations in place are being exceeded. CFIA is there inspecting every single load before it is "wheels up", to use your wording. They're not breaking any current laws, which I find interesting. Why are you bringing this bill forward if it really is about air transportation?

Since the last time the rules were adjusted in 2014, how many horse fatalities have occurred in air transportation specifically? How many fatalities?

Mr. Tim Louis: How many fatalities have occurred? I know for the science we are going to bring people who can explain. I don't have that—

Mr. John Barlow: Zero. It's zero fatalities since 2014. Do you know the frequency—

Mr. Tim Louis: I actually have data that says there were fatalities in 2015 and 2017, I believe.

Mr. John Barlow: According to our own Canadian statistics and the CFIA, the answer is zero.

What is the frequency of injured animals on air transportation? Do you know?

Mr. Tim Louis: I have that number somewhere.

Mr. John Barlow: It is less than 1%.

How many stakeholders did you consult with? Have you consulted with the CFIA, yes or no?

Mr. Tim Louis: Yes.

Mr. John Barlow: Have you consulted with the Canada Border Services Agency?

Mr. Tim Louis: I believe we are in touch with them as well.

Mr. John Barlow: What about the Air Line Pilots Association?

Mr. Tim Louis: We have reached out to them.

Mr. John Barlow: You reached out, so have you consulted with them?

Mr. Tim Louis: I have not heard back from them.

Mr. John Barlow: You have not.

For the CBSA, you've reached out, but have they answered back?

Mr. Tim Louis: We have. My staff, I believe, talked to them as well.

Mr. John Barlow: About close to half of the breeders for.... You said this is a minor industry. It's minor maybe for you, but not for the folks who are actually in this industry. It's actually a massive part of their livelihood.

I want to read a portion of a letter from members of the Métis Nation of Alberta, which reads,

There has been no consultation with indigenous producers and people on the plan to ban the export of live horses. Banning the export of meat horses would be extremely effective if the federal government would like to again shackle indigenous farmers. For us, the horse meat industry has given us a financial boost to our farming practices as well as the ability to embrace our Métis traditions and culture.

How many members of the Métis Nation across Canada did you consult with before putting this bill forward?

Mr. Tim Louis: I have had conversations with individuals, and we have a meeting set up with I believe the Métis Nation of Alberta as well.

Mr. John Barlow: How many of them were supportive of this bill?

Mr. Tim Louis: I have talked to some who are and some who aren't.

I want to say this bill is a stand-alone bill that will not stop breeding of horses. It will not stop the sale of horses. This is simply stopping the export of live horses for slaughter by air.

Mr. John Barlow: This is a significant part of the industry.

You mention the Amish horses in your riding. What do the owners of those horses do at the end of the lifespan of the horses?

Mr. Tim Louis: The sale and export of horses for slaughter is not about the end of life of horses. This is about raising horses and, specifically, fattening them up to be used as sushi overseas. That is not the same. That's a false comparison.

Mr. John Barlow: What is the percentage of the population, globally, that still relies on horsemeat as a key part of its protein diet?

Mr. Tim Louis: Again, this is not about horsemeat consumption. It's not about the sale of horsemeat, or even raising and breeding horses for consumption here. This is simply ending the cruel practice of exporting live horses to another country to be eaten raw as a delicacy.

Mr. John Barlow: It's 16%.

In your bill, you're worried about the time that horses are transported by air.

Do you know the hours that we're allowed to transport cattle in Canada?

Mr. Tim Louis: We've had that discussion. It's 28, I believe.

Mr. John Barlow: It's 33.

How many hours of air transport for horses does the law allow?

• (1235)

Mr. Tim Louis: It's 28.

Mr. John Barlow: What was the average air time that horses were in the air going from Canada to Japan, for example?

Mr. Tim Louis: We'll have witnesses who will come and talk about that. There were some that were under, and there were some instances where it went over the 28 hours.

Mr. John Barlow: There was one instance where they went over 28, and that was for weather. There was a stop in Seattle.

The average is 23. Again, they're below industry standards. The fatality rate is zero. The injury rate is less than 1%.

The Chair: Mr. Barlow, I apologize. We're out of time, and I want to make sure we have enough room.

Thank you, Mr. Louis.

We'll now turn to Mr. Carr.

Mr. Ben Carr (Winnipeg South Centre, Lib.): Thanks very much, Mr. Chair.

I want to take the opportunity to begin here by thanking my colleague for bringing this important piece of legislation forward.

We often live in and talk about the Ottawa bubble. That means there are issues here that sometimes consume a lot of our energy, our time and our focus, but are disassociated from the things that people on the ground really care about.

Our colleague, Mr. MacGregor, received over 36,000 signatures on a petition in support of the objective of this legislation. I'm told that in my constituency office, we are getting 30 emails about every minute right now, which puts us over 10,000 in the course of the last couple of days.

I know that my Conservative colleagues like to refer to this as pandering to activists. I do take some exception to the demonization of activists as somehow being flawed in their pursuit of better treatment of animals, but that aside, I don't understand how we can characterize the voices of tens of thousands of Canadians that have been expressed through the democratic process as simply being chalked up to some form of extreme activism.

The job of a member of Parliament is to reflect the views of their constituents back to folks that do business here in Ottawa. I respect the fact that Mr. Barlow and my Conservative colleagues are, I think, genuinely doing that—reflecting concerns raised by those they represent. I'm doing the same thing, as I believe Mr. Louis, Mr. MacGregor and others are.

When I campaigned during the by-election we held in Winnipeg South Centre in June of this past year, I heard about this issue more than any other that was raised by people at the door and in my office who wanted to see action on something that mattered to them. In part, that is because my riding is not too far from Richardson International Airport in Winnipeg where, as we know, a large number of these horses are sent for slaughter.

I do also have a couple of concerns or perhaps just curiosities about the rationale used by my Conservative colleagues in particular in opposition to this bill. I did hear my colleague, Mr. Barlow, talk about the fact that no rules were broken, so therefore, why bring forward legislation?

I'm not sure that the purpose of legislation is always to respond to a broken rule. Conservatives are bringing forward legislation as it pertains to a price on pollution. I'm not sure that's breaking any rule, but they brought forward legislation that they want to see bring changes to that.

I'm also not really hearing Mr. Louis or others talk a lot about broken rules as much as I'm talking about the core of this issue, which is that these are sentient beings under current regulations, even if rules are not being broken, that are not in line with the values we believe we should have as Canadians.

I also don't quite understand the point raised about death and always coming back to minimal numbers of death. Of course, assuming that the statistics are true—I've read them and I have no reason to believe that they're not—that's a minimal number of deaths. That's like saying, if somebody hits a dog but the dog doesn't die, we don't need to worry about it. If somebody abuses a child emotionally, but there's no physical or fatal consequences as a result of that abuse, it's not something that we should be talking about. The point I'm simply raising is that just because the horses aren't dying in transport does not justify that the provisions currently in place are good.

I know that my Conservative colleagues, much like many of us, like to be rooted in evidence. The evidence certainly suggests, Mr. Louis, that this is a priority for many Canadians. I don't depreciate the significant concern that is coming from some folks that my colleagues represent. That does not mean that there aren't tens of thousands or millions of people across the country who feel differently. I think, sometimes, that's being left out of the conversation.

I do note that in a comment made by our colleague from Dauphin—Swan River—Neepawa during debate on this not too long ago, he accused the Liberals of attempting “to score cheap political points” on the basis of this legislation.

With the 30 seconds I have left, Mr. Louis, can you tell us why you brought this bill forward and why you believe, if you do, that the feedback you and we have received from tens of thousands of Canadians is legitimate?

Thank you.

• (1240)

Mr. Tim Louis: I appreciate the opportunity to answer.

The Winnipeg Humane Society has been a strong advocate for banning this practice. I have to say thank you, because when we

have those conversations your name comes up as someone who is behind this, so they're lucky to have you and I appreciate that.

The vast majority of Canadians, in all provinces and all political stripes, want to see this practice.... I just recently heard from someone in Foothills, Alberta—Mr. Barlow's own riding—who wants to ban this practice. This is not some niche issue. This is not urban versus rural. This is not about going against agriculture. This is about banning a practice that's already been banned in other countries, and more countries are working toward this.

It's about banning a cruel practice of shipping horses live, by plane and across the world, to be eaten as a delicacy. I take offence to the member's description...being called niche. This is not niche; this is compassionate and Canadian. We're getting people from all across the country asking us to stand up and do the right thing, and I think that's what we're doing.

Mr. Ben Carr: Thanks, Mr. Louis. I appreciate that.

The Chair: Thank you, Mr. Carr.

Thank you, Mr. Louis.

[*Translation*]

Mr. Perron, you have the floor for six minutes.

Mr. Yves Perron: Thank you, Mr. Chair.

Mr. Louis, thank you for your availability. I know that you're here all the time. However, this time, you have a different role.

I gather from your bill that you're concerned about the conditions in which horses are transported for slaughter. You consider these conditions inadequate.

Mr. Barlow asked some good questions earlier about the regulations, which supposedly aren't being broken. Wouldn't the best solution have been to review the transportation conditions?

Mr. Tim Louis: Thank you for your question.

I would like to respond in French, but I can't yet.

[*English*]

I need time—next time, I promise.

I appreciate that concern. We'll bring in witnesses. We'll talk to people about the condition that the horses are in, from being raised in those feedlots all the way up to transportation. The conditions for these horses, or companion animals, differ from other livestock, and certainly they are not treated the same as horses for racing or any other causes. This is a niche market that can be improved, and there are examples of injuries and death.

[Translation]

Mr. Yves Perron: What are the differences between transporting horses for slaughter and transporting race horses or horses simply sold to customers abroad?

[English]

Mr. Tim Louis: The horses raised for sport are trained and habituated to travel, whereas these horses are not. Those horses that are raised for sport are supervised during the flight itself. These horses that are raised and exported for slaughter are definitely not. The horses that are raised for sport are also given more space to move within their crates, to correct their balance during takeoff and landing, and that's one of the primary...most possible injuries.

[Translation]

Mr. Yves Perron: You're saying that the transportation conditions aren't quite the same. Horses transported for purposes other than slaughter are supervised and have more space. You spoke of race horses, and I gather that measures have been implemented.

This raises two questions. First, wouldn't the best solution simply have been to make the conditions for transporting horses destined for slaughter more like the conditions for race horses?

Second, when a horse is sold for purposes other than slaughter, but not for racing, what are the transportation conditions?

• (1245)

[English]

Mr. Tim Louis: I imagine we would have to ask the exporters if they would be willing to improve those conditions. That's a question for them. I did have meetings with the exporters themselves. We had good conversations and I heard their concerns. That's what we're here to do: We're here to hear each other's concerns.

I imagine it comes down to cost. When you're talking about race horses, those are high-end horses that are treated much differently from, basically, the way these horses that are exported for slaughter are.

As far as the second question, I'm trying to keep up....

[Translation]

Mr. Yves Perron: You're saying that experts will provide a response later. That's fine.

In your bill, you specify the need for written confirmation from the exporter that the horse isn't being exported for slaughter. Right now, your bill bans only the export of horses for slaughter. Many people consider horses noble and highly valuable animals. It's also necessary to consider the far-reaching impact of bills.

Your bill specifies the need for written confirmation from the exporter that a horse is being transported for purposes other than slaughter. How will this be done? Have you considered the administrative burden? Have you thought about the airline that must prove all this? What happens to the horse once it reaches its destination? Does this mean that the horse's owner can never slaughter the animal when it reaches the end of its life? How will you monitor this, given the potential length of time involved?

[English]

Mr. Tim Louis: Thank you for your important question.

I've reached out and spoken to many stakeholders, and we want to minimize any of those unintended consequences related to any changes in this policy or law.

Most of the groups that I spoke to, the racetrack associations and those others, understand the bill and are behind the spirit of the bill. These are groups who are primarily concerned with making sure that there's no correlation between their industries and the exporters sending horses for slaughter. These are two completely different industries.

We're going to make sure that we minimize any extra burden on those industries, and we want to hear from them, and we want to work within this committee to see if we can come up with solutions, but right now, I believe that this is a solution, a stand-alone bill that will not affect any of the livestock. It's also a bit of a reverse onus saying that, if you're proving that you're not sending this horse for slaughter, which is a vast difference, there's not much difference between one horse's getting on a plane that's travelling for a show or over to England for a coronation versus these horses that are crammed in crates and flown over to be—

The Chair: Thank you, Mr. Louis.

Thank you, Mr. Perron.

We'll now turn to Mr. MacGregor for up to six minutes.

Mr. Alistair MacGregor: Thank you, Mr. Chair.

Welcome, Mr. Louis. You're taking a different seat at the committee this time.

As Mr. Carr mentioned, petition e-4190 received 36,175 signatures. It certainly did generate a lot of interest in my office, too, given that I'm the NDP's agriculture critic. We are receiving a considerable amount of correspondence on this bill and this measure. It is clear that there is a considerable amount of interest among the Canadian population in this measure.

I'm curious, though. When we started this parliament, we did have a different Minister of Agriculture, the Honourable Marie-Claude Bibeau, and her mandate letter had a clear direction from the Prime Minister to enact this kind of policy. During the times she had appeared before our committee to defend the estimates of her departmental spending, I took that opportunity to ask her a number of times how she and her department were progressing on that mandate letter from the Prime Minister. Her constant refrain was that they were working on it and that more consultations were needed.

Similar to Mr. Carr's question on the journey that led you to developing this PMB, I'd like to know a little bit more about that and what kind of collaboration have you had with the department. Have they offered you access to the consultations they provided? I know there's a considerable difference between the resources of a member of Parliament and those of an entire department.

Have you been able to piggyback on AAFC's consultations on this particular policy item?

Mr. Tim Louis: You've been a big part of getting it this far. Public opinion on this is such that once people know about this cruel practice, they don't want to see Canada take part in this. A big part of the grassroots movement in that was to have voices heard. Your sponsoring e-petition 4190 brought it to the forefront, and there have been advocates who are saying that.

The fact that you and I sit on the agriculture committee also, I think, shows that this is not any kind of attack on livestock farming or on the agriculture sector as a whole. This is a specific bill, and that's why I did it as a stand-alone bill, not to in any way encroach on other legislation. This is a very specific bill for a specific process.

As far as why I took this on, as you and I know, and I would say for those listening, we end up with getting a lottery number for a private member's bill. In the previous parliament, I had one that wasn't worth looking into. This one I did, and it took a little while, and this was something that I wanted to do, and I heard from people.

I have been in touch with the department. They didn't just hand over a file to me and say, "Here's where we're at." I know that they were working toward that. I just want an opportunity to get this done faster, and there's no difference between a private member's bill or a government-sponsored bill. The legality of it is the same, and I would still love any input from anybody.

• (1250)

Mr. Alistair MacGregor: Sure.

I was just curious about the process involved. It's good to hear that you've been in consultation with the department. I think we're going to have a chance to hear directly from them as well.

There's another thing I also want to be clear on. On a close reading of your bill, am I correct in thinking that this bill is not about stopping the raising of horses for human consumption? This is really just targeted at the mode of transport.

Mr. Tim Louis: Yes, it is. This is not going to stop horse breeding. This is not going to stop horse selling. We have horse abattoirs for that.

Mr. Alistair MacGregor: In some parts of the world they do enjoy fresh horse meat as a delicacy—sometimes it's consumed raw. It's a cultural thing, and we're not here to pass judgment. Given that this is not about banning the raising of horses for human consumption in Canada, do you think there may be more opportunities to increase local processing and better economic opportunities that result from that in Canada? If we are to ban the export and transportation of live horses, would that give rise to maybe more processing happening in Canada?

Mr. Tim Louis: That's certainly a possibility. You and I have both sat on this committee and studied processing. Especially through the pandemic, we saw that that was a bit of choke point—to get food from farm to table. However, to reiterate your point, this is not stopping domestic consumption of horse meat. This would not stop the selling and breeding of horses. Nor do we have any jurisdiction over what other countries are eating or doing. It's not

about this. It's, again, cultural respect everywhere. This is simply banning the export of live horses for slaughter.

Mr. Alistair MacGregor: This is my final question. I do note that Senator Pierre D'Alphond has Bill S-270, which he introduced last year. Did you have any conversations with him, and how did you come to the conclusion to draft your bill the way it is compared with how the senator drafted his bill?

Mr. Tim Louis: It was a bit of a horse race. We were both moving around at the same time, and I just got there first. We have had conversations. We even sit on another committee together. He's been very helpful. I'm still keeping him in the loop. We approached it in a slightly different way. However, I wanted to make sure that my bill was a stand-alone bill that didn't affect any other livestock or any other production.

Mr. Alistair MacGregor: Thank you.

The Chair: Okay, we're going to leave it at that.

We'll go to Mr. Steinley for up to five minutes.

Mr. Warren Steinley (Regina—Lewvan, CPC): I'd really like to begin where Mr. MacGregor left off.

You just said this is not about banning the consumption of horse meat domestically. Your colleague, Mr. Carr, has talked about horses being sentient beings and that Canadians believe, in lots of correspondence he has received, that it's about treating horses with the respect and dignity they deserve.

I'd like you to tie those two positions together. Many of the emails I've received, like Mr. Carr has said, are about stopping the consumption of horse meat. I want to make it clear—you just said that is not the aim of your bill.

Mr. Tim Louis: I appreciate your saying that, and I appreciate all the people writing to you to ask to end this practice. This is not.... This is a stand-alone bill that is simply banning the export of horses live for slaughter.

• (1255)

Mr. Warren Steinley: With all of the people who have sent in emails to stop the production of horse meat and the consumption of horse meat, will you be responding to them by saying that this is not the point of this bill? This bill is to stop the transportation of horses by air to other countries for consumption.

Mr. Tim Louis: I appreciate the question and your understanding of the nuance of this. That is exactly what the bill says it's going to do. I wanted to be specific, because that would be the best way to get the most support. That's what we said we would do, and I'm going to do it.

Mr. Warren Steinley: I'll just go back to Mr. Carr's comments, because many of the people he represents want this practice completely banned. Are you and Mr. Carr not on the same page, then, of what this bill is supposed to be doing?

Mr. Tim Louis: When I set out to draft this private member's bill, it was to ban the practice of exporting live horses for slaughter. That's the intention of the bill, and that's what we're working on and talking about right here.

Mr. Warren Steinley: Thank you very much for clarifying that.

I have a list of stakeholders who do not support Bill C-355. It's something that I'd to put into the record. Some of my colleagues have said that this is a pan-Canadian approach and that lots of people across the country are in favour of this, but lots of groups have questions and concerns about this.

The list includes the following: the Air Line Pilots Association Canada; Alberta Auction Markets Association; Alberta Beef Producers; Alberta Breeder Finance Inc.; Alberta Grazing Leaseholders Association; Beef Farmers of Ontario; British Columbia Cattlemen's Association; Canadian Cattle Association; Canadian Equine Exporters Association; Canadian Meat Council; Canadian Federation of Agriculture; Egg Farmers of Alberta; Equestrian Canada; Feeder Associations of Alberta Limited; Horse Welfare Alliance of Canada; Livestock Markets Association of Canada; Les Producteurs de bovins du Québec; Manitoba Beef Producers; members of the Métis Nation of Alberta; New Brunswick Cattle Producers; Nova Scotia Cattle Producers; Saskatchewan cattle producers; Spruce Meadows; Prince Edward Island Cattle Producers; Western Cash Advance Program Inc.; and Western Stock Growers' Association.

How many of these groups have you discussed this with and heard their concerns when it comes to Bill C-355?

Mr. Tim Louis: I appreciate that list. It sounds like it's a very thorough list. I've had conversations with some. I would appreciate any of those organizations reaching out to any one of us. That's our job here at committee. It's to hear from stakeholders, have those conversations, bring those ideas forward and debate them. So I think—

Mr. Warren Steinley: All right. Thank you.

Just to get back to one of the comments Mr. Carr made, he talked about “sentient beings”. I think one of the fears people have is, what would be next? If we go after what people decide to eat, are cattle next? Are hogs next? Are chickens next? I think some of these stakeholders have a fear that it's a slippery slope. They have real concerns about where we're going right now. That would be their concern.

I'll end with this. When you talked to the FCC, have they confirmed....? I ask because they do have direct borrowers who are horse breeders—40% of whom are indigenous, I might add. My questions is this. Farm Credit Canada has confirmed that their clients who operate in the horse industry have borrowed since

2008. If people's livelihoods are prohibited by this law and it is carried through, the FCC could be considered a public expense if they no longer are able to pay their debts.

How much money would taxpayers be on the hook for, having to pay out these horse breeders, if this bill goes forward? What is the cost to the Canadian taxpayer?

Mr. Tim Louis: I appreciate the question.

This bill will not ban the breeding or selling of horses. This bill will ban the exporting of those horses to be slaughtered in another country—

Mr. Warren Steinley: Which kneecaps the industry, right?

Mr. Tim Louis: —but it will not stop this industry from happening.

To answer your other question—

Mr. Warren Steinley: Will there be compensation through the FCC?

Mr. Tim Louis: —you talked about the slippery slope, but I've already answered the fact that this will not affect the domestic meat industry. That is not a slippery slope. This is a stand-alone bill on purpose to make sure that it doesn't happen.

The Chair: Thank you, Mr. Louis, and thank you, Mr. Steinley.

We'll now turn to Ms. Taylor Roy for up to five minutes.

Ms. Leah Taylor Roy: Thank you, Mr. Chair.

Thank you very much, Mr. Louis, for introducing this private member's bill.

I know it was a commitment our government had made and it was going to be fulfilled—I know Minister MacAulay is supportive of this—but I appreciate the fact that you put it forward in a private member's bill so it could be dealt with sooner.

As Mr. Carr has referred to, and as I'm sure as every member on this committee has, I too have received many emails from constituents regarding this bill. There is great support for banning the export of horses. Very specifically, the concern is about how these animals suffer when they are being transported.

I rode horses when I was younger. My daughter is an equestrian. In fact, she was educated at Olds College in Alberta in equestrian studies. She is not only a rider and show person, but she also works with horses. I don't think she would ever transport her show horse by plane. We know these animals have a great fight-or-flight kind of instinct. When they're stressed in a situation like this, it's very difficult for these horses.

I was thinking about what the member opposite said, which was that there had been no deaths. I think choosing a date is nice, but in the Library of Parliament notes that were sent to all of us, it does mention that since 2013, five horses have died in association with transportation. I had actually reached out to the Library of Parliament to gather information as well.

Some horses have died, but more than that I would say that all of them suffer. Animals are sentient beings. I would agree with that. While we're not saying people in Canada cannot eat horsemeat, we are simply saying that we do not approve of this practice.

I wanted to mention another thing, which is that the U.K. has introduced a much broader bill. It's actually called an animal welfare bill because they are concerned about the welfare of animals. It's to ban all livestock exports from the U.K. That was introduced in December 2023. Again, they're not banning the consumption of animals, they're simply banning the export of these animals because they understand that is not in the best interests of animal welfare.

There are many reasons.

I did want to introduce one thing that I found disturbing. Both Mr. Barlow and Mr. Steinley, when they were making their remarks, referred to members of the Métis nation, some of whom do have businesses in this area raising animals to be transported for slaughter on these feedlots. I appreciate that is part of their livelihood and I understand that is one way they are making a living.

However, I would object to referring to the Métis traditions and cultures as though somehow this is consistent with indigenous culture and tradition. We all know, or we should know if we've looked at indigenous culture and tradition at all, that a key tenet of animal-indigenous relationships is respect. I would sincerely question whether there is a great deal of respect being shown to these magnificent animals when they are bred to be slaughtered at the age of 18 months and to be transported in crates for more than 28 hours without any food or water.

I did also want to refer to one other thing, which was a question he had about whether any rules are being broken.

Because rules are not necessarily being broken—and in some instances, we do not know that because although we have rules, they're often not enforced and not checked—section 146 of the Health of Animals Regulations, which I'm sure Mr. Barlow is familiar with, does prohibit individuals from transporting an animal if it “is likely to suffer, sustain an injury or die”.

I would suggest that most horses, if they could talk—I remember Mister Ed, the talking horse—they would indicate that they do suffer when they're being transported for 28 hours, standing with no food or water. It often goes longer than that.

I am someone who does care about all sentient beings and thinks that we have a responsibility as a government and to our constituents. Once again, I have received thousands of emails from constituents. In fact, I got one from a woman recently who said she's been waiting 19 years to see this happen. She's been advocating for this for that long.

Thank you very much for doing this. It is our job to look at these rules—even if they're not being broken—if they're inadequate to protect the welfare of animals.

• (1300)

There is one thing I did want to ask you about in particular. Some of the acts that are meant to protect horses fall short of enforcing or even including horses that are raised for slaughter or destined for

transport for slaughter. For example, the National Farm Animal Care Council published a “Code of Practice for the Care and Handling of Equines” meant to uphold standards for horses on feedlots, but they do not include enforcement or penalties for operators. Then there's the “Horse Welfare Code of Conduct” by Equestrian Canada—again, something my daughter belongs to—but they don't even include horses destined for slaughter. It seems that horses bred for slaughter often receive less protection. Do you believe that it translates to a lack of welfare upheld by industry practices?

• (1305)

The Chair: Mr. Louis and Ms. Taylor Roy, I was trying to be generous, but we are vastly over time. Mr. Louis, if you could quickly summarize, I'll let you go ahead.

Mr. Tim Louis: I can summarize by saying that I think the length of your question shows your expertise and your care, and I appreciate that. You're not alone; Canadians across the country want this practice to end.

Thank you.

The Chair: Mr. Perron, you have up to two and a half minutes.

[*Translation*]

Mr. Yves Perron: Thank you, Mr. Chair.

Mr. Louis, I'll get straight to the point, since I have only two and a half minutes.

You don't want to stop the slaughter of horses, but rather their export by air. You said that horses are sensitive animals, but all animals are sensitive. Yet we transport pigs, calves, cattle and chickens. That's why standards have been implemented for this type of transportation.

I'll focus on my first point. If you don't want people to stop eating horse meat, then your goal isn't to declare the horse a noble animal, but simply to ban the export of horses by air. Personally, I think that the solution lies in reviewing transportation standards, which requires inspections. We talked about this earlier.

If you think that other livestock won't be affected, don't you also think that this could set a precedent? For example, next time we could say that pigs aren't protected from the wind during transportation by truck, and that we need to review the standards. So why don't we review these standards? Personally, that's where I have trouble getting my head around this. Can you explain what you mean?

[English]

Mr. Tim Louis: That is the reason I've made this a stand-alone bill. We've had discussions and many studies in our committee here about animal transportation, and it's important that we do that because, again, the CFIA and all of the regulations make sure that animal health is protected, and that happens here in Canada, but this bill is specifically designed to end one specific instance, which is horses for slaughter.

[Translation]

Mr. Yves Perron: You just said that the goal is to ban the export by air of horses for slaughter. This concerns only one type of transportation and only one animal. Yet we need to review the rules for all animals, because other animals are also sensitive. The committee should note that another animal won't be given any less consideration.

In your remarks, you spoke of the noble status of the horse. If you want to ban the transportation of horses by air, isn't Bill S-270 a better solution, because it bans all methods of transportation?

[English]

Mr. Tim Louis: Other animals are not transported on planes across the world unattended. That's what's happening with these horses in those containers in those tight spaces with no one looking after them, with more than one in a crate packed away. That's not the way we do things here in Canada. Once that plane leaves, there's no accountability, and that's one of the things that this bill intends to stop.

The Chair: Thank you to both of you.

We'll turn to Mr. MacGregor.

Mr. Alistair MacGregor: Thank you, Chair.

I'll make it brief, Mr. Louis. On the points Mr. Barlow raised, there obviously are concerns among some sectors of the industry. Any time we make policy changes, it is going to have consequences.

What do you think the government's policy should be if this were to become law? What measures could be put in place to alleviate their concerns and maybe help them transition so they don't have a loss of revenue?

Mr. Tim Louis: Thank you. That's an important question. If this bill passes and receives royal assent, there's an 18-month implementation built in, which is going to do a number of things. It's going to give the government a chance to respond with whatever regulations it needs and to ask the agencies to do what they need to do to adjust. It will also give time to account for those horses, because 18 months is the lifespan of a horse sent for export by air. There's that 18-month grace period, and a lot of legislation does that. It comes into effect at a certain date so we have time to do things correctly.

● (1310)

Mr. Alistair MacGregor: Thank you.

The Chair: Colleagues, that brings us to the end of our hour. Thank you allowing me to extend the meeting a bit.

We will be studying horticulture on Thursday. It is the start of our health of horticulture in Canada study. We will see you bright and early at 11 o'clock on Thursday morning.

Thank you, Mr. Louis.

Thank you, everyone. Have a great day.

The meeting is adjourned.

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